



Eclipx Group Limited
ACN 131 557 901

Notice of Annual General Meeting

Thursday, 10 January 2019

Dear Shareholder,

On behalf of the Directors of Eclipx Group Limited (Eclipx), I am pleased to invite you to attend the 2019 Annual General Meeting (AGM) of Eclipx. Enclosed is the Notice of Meeting setting out the business of the AGM.

Eclipx's 2019 AGM will be held on Monday, 11 February 2019 at 4pm (Sydney time) in the Marble Room, Radisson Blu Hotel, 27 O'Connell Street, Sydney NSW 2000.

If you are attending the AGM, please bring your Proxy Form with you to facilitate a faster registration. If you are unable to attend the AGM, I encourage you to complete and return the enclosed Proxy Form no later than 4pm (Sydney time) on Saturday, 9 February 2019 in one of the ways specified in the Notice of Meeting and Proxy Form.

I also encourage you to read the enclosed Notice of Meeting (including the Explanatory Memorandum) and the Proxy Form and consider directing your proxy how to vote on each resolution by marking either the "for" box, the "against" box or the "abstain" box on the Proxy Form.

Subject to the abstentions noted in the Explanatory Memorandum, the Directors of Eclipx unanimously recommend that shareholders vote in favour of all resolutions.

Following the conclusion of the AGM, you are welcome to join the Board and Management for light refreshments.

Thank you for your continued support of Eclipx and I look forward to your attendance and the opportunity to meet with you.

Yours faithfully,

A handwritten signature in black ink, appearing to be 'Kerry Roxburgh', written over a horizontal line.

Kerry Roxburgh
Chairman

Notice of Annual General Meeting

Notice is given that the Annual General Meeting (AGM or Meeting) of shareholders of Eclipx Group Limited (Eclipx or Company) will be held:

Date: Monday, 11 February 2019
 Time: 4pm (Sydney time)
 Venue: Marble Room
 Radisson Blu Plaza Hotel
 27 O'Connell Street
 Sydney NSW 2000

The Explanatory Memorandum accompanying this Notice of Meeting provides additional information on matters to be considered at the AGM. The Explanatory Memorandum, Entitlement to Attend and Vote section and Proxy Form are part of this Notice of Meeting.

A. CONSIDERATION OF REPORTS

To receive and consider the Financial Report, the Directors' Report and the Independent Auditor's Report of the Company for the financial year ended 30 September 2018.

All shareholders can view the Annual Report which contains the Financial Report for the year ended 30 September 2018 on the Company's website at www.eclipx.com.

Questions and Comments

Following consideration of the Reports, the Chairman will give shareholders a reasonable opportunity to ask questions about or comment on the management of the Company.

The Chairman will also give shareholders a reasonable opportunity to ask the Auditor questions relevant to:

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

B. ITEMS FOR APPROVAL

Resolution 1

Re-Election Of Director – Mr Trevor Allen

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

That Trevor Allen, who retires in accordance with article 47(a) of the Company's Constitution and ASX Listing Rule 14.4, and being eligible for election, is re-elected as a Director of the Company.

Resolution 2

Re-Election Of Director – Mr Russell Shields

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

That Russell Shields, who retires in accordance with article 47(a) of the Company's Constitution and ASX Listing Rule 14.4, and being eligible for election, is re-elected as a Director of the Company.

Resolution 3

Remuneration Report

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

That the Company's Remuneration Report for the financial year ended 30 September 2018, as set out in the Directors' Report, is adopted.

The Remuneration Report is contained in the 2018 Annual Report (available at www.eclipx.com). Please note that, in accordance with section 250R(3) of the Corporations Act 2001 (Cth) (the Corporations Act), the vote on this Resolution is advisory only and does not bind the Directors or the Company.

Voting Exclusion Statement – Resolution 3

The Company will disregard any votes cast on Resolution 3:

- by or on behalf of a person who is a member of key management personnel (KMP) named in the 2018 Remuneration Report and their closely related parties (regardless of the capacity in which the vote is cast); or
- as proxy by a person who is a member of the KMP on the date of the AGM and their closely related parties.

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

- in accordance with the directions on the Proxy Form; or
- by the person chairing the meeting, in accordance with an express authorisation in the Proxy Form to exercise the proxy even though Resolution 3 is connected, directly or indirectly, with the remuneration of the KMP.

“Key management personnel” and “closely related party” have the same meanings as set out in the Corporations Act.

Resolution 4

Issue of Options and Rights under the Eclix Group Limited Long Term Incentive Plan for FY19 – Mr Doc Klotz

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

That, for the purposes of ASX Listing Rule 10.14 and for all other purposes, the issue of 1,160,000 Options and 290,000 Rights to Mr Doc Klotz under the Eclix Group Limited Long Term Incentive Plan for FY19 on the terms described in the Explanatory Memorandum which forms part of the Notice of Meeting, is approved.

Voting Exclusion Statement – Resolution 4

Voting Exclusions that apply to this Resolution are set out below.

Resolution 5

Issue of Options and Rights under the Eclix Group Limited Long Term Incentive Plan for FY19 – Mr Garry McLennan

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

That, for the purposes of ASX Listing Rule 10.14 and for all other purposes, the issue of 1,160,000 Options and 290,000 Rights to Mr Garry McLennan, under the Eclix Group Limited Long term Incentive Plan for FY19 on the terms described in the Explanatory Memorandum which forms part of the Notice of Meeting, is approved.

Voting Exclusion Statement – Resolutions 4 and 5

The Company will disregard any votes on Resolutions 4 and 5:

- cast in favour of the resolutions by or on behalf of any Director of the Company who is eligible to participate in the Eclix Group Limited Long Term Incentive Plan or their associates (regardless of the capacity in which the vote is cast); or
- cast as proxy by a person who is a member of the KMP on the date of the AGM and their closely related parties.

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

- in accordance with the directions on the Proxy Form; or
- by the person chairing the meeting, in accordance with an express authorisation in the Proxy Form to exercise the proxy even though Resolutions 4 and 5 are connected, directly or indirectly, with the remuneration of the KMP.

BY ORDER OF THE BOARD



Matthew Sinnamon
Company Secretary

Thursday, 10 January 2019

Notice of Annual General Meeting

(CONTINUED)

ENTITLEMENT TO ATTEND AND VOTE

In accordance with Reg 7.11.37 of the Corporations Regulations 2001 (Cth), the Board has determined that persons who are registered holders of shares of the Company as at 4pm (Sydney time) on Saturday, 9 February 2019 will be entitled to attend and vote at the AGM as a shareholder.

If more than one joint holder of shares is present at the AGM (whether personally, by proxy or by attorney or by representative) and tenders a vote, only the vote of the joint holder whose name appears first on the register will be counted.

Voting by Proxy

If you are a shareholder entitled to attend and vote, you may appoint an individual or a body corporate as a proxy. If a body corporate is appointed as a proxy, that body corporate must ensure that it appoints a corporate representative in accordance with section 250D of the Corporations Act to exercise its powers as proxy at the AGM.

A proxy need not be a shareholder of the Company.

A shareholder may appoint up to two proxies and specify the proportion or number of votes each proxy may exercise. If the shareholder does not specify the proportion or number of votes to be exercised, each proxy may exercise half of the shareholder's votes.

To be effective, the proxy must be received at the Share Registry of the Company no later than 4pm (Sydney time) on Saturday, 9 February 2019. Proxies must be received before that time by one of the following methods:

Online (preferred):
www.linkmarketservices.com.au

By post:
Eclipx Group Limited
C/- Link Market Services Limited Locked Bag A14
Sydney South NSW 1235 Australia

By facsimile:
02 9287 0309 (within Australia)
+61 2 9287 0309 (from outside Australia)

By delivery in person:
Link Market Services Limited
1A Homebush Bay Drive
Rhodes NSW 2138

Power of Attorney

A Proxy Form and the original power of attorney (if any) under which the Proxy Form is signed (or a certified copy of that power of attorney or other authority) must be received by the Company no later than 4pm (Sydney time) on Saturday, 9 February 2019, being 48 hours before the AGM.

Corporate Representatives

A body corporate which is a shareholder, or which has been appointed as a proxy, is entitled to appoint any person to act as its representative at the AGM. The appointment of the representative must comply with the requirements under section 250D of the Corporations Act. The representative should bring to the AGM a properly executed letter or other document confirming its authority to act as the company's representative. A "Certificate of Appointment of Corporate Representative" form may be obtained from the Company's share registry: www.linkmarketservices.com.au.

IMPORTANT: If you appoint the Chairman of the Meeting as your proxy, or the Chairman becomes your proxy by default, and you do not direct your proxy how to vote on resolutions 3, 4 or 5, then by submitting the Proxy Form you will be expressly authorising the Chairman to exercise your proxy on the relevant resolution, even though the resolutions are connected, directly or indirectly, with the remuneration of the KMP.

Voting at the Meeting

It is intended that voting on each of the proposed resolutions at this meeting will be conducted by a poll, rather than on a show of hands.

SHAREHOLDER QUESTIONS

Shareholders who are unable to attend the Meeting or who may prefer to register questions in advance to either the Board or the Auditor, are invited to do so.

Please log onto www.linkmarketservices.com.au, select Voting then click 'Ask a Question'.

To allow time to collate questions and prepare answers, please submit any questions by 5pm (Sydney time) on Monday, 4 February 2019.

Questions will be collated and, during the AGM, the Chairman will seek to address as many of the more frequently raised topics as possible. However, there may not be sufficient time available at the AGM to address all topics raised. Please note that individual responses will not be sent to shareholders.

ENCLOSURES

Enclosed is a Proxy Form to be completed if you would like to be represented at the AGM by proxy. Shareholders are encouraged to use the online lodgement facility that can be accessed on Eclipx's share registry's website at www.linkmarketservices.com.au to ensure the timely and cost effective receipt of your proxy.

Explanatory Memorandum

This Explanatory Memorandum has been prepared for the information of shareholders of the Company (Shareholders) in relation to the business to be conducted at the Company's AGM to be held on Monday, 11 February 2019.

The purpose of this Explanatory Memorandum is to provide shareholders with information that is reasonably required by shareholders to decide how to vote on the resolutions.

Subject to the abstentions noted below, the Directors unanimously recommend shareholders vote in favour of all Resolutions. The Chairman of the Meeting intends to vote all available undirected proxies in favour of each resolution.

All Resolutions are ordinary resolutions, which require a simple majority of votes cast by shareholders present and entitled to vote on the resolution. Resolution 3, relating to the Remuneration Report, is advisory and does not bind the Directors or the Company.

Resolution 1

Re-Election of Director – Mr Trevor Allen

In accordance with article 47(a) of the Company's Constitution and ASX Listing Rule 14.4, a Director must retire from office no later than the longer of the third Annual General Meeting of the Company or three years, following that Director's last election.

Mr Trevor Allen was appointed to the Board as an independent Non-Executive Director on 26 March 2015, and was last elected by shareholders of the Company at the Annual General Meeting on 18 February 2016. In accordance with article 47(a) of the Company's Constitution, Mr Allen retires from office at the conclusion of the AGM and, being eligible, seeks re-election as a Director of the Company.

Trevor is Chair of the Audit and Risk Committee and a member of the Remuneration and Nomination Committee.

Trevor has over 40 years' corporate and commercial experience, primarily as a corporate and financial adviser to Australian and international corporates.

Trevor is a Non-Executive Director of Peet Ltd and Freedom Foods Group Ltd and a Non-Executive Alternate Director, Company Secretary and Public Officer of Australian Fresh Milk Holdings Pty Ltd and Fresh Dairy One Pty Ltd. He is also a Non-Executive Director of Topco Investments Pty Ltd, the holding company of Real Pet Food Company Limited.

Prior to undertaking non-executive roles in 2012, Trevor held senior executive positions as an Executive Director - Corporate Finance at SBC Warburg and its predecessors for eight years and as a Corporate Finance Partner at KPMG for nearly 12 years. At the time of his retirement from KPMG in 2011 Trevor was the Lead Partner in its National Mergers and Acquisitions Group.

Trevor was Director - Business Development for Cellarmaster Wines from 1997 to 2000, having responsibility for the acquisition, integration and performance of a number of acquisitions made outside Australia in that period.

During the last three years Trevor has also served as a Director for the following companies: Aon Superannuation Pty Ltd (resigned August 2016), Yowie Group Ltd (resigned January 2018) and Brighte Capital Pty Ltd (resigned June 2018).

The Directors, with Mr Allen abstaining, unanimously recommend shareholders vote in favour of this Resolution.

Resolution 2

Re-Election of Director – Mr Russell Shields

In accordance with article 47(a) of the Company's Constitution and ASX Listing Rule 14.4, a Director must retire from office no later than the longer of the third annual general meeting of the Company or three years, following that Director's last election.

Mr Russell Shields was appointed to the Board as an independent Non-Executive Director on 26 March 2015, and was last elected by shareholders of the Company at the Annual General Meeting on 18 February 2016. In accordance with article 47(a) of the Company's Constitution, Mr Shields retires from office at the conclusion of the AGM and, being eligible, seeks re-election as a Director of the Company.

Russell is a member of the Audit and Risk Committee.

Russell has more than 35 years' experience in financial services, including six years as Chairman of ANZ Bank, Queensland and Northern Territory.

Prior to joining ANZ, Russell held senior executive roles with HSBC, including Managing Director Asia Pacific – Transport, Construction and Infrastructure and State Manager Queensland, HSBC Bank Australia. He was previously Chairman of Onyx Property Group Pty Ltd.

During the last three years Russell has also served as a Director for the following listed companies: Aquis Entertainment Ltd (appointed August 2015) and Retail Food Group Ltd (resigned October 2018).

The Directors, with Mr Shields abstaining, unanimously recommend shareholders vote in favour of this Resolution.

Resolution 3

Remuneration Report

Shareholders can view the Remuneration Report in the Annual Report which is available on Eclix's website at www.eclix.com.

Broadly, the Remuneration Report details the remuneration policy for the Company and:

- explains the structure of and rationale behind the Company's remuneration practices and the link between the remuneration of executives and the Company's performance;
- sets out remuneration details for each Director and for each executive with authority and responsibility for directing the affairs of the Company; and
- discusses the relationship between the remuneration policy and Company performance.

Following consideration of the Remuneration Report, the Chairman of the meeting will give shareholders a reasonable opportunity to ask questions about, or make comments on, the Remuneration Report. The vote on this resolution is advisory only and does not bind the Directors or the Company. However the Board will take the outcome of the vote into account in setting remuneration policy for future years.

The Directors unanimously recommend that shareholders vote in favour of this Resolution.

Resolutions 4 & 5

Issue of Options and Rights under the Eclix Group Limited Long Term Incentive Plan for FY19– Mr Doc Klotz and Mr Garry McLennan

Background

Please note that if the proposed merger with McMillan Shakespeare Limited (MMS), or any other change of control transaction, proceeds by 30 June 2019, then the awards of Options and Rights granted under Resolutions 4 and 5 to Mr Doc Klotz and Mr Garry McLennan (if approved by shareholders) will lapse (or if the awards have not been granted, they will not be made).

Shareholders should review this Notice of Meeting with this background in mind.

Resolutions 4 and 5 deal with the proposed issue of Options and Rights to Mr Doc Klotz and Mr Garry McLennan under the Eclix Group Limited Long Term Incentive Plan (the Plan) for FY19. The Plan was approved by shareholders for the purposes of ASX Listing Rule 7.2, Exception 9 at the 2018 AGM on 22 February 2018.

The Company has agreed, subject to obtaining shareholder approval which is being sought under Resolutions 4 and 5, to issue a total of 2,320,000 Options (Options) and 580,000 Rights (Rights) to Mr Klotz and Mr McLennan – which equates to:

- Mr Klotz receiving 1,160,000 Options and 290,000 Rights and;
- Mr McLennan receiving 1,160,000 Options and 290,000 Rights.

ASX Listing Rule 10.14

ASX Listing Rule 10.14 requires the Company to obtain the approval of ordinary shareholders to issue shares under an employee incentive scheme to a Director of the Company. The Company is seeking approval for the grant of the Options and Rights to each of the Directors in the interests of good governance, and to preserve the Company's flexibility to issue new shares, acquire shares on market or transfer shares from the employee share trust to satisfy vested Options and Rights.

Explanatory notes on the business to be transacted at the Eclipx Group Limited 2019 Annual General Meeting

(CONTINUED)

Purpose of the Plan

The Board considers that the grant of Options and Rights under the Plan is a very important tool in rewarding, retaining and incentivising employees of the Company and increasing goal alignment between shareholders and executives. The Plan has been designed to:

- assist in the motivation, retention and reward of key executives; and
- align the interests of participants with the interests of shareholders of Eclipx.

Other members of senior management, selected by the Board, have been granted equity incentive awards including Options and/or Rights under the Plan on similar terms to Mr Klotz and Mr McLennan.

Considerations in determining the number of proposed Options and Rights

In determining the number and exercise price of the Options and Rights to be issued to Mr Klotz and Mr McLennan, the Board considered the:

- experience of Mr Klotz and Mr McLennan;
- desired value of the long term incentive component as a proportion of total potential remuneration for Mr Klotz and Mr McLennan;
- indicative fair value of Options and Rights;
- preferred mix of Options and Rights;
- current market price of the Eclipx shares; and
- current market practice.

The indicative fair value to arrive at the number of Options and Rights to be issued was \$1.80 per Right and \$0.51 per Option (as valued by an independent external consultant).

The Directors, with Mr Klotz and Mr McLennan abstaining, recommend that shareholders vote in favour of Resolutions 4 and 5 for the reasons set out below:

- a) The Directors consider that it is important for the Company to be able to attract and retain experienced Executive Directors and that the proposed grants of Options and Rights to Mr Klotz and Mr McLennan are appropriate taking into account their level of experience and contribution to the Company.
- b) The Directors consider that the grant to each Director is appropriate to:
 - i. motivate the relevant Directors to pursue long term growth and success of the Company (within an appropriate control framework);
 - ii. align the interests of key leadership with the long term interests of the Company's shareholders; and
 - iii. ensure a clear correlation between performance and remuneration, in accordance with the Company's remuneration policy.
- c) The ASX Corporate Governance Council's Corporate Governance Principles and Recommendations (3rd ed.) note that equity-based remuneration can be an effective form of remuneration for executives.

Details about the proposed grant of Options and Rights to Mr Klotz and Mr McLennan

The Options and Rights will vest to the extent that the Board determines the Vesting Conditions are satisfied when tested following the end of the Performance Period (anticipated to occur in or around November 2021).

The Options and Rights are granted for nil financial consideration. The exercise price for the Options is \$2.54 per Option (being the closing price of the Company's shares on 14 December 2018). The exercise price for the Rights is nil.

VESTING CONDITIONS

The Vesting Conditions are based on two separate performance hurdles measured over the Performance Period as described below. The Vesting Conditions are the same for both Mr Klotz and Mr McLennan.

1) Relative Total Shareholder Return (TSR Hurdle)

50% of the Options and Rights, respectively, will be subject to the Company's TSR performance against a selected group of comparator companies.

The relevant performance period is 1 October 2018 to 30 September 2021 (Performance Period).

The comparator group for the TSR Hurdle will be the constituents of the ASX 200 excluding GICS Industry "Metals & Mining" companies (Comparator Group). The constituents of the Comparator Group are defined as at the first day of the Performance Period.

Broadly, TSR calculates the return shareholders would earn if they held a notional number of shares over a period of time and measures growth in the Company's share price together with the value of dividends during the period, assuming that all those dividends are reinvested into new shares.

The percentage of Options and Rights subject to the TSR hurdle that vest, if any, will be determined by Eclix's ranking against the Comparator Group (where Eclix and all companies in the Comparator Group are ranked based on each company's TSR performance over the Performance Period) as follows:

ECLIX TSR RANK	OPTIONS AND RIGHTS SUBJECT TO TSR HURDLE THAT VEST (%)
At or above the 75th percentile	100%
Between 51st percentile and 75th percentile	Straight line pro-rata vesting between 50% and 100%
At the 51st percentile (threshold performance)	50%
Below the 51st percentile	0%

The Board retains the discretion to adjust the TSR Hurdle, including the constituents of the comparator group, in exceptional circumstances, to ensure that participants are neither advantaged nor disadvantaged by matters outside management's control that materially affect TSR performance.

Any Options and Rights that do not vest following the Performance Period will lapse immediately.

2) Absolute Earning per Share (EPS Hurdle)

50% of the Options and Rights, respectively, will be subject to the absolute EPS Hurdle, based on the Company's growth in basic cash EPS over the Performance Period.

Broadly the cash EPS hurdle measures the earnings generated by the Company attributable to each share on issue adjusted for certain accounting items.

The percentage of Options and Rights subject to the EPS Hurdle that will vest, if any, will be determined based on the Company's compound annual growth in cash EPS over the Performance Period by reference to the "base year" cash EPS (Financial Year 2018 will be the base year for the proposed grant of Options and Rights).

Accordingly, to determine growth in cash EPS, the cash EPS achieved in Financial Year 2021 will be compared to cash EPS achieved in Financial Year 2018, and the level of compound annual growth (stated as a percentage) will determine the proportion of the EPS hurdled Options and Rights that vest.

Explanatory notes on the business to be transacted at the Eclix Group Limited 2019 Annual General Meeting

(CONTINUED)

The Options and Rights will vest as follows:

GROWTH IN THE COMPANY'S CASH EPS	OPTIONS AND RIGHTS SUBJECT TO EPS HURDLE THAT VEST (%)
Below 7% compound annual growth	Nil
At 7% compound annual growth	50%
Between 7% and 10% compound annual growth	Straight line pro-rata vesting between 50% and 100%
At or above 10% compound annual growth	100%

The Board retains the discretion to adjust the EPS Hurdle, including the cash EPS performance measured to determine whether the EPS Hurdle is achieved, in exceptional circumstances to ensure that participants are neither advantaged nor disadvantaged by matters outside management's control that materially affect EPS (for example, by excluding one-off non-recurrent items or the impact of significant acquisitions or disposals).

No re-testing

Options and Rights are not eligible for re-testing. Any Options and Rights that do not vest following the Performance Period will lapse immediately.

Allocation of shares following vesting

Under the Plan, the Board can allow for "net settlement" of Options once they have vested. Where Options are exercised on a net settlement basis, the participant is allocated the total number of shares that would have been allocated upon exercise less the number of shares equal to the value of the aggregate exercise price payable (and the exercise price is not required to be paid in cash). The Board has received advice confirming that the economic consequences for Eclix of net settling Options are not materially different to where Options are exercised in full.

In respect of Mr Klotz, to the extent the Vesting Conditions are satisfied, Mr Klotz's Options will be net settled and his Options and Rights will be exercised upon vesting. As a result, following vesting, the process for exercising Mr Klotz's Options and Rights is different to that for Mr McLennan's Options and Rights, as described below. However, the number of instruments that may vest following testing of the performance hurdles, and the economic value of the underlying shares at vesting, less any exercise price, will be the same for Mr Klotz and Mr McLennan.

In respect of Mr Klotz's Options and Rights:

- Mr Klotz's Options and Rights will be automatically exercised upon vesting.
- Upon the automatic exercise of Mr Klotz's Options, Mr Klotz will be allocated the relevant number of shares on a "net settlement" basis, calculated as the total number of shares that would have been allocated upon exercise less the number of shares equal to the value of the aggregate exercise price payable.
- Mr Klotz's Options and Rights may be satisfied in either shares or the cash equivalent value as determined appropriate by the Board.

In respect of Mr McLennan's Options and Rights:

- Mr McLennan may exercise his vested Options and Rights (and in respect of the Options, pay the exercise price), and he will be allocated the relevant number of shares on a one-for-one basis.
- The Board may allow Mr McLennan to exercise his Options on a "net settlement" basis, in which case on exercise of his Options Mr McLennan will be allocated the relevant number of shares calculated as the total number of shares that would have been allocated upon exercise less the number of shares equal to the value of the aggregate exercise price payable.
- Mr McLennan's Options and Rights may be satisfied in either shares or the cash equivalent value as determined appropriate by the Board (normally at the time the Options and Rights are exercised).

DIRECTOR INTERESTS

As at 30 September 2018, the Directors' interests in the securities of the Company are as set out below:

	RELATED PARTY	
	Mr Doc Klotz	Mr Garry McLennan
Shares	340,000	432,314 *
Unlisted Options	2,312,000	2,312,000
Rights	486,000	486,000
Vested loan shares	5,139,118	5,139,118
Unvested loan shares	-	-

* 43,478 shares were purchased by a close family member of the Executive.

DIRECTOR REMUNERATION

Set out below is the remuneration received and receivable by Mr Klotz and Mr McLennan in respect of Financial Year 2018:

	RELATED PARTY	
	Mr Doc Klotz	Mr Garry McLennan
SHORT TERM BENEFITS		
Salary and fees	\$867,139	\$679,553
Non-monetary ¹	\$161,531	\$5,297
Movement in annual leave provision ²	\$28,425	(\$10,501)
Cash bonus payable in respect of current year	-	-
LONG TERM BENEFITS		
Non-monetary ³	\$18,101	\$13,393
Super-annuation	\$20,196	\$20,196
Share based payments equity settled	\$1,394	\$9,091
Total	\$1,096,786	\$717,029

¹ Amount represents car parking, flights home, tax services and fringe benefits tax. Current year non-monetary benefit for Mr Klotz includes one-off fees paid for prior years' tax advice services which are not expected to be incurred in FY19.

² Amount represents annual leave provisions. Negative movement indicates leave taken during the year exceeded leave accrued during the current year. This is to be read in conjunction with the Salary and Fees column.

³ Amount represents long service leave provisions.

Explanatory notes on the business to be transacted at the Eclix Group Limited 2019 Annual General Meeting

(CONTINUED)

Technical information (for the purposes of the ASX Listing Rules)

Pursuant to the requirements of ASX Listing Rule 10.15, the following information is provided with regard to Resolutions 4 and 5:

- Mr Doc Klotz and Mr Garry McLennan are the only Directors eligible to participate in the Plan. Non-Executive Directors are not eligible to participate.
- For the purposes of ASX Listing Rule 10.15.4, pursuant to ASX Listing Rule 10.14, the following information is provided:
 - Mr Klotz received 632,000 Options and 158,000 Rights under the Plan which were approved by shareholders at the 2018 AGM held on 22 February 2018. The exercise price for the Options was \$4.18 per option and the exercise price for the Rights was nil; and
 - Mr McLennan received 632,000 Options and 158,000 Rights under the Plan which were approved by shareholders at the 2018 AGM held on 22 February 2018. The exercise price for the Options was \$4.18 per option and the exercise price for the Rights was nil.
- There is no loan attaching to the offer under the Plan.
- The Company expects to grant the Options and Rights shortly after the AGM but in any event, no later than 12 months after the AGM (unless by 30 June 2019 the proposed merger with MMS, or another change of control transaction, proceeds before the grants are made).
- If approval is given for the issue of securities under ASX Listing Rule 10.14, approval is not required under ASX Listing 10.11, in accordance with Exception 4 of Listing Rule 10.12. In addition, if approval is given for the issue of securities under ASX Listing Rule 10.14, approval is not required under ASX Listing Rule 7.1, in accordance with Exception 14 in Listing Rule 7.2. Exception 9 of Listing Rule 7.2 also applies as shareholder approval for the Plan was obtained at the 2018 AGM held on 22 February 2018. Therefore, the issue of Options and Rights to each of the Directors will not be included for the purposes of

Listing Rule 7.1. The issue of shares on the vesting and exercise of the Options and Rights will similarly be excluded from Listing Rule 7.1.

Additional terms of the Options and Rights

- The Options and Rights granted under the Plan are both awards in the form of “Options” as described in the Plan. Accordingly, both Options and Rights must be exercised following vesting to receive shares (or the cash equivalent value) and have the same terms, except that an exercise price is payable on exercise of the Options only. The Options and Rights granted to Mr Klotz will be automatically exercised on vesting, with the Options exercised on a “net settlement” basis as described earlier in this Explanatory Memorandum.
- The Options and Rights granted to Mr McLennan must be exercised by 5pm on the five year anniversary of the grant date (Expiry Date), otherwise they will lapse.
- Options and Rights do not carry any dividend or voting rights prior to vesting.
- A participant must not sell, transfer, encumber, hedge or otherwise deal with unvested Options and Rights.
- The Plan contains provisions which give the Board the ability to impose claw-back, including the lapse of unvested Options and Rights, to ensure that no unfair benefit is obtained by a participant (e.g. in the event of fraud or dishonesty).
- The Company’s obligation to allocate shares on exercise of the Options and Rights may be satisfied by issuing new shares, acquiring shares on market or transferring shares from the employee share trust.
- If the proposed merger with MMS, or another change of control transaction, is approved by shareholders and proceeds by 30 June 2019, then the Options and Rights granted to Mr Doc Klotz and Mr Garry McLennan will lapse. Where the merger, or another change of control transaction, does not proceed by 30 June 2019, then upon a subsequent 50% change of control, all unvested Options and Rights will vest in full, subject to the Board determining that a different treatment should

apply. Where any other transaction or event occurs, that in the opinion of the Board should be treated as a change of control for the purposes of the Plan, the Board has the discretion to determine the treatment of the Options and Rights, including the timing of such treatment and the level of vesting.

- If there is any re-organisation (including consolidation, subdivision, reduction or return of issued capital of the Company), the number of Options and Rights and/or the exercise price will be adjusted by the Company in accordance with the Listing Rules or (if no such rules exist) in a manner which the Board considers appropriate.
- In the event of cessation of employment, Options and Rights will be treated as follows:
 - a) Unvested Options and Rights:
 - Generally, if the Director ceases employment due to resignation, termination for cause or gross misconduct all of the unvested Options and Rights will lapse at cessation of employment (subject to the Board's discretion to apply a different treatment in accordance with the Plan Rules).
 - If the Director ceases employment for any other reason before the Options and Rights vest, unvested Options and Rights remain "on foot" and will be tested following the end of the original Performance Period, vesting to the extent that the relevant vesting conditions have been satisfied. Any Options and Rights that vest must be exercised within 90 days of vesting, otherwise they will lapse.
 - The Board also has a broader discretion to apply any another treatment that it deems appropriate in the circumstances.
 - b) Vested Options and Rights:
 - If the Director ceases employment due to termination for cause, all of the vested Options and Rights will lapse at cessation, subject to the Board's discretion to apply a different treatment.
 - If the Director ceases employment for any other reason, any vested Options and Rights not exercised within 90 days of cessation of employment will lapse.

- Any Shares issued pursuant to the vesting of Rights and the vesting and exercise of Options will, subject to the Constitution of the Company, rank in all respects (other than in respect of dividends, rights issues or bonus issues declared prior to allotment) *pari passu* with the existing Shares at the date of issue and allotment.
- The Options and Rights will not be quoted on the ASX. The Company intends to apply to the ASX for quotation of any Shares issued on conversion of the Options and Right.

The Directors (with Mr Klotz abstaining) unanimously recommend that shareholders vote in favour of Resolution 4.

The Directors (with Mr McLennan abstaining) unanimously recommend that shareholders vote in favour of Resolution 5.

