




Domino's Pizza Enterprises Limited  
ABN 16 010 489 326


## LODGE YOUR VOTE

 **ONLINE**  
[www.linkmarketservices.com.au](http://www.linkmarketservices.com.au)

 **BY MAIL**  
Domino's Pizza Enterprises Limited  
C/- Link Market Services Limited  
Locked Bag A14  
Sydney South NSW 1235 Australia

 **BY FAX**  
+61 2 9287 0309

 **BY HAND**  
Link Market Services Limited  
1A Homebush Bay Drive, Rhodes NSW 2138; or  
Level 12, 680 George Street, Sydney NSW 2000

 **ALL ENQUIRIES TO**  
Telephone: +61 1300 554 474

## PROXY FORM

I/We being a shareholder(s) of Domino's Pizza Enterprises Limited and entitled to attend and vote hereby appoint:

### APPOINT A PROXY

the Chairman of the Meeting (mark box)

**OR** if you are **NOT** appointing the Chairman of the Meeting as your proxy, please write the name of the person or body corporate you are appointing as your proxy

STEP 1

or failing the person or body corporate named, or if no person or body corporate is named, the Chairman of the Meeting, as my/our proxy to act on my/our behalf (including to vote in accordance with the following directions or, if no directions have been given and to the extent permitted by the law, as the proxy sees fit) at the Annual General Meeting of the Company to be held at **3:00pm (Brisbane time) on Wednesday, 8 November 2017 at Cinema B, Gallery of Modern Art (GOMA), Stanley Place, Cultural Precinct, South Bank, Brisbane Queensland 4101** (the Meeting) and at any postponement or adjournment of the Meeting.

**Important for Resolutions 1 and 4:** If the Chairman of the Meeting is your proxy, either by appointment or by default, and you have not indicated your voting intention below, you expressly authorise the Chairman of the Meeting to exercise the proxy in respect of Resolutions 1 and 4, even though the Resolutions are connected directly or indirectly with the remuneration of a member of the Company's Key Management Personnel (**KMP**).


**The Chairman of the Meeting intends to vote undirected proxies in favour of each resolution.**

### VOTING DIRECTIONS

Proxies will only be valid and accepted by the Company if they are signed and received no later than 48 hours before the Meeting. Please read the voting instructions overleaf before marking any boxes with an

#### Resolutions

	For	Against	Abstain*
1 Adoption of Remuneration Report	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
2 Re-election of John James Cowin as Non-Executive Director	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
3 Re-election of Grant Bryce Bourke as Non-Executive Director	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
4 Approval for Grant of Options to Managing Director	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

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

### SIGNATURE OF SHAREHOLDERS – THIS MUST BE COMPLETED

Shareholder 1 (Individual)

Joint Shareholder 2 (Individual)

Joint Shareholder 3 (Individual)

Sole Director and Sole Company Secretary

Director/Company Secretary (Delete one)

Director

This form should be signed by the shareholder. If a joint holding, either shareholder may sign. If signed by the shareholder's attorney, the power of attorney must have been previously noted by the registry or a certified copy attached to this form. If executed by a company, the form must be executed in accordance with the company's constitution and the *Corporations Act 2001* (Cth).

STEP 3

DMP PRX1701C



## HOW TO COMPLETE THIS SHAREHOLDER PROXY FORM

### YOUR NAME AND ADDRESS

This is your name and address as it appears on the Company's share register. If this information is incorrect, please make the correction on the form. Shareholders sponsored by a broker should advise their broker of any changes. **Please note: you cannot change ownership of your shares using this form.**

### APPOINTMENT OF PROXY

If you wish to appoint the Chairman of the Meeting as your proxy, mark the box in Step 1. If you wish to appoint someone other than the Chairman of the Meeting as your proxy, please write the name of that individual or body corporate in Step 1. A proxy need not be a shareholder of the Company.

### DEFAULT TO CHAIRMAN OF THE MEETING

If you leave this section blank, or your named proxy does not attend the Meeting, the Chairman of the Meeting will be your proxy. If your named proxy attends the Meeting but does not vote on a poll on a resolution in accordance with your directions, the Chairman of the Meeting will become your proxy in respect of that resolution. A proxy need not be a shareholder of the Company.

### PROXY VOTING BY THE CHAIRMAN OF THE MEETING

On a poll, the Chairman of the Meeting will vote directed proxies as directed and may vote undirected proxies as the Chairman of the Meeting sees fit. If the Chairman of the Meeting is your proxy or becomes your proxy by default, and you do not provide voting directions, then by submitting the Proxy Form you are expressly authorising the Chairman of the Meeting to exercise your proxy on resolutions that are connected directly or indirectly with the remuneration of KMP

### VOTES ON ITEMS OF BUSINESS – PROXY APPOINTMENT

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

### APPOINTMENT OF A SECOND PROXY

You are entitled to appoint up to two persons as proxies to attend the Meeting and vote on a poll. If you wish to appoint a second proxy, an additional Proxy Form may be obtained by telephoning the Company's share registry or you may copy this form and return them both together.

To appoint a second proxy you must:

- on each of the first Proxy Form and the second Proxy Form state the percentage of your voting rights or number of shares applicable to that form. If the appointments do not specify the percentage or number of votes that each proxy may exercise, each proxy may exercise half your votes. Fractions of votes will be disregarded; and
- return both forms together.

### SIGNING INSTRUCTIONS

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

**Individual:** where the holding is in one name, the holder must sign.

**Joint Holding:** where the holding is in more than one name, either shareholder may sign.

**Power of Attorney:** to sign under Power of Attorney, you must lodge the Power of Attorney with the registry. If you have not previously lodged this document for notation, please attach a certified photocopy of the Power of Attorney to this form when you return it.

**Companies:** where the company has a Sole Director who is also the Sole Company Secretary, this form must be signed by that person. If the company (pursuant to section 204A of the *Corporations Act 2001*) does not have a Company Secretary, a Sole Director can also sign alone. Otherwise this form must be signed by a Director jointly with either another Director or a Company Secretary. Please indicate the office held by signing in the appropriate place.

### CORPORATE REPRESENTATIVES

If a representative of the corporation is to attend the Meeting the appropriate "Certificate of Appointment of Corporate Representative" should be produced prior to admission in accordance with the Notice of Meeting. A form of the certificate may be obtained from the Company's share registry or online at [www.linkmarketservices.com.au](http://www.linkmarketservices.com.au).

### LODGEMENT OF A PROXY FORM

This Proxy Form (and any Power of Attorney under which it is signed) must be received at an address given below by **3:00pm (Brisbane time) on Monday, 6 November 2017**, being not later than 48 hours before the commencement of the Meeting. Any Proxy Form received after that time will not be valid for the scheduled Meeting.

Proxy Forms may be lodged using the reply paid envelope or:



#### ONLINE

[www.linkmarketservices.com.au](http://www.linkmarketservices.com.au)

Login to the Link website using the holding details as shown on the Proxy Form. Select 'Voting' and follow the prompts to lodge your vote. To use the online lodgement facility, shareholders will need their "Holder Identifier" (Securityholder Reference Number (SRN) or Holder Identification Number (HIN) as shown on the front of the Proxy Form).



#### BY MAIL

Domino's Pizza Enterprises Limited  
C/- Link Market Services Limited  
Locked Bag A14  
Sydney South NSW 1235  
Australia



#### BY FAX

+61 2 9287 0309



#### BY HAND

delivering it to Link Market Services Limited\*

1A Homebush Bay Drive  
Rhodes NSW 2138

or

Level 12  
680 George Street  
Sydney NSW 2000

\* During business hours (Monday to Friday, 9:00am–5:00pm)



### COMMUNICATIONS PREFERENCE

We encourage you to receive all your shareholder communication via email. This communication method allows us to keep you informed without delay, is environmentally friendly and reduces print and mail costs.



#### ONLINE

[www.linkmarketservices.com.au](http://www.linkmarketservices.com.au)

Login to the Link website using the holding details as shown on the Proxy Form. Select 'Communications' and click the first button to receive all communications electronically and enter your email address. To use the online facility, securityholders will need their "Holder Identifier" (Securityholder Reference Number (SRN) or Holder Identification Number (HIN) as shown on the front of the Proxy Form).

**IF YOU WOULD LIKE TO ATTEND AND VOTE AT THE ANNUAL GENERAL MEETING, PLEASE BRING THIS FORM WITH YOU.  
THIS WILL ASSIST IN REGISTERING YOUR ATTENDANCE.**

NOTICE OF



# ANNUAL GENERAL MEETING

TO BE HELD AT CINEMA B, GALLERY OF MODERN ART (GOMA)  
STANLEY PLACE, CULTURAL PRECINCT, SOUTH BANK,  
BRISBANE, QUEENSLAND 4101

**THIS IS AN IMPORTANT DOCUMENT  
AND REQUIRES YOUR ATTENTION**

If you are in any doubt about how to deal with this document,  
please consult your legal, financial or other professional advisor

**DATE** WEDNESDAY, 8 NOVEMBER 2017  
**TIME** 3.00PM (BRISBANE TIME)  
**PLACE** CINEMA B, GALLERY OF MODERN ART (GOMA)  
STANLEY PLACE, CULTURAL PRECINCT,  
SOUTH BANK, BRISBANE,  
QUEENSLAND, AUSTRALIA, 4101

# Notice of Annual General Meeting

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Notice is given that the Annual General Meeting of Domino's Pizza Enterprises Limited (the **Company**) will be held at Cinema B, Gallery of Modern Art (**GOMA**), Stanley Place, Cultural Precinct, South Bank, Brisbane, Queensland 4101, Australia commencing at 3.00pm (Brisbane time) on Wednesday, 8 November 2017.

## AGENDA

### 1. Financial Statements and Reports

To receive and consider the financial statements and the reports of the Directors and the Auditor for the financial year ended 2 July 2017.

### 2. Resolution 1 - Adoption of Remuneration Report

To consider and, if thought appropriate, pass the following resolution as a non-binding ordinary resolution under section 250R(2) of the *Corporations Act 2001*:

*'That the Remuneration Report for the year ended 2 July 2017 be and is hereby adopted.'*

#### Notes:

- (1) *This resolution is advisory only and does not bind the Company or the directors.*
- (2) *If 25% or more of votes cast are voted against the remuneration report at two consecutive AGMs, shareholders will be required to vote at the second of those AGMs on a resolution (a 'spill resolution') that another meeting be held within 90 days at which all of the Company's Directors (other than the Managing Director) must stand for re-election.*

#### Voting Exclusion Statement

*The Company will disregard and not count any votes cast (in any capacity) on Resolution 1 by or on behalf of either or both the following persons:*

- (a) *a member of the Company's Key Management Personnel; or*
- (b) *a Closely Related Party of a member of the Company's Key Management Personnel,*

*unless:*

- (c) *the person:*
  - (i) *does so in relation to a resolution where they hold a Directed Proxy Form; or*
  - (ii) *is the Chairman of the meeting and is expressly authorised to exercise the proxy even though the resolution is a Remuneration Resolution; and*
- (d) *the vote is not cast on behalf of a person described in paragraphs (a) and (b) above.*

### 3. Resolution 2 – Re-election of John James Cowin as Non-Executive Director

To consider and, if thought appropriate, pass the following resolution as an ordinary resolution:

*'That John James Cowin, a non-executive director retiring by rotation in accordance with the Constitution and the ASX Listing Rules and being eligible for re-election, be re-elected as a director of the Company.'*

### 4. Resolution 3 - Re-election of Grant Bryce Bourke as Non-Executive Director

To consider and, if thought appropriate, pass the following resolution as an ordinary resolution:

*'That Grant Bryce Bourke, a non-executive director retiring by rotation in accordance with the Constitution and the ASX Listing Rules and being eligible for re-election, be re-elected as a director of the Company.'*

### 5. Resolution 4 - Approval for Grant of Options to Managing Director

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

*'That for the purposes of Listing Rule 10.14 and for all other purposes, the Members approve:*

- *the grant to Mr Don Meij of a total of 737,000 options to subscribe for unissued shares in the Company on the terms and conditions described in the Explanatory Memorandum accompanying this Notice of Meeting; and*
- *the issue and allotment of Shares to Mr Meij on the exercise of the options in accordance with their terms and conditions of grant.'*

#### Voting Exclusion Statement

*The Company will disregard any votes cast on this resolution by Mr Meij or any of his associates. However, the Company will not disregard a vote if:*


- (a) *it is cast by a person as the proxy for a person who is entitled to vote, in accordance with directions on the proxy form; or*
- (b) *it is cast by the person chairing the meeting as proxy for a person who is entitled to vote, in accordance with directions on the proxy form to vote as the proxy decides.*

*In addition, pursuant to the Corporations Act, the Company's Key Management Personnel and their Closely Related Parties are not permitted to cast a vote as a proxy for another person who is permitted to vote, unless:*

- (a) *the proxy holds a Directed Proxy Form;*
- (b) *the proxy is Chairman of the meeting and he is expressly authorised to exercise the proxy even though the resolution is a Remuneration Resolution.*

**Dated:** 29 September 2017

**By order of the Board**



**Craig Ryan**  
**Company Secretary**

- Under regulation 7.11.37 of the *Corporations Regulations 2001*, the Directors have determined that the shareholding of each member for the purposes of ascertaining their voting entitlements at the Annual General Meeting will be as it appears in the share register at 7.00pm (Sydney time) on Monday 6 November 2017. Accordingly, those persons are entitled to attend and vote at the meeting.
- If you are eligible, you may vote by attending the meeting in person or by proxy or attorney. A member who is a body corporate may appoint a representative to attend and vote on its behalf.
- To vote by proxy, please complete, sign and return the **enclosed** proxy form in accordance with the following instructions. If you require an additional proxy form, the Company will supply it on request.
- A member who is entitled to vote at the meeting, may appoint one proxy if the member is only entitled to one vote or one or two proxies if the member is entitled to more than one vote. A proxy need not be a member of the Company.
- Where the member appoints 2 proxies, the appointment may specify the proportion or number of votes that each proxy may exercise. If the appointment does not specify a proportion or number, each proxy may exercise one-half of the votes, in which case any fraction of votes will be disregarded.
- The proxy form must be signed by the member or the member's attorney. Proxies given by a corporation must be executed in accordance with the *Corporations Act 2001* and the constitution of that corporation.
- To be effective, the proxy form and the power of attorney or other authority (if any) under which it is signed or a certified copy, must be received by the Company at least 48 hours before the time for holding of the meeting or any adjourned meeting (or such lesser period as the Directors may permit) by delivery to the Company's share registry:  
**By fax:**  
(02) 9287-0309 (this is a dedicated line for proxy forms only)  
**Online:**  
[www.linkmarketservices.com.au](http://www.linkmarketservices.com.au)  
There are instructions on the back of the proxy on how to vote online  
**By delivery:**  
Level 12  
680 George Street  
SYDNEY NSW 2000  
Or  
1A Homebush Bay Drive  
Rhodes NSW 2138  
**By post:**  
Domino's Pizza Enterprises Limited  
C/- Link Market Services Limited  
Locked Bag A14  
SYDNEY NSW 1235  
Any proxy form received after this deadline including at the meeting will be treated as invalid.
- A member of the Company's Key Management Personnel or their Closely Related Party must not, whether in person or by proxy, vote in their own right on the adoption of the Remuneration Resolution in Resolution 1.
- A person appointed as proxy may vote or abstain from voting as he or she thinks fit, except in the following circumstances:
  - The proxy holds a Directed Proxy Form;
  - Where the proxy is voting in relation to a Remuneration Resolution and the proxy is either a Key Management Personnel for the Company or a Closely Related Party and holds an Undirected Proxy Form; and
  - The proxy is required by law or the Company's Constitution to vote in a certain manner or abstain from voting.
- Paragraph does not apply if the Chairman of the meeting is appointed as proxy and his appointment expressly authorises the Chairman to exercise the proxy even if the resolution is a Remuneration Resolution.
- If you appoint the Chairman as your proxy and have not directed him how to vote, you are expressly authorising the Chairman to cast your Undirected Proxy Form in accordance with his intentions set out below.
- The Chairman intends to vote all Undirected Proxy Forms in favour of all resolutions, including Remuneration Resolutions.
- The following definitions apply in this document:  
**Closely Related Party** means the closely related parties of Key Management Personnel as defined in the *Corporations Act 2001*, and includes certain members of their family, dependants and companies they control.  
**Directed Proxy Form** means a proxy form which specifies how the proxy is to vote.  
**Key Management Personnel** of the Company are the Directors of the Company and those other persons having authority and responsibility for planning, directing and controlling the activities of the Company, directly or indirectly. The Remuneration Report identifies the Company's key management personnel for the financial year to 2 July 2017.  
**Remuneration Resolution** means a resolution connected directly or indirectly with the remuneration of a member of the Key Management Personnel and includes Resolutions 1 and 4 in this Notice of Meeting.  
**Undirected Proxy Form** means a proxy form which does not specify how the proxy is to vote.

# Explanatory Memorandum

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This Explanatory Memorandum has been prepared to assist members with their consideration of the resolutions to be put to the Annual General Meeting to be held on 8 November 2017. These explanatory notes should be read with, and form part of, the accompanying Notice of Annual General Meeting.

## 1. Financial Statements and Reports

As required by law, the financial report, Directors' report and Auditor's report are laid before the AGM. Members will be given a reasonable opportunity at the meeting to ask questions and make comments on these reports. There is no requirement however for members to approve the reports.

The Auditor will be present to answer audit-related questions from shareholders and will respond to any relevant written questions provided these are submitted to the Company no later than five business days prior to the Annual General Meeting.

## 2. Resolution 1 – Remuneration Report

The remuneration report of the Company for the financial year ended 2 July 2017 is set out in the Company's 2017 Annual Report.

The remuneration report sets out the Company's remuneration arrangements for directors, including the Managing Director, and the Company's employees. The Chairman of the meeting will allow a reasonable opportunity for shareholders to ask questions about, or make comments on, the remuneration report at the meeting.

By law, the Company is required to put the remuneration report to a vote by members at the Annual General Meeting. The vote on the resolution is advisory only and does not bind the Directors or the Company. The Board will consider the outcome of the vote and comments made by shareholders on the Remuneration Report at the meeting when reviewing the Company's remuneration policies.

A voting exclusion applies to Key Management Personnel and their Closely Related Parties in certain circumstances – please see the notes to Resolution 1.

Under the *Corporations Act 2001*, if 25% or more of the votes that are cast are voted against the adoption of the Remuneration Report at two consecutive AGMs, shareholders will be required to vote at the second of those AGMs on a resolution (a 'spill' resolution) that another meeting be held within 90 days at which all of the Company's directors (other than the Managing Director) must stand for re-election.

*As the Directors have a personal interest in the proposed Resolution 1, they make no recommendations as to how shareholders should vote on the Resolution.*

# Explanatory Memorandum

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### **3. Resolution 2 – Re-election of John James Cowin as Non-Executive Director**

In accordance with clause 13 of the Constitution and ASX Listing Rule 14.4, Mr Cowin is retiring by rotation. Being eligible, Mr Cowin offers himself for re-election.

Mr Cowin has extensive experience in the quick restaurant service industry and is the founder and Executive Chairman of Competitive Foods Australia Pty Ltd. Competitive Foods was founded in 1969 and owns and operates over 350 Hungry Jack's fast food restaurants in Australia, it also operates several food manufacturing plants for the supermarket and food service industries exporting to 29 countries.

Mr Cowin is currently a director of Fairfax Media Limited and holds a Bachelor of Arts from the University of Western Ontario.

Mr Cowin is not considered independent due to his relationship with the major shareholder, Somad Holdings Pty Ltd, which is the trustee of a trust for the benefit of Mr Cowin's adult children.

*The Directors (with Mr Cowin abstaining) consider that Mr Cowin makes an invaluable contribution to the Company and recommend that you vote in favour of this resolution.*

### **4. Resolution 3 – Re-election of Grant Bryce Bourke as Non-Executive Director**

In accordance with clause 13 of the Constitution and ASX Listing Rule 14.4, Mr Bourke is retiring by rotation. Being eligible, Mr Bourke offers himself for re-election.

Prior to joining the Company, Mr Bourke spent six years with Masterfoods (Mars Inc.) working in various technical, sales and marketing roles for the company throughout South East Asia, New Zealand and Australia.

Mr Bourke has been a part of Domino's Pizza network since 1993 when he became a franchisee.

Mr Bourke won many awards within the Company while a franchisee, including National Sales Champion in 1995, Golden Franchisee award in 1995, Franchisee of the year 1997 and 1998, and the Golden Eagle in 1999 for his contribution to the Company. Most notably, Mr Bourke won the Chairman's Award for outstanding leadership in Domino's Pizza in the worldwide network.

In 2001, Mr Bourke sold his eight-store franchise network into the Company's corporate network and became a Director of the Company. Between 2001 and 2004, Mr Bourke held the position of Director of Corporate Store Operations.

From July 2006 to August 2007 Mr Bourke was an executive director of the Company based in France, holding the role of Managing Director, Europe. Since 1 September 2007, Mr Bourke has been a Non-executive Director.

Mr Bourke is currently a director of Pacific Smiles Group Limited and holds a Bachelor of Science (Food Technology) from the University of NSW and an MBA from the University of Newcastle.

Even though Mr Bourke has been a director since 2001, the Board considers him to be an independent director as he continues to bring an independent mind to bear on issues before the Board. The Board considers that Mr Bourke makes a significant contribution to the Company due to his expertise, judgement, industry knowledge and understanding of the Company's operations.

*The Directors (with Mr Bourke abstaining) recommend that you vote in favour of this resolution.*

# Explanatory Memorandum

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## 5. Resolution 4 – Approval for Grant of Options to Managing Director

### Remuneration policy

The performance of the Company depends upon the quality of its Directors and executives. The compensation structure is designed to strike an appropriate balance between fixed and variable remuneration, rewarding capability and experience and providing recognition for contribution to the Company's overall goals and objectives. In deciding the remuneration and incentives of the Managing Director, the Board considers that there should be an appropriate mix of remuneration comprising cash and securities to link the remuneration of the Managing Director to the financial performance of the Company. Equity-based incentives consistent with the Company's remuneration policy better aligns the Managing Director's performance with the Company's financial position. The Board also believes that an equity-based remuneration component helps it to attract and retain the best executives.

The Directors consider the remuneration policy to be a sensible and well-balanced policy which allows them to adjust the remuneration mix appropriately to the Company's changing circumstances.

### Proposed grant of options

In accordance with its remuneration policy, as part of the Managing Director's remuneration package, the Board proposes, subject to member approval, to grant to Mr Don Meij a total of 737,000 options to acquire unissued shares in the Company on the terms and conditions described below.

The proposed grant of options to the Managing Director is part of a wider long term executive incentive program involving key executives covering the 2018 – 2022 financial years.

### Grant in three separate tranches

The options will be granted in three tranches in calendar years 2017, 2018 and 2019 as follows:

Tranche	Number of Options	Performance Period
Tranche 1	220,000	2018, 2019 and 2020 financial years
Tranche 2	220,000	2019, 2020 and 2021 financial years
Tranche 3	297,000	2020, 2021 and 2022 financial years
<b>Total</b>	<b>737,000</b>	

If approved, the first tranche of options will be granted as soon as practicable, but in any event, no later than 14 days after the AGM. The second and third tranches will be granted on the day which is 1 year and 2 years respectively after the original grant date.

The options will be granted under the Company's Executive Share and Option Plan. The key features are set out below.

### Exercise Prices

The option exercise prices for tranches 1, 2 and 3 will reflect the underlying market price around the time of grant and will be the volume weighted average share price (**VWAP**) of the Company's shares over the ten trading days – being the five days prior to, the day of, and the four days following the Company's 2017, 2018 and 2019 annual general meetings respectively.

### Exercise Periods

Subject to the satisfaction of certain exercise conditions and, in particular, meeting an earnings per share (**EPS**) performance hurdle, each tranche of options can be exercised after 31 August 2020, 31 August 2021 and 31 August 2022 respectively and before the date which is 1 year after the relevant vesting date of that tranche.

There are no restrictions on the sale of shares issued pursuant to the exercise of a vested option.

### Exercise Conditions

The Options cannot be exercised unless at the time of exercise of the Option:

- The option has vested.
- Mr Meij is engaged by the Company as an employee.
- The exercise of the Option would not result in a contravention of the Constitution of the Company, ASX's Listing Rules or the *Corporations Act 2001*.

# Explanatory Memorandum

## Performance Hurdle

The EPS performance hurdle is a Cumulative EPS Target.

This is the sum of the Company's EPS for each financial year within the relevant performance period, based on the audited financial statements of the Company and adjusted by the Board acting reasonably to reflect the underlying annual compound EPS growth having regard to such factors as the Board reasonably determines including, without limitation, significant acquisitions, share buybacks and other capital transactions.

The Cumulative EPS Target approach has been adopted to encourage consistent annual EPS growth.

The required Cumulative EPS Target is based on an annual compound EPS growth rates in the range of 12% – 20%. For Tranche 1 the relevant Cumulative EPS Target is calculated as follows:

EPS	COMPOUND EPS GROWTH RATE AND EPS	
	12%	20%
Base EPS - FY17 underlying	\$1.336 <sup>1</sup>	\$1.336
FY18	\$1.496	\$1.603
FY19	\$1.676	\$1.924
FY20	\$1.877	\$2.309
<b>Cumulative EPS Target for the Tranche 1 Performance Period, subject to adjustment</b>	<b>\$5.049</b>	<b>\$5.836</b>

The Cumulative EPS Target will be reset for the second and third tranches of options. For each of these calculations, the Base EPS will be the underlying EPS for the financial year preceding the relevant performance period, determined by the Board acting reasonably.

## Vesting conditions

Options vest on a sliding scale depending on the extent to which the hurdle is met. The table below shows the vesting schedule for each tranche. The Cumulative EPS Target in column 2 only applies to Tranche 1 however, and for Tranches 2 and 3 it will be recalculated prior to the relevant dates of grant.

COMPOUND EPS GROWTH RATE	CUMULATIVE EPS TARGET (TRANCHE 1 ONLY)	PROPORTION OF OPTIONS VESTING	TRANCHE 1	TRANCHE 2	TRANCHE 3
			NUMBER OF VESTED OPTIONS (000)	NUMBER OF VESTED OPTIONS (000)	NUMBER OF VESTED OPTIONS (000)
Less than 12%	Less than 5.049	0%	0	0	0
12% up to less than 13%	5.049 up to less than 5.143	20%	44	44	59.4
13% up to less than 14%	5.143 up to less than 5.239	30%	66	66	89.1
14% up to less than 15%	5.239 up to less than 5.335	40%	88	88	118.8
15% up to less than 16%	5.335 up to less than 5.433	50%	110	110	148.5
16% up to less than 17%	5.433 up to less than 5.532	60%	132	132	178.2
17% up to less than 18%	5.532 up to less than 5.632	70%	154	154	207.9
18% up to less than 19%	5.632 up to less than 5.733	80%	176	176	237.6
19% up to less than 20%	5.733 up to less than 5.836	90%	198	198	267.3
20% or over	5.836 or over	100%	220	220	297

## Listing Rule requirements

Listing Rule 10.14 provides that a listed company must not permit directors to acquire securities under an employee incentive scheme without the approval of ordinary shareholders. Accordingly, shareholder approval is sought under Listing Rule 10.14 for the proposed issue to the Managing Director.

<sup>1</sup> FY17 underlying EPS (basic) disclosed to the market on 15 August 2017.

# Explanatory Memorandum

## Discussion and analysis of the proposed grant of options

### Cost to the company

The options will not be quoted on ASX and accordingly have no readily identifiable market value.

However, for illustrative purposes, the options have been valued for accounting purposes by the Directors using principles set out in Australian Accounting Standards Board AASB 2 *Share Based Payments* and the Binomial Valuation Methodology, as follows:

OPTIONS	VALUE (\$) PER OPTION	ASSUMED EXERCISE DATE
Tranche 1	\$8.5072	25 September 2020
Tranche 2	\$9.7022	25 September 2021
Tranche 3	\$10.6647	25 September 2022

On this basis, the total expense that could ultimately be recognised for each Tranche having regard to each of the different EPS growth scenarios is set out below (being the number of options which could potentially vest, multiplied by their respective fair value):

	TRANCHE 1	TRANCHE 2	TRANCHE 3	TOTAL
NUMBER	220,000	220,000	297,000	737,000
VALUE	\$1,871,578	\$2,134,478	\$3,167,426	\$7,173,482

Shareholders should be aware that this is an indicative valuation only for illustrative purposes. The actual accounting expense may be different due to differences in the final inputs such as the date of grant, which, subject to approval is expected to be on or about 15 November 2017. The total accounting expense will be amortised over the relevant vesting periods.

### Valuation inputs

The valuation Methodology is a function of the relationship between a number of variables principally being the share price, the option exercise price, the time to expiry and the volatility of the Company's underlying share price.

The application of the Methodology therefore requires a number of inputs, some of which must be assumed. The key inputs used in the Methodology are summarised in the table below

KEY DRIVER	TRANCHE 1	TRANCHE 2	TRANCHE 3	HOW CALCULATED
Share Price	\$40.84 (proxy)	\$40.84 (proxy)	\$40.84 (proxy)	The closing share price on 14 September 2017 as a proxy for the share price of the Company on the grant date.
Exercise Price	\$42.46 (proxy)	\$42.46 (proxy)	\$42.46 (proxy)	As this value is contingent on trading data in the future, the Company's ten day VWAP as at 14 September 2017 has been adopted as a proxy for the exercise price.
Volatility of Share Price	35% (proxy)	35% (proxy)	35% (proxy)	Based on information which includes the historic volatility of the Company over a 5 year period prior to 14 September 2017.
Risk Free Rate	2.17% (proxy)	2.30% (proxy)	2.37% (proxy)	Based on the interpolated yield on three, five and ten year bonds at the grant date for options issued to calculate the risk free rate over the time to maturity of each of the tranches.
Time to Maturity	3.03 years	4.03 years	5.03 years	Calculated as the period of time from the grant date to the expected exercise date for each tranche.
Annual Dividend Yield	2.3% (proxy)	2.3% (proxy)	2.3% (proxy)	Proxy based on the Company's historical payout ratio, EPS announced to the market on 15 August 2017 and the share price as at 14 September 2017.

# Explanatory Memorandum

## Remuneration

The Managing Director's remuneration package for the year ended 2 July 2017 (as detailed in the Remuneration Report included in the Directors' Report of the 2017 Annual Report) comprises:

SALARY \$	SUPERANNUATION \$	*BONUS \$	NON-CASH \$	OTHER LONG TERM BENEFITS \$	SHARE-BASED PAYMENTS \$	TOTAL \$
1,049,461	19,616	-	5,893	20,732	3,567,050	4,662,752

\*The bonus component is subject to various key performance indicators

## Relevant interests in shares and options

The Managing Director's current relevant interest in shares and options in the Company as at the date of this notice are as follows:

SHARES	OPTIONS
2,276,807	700,000

## Impact on capital structure

Until exercised, the grant of options will not impact on the number of ordinary shares on issue in the Company. If all of the proposed options were exercised, an additional 737,000 fully paid ordinary shares would be issued representing approximately 0.82% of the total issued share capital of the Company as at 18 September 2017 (assuming that no other options were exercised or shares issued by the Company between the date the options were granted and the date on which those options were exercised).

## Opportunity cost to the Company

The opportunity cost and benefits foregone to the Company in granting the options comprise:

- The obligation of the Company to issue shares on the exercise of the options at the exercise price even though this might be less than the market price of the shares at the time of the exercise of the option; and
- The potential dilutionary impact on the existing shareholders of the Company in the event of the issue of shares on the exercise of options – see the impact on the capital structure described above.

The Directors believe that any potential dilutionary impact is not material and is more than offset by the advantages accruing to the Company from the services of Managing Director.

## Tax consequences

As far as the Company is aware, there are no adverse taxation consequences to the company arising from the proposed issue of options.

## Use of funds

Any funds raised from the exercise of options will be applied towards the working capital and cash requirements of the Company at the time of exercise of the options.

# Explanatory Memorandum

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## Other information required by Listing Rule 10.15A

The following information is provided for the purposes of Listing Rule 10.15A:

<b>Maximum number of options that may be acquired by Mr Meij</b>	737,000 options
<b>Price for each option to be acquired under the scheme</b>	Nil
<b>Names of persons referred to in rule 10.14 who received securities under the scheme since the last approval, number of securities received and acquisition price for each security</b>	Mr Don Meij was granted the following options since the last approval as part of his remuneration, but otherwise for nil consideration: 2014 – 300,000 options 2015 – 300,000 options 2016 – 400,000 options
<b>Names of all persons referred to in Listing Rule 10.14 entitled to participate in the scheme</b>	Each of the Directors - Messrs Jack Cowin, Ross Adler, Don Meij, Grant Bourke, Paul Cave, and Ms Lynda O'Grady. <b>Note</b> – although each director is eligible to participate, approval is sought for the grant of options to Mr Meij only.
<b>Terms of loan in relation to the grant of options</b>	Not applicable
<b>Required Statements</b>	Details of any securities issued under the employee incentive scheme will be published in each annual report relating to a period in which securities have been issued and approval for the issue of securities obtained under listing rule 10.14. Any additional persons who become entitled to participate in the employee incentive scheme after the resolution is approved and who are not named in this notice of meeting will not participate until approval is obtained under listing rule 10.14.
<b>Date by which options will be granted</b>	Within 7 days after the date of approval and thereafter on the first and second anniversary after the original date of grant.

A voting exclusion applies in relation to Resolution 4 (see notes to Resolution 4).

*The Directors make no recommendation as to how shareholders should vote on Resolution 4.*





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