

# NOTICE OF ANNUAL GENERAL MEETING 2015



**STW Group Limited**  
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72 Christie Street  
St Leonards NSW 2065  
Sydney Australia  
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ABN 84 001 657 370  
[www.stwgroup.com.au](http://www.stwgroup.com.au)

2 April 2015

**Dear Shareholder**

On behalf of the Board of Directors, I invite you to the 2015 Annual General Meeting ("AGM") of STW Communications Group Limited ("STW").

**Meeting Details**

Date: Wednesday, 13 May 2015  
Time: 9.00am (AEST)  
Venue: Ogilvy House, 72 Christie Street, St Leonards NSW 2065

The AGM is an important event for STW and provides shareholders with an opportunity to receive an update on STW's performance during the year, to ask questions of the Board, management and STW's auditor, and to vote on items of business before the AGM.

Enclosed is the Notice of Annual General Meeting, together with the proxy form and AGM Question Form. A map of the AGM venue is enclosed for your convenience.

If you are attending the AGM, please bring your proxy form with you. This will allow STW's Share Registry to promptly register your attendance.

For those of you unable to attend the AGM, you can:

- appoint a proxy to attend and vote on your behalf at the AGM by completing the enclosed proxy form and returning it to STW's Share Registry in the enclosed reply paid envelope;
- submit questions to me or to STW's auditor by completing the enclosed AGM Question Form and returning it to STW's Share Registry; and
- follow a live webcast of the AGM proceedings via [stwgroup.com.au/results](http://stwgroup.com.au/results).

The Board and I look forward to seeing you at the AGM and thank you for your continued support.

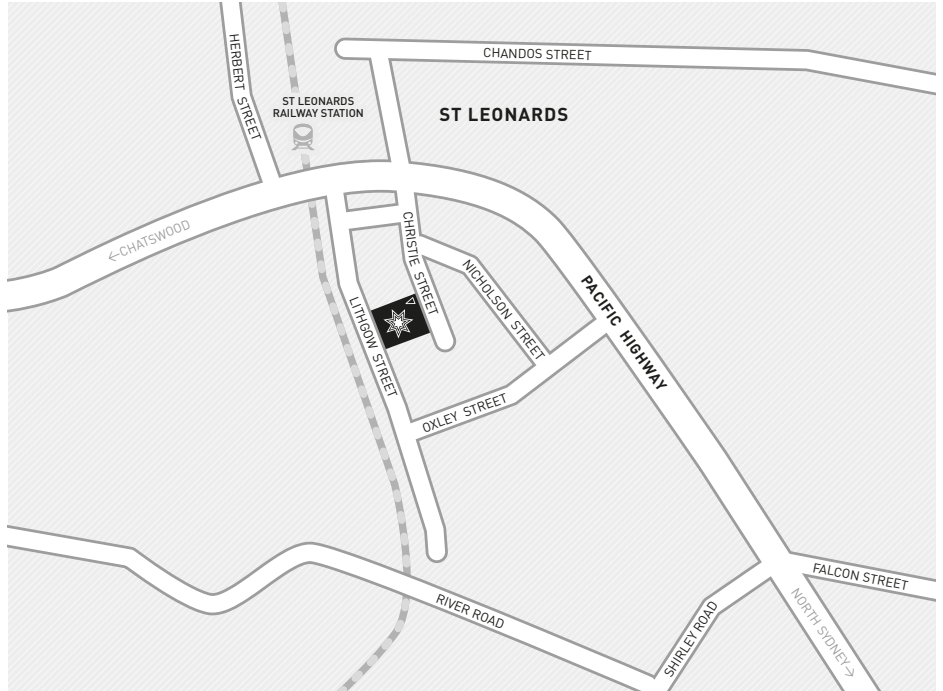
Yours sincerely

Robert Mactier

# NOTICE OF ANNUAL GENERAL MEETING

**STW COMMUNICATIONS GROUP LIMITED**  
ABN 84 001 657 370

Notice is given that the Annual General Meeting ("AGM") of shareholders of STW Communications Group Limited ("Company" or "STW") will be held at: Ogilvy House, **72 Christie Street, St Leonards NSW** on **Wednesday, 13 May 2015 at 9.00am (AEST)**.



# BUSINESS

## 1. FINANCIAL REPORT AND OTHER REPORTS

To receive and consider the Financial Report, Directors' Report and Independent Auditor's Report for the Company and its controlled entities for the year ended 31 December 2014.

## 2. RE-ELECTION OF DIRECTORS RETIRING BY ROTATION

To consider and, if thought fit, to pass the following resolutions as ordinary resolutions:

### 2.1 RE-ELECTION OF MR IAN TSICALAS

'That Mr Ian Tsicalas, being a Director of the Company who retires by rotation in accordance with the Company's constitution and, having offered himself for re-election and being eligible, be re-elected as a Director of the Company.'

### 2.2 RE-ELECTION OF MR GRAHAM CUBBIN

'That Mr Graham Cubbin, being a Director of the Company who retires by rotation in accordance with the Company's constitution and, having offered himself for re-election and being eligible, be re-elected as a Director of the Company.'

## 3. GRANT OF PERFORMANCE SHARES TO DIRECTOR UNDER STW EXECUTIVE SHARE PLAN

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

'That, for the purposes of ASX Limited ("ASX") Listing Rule 10.14, approval be given for the grant of 360,855 Performance Shares to the Company's Chief Executive Officer ("CEO") and Managing Director, Mr Michael Connaghan, pursuant to the STW Executive Share Plan on the terms and conditions summarised in the explanatory statement accompanying the Notice of Annual General Meeting.'

Note: a voting exclusion, as set out in the Information for Shareholders section of this Notice of Annual General Meeting, applies to this resolution.

## 4. GRANT OF STIP PERFORMANCE SHARES TO DIRECTOR UNDER SHORT-TERM INCENTIVE PLAN

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

'That, for the purposes of ASX Listing Rule 10.14, approval be given for the grant of up to \$250,000 worth of STIP Performance Shares to the Company's CEO and Managing Director, Mr Michael Connaghan, under the STW Short-Term Incentive Plan on the terms and conditions summarised in the explanatory statement accompanying the Notice of Annual General Meeting.'

Note: a voting exclusion, as set out in the Information for Shareholders section of this Notice of Annual General Meeting, applies to this resolution.

## 5. REMUNERATION REPORT

To consider and, if thought fit, to pass the following resolution as a non-binding ordinary resolution:

'That the Remuneration Report for the year ended 31 December 2014 be adopted.'

Note: the vote on this resolution is a non-binding, advisory vote only. A voting exclusion, as set out in the Information for Shareholders section of this Notice of Annual General Meeting, applies to this resolution.

## 6. APPROVAL OF FINANCIAL ASSISTANCE

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

- (a) 'For the purposes of section 260B(2) of the Corporations Act, approval is given for the financial assistance to be provided by each ADG Subsidiary and their wholly owned subsidiaries from time to time in connection with the ADG Acquisition as described in the Explanatory Memorandum accompanying the Notice of Annual General Meeting relating to the proposal to pass this resolution.'
- (b) 'For the purposes of section 260B(2) of the Corporations Act, approval is given for the financial assistance to be provided by each Additional Subsidiary and their wholly owned subsidiaries from time to time in connection with the Additional Subsidiary Acquisition as described in the Explanatory Memorandum accompanying the Notice of Annual General Meeting relating to the proposal to pass this resolution.'

By order of the Board



**Chris Rollinson**  
Company Secretary

2 April 2015

# INFORMATION FOR SHAREHOLDERS

## VOTING ENTITLEMENTS

The Directors of the Company have determined that, for the purposes of the Annual General Meeting (including voting at the meeting) shareholders are those persons who are registered holders of ordinary shares in the Company at 7.00pm (AEST) on Monday, 11 May 2015.

## VOTING EXCLUSION STATEMENTS

### RESOLUTIONS: ITEM 3 AND ITEM 4

In accordance with the ASX Listing Rules and the Corporations Act 2001 (Cth) ("Corporations Act"), the Company will disregard any votes cast on items 3 and 4:

- by or on behalf of Mr Connaghan or his associates, regardless of the capacity in which the vote is cast; or
- as a proxy by a person who is a member of key management personnel ("KMP") at the date of the AGM or their closely related parties.

However, votes will not be disregarded if they are cast as proxy for a person entitled to vote on items 3 and 4:

- in accordance with the directions on the proxy form; or
- by the Chairman of the meeting pursuant to an express authorisation to exercise the proxy even though items 3 and 4 are connected with the remuneration of a member of the Company's KMP.

Please read the information under the heading 'Appointing the Chairman of the meeting as proxy' below.

For the definition of 'key management personnel' and 'a closely related party of a member of key management personnel', see the notes in Resolution: Item 5 below.

### RESOLUTION: ITEM 5

In accordance with the Corporations Act, the Company will disregard any votes cast on item 5:

- by or on behalf of a member of KMP named in the Remuneration Report or their closely related parties, regardless of the capacity in which the vote is cast; or
- as a proxy by a person who is a member of KMP at the date of the AGM or their closely related parties.

However, votes will not be disregarded if they are cast as proxy for a person entitled to vote on item 5:

- in accordance with the directions on the proxy form; or
- by the Chairman of the meeting pursuant to an express authorisation to exercise the proxy even though item 5 is connected with the remuneration of the Company's KMP.

Key management personnel are those persons having authority and responsibility for planning, directing and controlling the activities of the Company, whether directly or indirectly. Members of the KMP comprise Directors (both executive and non-executive) and certain executives.

A closely related party of a member of key management personnel is:

- a company the member controls;
- the member's spouse, child or dependant (or a child or dependant of the member's spouse); or
- anyone else who is one of the member's family and may be expected to influence, or be influenced by, the member in the member's dealings with the Company.

Please read the information under the heading 'Appointing the Chairman of the meeting as proxy' below.

## PROXIES

A shareholder, who is unable to attend and vote at the AGM of the Company on 13 May 2015, is entitled to appoint a proxy to attend and vote for the shareholder at the meeting. A proxy need not be a shareholder of the Company and may be an individual or a body corporate.

If a shareholder is entitled to cast two or more votes, they may appoint up to two proxies and may specify the percentage or number of votes each proxy is appointed to exercise. If a shareholder does not specify the percentage or number of votes each proxy may exercise, then each proxy may exercise half the shareholder's votes.

If a shareholder wishes to appoint an individual or body corporate as a proxy, please complete and return the proxy form distributed with this Notice of Annual General Meeting. For an appointment of a proxy to be effective, the Company must receive the proxy form, duly completed and signed, by no later than 9.00am (AEST) on Monday, 11 May 2015; and if signed by the appointer's attorney, the authority under which the appointment was signed or a certified copy of the authority.

A shareholder can send the proxy form to Computershare Investor Services Pty Limited by doing one of the following:

- faxing it to: 1800 783 447 (within Australia) or +61 3 9473 2555 (outside of Australia);
- posting it by using the reply paid envelope to: Computershare Investor Services Pty Limited, GPO Box 242, Melbourne VIC 3001; or
- delivering it to: Computershare Investor Services Pty Limited, Level 4, 60 Carrington Street, Sydney NSW 2000.

## CORPORATE SHAREHOLDERS

A body corporate which is a shareholder, or which has been appointed as a proxy, may appoint an individual to act as its representative at the Annual General Meeting. The appointment must comply with section 250D of the Corporations Act.

The representative should bring to the meeting evidence of their appointment, including any authority under which it is signed, unless previously given to the Company.

# INFORMATION FOR SHAREHOLDERS (CONTINUED)

## APPOINTING THE CHAIRMAN OF THE MEETING AS PROXY

You may appoint the Chairman of the meeting as your proxy.

If a member directs the Chairman of the meeting how to vote on a resolution, the Chairman must vote in accordance with the direction.

For proxies without voting instructions that are exercisable by the Chairman of the meeting, the Chairman intends to vote all available proxies in favour of each resolution. In relation to each of the remuneration-related resolutions (being items 3, 4 and 5), if the Chairman of the meeting is appointed as your proxy, or becomes your proxy by default, and you have not directed your proxy how to vote on the relevant resolution, please note that by completing and submitting the proxy form you will be expressly authorising the Chairman of the meeting to exercise your undirected proxy on these resolutions in accordance with his discretion even though they are connected with the remuneration of the Company's key management personnel.

The Company recommends that all shareholders who submit proxies direct their proxy how to vote on each resolution.

## ATTENDANCE AT THE ANNUAL GENERAL MEETING

If you are attending the Annual General Meeting in person, please bring with you the proxy form enclosed with this Notice of Annual General Meeting as the bar code at the top of the proxy form will facilitate registration.

Registration will be open from 8.30am (AEST) on the day of the meeting.

## QUESTIONS AND COMMENTS BY SHAREHOLDERS AT THE ANNUAL GENERAL MEETING

In accordance with the Corporations Act, a reasonable opportunity will be given to shareholders at the meeting to ask questions about, or make comment on, the management of the Company. Shareholders will also have reasonable opportunity to ask the Company's auditor, Deloitte Touche Tohmatsu, questions about:

- the conduct of the audit;
- the preparation and content of the auditor's report;
- the accounting policies adopted by the Company in relation to the preparation of its financial statements; and
- the independence of the auditor in relation to the conduct of the audit.

Shareholders may also provide written questions to the auditor concerning the content of the audit report or the conduct of the audit of the Company's financial report for the year ended 31 December 2014, in advance of the meeting.

Written questions must be submitted using the enclosed AGM Question Form and returning it to STW's Share Registry by no later than 5.00pm (AEST) on Wednesday, 6 May 2015.

A list of written questions to the auditor submitted by shareholders, if any, will be made available to shareholders at the start of the AGM and any written answers tabled by the auditor at the AGM will be made available as soon as practicable.

# EXPLANATORY STATEMENT

This explanatory statement has been prepared to provide the shareholders of STW Communications Group Limited with material information to enable them to make an informed decision on the business to be conducted at the Annual General Meeting of the Company to be held on 13 May 2015.

All shareholders should read this explanatory statement carefully and in its entirety. Shareholders who are in doubt regarding any part of the business of the Annual General Meeting should consult their financial or legal adviser for assistance.

## FINANCIAL REPORT AND OTHER REPORTS

The Financial Report, Directors' Report and Independent Auditor's Report ("Reports") for the Company and its controlled entities for the year ended 31 December 2014 will be laid before the Annual General Meeting in accordance with the requirements of the Corporations Act.

The Company's 2014 Annual Report has been made available to shareholders and is available on the Company's website ([www.stwgroup.com.au](http://www.stwgroup.com.au)).

Shareholders will be given reasonable opportunity at the Annual General Meeting to ask questions and make comments on the Reports.

There is no requirement for shareholders to approve any of the Reports and no formal resolution will be put to the Annual General Meeting in relation to item 1.

## RESOLUTION ITEMS 2.1 AND 2.2: RE-ELECTION OF DIRECTORS RETIRING BY ROTATION

In accordance with the Company's constitution, it is necessary for one-third of the Directors, excluding the Managing Director, (rounded down to the nearest whole number), to retire by rotation each year.

Accordingly, Ian Tsicalas and Graham Cubbin retire by rotation in accordance with the Company's constitution and being eligible, offer themselves for re-election as a Director at the Annual General Meeting.

The Board has undertaken a review of the performance of each Director standing for re-election and has considered the contribution they have made to the Board and to Board Committees and the skills and expertise they bring to the Board.

### MR IAN TSICALAS BCOM BA

Mr Tsicalas was appointed as a Director of STW in November 2007.

Mr Tsicalas has extensive business operational experience, having managed both public and private companies throughout his career.

Ian is a former Managing Director of Howard Smith Limited and Commander Communications Limited and Chief Executive Officer of The Warehouse Group Australia.

Mr Tsicalas was formerly the independent Non-executive Chairman of Oceania Capital Partners Limited and a former Non-executive Director of Warehouse Group Limited and iSOFT Group Limited.

Ian is Chairman of the Remuneration and Nominations Committee and a member of the Audit and Risk Committee.

The Board considers Mr Tsicalas to be independent.

### MR GRAHAM CUBBIN BECON (HONS)

Mr Cubbin was appointed as a Director of STW in May 2008.

Mr Cubbin was a senior executive with Consolidated Press Holdings ("CPH") from 1990 until September 2005, including holding the position of Chief Financial Officer for 13 years.

Prior to joining CPH, Mr Cubbin held senior finance positions with a number of major financial companies including Capita Finance Group and Ford Motor Company.

Graham has over 20 years' experience as a director and audit committee member of public companies in Australia and the US.

He is a Director of Challenger Limited (from 2004), Bell Financial Group Limited (from 2007), White Energy Company Limited (from 2010) and McPherson's Limited (from 2010).

Graham is Chairman of the Audit and Risk Committee and a member of the Remuneration Committee.

The Board considers Mr Cubbin to be independent.

## Board Recommendation

The Board (other than the Directors concerned) recommends that shareholders vote in favour of the re-election of both Ian Tsicalas and Graham Cubbin.

## RESOLUTION ITEM 3: GRANT OF PERFORMANCE SHARES TO DIRECTOR UNDER STW EXECUTIVE SHARE PLAN

### 3.1 OVERVIEW

The Company proposes to grant 360,855 fully paid ordinary shares in the Company under the STW Executive Share Plan ("ESP") ("Performance Shares") to the Company's CEO and Managing Director, Mr Michael Connaghan, on the terms and conditions summarised below.

The ESP was approved by shareholders at the Company's Annual General Meeting on 25 May 2004.

### 3.2 WHY IS APPROVAL BEING SOUGHT?

The Company is seeking the approval for the proposed grant of Performance Shares to Mr Connaghan pursuant to ASX Listing Rule 10.14, which requires the Company to obtain shareholder approval for the issue of new securities to a director under an employee incentive scheme.

### 3.3 KEY TERMS

A total of 360,855 Performance Shares are proposed to be granted to Mr Connaghan.

The number of Performance Shares to be granted has been determined based on STW's average share price between 1 September 2014 and 1 December 2014.

These Performance Shares will be issued under the Base Plan.

The number of Performance Shares that vest will be determined according to the extent that the performance conditions ("Performance Conditions") are satisfied in relation to the Base Plan over a three year performance period from 1 January 2015 to 31 December 2017.

# EXPLANATORY STATEMENT (CONTINUED)

## Dividends and Voting Rights

Prior to vesting, Mr Connaghan will not be entitled to any dividends paid by STW in relation to the Performance Shares or be able to exercise any voting rights.

## Base Plan – Performance Conditions

There are two separate Performance Conditions applicable to the Performance Shares under the Base Plan set out as follows:

- earnings per share (“EPS”) growth performance condition – applies to 75% of the total number of Performance Shares granted to Mr Connaghan under the Base Plan (“EPS Performance Shares”); and
- total shareholder return (“TSR”) performance condition – applies to 25% of the total number of Performance Shares granted to Mr Connaghan under the Base Plan (“TSR Performance Shares”).

## Base Plan – Earnings Per Share Growth Performance Condition

EPS is calculated by dividing the underlying net profit after tax attributable to members of STW for the relevant reporting period (profit after tax adjusted for the after-tax effect of any significant items) by the weighted average number of ordinary shares of the Company.

Significant items are revenues and expenses associated with specific events considered appropriate by the Directors to be excluded in order to arrive at underlying earnings including impairment of assets, profits or losses on sale of investments, write-offs, amortisation of unidentifiable and identifiable intangible assets and other non-recurring items.

For the Base Plan, EPS performance is measured as the actual cumulative EPS achieved over the three year performance period.

With respect to the Base Plan the actual proportion of EPS Performance Shares that will vest after the end of the performance period will be determined by comparing the actual cumulative EPS achieved over the three year performance period against the thresholds outlined in the table below. The cumulative growth for the Base Plan is measured using a base EPS of 11.3 cents per share (the Company’s 2014 calendar year underlying EPS).

STW’s cumulative growth from base year	Cumulative EPS (cents per share) over the three year measurement period	Percentage of EPS Performance Shares that vest (subject to ESP Rules)
Less than 3% per annum	Less than 36.0	No Performance Shares vest
3% per annum or above	36.0 or above	20% of EPS Performance Shares (i.e. 15% of the total number of Performance Shares granted to the CEO under the Base Plan)
4% per annum or above	36.7 or above	40% of EPS Performance Shares (i.e. 30% of the total number of Performance Shares granted to the CEO under the Base Plan)
5% per annum or above	37.4 or above	60% of EPS Performance Shares (i.e. 45% of the total number of Performance Shares granted to the CEO under the Base Plan)
6% per annum or above	38.1 or above	80% of EPS Performance Shares (i.e. 60% of the total number of Performance Shares granted to the CEO under the Base Plan)
7% per annum or above	38.9 or above	90% of EPS Performance Shares (i.e. 67.5% of the total number of Performance Shares granted to the CEO under the Base Plan)
At or above 8% per annum	39.6 or above	100% of EPS Performance Shares (i.e. 75% of the total number of Performance Shares granted to the CEO under the Base Plan)

Any Performance Shares that do not vest over the performance period will be forfeited.



### Base Plan – Total Shareholder Return Performance Condition

The TSR Performance Condition relates to STW's TSR performance over the performance period compared with the TSR performance of a comparator group of companies.

TSR measures growth in shareholder value – essentially, movement in the share price plus dividends (assuming reinvestment) between 2015 and 2017.

Under the TSR performance condition which will be tested after the end of the performance period:

- no TSR Performance Shares will vest unless STW's TSR between 2015 and 2017 is equal to or greater than the TSR of the company which is at the 50th percentile of the comparator group ranked by TSR performance. If that threshold is attained, 50% of the TSR Performance Shares will vest, subject to the ESP Rules (i.e. 12.5% of the total number of Performance Shares granted to the Mr Connaghan under the Base Plan);
- all of the TSR Performance Shares will vest, subject to the ESP Rules, if STW's TSR between 2015 and 2017 is equal to or greater than the TSR of the company which is at the 75th percentile of the comparator group ranked by TSR performance (i.e. 25% of the total number of Performance Shares granted to Mr Connaghan under the Base Plan); and
- the TSR Performance Shares will vest on a straight-line basis, if STW's TSR between 2015 and 2017 is between the 50th and 75th percentiles.

### Comparator Group

The Company's TSR will be compared to the TSR of companies that were in the S&P/ASX All Ordinaries – Consumer Discretionary Index ("Comparator Group") as at 1 January 2015. The Board chose this Comparator Group as it represented a broad base of companies whose operations face similar challenges to those of STW.

Any TSR Performance Shares that do not vest over the performance period will be forfeited.

### Vesting of Performance Shares

Subject to satisfaction of the Performance Conditions and other terms of the ESP Rules, the Performance Shares will vest and shares will be allocated to Mr Connaghan on or around 1 March 2018.

### Forfeiture of Performance Shares

If this grant is approved, some or all of the Performance Shares may be forfeited in certain circumstances including if Mr Connaghan:

- resigns or is dismissed for cause; or
- commits any act of fraud or dishonesty or serious breach of duty or brings an STW group company into serious disrepute.

### Price of Performance Shares and Timing of Grant

The Performance Shares are granted to Mr Connaghan as part of his remuneration and no cash amount is payable by him, either on grant or vesting.

It is intended that the Performance Shares will be granted to Mr Connaghan on the date Resolution: Item 3 is passed by the shareholders at the Annual General Meeting, and in any case, on a date which is no later than 12 months after the date of the meeting.

### 3.4 OTHER INFORMATION

Mr Connaghan is the only Director entitled to participate in the ESP.

There is no loan scheme in relation to the Performance Shares.

The ASX Listing Rules require this notice of meeting to state the number and price of securities received by Mr Connaghan since the last shareholder approval. 266,620 Performance Shares were issued to Mr Connaghan under the ESP pursuant to the shareholder approval obtained at the 2014 Annual General Meeting. There has been no other allocation of shares to Directors since the date of the last approval.

Details of Mr Connaghan's total equity holdings are provided in the Remuneration Report for the year ended 31 December 2014.

Under ASX Listing Rule 7.1, a listed entity has the ability to issue 15% of its issued capital without shareholder approval in a 12 month period. When an entity issues or agrees to issue securities under ASX Listing Rule 7.1 without shareholder approval, that issue or agreement to issue uses up part of the 15% capacity available under that rule. However, if approval is given by shareholders under ASX Listing Rule 10.14, approval will not be required under ASX Listing Rule 7.1. This means that the Performance Shares granted to Mr Connaghan and any shares issued pursuant to this approval will not use up part of the 15% capacity under ASX Listing Rule 7.1.

### Board Recommendation

The Board (other than Mr Connaghan) recommends that shareholders vote in favour of this resolution.

## RESOLUTION ITEM 4: GRANT OF STIP PERFORMANCE SHARES TO DIRECTOR UNDER SHORT-TERM INCENTIVE PLAN

### 4.1 OVERVIEW

Subject to shareholder approval, the Company proposes to grant fully paid ordinary shares in the Company under a short-term employee incentive plan ("STIP") ("STIP Performance Shares") to Mr Connaghan, on the terms and conditions summarised below.

### 4.2 WHY IS APPROVAL BEING SOUGHT?

Outlined below are the details of Mr Connaghan's proposed STIP arrangements effective for the year ending 31 December 2015, which contemplate that 50% of any award under the STIP will be deferred into equity.

The Company is seeking the approval for the proposed grant of STIP Performance Shares to Mr Connaghan pursuant to ASX Listing Rule 10.14, which requires the Company to obtain shareholder approval for the issue of new securities to a director under an employee incentive scheme.

### 4.3 PERFORMANCE CONDITIONS

For the year ending 31 December 2015, it is proposed that Mr Connaghan will be entitled to a STIP payment of up to \$500,000 ("STIP Payment") based on meeting financial and personal performance conditions. Half of the achieved STIP Payment will be payable in cash, with the remainder being deferred and delivered in the form of STIP Performance Shares.

# EXPLANATORY STATEMENT (CONTINUED)

There are two performance conditions applicable to the STIP ("Performance Conditions"):

- financial performance – 75% of the STIP Payment is based on the Company achieving net profit after tax target ("NPAT Target") (see below); and
- personal performance – 25% of the STIP Payment is based on performance and achievement of specific key performance indicators.

In relation to the financial performance element of the STIP, Mr Connaghan will be rewarded for the Company achieving between 100% and 105% of the NPAT Target, as outlined below:

Percentage of NPAT Target achieved	Percentage of STIP payable relating to the financial component	Percentage of total STIP payable
Less than 100%	Nil	Nil
100% – 101%	50%	37.5%
101% – 102%	60%	45.0%
102% – 103%	70%	52.5%
103% – 104%	80%	60.0%
104% – 105%	90%	67.5%
105% and above	100%	75.0%

## 4.4 PAYMENT OF STIP

Subject to the satisfaction of the Performance Conditions, the cash component of the STIP Payment will be payable after the Company's financial results for the year ending 31 December 2015 have been finalised. This is expected to be in February 2016.

Subject to satisfaction of the Performance Conditions and shareholder approval at the 2015 Annual General Meeting, the STIP Performance Shares will be granted to Mr Connaghan following the release of the Company's financial results for the year ending 31 December 2015 (which is expected to be in February 2016), and in any case, on a date which is no later than 12 months after the date of the meeting, on the terms and conditions set out below:

- trust – the STIP Performance Shares will be held initially on trust and only transferred to Mr Connaghan on 1 January 2018;
- dividends – Mr Connaghan will be entitled to any dividends paid by STW in relation to the STIP Performance Shares;
- forfeiture – on resignation from the Company, or on dismissal for cause, Mr Connaghan will forfeit his rights to the STIP Performance Shares; and
- termination – if Mr Connaghan's employment is terminated by STW other than for cause, he will be entitled to the STIP Performance Shares.

The number of STIP Performance Shares to be granted to Mr Connaghan will be determined using the following formula:

Number of STIP Performance Shares = A / B,  
where:

A = 50% x the total STIP Payment earned for the year ending 31 December 2015; and

B = the volume weighted average market price of the Company's shares for the 10 trading days prior to the release of the Company's financial results for the year ending 31 December 2015.

The maximum number of STIP Performance Shares to be allocated to Mr Connaghan is 600,000.

## 4.5 PRICE OF STIP PERFORMANCE SHARES

The STIP Performance Shares are granted to Mr Connaghan as part of his remuneration and no cash amount is payable by him, either on grant or vesting.

## 4.6 OTHER INFORMATION

Mr Connaghan is the only Director entitled to participate in the STIP. Details of the number of securities granted to him since the last shareholder approval are set out above under item 3.

There is no loan scheme in relation to the STIP Performance Shares.

Under ASX Listing Rule 7.1, a listed entity has the ability to issue 15% of its issued capital without shareholder approval in a 12 month period. When an entity issues or agrees to issue securities under ASX Listing Rule 7.1 without shareholder approval, that issue or agreement to issue uses up part of the 15% capacity available under that rule. However, if approval is given by shareholders under ASX Listing Rule 10.14, approval will not be required under ASX Listing Rule 7.1. This means that the STIP Performance Shares granted to Mr Connaghan and any shares issued pursuant to this approval will not use up part of the 15% capacity under ASX Listing Rule 7.1.

## Board Recommendation

The Board (other than Mr Connaghan) recommends that shareholders vote in favour of this resolution.

## RESOLUTION ITEM 5: REMUNERATION REPORT

The Remuneration Report can be found on pages 9 to 25 of the Company's 2014 Annual Report. It sets out the remuneration policy and remuneration arrangements for the key management personnel which comprise the Company's Directors and certain executives.

In accordance with section 250R(2) of the Corporations Act, the Remuneration Report is put to shareholders for adoption.

This resolution to adopt the Remuneration Report is advisory in nature and does not bind the Directors or STW. However, the Board will take the outcome of the vote into consideration when considering its remuneration policy.

A reasonable opportunity will be provided for discussion of and questions relating to the Remuneration Report at the meeting. If you intend to appoint a proxy to vote on your behalf on the Remuneration Report Resolution: Item 5, please read the information above, under the heading 'Appointing the Chairman of the meeting as proxy'.

The Remuneration Report forms part of the Directors' Report in the Company's 2014 Annual Report which has been made in accordance with a unanimous resolution of the Board.

## Board Recommendation

The Board recommends that shareholders vote in favour of the adoption of the Remuneration Report.

**RESOLUTION ITEM 6: APPROVAL OF FINANCIAL ASSISTANCE**

The approval of financial assistance resolution is proposed in order to enable the Company's subsidiaries, Active Sites Alive Pty Ltd (together with its subsidiaries, each such company being an "ADG Subsidiary") and certain other subsidiaries (the "Additional Subsidiaries") who shares have been acquired or may have been acquired using the proceeds of the Company's financing arrangements to become guarantors and security providers in respect of those arrangements. This is required in order to enable the Company to comply with the terms of its financing arrangements.

The Corporations Act requires approval of the Company's shareholders before each ADG Subsidiary and each Additional Subsidiary is able to sign up to the Company's financing arrangements. This arises because when each ADG Subsidiary or Additional Subsidiary signs up to the Company's financing arrangements it is providing what the Corporations Act terms 'financial assistance' to the Company. In addition to other things, this triggers the need for shareholder approval.

**Board Recommendation**

The Board recommends that shareholders vote in favour of these resolutions.

Shareholders are referred to the accompanying Financial Assistance Explanatory Memorandum forming part of this Notice of Annual General Meeting. Terms used in Resolution 6, unless otherwise defined, have the meaning as set out in the Financial Assistance Explanatory Memorandum.

# SCHEDULE: FINANCIAL ASSISTANCE EXPLANATORY MEMORANDUM

This Explanatory Memorandum has been prepared by the Company in connection with Resolution 6, which is proposed to be passed as a special resolution of the Company at the Annual General Meeting to approve the giving of financial assistance within the meaning of section 260A of the Corporations Act by subsidiaries of the Company (the "Financial Assistance Resolution").

The Financial Assistance Resolution is proposed in order to enable the Company's subsidiaries, Active Sites Alive Pty Ltd (together with its subsidiaries, the "ADG Group" and each such company being an "ADG Subsidiary") and certain other subsidiaries (the "Additional Subsidiaries") who shares have been acquired or may have been acquired using the proceeds of the Company's financing arrangements to become guarantors and security providers in respect of those arrangements. This is required in order to enable the Company to comply with the terms of its financing arrangements.

This Explanatory Memorandum and any other attachments to the Notice of Annual General Meeting which it accompanies are important documents. Please read them carefully.

## 1 BACKGROUND TO THE REQUIREMENT FOR FINANCIAL ASSISTANCE RESOLUTION

### 1.1 RESTRICTIONS ON COMPANIES GIVING FINANCIAL ASSISTANCE

Under section 260A(1) of the Corporations Act, a company may financially assist a person to acquire shares in the company or a holding company of the company if:

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

The requirements for shareholder approval of financial assistance are described in section 1.2.

### 1.2 SHAREHOLDER APPROVAL OF FINANCIAL ASSISTANCE

Under section 260B(1) of the Corporations Act, for a company to financially assist a person to acquire shares in itself or a holding company of the company, the financial assistance must be approved by its shareholders by:

- (a) a special resolution passed at a general meeting of the company, with no votes being cast in favour of a resolution by the person acquiring the shares (or units of shares) or by their associates; or
- (b) a resolution agreed to, at a general meeting, by all ordinary shareholders.

If, immediately after the acquisition, the company will be a subsidiary of another:

- (a) domestic corporation that is listed in Australia ("Listed Australian Holding Company"); or
- (b) domestic corporation that is not listed in Australia and is not itself a subsidiary or another domestic corporation ("Ultimate Australian Holding Company"),

then the financial assistance must also be approved by a special resolution passed under section 260B(2) (in the case of the Listed Australian Holding Company) or section 260B(3) (in the case of an Ultimate Australian Holding Company) of the Corporations Act at a general meeting of that corporation.

## 1.3 APPROVAL BY SHAREHOLDERS OF THE COMPANY UNDER SECTION 260B(2)

The purpose of this Explanatory Memorandum is to explain in further detail the proposed Financial Assistance Resolution which must be passed under section 260B(2) of the Corporations Act to enable the ADG Subsidiaries and the Additional Subsidiaries (respectively), in relation to which the Company is the Listed Australian Holding Company, to provide financial assistance to the Company (or other subsidiaries of the Company) in connection with the ADG Acquisition and the Additional Subsidiary Acquisition (respectively) by becoming guarantors and security providers in respect of the Company's financing arrangements.

## 2 THE ACQUISITIONS

### 2.1 ADG ACQUISITION

On 26 June 2014, STW Media Services Pty Limited ("STWM") acquired the entire issued share capital of Active Sites Alive Pty Ltd under the terms of the Share Sale Agreement entered into in connection with that acquisition ("ADG Acquisition").

The ADG Acquisition allows STW to broaden its capabilities to meet changing client needs and enhances the Company's ability to service clients' entire marketing budgets.

### 2.2 ADDITIONAL SUBSIDIARY ACQUISITION

Over the past three years, the following entities became wholly owned subsidiaries of the Company or Singleton Ogilvy & Mather (Holdings) Pty Limited ("SOM") ("Additional Subsidiary Acquisition"):

- (a) Bullseye Group Pty Limited;
  - (b) Bullseye (Asia Pacific) Pty Limited;
  - (c) Bullseye Digital (New Zealand) Limited;
  - (d) Carnival Productions Pty Limited;
  - (e) Cornwell Design Pty Limited;
  - (f) DTMillipede Pty Limited;
  - (g) Evocatif Pty Limited;
  - (h) Hawker Britton Group Pty Limited;
  - (i) Ikon Communications (Melbourne) Pty Limited;
  - (j) Ikon Communications (NZ) Limited; and
  - (k) Tribe Marketing Pty Limited.
- (each an "Additional Subsidiary").

Each of the Additional Subsidiaries provides marketing, content and communication services to corporate clients.

### 2.3 LISTED HOLDING COMPANY

Following each of the ADG Acquisition and each Additional Subsidiary Acquisitions, the Company was the Listed Holding Company of each ADG Subsidiary and the relevant Additional Subsidiary (respectively).

Accordingly, shareholders of the Company are asked to consider and, if thought fit, resolve to approve:

- (a) resolution 6(a) to enable each ADG Subsidiary to provide financial assistance in connection with the ADG Acquisition; and
- (b) resolution 6(b) to enable each Additional Subsidiary to provide financial assistance to the Company in connection with each Additional Subsidiary Acquisition.

### 3 FUNDING ARRANGEMENTS

In order to assist in the financing of the ADG Acquisition, the Company amended its financing arrangements with each of Westpac Banking Corporation and HSBC Bank Australia Limited to obtain additional funding, as described below.

#### 3.1 FACILITY AGREEMENTS

##### Facility Agreements

As part of the ongoing financing arrangements of the Company and its subsidiaries (defined as the Group under the CTD, and as the "STW Group"), the Company has entered into various facility agreements with Westpac Banking Corporation ("Westpac") and HSBC Bank Australia Limited ("HSBC") including:

- (a) the Westpac Cash Advance Facility Agreement dated 24 December 2010 ("2010 Westpac Facility");
- (b) the Westpac Cash Advance Facility Agreement dated 9 July 2012 ("2012 Westpac Facility");
- (c) the HSBC Cash Advance Facility Agreement dated 24 December 2010 ("2010 HSBC Facility"); and
- (d) the HSBC Cash Advance Facility Agreement dated 9 July 2012 ("2012 HSBC Facility").

On 14 July 2014, 2010 Westpac Facility and 2012 Westpac Facility were amended by the Second Amendment and Restatement Deed – Westpac Cash Advance Facility Agreement ("Westpac Facility").

On 14 January 2015, the 2010 HSBC Facility and 2012 HSBC Facility were amended and consolidated into a single document ("HSBC Facility").

The Company used funds drawn under the Westpac Facility and the HSBC Cash Facility to assist in the financing of the ADG Acquisition.

##### Facility Limits and terms

The Westpac Facility has a combined limit of \$155,000,000 and are divided into four facilities as follows:

- (a) the first facility ("Facility A") is for an amount of up to \$70,000,000 repayable on 13 August 2016;
- (b) the second facility ("Facility B") is for an amount of up to \$40,000,000 repayable on 13 August 2018;
- (c) the third facility ("Facility C") is for an amount of up to \$20,000,000 repayable on 15 July 2017, of which \$20,000,000 was used to finance the ADG Acquisition; and
- (d) the fourth facility ("Cash Advance") is for an amount of up to \$25,000,000 repayable on 11 September 2018.

Each of Facility A, Facility B, Facility C and Cash Advance is a revolving cash advance facility made available by Westpac to the Company in an aggregate amount equal to each facility's respective commitment.

The HSBC Facility has a combined limit of \$115,000,000 and are divided into two facilities as follows:

- (a) the first facility ("Facility A") is for an amount of up to \$100,000,000 repayable on 15 January 2018; and
- (b) the second facility ("Facility B") is for an amount of up to \$15,000,000 repayable on 15 July 2017, of which \$15,000,000 was used to finance the ADG Acquisition.

Each of Facility A and Facility B is a revolving cash advance facility made available by HSBC to the Company in an aggregate amount equal to each facility's respective commitment.

##### Purpose

The Westpac Facilities have been or may be drawn for the following purposes:

- (a) Facility A, Facility B and Cash Advance have been used for general corporate purposes and any other purpose that Westpac approves; and
- (b) Facility C has been used for financing the purchase price for the ADG Acquisition and the payment of any costs and expenses incurred in connection with the ADG Acquisition and repaying existing financial indebtedness of the ADG Group.

The HSBC Facilities have been or may be drawn for the following purposes:

- (a) Facility A has been used for general corporate purposes and any other purpose that HSBC approves; and
- (b) Facility B has been used for financing the purchase price for the ADG Acquisition and the payment of any costs and expenses incurred in connection with the ADG Acquisition and repaying existing financial indebtedness of the ADG Group.

In addition, shares of Additional Subsidiaries have been or may have been acquired at various times using drawings under the Westpac Facilities and/or the HSBC Facilities.

#### 3.2 COMMON PROVISIONS DEED POLL

STWM, the Company and certain subsidiaries in the STW Group (STWM, the Company and those subsidiaries, together with any new subsidiaries which become party to the Company's financing arrangements as guarantors, collectively, at any time, the "STW Guarantors") are parties to a Common Terms Deed ("CTD"), dated 28 July 2006 (as amended) made in favour of any person who is a 'Beneficiary' under the CTD from time to time ("Beneficiary"). Westpac, as the security trustee ("Security Trustee") and each of the lenders under the Westpac Facility and the HSBC Facility are such Beneficiaries.

In summary, the terms of the CTD require that (subject to agreement in writing by the Beneficiaries and to allowances where shareholder approvals are needed):

- (a) each of the Company and SOM must, if a company or other entity becomes a Relevant Group Entity after 24 December 2010, within 90 days after that company or other entity becomes a Relevant Group Entity, cause that company or other entity to (i) execute an Accession Deed (Transaction Party) and (ii) grant (and do all things necessary to give effect to) a security consistent with and no more onerous than the Securities (as defined in the CTD); and
- (b) to the extent that any accession requires the Company to pass a resolution at its Annual General Meeting, the Beneficiaries agree that the Company will have a period following its next scheduled Annual General Meeting to comply with paragraph (a) above.

"Relevant Group Entity" means (i) each company or other entity which is (directly or indirectly) a wholly owned subsidiary of the Company or SOM and (ii) each other company or other entity in which, between them, the Company and SOM hold (directly or indirectly) all of the issued capital.

# SCHEDULE: FINANCIAL ASSISTANCE EXPLANATORY MEMORANDUM (CONTINUED)

## 3.3 REQUIRED ACCESSION AS GUARANTOR

To ensure that the Company and its subsidiaries continue to comply with the terms of the CTD after this Annual General Meeting, the Company proposes that each ADG Subsidiary and Additional Subsidiary to accede as 'Additional Guarantors' to the CTD.

A failure by the STW Guarantors to comply with the terms of the CTD could result in an 'Event of Default' (as that term is defined in the CTD), in the absence of the Beneficiaries providing the required waivers. If an 'Event of Default' were to occur under the CTD, the funding under the Westpac Facility, the HSBC Facility and any other funding provided under any other document which is a 'Facility Agreement' for the purposes of the CTD (collectively, the "Facility Agreements") may be required to be repaid.

The CTD contains terms which are considered customary in the current market for corporate facilities to borrowers of a similar nature to the Company, including events of default, representations, warranties and undertakings (including a negative pledge, certain financial undertakings and undertakings not to dispose of assets, provide financial accommodation or give guarantees, each of which is subject to agreed exceptions) from each STW Guarantor. The CTD also contains a guarantee and indemnity given by each STW Guarantor in favour of each Beneficiary in respect of all amounts outstanding under any Facility Agreement, including the Westpac Facility and the HSBC Facility.

Upon execution of each Accession Deed (Transaction Party), each ADG Subsidiary and Additional Subsidiary will (among other things) become bound by the guarantees, indemnities and undertakings and give the representations and warranties under the CTD.

## 4 FINANCIAL ASSISTANCE APPROVALS

The entry into the Accession Deed (Transaction Party) by each ADG Subsidiary and Additional Subsidiary constitutes or may constitute the giving of financial assistance for purposes of the relevant provisions of the Corporations Act.

Pursuant to the Corporations Act, the giving of the financial assistance by each ADG Subsidiary and Additional Subsidiary is required to be approved by a resolution agreed to by all ordinary shareholders of each ADG Subsidiary and each Additional Subsidiary pursuant to section 260B(1) of the Corporations Act. These approvals will be sought once it is known that the Financial Assistance Resolution has been approved as required at the Annual General Meeting of the Company.

It is noted that the Financial Assistance Resolution:

- also approves the giving of such financial assistance by any company which becomes a wholly owned subsidiary of any ADG Subsidiary in the future; and
- also approves the giving of such financial assistance by any company which becomes a wholly owned subsidiary of any Additional Subsidiary in the future.

The Financial Assistance Resolution must be approved by a special resolution, that is, 75% or more of the votes cast by shareholders of the Company present and voting at the Annual General Meeting (either in person or by proxy).

## 5 EFFECT OF THE FINANCIAL ASSISTANCE

The purpose for the giving of the financial assistance, as described above, is to enable the Company, STWM and the other STW Guarantors to continue to comply with their obligations under the CTD after the Annual General Meeting, to enable the ADG Subsidiaries and the Additional Subsidiaries to accede to the CTD and which will enable the STW Group to continue to have access to funding under the Facility Agreements, including the Westpac Facility and the HSBC Facility. In addition, each ADG Subsidiary and Additional Subsidiary will benefit from STW Group being able to access funding in the bank and capital markets in the future.

### 5.1 THE COMPANY

As the Company (in its capacity as a Borrower and a guarantor) is already liable for the amounts payable under the Facility Agreements, including the Westpac Facility and the HSBC Facility, the giving of the financial assistance described in this Explanatory Statement by each ADG Subsidiary and by Additional Subsidiary is unlikely to have any adverse effect on the Company.

### 5.2 ADG SUBSIDIARIES AND ADDITIONAL SUBSIDIARIES

The giving of the financial assistance described in this Explanatory Memorandum will affect each ADG Subsidiary and Additional Subsidiary as each such guarantor will become an STW Guarantor under the CTD and will have guaranteed and provided security over its assets for all amounts payable under each Facility Agreement, including the Westpac Facility and HSBC Facility. The operations of each ADG Subsidiary and Additional Subsidiary will also be restricted by the representations and undertakings given by them under the CTD and they will also be liable for the amounts due under the Facility Agreements.

In addition to making a demand on the Company, the Beneficiaries may make a demand under the guarantee and indemnity provided by each ADG Subsidiary and Additional Subsidiary under the CTD, requiring immediate repayment of the amounts due under each Facility Agreement, including the Westpac Facility and HSBC Facility. Such a demand could ultimately result in the winding up of an ADG Subsidiary or an Additional Subsidiary (as the case may be) and a sale of that guarantor's assets, if it were unable to repay the amounts due. The Beneficiaries may also cause the security to be granted by the ADG Subsidiaries and Additional Subsidiaries to be enforced. This could result in a return to the Company (and ultimately its shareholders) that is significantly lower than could have been achieved by the Company had those assets been sold in the ordinary course of business or had the relevant guarantor continued trading.

In addition, each ADG Subsidiary and Additional Subsidiary may be required to:

- subordinate any intercompany claims;
- transfer assets to, or assume other liabilities of, the Company or STWM or other subsidiaries or related bodies corporate of the Company;
- make available directly or indirectly their cash flows (whether through dividends, capital distributions, intercompany loans or otherwise) or other resources in order to enable the Company or STWM and the other STW Guarantors to comply with their payment and other obligations in respect of the CTD and Facility Agreements;
- consent or agree to amendments to the CTD and the Facility Agreements, including amendments that make their obligations more onerous;
- provide additional support which may include incurring additional obligations and/or providing additional guarantees; and



- provide other financial assistance in connection with the ADG Acquisition or Additional Subsidiary Acquisition (as the case may be), including, without limitation, in connection with any refinancing of the Westpac Facility or the HSBC Facility or the refinancing of any other Facility Agreement.

The Directors of the Company do not currently believe that the Company, STWM, any of the other STW Guarantors, or an ADG Subsidiary or an Additional Subsidiary are likely to default in their obligations under the CTD or any Facility Agreement, including the Westpac Facility and the HSBC Facility.

## 6 ADVANTAGES OF THE PROPOSED RESOLUTION

The advantage to the Company of the proposed resolution is that each ADG Subsidiary and Additional Subsidiary will be able to accede to the CTD and so avoid an Event of Default occurring under the CTD. If an Event of Default occurs, the Beneficiaries may require immediate repayment of the amounts due under the Facility Agreements and the Security Trustee would be able to enforce the security it holds over the assets of the Company and its subsidiaries.

The advantage of the proposed resolution to each ADG Subsidiary and Additional Subsidiary include:

- The Company will be able to maintain its ownership of each ADG Subsidiary and Additional Subsidiary. The Directors of the Company believe that this is in the interest of each ADG Subsidiary and Additional Subsidiary because:
  - (1) each ADG Subsidiary and Additional Subsidiary will have greater access to funding in the bank and capital markets as a result of integration in the STW Group; and
  - (2) each ADG Subsidiary and Additional Subsidiary will benefit from synergies, cost savings and greater growth potential through that integration with the STW Group.
- The Directors of the Company believe that the funding arrangement provided to the Company and the STW Group under the Facility Agreements is the most efficient form of financing available to the Group including to finance the ADG Acquisition and the Additional Subsidiary Acquisition.
- Each ADG Subsidiary and Additional Subsidiary will have indirect access to the facilities through the funding provided to the Group under those facilities CTD.

This equally applies to any company which becomes a wholly owned subsidiary of an ADG Subsidiary or an Additional Subsidiary in the future that provides financial assistance by acceding as an 'Additional Guarantor' to the CTD pursuant to an Accession Deed (Transaction Party), as set out in paragraph 3.2.

The Directors of the Company believe that approving the transactions contemplated by this Explanatory Memorandum is in the interests of the Company.

## 7 DISADVANTAGES OF THE PROPOSED RESOLUTION

As the Company is already liable for, and has provided a guarantee and indemnity under the CTD in connection, the Westpac Facility and HSBC Facility (and certain other Facility Agreements), the Directors of the Company do not believe there are any disadvantages to the Company of the Financial Assistance Resolution, except that, as noted above, the operations of each ADG Subsidiary and Additional Subsidiary will be restricted by the representations and undertakings given by them under the CTD.

The disadvantages of the Financial Assistance Resolution for the each ADG Subsidiary and Additional Subsidiary include the following:

- they will become liable for the amounts due under the Facility Agreements, including the Westpac Facility and HSBC Facility;
- their assets will be subject to security and their operations will be restricted by the representations and undertakings given by them under the CTD; or
- the Beneficiaries may make a demand under the guarantee and indemnity provided by each ADG Subsidiary and Additional Subsidiary under the CTD, requiring immediate repayment of the amounts due under any Facility Agreement and if there is a default under the Company's financing arrangements the Security Trustee may enforce its security over the assets of the ADG Subsidiaries and Additional Subsidiaries.

A demand made under the CTD or any Facility Agreement or enforcement of security could ultimately result in the consequences more fully described in paragraph 5 above.

## 8 PRIOR NOTICE TO AUSTRALIAN SECURITIES & INVESTMENTS COMMISSION

As required by section 260B(5) of the Corporations Act, a copy of the Notice of Annual General Meeting and this Explanatory Statement as sent to the shareholders were lodged with the Australian Securities & Investments Commission prior to being sent to shareholders of the Company.

## 9 DISCLOSURE

The Directors consider that this Explanatory Statement contains all information known to the Company that would be material to the shareholders of the Company in deciding how to vote on the Financial Assistance Resolution other than information which it would be unreasonable to require the Company to include because it has been previously disclosed to the shareholders of the Company.

## 10 RECOMMENDATION

For the reasons set out above, the Directors of the Company unanimously recommend that the shareholders of the Company vote in favour of the Financial Assistance Resolution to approve the giving of financial assistance.

Level 6, Ogilvy House  
72 Christie Street  
St Leonards NSW 2065  
Telephone: (02) 9373 6333

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







000001 000 SGN  
MR SAM SAMPLE  
FLAT 123  
123 SAMPLE STREET  
THE SAMPLE HILL  
SAMPLE ESTATE  
SAMPLEVILLE VIC 3030

## Lodge your vote:



### By Mail:

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

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

For Intermediary Online subscribers only  
(custodians) [www.intermediaryonline.com](http://www.intermediaryonline.com)

### For all enquiries call:

(within Australia) 1300 850 505  
(outside Australia) +61 3 9415 4000

## Proxy Form

For your vote to be effective, it must be received by 9.00am (AEST) on Monday, 11 May 2015

### How to Vote on Items of Business

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

#### Appointment of Proxy

**Voting 100% of your holding:** Direct your proxy how to vote by marking one of the boxes opposite each item of business. If you do not mark a box your proxy may vote or abstain as they choose (to the extent permitted by law). If you mark more than one box on an item your vote will be invalid on that item.

**Voting a portion of your holding:** Indicate a portion of your voting rights by inserting the percentage or number of securities you wish to vote in the For, Against or Abstain box or boxes. The sum of the votes cast must not exceed your voting entitlement or 100%.

**Appointing a second proxy:** You are entitled to appoint up to two proxies to attend the meeting and vote on a poll. If you appoint two proxies you must specify the percentage of votes or number of securities for each proxy, otherwise each proxy may exercise half of the votes. When appointing a second proxy write both names and the percentage of votes or number of securities for each in Step 1 overleaf.

**A proxy need not be a securityholder of the Company.**

### Signing Instructions

**Individual:** Where the holding is in one name, the securityholder must sign.

**Joint Holding:** Where the holding is in more than one name, all of the securityholders should sign.

**Power of Attorney:** If you have not already lodged the Power of Attorney with the registry, please attach a certified photocopy of the Power of Attorney to this form when you return it.

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

### Attending the Meeting

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

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

**Turn over to complete the form** ➔



View your securityholder information, 24 hours a day, 7 days a week:

**[www.investorcentre.com](http://www.investorcentre.com)**



**Review your securityholding**



**Update your securityholding**

**Your secure access information is:**

**SRN/HIN: I9999999999**



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

MR SAM SAMPLE  
FLAT 123  
123 SAMPLE STREET  
THE SAMPLE HILL  
SAMPLE ESTATE  
SAMPLEVILLE VIC 3030

☐

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



I 9999999999

I ND

# Proxy Form

Please mark ☒ to indicate your directions

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

XX

I/We being a member/s of STW Communications Group Limited hereby appoint

☐ the Chairman of the Meeting

 OR 

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

or failing the individual or body corporate named, or if no individual or body corporate is named, the Chairman of the Meeting, as my/our proxy to act generally at the Meeting on my/our behalf and to vote in accordance with the following directions (or if no directions have been given, and to the extent permitted by law, as the proxy sees fit) at the Annual General Meeting of STW Communications Group Limited to be held at Ogilvy House, 72 Christie Street, St Leonards, NSW on Wednesday, 13 May 2015 at 9.00am (AEST) and at any adjournment or postponement of that Meeting.

**Chairman authorised to exercise undirected proxies on remuneration related resolutions:** Where I/we have appointed the Chairman of the Meeting as my/our proxy (or the Chairman becomes my/our proxy by default), I/we expressly authorise the Chairman to exercise my/our proxy on Items 3, 4 and 5 (except where I/we have indicated a different voting intention below) even though Items 3, 4 and 5 are connected directly or indirectly with the remuneration of a member of key management personnel, which includes the Chairman.

**Important Note:** If the Chairman of the Meeting is (or becomes) your proxy you can direct the Chairman to vote for or against or abstain from voting on Items 3, 4 and 5 by marking the appropriate box in step 2 below.

## STEP 2 Items of Business

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

	For	Against	Abstain
2.1 Re-election of Mr Ian Tsicalas	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
2.2 Re-election of Mr Graham Cubbin	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
3 Grant of Performance Shares to Director under STW Executive Share Plan	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
4 Grant of STIP Performance Shares to Director under Short-Term Incentive Plan	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
5 Remuneration Report	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
6 Approval of Financial Assistance	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

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

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

Individual or Securityholder 1

Sole Director and Sole Company Secretary

Securityholder 2

Director

Securityholder 3

Director/Company Secretary

Contact Name

Contact Daytime Telephone

Date / /



**STW Communications Group Limited**  
ABN 84 001 657 370



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

## Questions from Shareholders

The Annual General Meeting (AGM) of STW Communications Group Limited will be held on Wednesday, 13 May 2015 commencing at 9.00am (Sydney Time). Shareholders who are unable to attend the meeting or who may prefer to register questions in advance of the AGM are invited to do so. This form is provided to shareholders as a convenient way to submit any questions you may have.

Shareholders may also use this form to submit a written question to the auditor if the question is relevant to the content of the auditor's report or the conduct of the audit of the financial report to be considered at the AGM.

During the course of the AGM we intend to address as many of the more frequently asked questions as is practicable.

**Shareholder questions must be received by Wednesday, 6 May 2015.** Please return the form to our Share Registry, Computershare Investors Services Pty Ltd, GPO Box 242, Melbourne Victoria 3001 or by Facsimile to 1800 783 447 (within Australia) +61 3 9473 2555 (outside Australia). The envelope provided for the return of your proxy form may also be used for this purpose.

Shareholder's Name

Address

Shareholder Reference Number or Holder Identification Number

I

OR

X

Question(s)

1.

2.

3.

4.