

20 September 2022

Market Announcements Office  
ASX Limited  
Exchange Centre  
20 Bridge Street  
SYDNEY NSW 2000

Dear Sir

**Replacement Notice of 2022 Annual General Meeting**

Please find attached a replacement 2022 Notice of Annual General Meeting correcting a typographical error: the date of appointment of Mr Greg Rynenberg as a director of Steadfast, being 10 August 1998.

This announcement is authorised by the Steadfast Disclosure Committee.

All queries in relation to this announcement should be directed to the undersigned.

Yours faithfully



**Linda Ellis**  
**Group Company Secretary & Corporate Counsel**

**Steadfast Group Limited**

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# Steadfast Group Limited

## Notice of AGM 2022

Steadfast Group Limited (ACN 073 659 677) is referred to as the Company or Steadfast in this notice of Annual General Meeting (AGM). The financial year ended 30 June 2022 is referred to as FY22.

**Our AGM will be held at 10:00 am (AEST) on Thursday, 20 October 2022 at the Hilton Sydney, 488 George Street, Sydney NSW 2000 and virtually.**

### Participation at the AGM

Shareholders are invited to:



#### Attend in person

at the Hilton Sydney, 488 George Street, Sydney NSW 2000



**or to watch and participate in Steadfast's AGM live online.**



**Enter <https://meetings.linkgroup.com/SDF22> into a web browser on your computer or online device:**

- ▶ Shareholders will need their Shareholder Reference Number (SRN) or Holder Identification Number (HIN) and postcode. Shareholders with a registered address outside Australia should click 'Outside Australia' and select the country of their registered address;
- ▶ Proxyholders will need their proxy code which Link Market Services will provide via email no later than 48 hours prior to the AGM; and
- ▶ Steadfast recommends logging in to the online platform at least 15 minutes prior to the scheduled start time for the AGM.

### Voting options for the AGM



- ▶ Voting in person during the AGM;
- ▶ Appointing a proxy (Steadfast recommends shareholders go online and appoint a proxy before the AGM. Details of how to do this are set out on page 16 of the Notice of AGM); or
- ▶ Direct voting online during the AGM.

### Future alternative arrangements

If it becomes necessary to make alternative arrangements for holding Steadfast's AGM, we will ensure that shareholders are given as much notice as possible. Information will be made available on the Steadfast investor website at <https://investor.steadfast.com.au>.

### Questions



During the AGM, shareholders and proxyholders may ask questions in person or online, by telephone, once they have been verified. It may not be possible to respond to all questions asked during the AGM. Accordingly, shareholders are encouraged to lodge questions prior to the AGM either online at [www.linkmarketservices.com.au](http://www.linkmarketservices.com.au) or by email to [investor@steadfast.com.au](mailto:investor@steadfast.com.au).

Shareholders and proxyholders may ask questions in real-time by telephone during the AGM by calling: from Australia 1800 271 187 or from Overseas +61 2 9189 2033. A personalised PIN is needed to ask questions by telephone. To receive a personalised PIN, please contact Link Market Services before the AGM on +61 1800 990 363. If you plan to ask questions by telephone, you will still need to log into the online platform (see above) if you wish to vote online during the AGM.

## Agenda

### 1. Consideration of reports

To consider and receive the financial report for the Company and its controlled entities, the directors' report and auditor's report for the financial year ended 30 June 2022 as set out in the Company's 2022 Annual Report.

*There is no vote on this Item.*

### 2. Remuneration report

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

*"That the remuneration report (set out in the directors' report) for the financial year ended 30 June 2022 be adopted."*

### 3. Grant of equity to MD & CEO

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

*"That the following be approved:*

- a) *for the purposes of ASX Listing Rule 10.14 and for all other purposes:*
  - i. *the grant to Mr Robert Kelly of deferred equity awards under the Company's long-term and short-term incentive schemes in relation to Mr Kelly's FY22 remuneration;*
  - ii. *the issue (or transfer) to and acquisition by Mr Robert Kelly of Steadfast ordinary shares in relation to Mr Kelly's FY22 remuneration on vesting of the relevant deferred equity awards into Steadfast ordinary shares; and*
- b) *for the purposes of sections 200B and 200E of the Corporations Act 2001 (Cth) and for all other purposes, the giving of all benefits to Mr Robert Kelly referred to in paragraph 3(a) in connection with Mr Robert Kelly ceasing to hold an office or position of employment with the Company or a related body corporate in circumstances of death, genuine retirement, redundancy or total and permanent disablement,*

*in each case, as set out in the Explanatory Notes which form part of this Notice of Meeting."*

### 4. Approval to refresh Steadfast's placement capacity

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

*"That the issue of an aggregate of 54,641,674 ordinary shares in Steadfast under the Institutional Placement (as described in the Explanatory Notes which form part of this Notice of Meeting) is ratified for all purposes, including for ASX Listing Rule 7.4."*

### 5. Amendment of constitution

To consider, and if thought appropriate, pass the following resolution as a special resolution:

*"That the constitution of the Company be amended as set out in the document tabled at the AGM, and described in the explanatory notes to this notice of meeting, with effect from the close of the AGM."*

### 6. Election of director – Ms Joan Cleary

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

*"That Ms Joan Cleary is elected as a non-executive director of the Company."*

### 7. Re-election of director – Mr Frank O'Halloran AM

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

*"That Mr Frank O'Halloran AM is re-elected as a non-executive director of the Company."*

**8. Re-election of director – Mr Greg Rynenberg**

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

*"That Mr Greg Rynenberg is re-elected as a non-executive director of the Company."*

The Chairman of the AGM intends to vote undirected proxies able to be voted in favour of the resolutions contained in Items 2 to 8 inclusive.

Further information in relation to each resolution to be considered at the AGM is set out in the attached Explanatory Notes.

By order of the Board.



Linda Ellis  
Group Company Secretary & Corporate Counsel

## Explanatory notes on the business to be transacted at the 2022 AGM

Resolutions in Items 3, 4, 6, 7 & 8 are ordinary resolutions and, to be passed, must be passed by more than 50% of the votes cast by shareholders present (in person, online, by proxy or by representative) and entitled to vote on the resolution. The resolution in Item 5 is a special resolution and, to be passed, must be passed by more than 75% of the votes cast by shareholders present (in person, online, by proxy or by representative) and entitled to vote on the resolution.

### Item 1 – Consideration of reports

As required by section 317 of the *Corporations Act 2001* (Cth) (Corporations Act), the financial report, directors' report and auditor's report of the Company and its subsidiaries for the most recent financial year will be laid before the AGM. There will be no formal resolution put to the AGM.

The reports are available on the Steadfast investor website at <https://investor.steadfast.com.au>.

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:

- 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 the financial statements; and
- the independence of the auditor in relation to the conduct of the audit.

### Item 2 – Remuneration report

In accordance with section 250R(2) of the Corporations Act, the Company is required to present the Company's remuneration report to shareholders for consideration and adoption at the AGM. The remuneration report outlines Steadfast's remuneration philosophy, framework and outcomes for the financial year ended 30 June 2022. The remuneration report is located in the Company's 2022 Annual

Report on pages 52 - 77 and is also available on the Steadfast investor website at <https://investor.steadfast.com.au>.

Shareholders will have a reasonable opportunity to ask questions and comment on the remuneration report at the AGM.

The Company's remuneration structure is designed to align executive and shareholder interests, retain talent and support long term value creation for shareholders by providing competitive remuneration and rewards for exceptional performance and strong earnings per share growth. The key terms of the Company's remuneration structure for FY22 are set out in section 3 of the Company's remuneration report, together with a summary of the changes made for FY23.

The vote on this resolution is advisory only and does not bind the directors or the Company. Nevertheless, the Board will take into account the outcome of the vote when considering the future remuneration arrangements of the Company.

As a result of provisions in the Corporations Act known generally as the "two strikes rule", shareholders should note that the result of the vote on this resolution may affect next year's AGM: if 25% or more of the votes cast on this resolution are "against" the resolution both at the 2022 AGM and the 2023 AGM, then a further resolution on whether to hold a meeting to spill the Board would need to be considered at the 2023 AGM.

*Noting that each director has a personal interest in their own remuneration from the Company as described in the remuneration report, **the Board recommends that shareholders vote in favour of the resolution in Item 2.***

***The Chairman of the AGM intends to vote undirected proxies able to be voted in favour of this resolution.***



## Voting exclusion – Item 2

Item 2 is a resolution connected directly or indirectly with the remuneration of members of the Company's key management personnel (KMP).

1. Subject to 2. below, a vote must not be cast (in any capacity) on the resolution in this Item 2 by or on behalf of a member of the Company's KMP, details of whose remuneration are included in the remuneration report, or their closely related parties (as defined under the Corporations Act), except that a vote may be cast on the resolution in this Item 2 by a KMP, or a closely related party of a KMP, if:
  - a) the vote is cast as a proxy appointed in writing that expressly specifies how the proxy is to vote on the resolution in this Item 2; and
  - b) the vote is not cast on behalf of a KMP or a closely related party of a KMP.
2. If you either appoint the Chairman of the AGM as your proxy or the Chairman of the AGM is appointed as your proxy by default,\* and you do not direct your proxy how to vote on the resolution in this Item 2 on the proxy form, you will be expressly authorising the Chairman of the AGM to exercise your proxy in favour of the resolution in this Item 2 even though Item 2 is connected directly or indirectly with the remuneration of KMP, including the Chairman of the AGM.

\* If no proxy was identified in your lodged proxy form or your nominated proxy does not attend the AGM or does attend but does not vote in a circumstance where you have directed your proxy how to vote.

## Item 3 - Grant of equity to MD & CEO

### Approval of grant of equity to Mr Robert Kelly

#### Mr Kelly's participation in the Company's STI and LTI Plans

Item 3 deals with the proposed grant of deferred equity awards (DEAs) to Mr Kelly, Managing Director & CEO, under the Company's short-term incentive plan (STI Plan) and long-term incentive plan (LTI Plan). As he is a director of the Company, shareholder approval to permit Mr Kelly to acquire DEAs and Steadfast

shares under the Company's STI Plan and LTI Plan is required under ASX Listing Rule 10.14.1. Specifically, the Board intends to grant Mr Kelly an initial number of 385,972 DEAs which are contractual rights to receive, upon vesting, one Steadfast ordinary share per DEA at no cost as part of his FY22 remuneration, subject to the terms and conditions described in the Further Details of the Steadfast FY22 STI and LTI Plans (as attached to these Explanatory Notes and provided in accordance with ASX Listing Rule 10.15.9 which requires material terms of any agreement under which securities are to be issued to be disclosed). DEAs are the form of security granted to Mr Kelly and other executives as they:

- align the interests of Mr Kelly and shareholders because vesting into Steadfast shares is performance-related and at risk;
- provide an opportunity for Mr Kelly to acquire equity in Steadfast as a reward for ROC performance and underlying EPS and TSR growth (discussed further below);
- encourage retention because continued employment is a condition of vesting; and
- provide an opportunity for the Board to exercise discretion to adjust any unvested performance-related remuneration (ie DEAs) downwards if it is appropriate to do so, including in circumstances of malus.

Further details about Steadfast's approach to its remuneration framework is provided below and in the 2022 remuneration report.

The Company attributes a value of \$4.44 to each DEA on the basis of a share price of \$5.01 at 8 September 2022 and appropriate option pricing valuation methodology advised by an independent accounting firm.

The key elements of the total remuneration paid to Mr Kelly are:

- fixed remuneration of cash salary, superannuation and non-monetary benefits;
- an annual incentive under the Company's STI Plan; and
- a long-term incentive under the Company's LTI Plan.

For FY22, the targeted maximum remuneration mix for the Managing Director & CEO was 25% fixed and 75% variable (at risk). The Board believes that the fundamental driver for executive remuneration should be long-term financial performance that generates value for Steadfast shareholders. The at risk (or variable) remuneration components for the Managing Director & CEO are set by referencing regulation and current market practices. To ensure the Managing Director & CEO remains focused on long term outcomes without encouraging excessive risk taking, the following conditions apply:

- financial performance hurdles:
  - return on capital (ROC) is used as the financial performance hurdle to determine STI award. ROC is defined as underlying Net Profit After Tax (NPAT) (adjusted for certain items the Board considers appropriate) divided by the shareholder equity at the beginning of the year. The underlying earnings per share (EPS) growth and total shareholder return (TSR) are used as the financial performance hurdles for LTI award. The Board considers that EPS, ROC and TSR are the best drivers of executive behaviour that achieve superior performance outcomes for Steadfast and its shareholders. ROC and TSR are transparent measures that are easily reconciled to reported net profit (see page 56 of the 2022 Annual Report). As funding mix can impact EPS, it is noted that the Board has approved a maximum total Group gearing ratio of 30.0% excluding premium funding borrowings. The total Group gearing ratio at the FY22 year end was 19.0%;
  - The Board considers TSR is an effective way to incentivise and measure long-term shareholder value creation;
- non-financial performance hurdle:
  - the Managing Director & CEO is set annual performance objectives known as key performance indicators (KPIs) with weightings aligned to the Group’s strategic objectives, and must achieve at least 60% of those objectives to be eligible for any STI and LTI;
- 40% of the STI is granted as DEA and is intended to be satisfied by the issue or

transfer of ordinary shares in the capital of the Company over a one-year period from the grant date;

- subject to meeting the individual and Group financial objectives, vesting of the LTI occurs after three years from the grant date and is satisfied by the issue or transfer of ordinary shares in the capital of the Company; and
- the Board retains the discretion to adjust any unpaid or unvested performance-related remuneration (such as STI – Cash, STI – DEA and LTI) downwards if it is appropriate to do so. This discretion applies to all the STI and LTI awards on applicable dates for vesting of share-based payment awards.

As part of the ongoing review of remuneration, the STI and LTI plans are continuously refined to ensure incentives are aligned with the Group’s remuneration philosophy, market competitiveness and shareholder feedback on the incentive schemes. As previously communicated, in view of the feedback, the Board decided, after consultation with management, to change both STI and LTI terms for the financial year ended 30 June 2022.

EPS had been used as a core financial measure for determining both STI and LTI awards for the Managing Director & CEO for FY21 and prior years. From FY22, the Board elected to use return on capital for STI award with EPS continuing to be used for LTI. For FY22, ROC excludes the Coverforce acquisition. The weighting of EPS and TSR is a 50:50 mix for calculating any LTI entitlements.

The Board has set the total remuneration of the Managing Director & CEO at a level to correspond to the 75<sup>th</sup> percentile of CEO remuneration of a comparator group of companies. The 75<sup>th</sup> percentile was chosen in light of the considerable experience of the Managing Director & CEO and his very strong performance in the role, including the excellent financial performance of Steadfast since its initial public offering (IPO) in August 2013 as demonstrated by the Company achieving:

- a return on opening capital of 13.2% in FY22;
- a 16.5% underlying diluted EPS growth in FY22
- a 237.0% underlying diluted EPS growth for the period since the IPO; and
- a TSR of 399.6% for the period since the IPO.

The Remuneration & Performance Committee determined that the Managing Director & CEO achieved 89%, with weightings, of his annual KPIs set at the beginning of FY22 which were:

- Successful completion of Trapped Capital Projects with a minimum of annualized EBITA acquired in FY22 at prices no greater than 10 times EBITA unless approved by the Board;
- Successfully integrate Coverforce into Steadfast including meeting forecasted FY22 earnings and synergies;
- Finalise the strategy plan for growth across the UnisonSteadfast Network;
- Benchmarking Coverforce margins against our other Equity Brokers;
- Continue to further develop and strengthen the Executive team for succession planning;
- Continue strong support for our people and culture initiatives, including diversity, TOGETHER and succession planning.

Under the 2022 STI, the Managing Director & CEO was awarded \$2,310,000, made up of \$1,386,000 in cash and the balance, subject to shareholder approval, as 171,543 STI DEAs (calculated by dividing \$924,000 by a Steadfast share price of \$5.3864). Under the 2022 LTI, subject to shareholder approval, the Managing Director & CEO will be granted 214,429 LTI DEAs (calculated by dividing \$1,155,000 by \$5.3864). The date by which these initial DEAs will be issued to Mr Kelly (in accordance with the approval sought at the 2022 AGM) is 28 October 2022 and in any event no later than 3 years after the AGM. The figure of \$5.3864 is the average of the daily volume weighted average share price of Steadfast shares over the five trading days on the Australian Securities Exchange (ASX) prior to the Board approving Mr Kelly's 2022 STI and LTI awards.

Mr Kelly's FY22 STI and LTI awards were approved by the Remuneration & Performance Committee (comprised of independent non-executive directors) and disclosed in the 2022 remuneration report on page 60 of Steadfast's 2022 Annual Report.

This initial number of STI DEAs will increase to reflect any dividends paid on Steadfast shares prior to vesting as if the DEAs were part of Steadfast's dividend reinvestment plan. This does not apply to LTI DEAs. The STI and LTI DEAs are eligible for the bonus element inherent in any rights issue, paid on vesting. The date by which any subsequent DEAs (on the basis of dividends accrued or the bonus element of a rights issue) will be issued to Mr Kelly in accordance with the approval sought at the 2022 AGM is 31 August 2025.

The following is an example of how the number of STI DEAs could increase to reflect any dividends paid on Steadfast shares prior to vesting:

**Hypothetical worked example based on Steadfast dividend announced 17 August 2022**

Assumed balance of STI DEAs*(a):	171,543
Dividend per Steadfast share**(b):	\$0.078
DRP price**(c):	\$5.0982
Additional number of DEAs to be issued (a x \$b) / \$c	2,624

\* this is the initial number of STI DEAs for which shareholder approval to issue is sought at the 2022 AGM. The actual balance of STI DEAs to which dividends will attach will progressively increase as further STIs are granted on the basis of dividends accrued.

\*\* the actual dividend per share and actual DRP price applicable for the Steadfast dividend announced to ASX on 17 August 2022

A summary of the 2022 STI and LTI Plans are attached to these Explanatory Notes, and also contained in the 2022 Annual Report.



### **ASX Listing Rule 10.14**

ASX Listing Rule 10.14 prohibits the acquisition of new securities by a director (or their associates) under an employee incentive scheme without shareholder approval. It aims to minimise the dilution of shareholders and to protect them against related party transactions. ASX Listing Rule 10.14 does not apply to on-market purchases of securities by or on behalf of Mr Kelly (or his associates). If shareholders decide not to approve the grant of shares to Mr Kelly, the Board intends to use its discretion to pay him \$2,079,000 cash, being the total value of Mr Kelly's FY22 STI and LTI share entitlements approved by the Remuneration & Performance Committee for which shareholder approval is sought, in lieu of those share entitlements.

Other than Mr Kelly, the Managing Director & CEO, there are no directors or associates of directors who are entitled to participate in either the STI or LTI Plans. Details of any issue to Mr Kelly of DEAs, and any acquisition by Mr Kelly of Steadfast shares as a consequence of those DEAs vesting into Steadfast shares, are published in each annual report of the Company relating to a period in which the relevant DEAs or Steadfast shares have been issued or acquired (as applicable) and the approval for the issue was obtained under ASX Listing Rule 10.14 (subject to shareholder approval).

Since the approval sought at the 2021 AGM, Mr Kelly has received 482,653 Steadfast shares, at nil cost to him, in accordance with shareholder approval obtained at previous AGMs. These Steadfast shares were provided to Mr Kelly in accordance with the terms of the relevant STI Plan and LTI Plan and relate to vesting of DEAs awarded in prior years. In addition, in October 2021, in accordance with shareholder approval obtained at the 2021 AGM, 422,571 DEAs were granted to Mr Kelly as part of his FY21 remuneration. Since Steadfast's IPO in 2013 when the STI and LTI plans were adopted, 3,721,815 DEAs have been granted to Mr Kelly and 2,652,240 Steadfast shares have been transferred to him upon vesting of those DEAs. The acquisition price to Mr Kelly of these DEAs and Steadfast shares was \$0.

Any additional persons covered by ASX Listing Rule 10.14 who become entitled to participate in an issue of securities under either the STI or LTI Plans after Item 3 is approved and are not named in this Notice of Meeting will not be issued securities under either the STI or LTI Plans until approval is obtained under ASX Listing Rule 10.14. It is not the intention of the non-executive directors to participate in the STI or LTI Plans.

### **Managing Director & CEO's current total remuneration package**

In accordance with ASX Listing Rule 10.15.4, details of Mr Kelly's current total remuneration package are attached to these Explanatory Notes.

### **Approval of termination benefits for Mr Robert Kelly**

#### **Termination benefits**

Termination benefits for Mr Kelly covered by this approval involve any subsequent acquisition of any Steadfast shares that occur when DEAs vest, or any equivalent cash payment in lieu (Benefits) under either the STI or LTI Plans, so that they do not count towards maximum termination amounts under the Corporations Act (see below) only to the extent the Benefits involve death, genuine retirement, redundancy or total and permanent disability. In these four limited circumstances, the Board may provide the Benefits earlier than the usual vesting periods. The most likely example is genuine retirement.

For the purposes of the paragraph above, the "Benefit" will be the market value of the shares acquired by the Managing Director & CEO on leaving service (or any cash payment in lieu). Apart from the future share price being unknown, the Managing Director & CEO's length of service, number of DEAs, individual and Company performance factors, levels of cash awarded and amount of other remuneration are matters which will or are likely to affect the value of the Benefit.

In considering this resolution, shareholders should note that Mr Kelly, who is 75 years of age, has confirmed his intention to remain as Managing Director & CEO of Steadfast until at least 31 December 2023.

## Termination benefits under the Corporations Act

The Corporations Act limits the maximum termination benefits that a corporation can pay on retirement to persons who hold a “managerial or executive office” (as defined in the Corporations Act).

Section 200B applies to the Managing Director & CEO. Under section 200B of the Corporations Act, a corporation can only give a person who holds a “managerial or executive office” (as defined in the Corporations Act) a “benefit” (widely defined in the Corporations Act) in connection with their retirement from that office or position of employment in the corporation or a “related body corporate” (again as defined in the Corporations Act) if it is either approved by shareholders or one of the limited exemptions apply. Under the Corporations Act, the maximum termination amount which may be paid without shareholder approval is an amount equal to average annual base salary over the last three years. “Benefit” includes early vesting. The Corporations Act defines retirement broadly to include loss of office, resignation and death.

In the absence of shareholder approval, it is possible the circumstances mentioned under the heading “Termination benefits” may result in a benefit to the Managing Director & CEO to which an exemption from section 200B may not apply and which together with other remuneration may exceed the maximum termination amount. For example, this may occur if the Board exercises discretion to pay any unvested rights in cash and/or Steadfast shares before those rights would otherwise vest in the four limited circumstances described above, namely death, genuine retirement, redundancy or total and permanent disability.

Shareholder approval will allow Steadfast, where appropriate, to fulfil its contractual DEA obligations under the Steadfast FY22 STI and LTI Plans. Directors believe granting approval is better for shareholders than, for example, increasing cash awards in the future in lieu of share benefits.

Shareholder approval also assists Steadfast to retain and motivate the Managing Director & CEO. The Board’s approach to the Managing Director & CEO’s FY22 remuneration, including grants under the STI and LTI Plans, is discussed in detail above and details of the FY22 STI and LTI Plans are included in Further Details of the STI and LTI Plans (as attached to these Explanatory Notes).

In general, the four limited circumstances above are beyond the Managing Director & CEO’s influence and do not involve poor performance.

The directors consider it good corporate governance and prudent for the Company to seek shareholder approval for any Benefit that the Managing Director & CEO may receive under the STI or LTI Plans in the event of the four limited circumstances mentioned above.

***The directors with Mr Kelly abstaining (and not voting) recommend that shareholders vote in favour of the resolution in Item 3. None of the directors (excluding Mr Kelly who has a personal interest) have any interest in the outcome of the proposed resolution except to secure the services of Mr Kelly on a continuing basis.***

***The Chairman of the AGM intends to vote undirected proxies able to be voted in favour of this resolution.***

### Voting exclusion – Item 3

Item 3 is a resolution connected directly or indirectly with the remuneration of a member of the Company’s KMP.

1. The following persons may not vote, and the Company will disregard any vote cast:
  - (a) in favour of the resolution in this Item 3 by or on behalf of the Managing Director & CEO and any of his associates, regardless of the capacity in which the vote is cast; and
  - (b) on the resolution in this Item 3 by or on behalf of a member of the Company’s KMP (or their closely related parties (as defined in the Corporations Act)), as proxy for another shareholder.

However, this does not apply to a vote cast in favour of the resolution in this Item 3 by:

- a person as proxy or attorney for a person who is entitled to vote on the resolution in this Item 3, in accordance with directions given to the proxy or attorney to vote on the resolution in that way;
- the Chairman, as proxy or attorney for a person who is entitled to vote on the resolution in this Item 3, in accordance with a direction given to the Chairman to vote on the resolution as the Chairman decides; or
- a holder acting solely in a nominee, trustee, custodial or other fiduciary capacity on behalf of a beneficiary provided that:
  - the beneficiary provides written confirmation to the holder that the beneficiary is not excluded from voting on the resolution in this Item 3, and is not an associate of a person excluded from voting, on the resolution in this Item 3; and
  - the holder votes on the resolution in Item 3 in accordance with directions given by the beneficiary to the holder.

2. If you either appoint the Chairman of the AGM as your proxy or the Chairman of the AGM is appointed as your proxy by default\*, and you do not direct your proxy how to vote on the resolution in Item 3 on the proxy form, you will be expressly authorising the Chairman of the AGM to exercise your proxy in favour of the resolution in Item 3 even if Item 3 is connected directly or indirectly with the remuneration of a KMP.

\* If no proxy was identified in your lodged proxy form or your nominated proxy does not attend the AGM or does attend but does not vote in a circumstance where you have directed your proxy how to vote.

## **Item 4 – Approval to refresh Steadfast’s placement capacity**

### **Institutional Placement**

On 17 August 2022 Steadfast announced an underwritten institutional placement to existing and new institutional shareholders to raise \$225 million to fund ongoing trapped capital pipeline acquisitions plus the issue of scrip consideration of approximately \$56 million to the vendors of Insurance Brands Australia Pty Limited (IBA) (together, Institutional Placement).

Under the Institutional Placement, 54,641,674 ordinary shares (Placement Shares) were issued to certain institutional investors and the vendors of IBA at a price of \$5.14 per Placement Share (representing a 3.2% discount to the dividend-adjusted last close price on Tuesday 16 August 2022 of \$5.312, and a premium to the underwritten floor price of \$5 per share (relevant to shares issued as part of the underwritten institutional placement). The Placement Shares issued rank pari passu with all other ordinary shares, however as the allotment took place after the record date for the final dividend for the year ended 30 June 2022 (FY22 Final Dividend) they did not carry any entitlement to receive the FY22 Final Dividend.

### **Reason for seeking shareholder approval**

In general terms, ASX Listing Rule 7.1 imposes a limit on the number of equity securities (including ordinary shares) that a company can issue or agree to issue without shareholder approval amounting to 15% of issued share capital (Placement Capacity) where an exemption to the rule does not apply. The issue of the Placement Shares was made within Steadfast’s Placement Capacity pursuant to ASX Listing Rule 7.1. The shares issued under the Institutional Placement amounted to approximately 37% of Steadfast’s Placement Capacity at that time.

ASX Listing Rule 7.4 provides that an issue of shares by a company made pursuant to ASX Listing Rule 7.1 is treated as having been made with approval for the purposes of ASX Listing Rule 7.1, if it is subsequently approved by the company’s shareholders.

Steadfast is seeking shareholder approval under ASX Listing Rule 7.4 for the issue of the Placement Shares to maintain greater flexibility to raise funds to meet future needs during the next twelve months, without the costs and delay of convening a general meeting. The requirement to obtain shareholder approval for any future issue of equity securities, before the issue, could limit Steadfast's ability to take advantage of future acquisition opportunities that may arise.

The effect of approving the resolution in Item 4 will be to refresh Steadfast's Placement Capacity so that it would be the same as if the Placement Shares had not been issued, giving Steadfast the flexibility to issue further securities under its Placement Capacity. If shareholder approval is not obtained, the consequence will be that Steadfast's Placement Capacity will be reduced by the Placement Shares.

Notwithstanding an approval by shareholders of the resolution in Item 4, any future equity raisings will remain subject to the 15% limit set out in ASX Listing Rule 7.1.

### **Voting Exclusion – Item 4**

Steadfast will disregard any votes cast on the resolution in Item 4 by any person who participated in the Institutional Placement and any associate of those persons. However, Steadfast need not disregard a vote on the resolution in Item 4 if it is cast by:

- a) a person as a proxy for a person who is entitled to vote, in accordance with the directions on the Proxy Form; or
- b) the Chairman of the AGM as proxy for a person who is entitled to vote, in accordance with a direction given to the Chairman to vote as the Chairman decides; or
- c) a holder acting solely in a nominee, trustee, custodial or other fiduciary capacity on behalf of a beneficiary provided that:
  - the beneficiary provides written confirmation to the holder that the beneficiary is not excluded from voting on the resolution in this Item 4, and is not an associate of a person excluded from voting, on the resolution in this Item 4; and
  - the holder votes on the resolution in Item 4 in accordance with directions given by the beneficiary to the holder.

### **Item 5 – To amend the Constitution**

Resolution in Item 5 is a special resolution and, to be passed, must be passed by more than 75% of the votes cast by shareholders present (in person, online, by proxy, attorney or by representative) and entitled to vote on the resolution.

#### **Amendments to the constitution**

The Company's current constitution was last amended at the 2013 AGM. The Board has undertaken a review of the constitution and proposes several amendments to reflect certain changes to corporate governance practices, the Corporations Act 2001 and ASX Listing Rules. Several changes also seek to achieve efficient and flexible administration of the Company and relations with shareholders.

Under section 136 of the Corporations Act 2001, amendments to the constitution may only be made by a special resolution of shareholders. If Item 5 is approved, then all of the proposed changes will be made to the current constitution.

A marked-up copy of the Company's constitution showing all of the proposed changes can be obtained from the Company's website at <https://investor.steadfast.com.au/Investor-Centre/> The proposed changes, set out sequentially as they appear in the constitution are outlined below.

#### **Joint holders (clause 3.4)**

The CHESS system, which is used by the ASX to record shareholdings, currently recognises up to three individuals as joint holders of a share. Accordingly, the Company's constitution currently provides that the Company is not bound to register any more than three individuals as joint holders.

The ASX has announced its intention to replace the CHESS system ("CHESS Replacement"). CHESS Replacement will allow for up to four individuals to be recorded as joint holders of a share. As a result, the ASX recommends that listed entities amend their constitutions to remove or amend restrictions on the number of joint holders of securities. Despite delays in the implementation of CHESS Replacement, the Company proposes to amend the constitution to allow it to register up to four individuals as joint holders, if permitted by the ASX Settlement

Operating Rules once CHES Replacement becomes operational.

**Non-receipt of call notice (clause 6.3)**

The Company's constitution provides that the Board may notify holders of partly paid shares to pay in part or in full any unpaid amount on the shares (a "call"). The Company proposes to amend the constitution to make it clear that non-receipt of, or the accidental omission to give, notice of a call does not invalidate the call.

**Company to register paper-based transfers for a reasonable fee (clause 8.2)**

Listing Rule 8.14.1 permits a reasonable fee to be charged for registering a paper-based transfer of shares if the constitution permits. The Company proposes to amend the constitution to allow it to charge a reasonable fee in these circumstances.

The purpose of this amendment is to enable the Company's registry to charge a reasonable fee for the registration of paper-based transfers because of the need to undertake additional security measures and perform identity validation checks to detect fraudulent activity specific to off-market transfers, which are necessary for the protection of shareholders.

**Refusal to register restricted securities (clauses 8.5 – 8.8 and 12.26)**

As a consequence of the amendments to ASX Listing Rule 15.12, which became effective in December 2019, entities may insert and rely on a provision in their constitution to impose restrictions on the holder of restricted securities. Although the Company does not currently have any restricted securities on issue, the Company proposes to amend the constitution to align with the amended Listing Rule 15.12.

**Notice of refusal to register shares (clause 8.11)**

The Company's constitution currently provides that if the Company refuses to register a transfer of shares it must send a notice to the affected shareholder within 5 business days. Section 1071E of the Corporations Act states, however, that the notice must occur within 2 months after the transfer was lodged and failure to comply is an offence.

The Company proposes to amend the constitution to provide that notice must be

submitted no later than is required under the Corporations Act and that a failure to give notice does not invalidate the Company's decision to refuse to register a transfer of shares.

**Power to cancel or postpone a general meeting (clause 11.4 and 11.5)**

The Company's constitution currently allows directors to cancel or postpone a general meeting whenever they think fit with two days' notice. The Company proposes to amend the constitution to clarify that directors cannot cancel or postpone meetings (e.g. meetings requisitioned by shareholders) without the prior written consent of the person who called or requisitioned the meeting.

The Company also proposes an amendment that clarifies that the business that may be transacted at the postponed meeting is the business specified in the original notice convening the meeting.

**Proxy, attorneys, and representatives at postponed meeting (11.8)**

The Company proposes to amend the constitution to provide that where the instrument appointing a proxy, attorney or Representative stipulates a certain date for the proxy, attorney or Representative to attend a general meeting and such meeting is postponed to a later date then such date is substituted for the original date unless the shareholder appointing the proxy, attorney or representative gives to the Company at its registered office written notice to the contrary not less than 48 hours before the time to which the holding of the meeting has been postponed.

**Accidental omission to give notice of a postponed or cancelled general meeting (11.10)**

The Company's constitution currently provides that an accidental omission to give any notice of a general meeting or the non-receipt of any notice by a person entitled to receive notice does not invalidate any resolution passed or any proceedings at the general meeting. The Company proposes to amend the constitution to clarify that this provision also includes any notice of a postponed or cancelled general meeting.

**Decisions at general meeting and poll (clauses 12.9 and 12.10)**



The Company's constitution currently provides that any resolution put to a vote at a general meeting is to be decided by a show of hands unless a poll is demanded. However, the recent insertion of section 250JA into the Corporations Act mandates that listed companies must conduct polls (and not a show of hands) if the notice of meeting sets out an intention to propose a resolution and stated the resolution; the Company has given notice of a members' resolution; or a poll is demanded. While this section operates irrespective of anything to the contrary in the constitution, the Company proposes to amend the constitution to ensure consistency with section 250JA of the Corporations Act.

### **Direct voting (clause 12.21 and 12.22)**

The Company's constitution currently permits the directors to allow direct voting for a general meeting, and to determine the rules surrounding how direct voting is implemented for a particular meeting.

The Company proposes to amend the constitution to provide shareholders with additional clarity in relation to the casting of direct votes. Unless the directors determine otherwise, a direct vote will take precedence over an instrument to appoint a proxy, attorney or representative received prior to, at the same time or after receipt of the direct vote. If a shareholder is not entitled to vote, or if a shareholder attends a general meeting in-person then the direct vote will also be disregarded.

### **Proxy, attorney or representative appointments (clauses 12.35)**

The Company proposes to amend the constitution to include additional provisions regarding proxy, attorney and representative appointments, including provisions applicable where an instrument appointing a proxy, attorney or representative is received and it is not properly executed or authenticated, or is incomplete or unclear.

These amendments are designed to provide the Company with greater flexibility and increased efficiency in processing instruments appointing a proxy, attorney or representative.

### **Conduct of general meetings (clauses 12.38 – 12.40)**

The Company proposes to amend the constitution to give greater flexibility to the Chair with respect of the conduct of general meetings, including:

- to require attendees to comply with security measures;
- to arrange a second or alternate venue without notice where there is insufficient room at the meeting venue;
- to disregard a vote in contravention of any applicable law;
- to terminate discussion or debate where the Chair considers it necessary or desirable for the proper conduct of the relevant meeting;
- to withdraw from consideration any resolution set out in the notice of meeting (other than a resolution which has been requisitioned by shareholders or required by law); and
- any procedure which the Chair thinks fit for a general meeting.

### **Delegation of powers (clauses 15.12 and 15.13)**

The Company proposes to amend the constitution to broaden the directors' delegation powers and to clarify that the directors' powers of delegation set out in the constitution are conferred in substitution for, and to the exclusion of, the power conferred in section 198D of the Corporations Act. These amendments enable greater flexibility for directors to delegate their powers so they can efficiently manage the Company.

### **Determination of dividend (clause 23.1)**

While the Company's constitution currently provides that a dividend is payable as soon as it is declared unless a later time is specified, the Company proposes to amend the constitution to make it clear that the directors may revoke, rescind or alter any determination to pay a dividend at any time before the dividend is paid. This amendment will allow the Company greater flexibility in relation to the determination and payment of dividends.

### **Reserves (clause 23.4)**

The Company proposes to amend the constitution to clarify how directors may use reserves and that the Board may carry forward any amount which the Board decides not to

distribute as a dividend or to transfer to a reserve.

**Unclaimed dividends (clauses 23.13 – 23.15)**

The Company proposes to amend the constitution to clarify that where a dividend or other amount has been paid by the Company and:

- any cheque is not presented for payment by the shareholder within 1 year; or
- any electronic funds transfer to the shareholder’s bank account is unsuccessful as a result of incorrect payment details being provided by or on behalf of a shareholder,

(as applicable), then the monies will be taken to be an unclaimed dividend or distribution and may be invested or otherwise used by the Company for its benefit as the directors think fit, until claimed by the shareholder or until required to be dealt with in accordance with any law relating to unclaimed moneys.

**Methods of service (clause 24.2)**

Section 249J of the Corporations Act now clarifies when shareholders can be notified of general meetings electronically. While the Company’s constitution already allows it to send notices to shareholders electronically, the Company proposes to amend the constitution to ensure consistency with the current wording of section 249J of the Corporations Act.

**Deemed notice to uncontactable shareholders (clause 24.7)**

The Company proposes to amend the constitution to provide for deemed notice for uncontactable shareholders where a shareholder does not have an address in the shareholder register or if the Company reasonably believes that a shareholder is not known at the shareholder’s address in the register. In these circumstances, such notice is taken to be given if the document is available for inspection at the Company’s registered office for 48 hours.

**Evidence of sale of unmarketable parcel (clause 26.11)**

The Company’s constitution provides that if the number of shares registered in the name of a shareholder is less than a market parcel, the

directors may sell the unmarketable parcel in accordance with the process outlined in the constitution.

The Company proposes to amend the constitution to clarify that a statement in writing by the Company that such unmarketable parcel of shares has been sold in accordance with the constitution is conclusive evidence against all persons claiming to be entitled to the unmarketable parcel of shares.

**Consequential and other amendments (various)**

A number of additional minor changes are proposed to be made to the Company’s constitution, including various consequential amendments in order to give effect to the changes summarised above, to reflect current law and practice, and to correct minor inconsistencies, syntax, formatting errors or cross-references.

***The directors recommend you vote in favor of the resolution in Item 5.***

***The Chairman of the AGM intends to vote undirected proxies able to be voted in favour of this resolution.***

**Item 6 – Election of Ms Joan Cleary**

Ms Cleary was appointed a director by the Steadfast Board on 28 July 2022. In accordance with article 13.9 of the Company’s constitution and ASX Listing Rule 14.4, she may not hold office past the first annual general meeting following her appointment and is offering herself for election. The Board has concluded that Ms Cleary is independent.

Ms Cleary is a non-executive director and serves on the Audit & Risk, People, Culture & Governance and Remuneration & Performance Committees.

Ms Cleary has over 30 years of leadership, finance and governance experience in the general insurance and reinsurance industry. She brings a breadth of executive operational, strategic, finance and governance experience from her 20 years at QBE Insurance Group Limited, including as a director of various QBE subsidiaries. Prior to this, she was Chief Financial Officer of GE’s London Market non-life reinsurance operations and previously held senior finance leadership roles in the

reinsurance industry in the UK. Ms Cleary holds a Bachelor of Laws from the University of Exeter. She is a Fellow of the Institute of Chartered Accountants in England and Wales (ICAEW) and is a Graduate of the Australian Institute of Company Directors.

***The directors with Ms Cleary abstaining (and not voting) recommend that you vote in favour of the resolution in Item 6.***

***The Chairman of the AGM intends to vote undirected proxies able to be voted in favour of this resolution.***

### Re-election of directors

The Board undertakes a regular review of its performance, policies and practices. The review includes an assessment of the performance of each director, their experience and skills. This is taken into account by the Board in determining whether to endorse directors standing for re-election and anyone offering themselves for election as a director.

#### Item 7 – Re-election of Mr Frank O’Halloran AM

Mr O’Halloran is retiring by rotation in accordance with article 13.5 of the Company’s constitution and ASX Listing Rule 14.4 and is offering himself for re-election. The Board has concluded that Mr O’Halloran is independent.

Mr O’Halloran had over 35 years’ experience at QBE where he was Group CEO from 1998 until 2012. He also worked with Coopers & Lybrand for 13 years where he started his career as a Chartered Accountant. Mr O’Halloran was President of the Insurance Council of Australia from 1999 to 2000 and was inducted into the International Insurance Hall of Fame in 2010. Mr O’Halloran received his AM for services to the insurance industry and philanthropy.

Mr O’Halloran was appointed to the Steadfast Board on 21 October 2012. He is non-executive Chairman of the Board and serves on the Nomination and Remuneration & Performance Committees, being Chair of the former.

***The directors with Mr O’Halloran AM abstaining (and not voting) recommend that you vote in favour of the resolution in Item 7.***

***The Chairman of the AGM intends to vote undirected proxies able to be voted in favour of this resolution.***

#### Item 8 – Re-election of Mr Greg Rynenberg

Mr Rynenberg is retiring by rotation in accordance with article 13.5 of the Company’s constitution and ASX Listing Rule 14.4 and is offering himself for re-election. The Board has concluded that Mr Rynenberg is independent.

Mr Rynenberg has over 40 years’ of experience in the insurance broking industry, with 36 years spent running his own business, East West Group. East West Group is a Steadfast Network Broker not owned by Steadfast. Mr Rynenberg is a Qualified Practising Insurance Broker, a Fellow of NIBA and an Associate of ANZIIF. He holds an Advanced Diploma in Financial Services (General Insurance Broking) and was named NIBA Queensland Broker for 2014.

Mr Rynenberg was appointed to the Steadfast Board on 10 August 1998. He serves on the Audit & Risk and People, Culture & Governance Committees.

***The directors with Mr Rynenberg abstaining (and not voting) recommend that you vote in favour of the resolution in Item 8.***

***The Chairman of the AGM intends to vote undirected proxies able to be voted in favour of this resolution.***

# Information regarding voting

## 1. Poll

Voting at the AGM will proceed by poll.

## 2. Entitlement to attend and vote

In accordance with Regulation 7.11.37 of the Corporations Regulations and ASX Settlement Operating Rule 5.6.1, the directors have determined that a shareholder's entitlement to attend and vote at the 2022 AGM is as set out in the Company's share register as at 7pm (AEST) on 18 October 2022. Transactions registered after that time will be disregarded in determining the shareholders entitled to attend and vote at the 2022 AGM.

## 3. Watch and participate online if you do not attend in person

Enter <https://meetings.linkgroup.com//SDF22> into a web browser on your computer or online device:

- Shareholders will need their Shareholder Reference Number (SRN) or Holder Identification Number (HIN) and postcode. Shareholders with a registered address outside Australia should click 'Outside Australia' and select the country of their registered address; and
- Proxyholders will need their proxy code which Link Market Services will provide via email no later than 48 hours prior to the AGM.

We recommend logging in to our online platform at least 15 minutes prior to the scheduled start time for the AGM.

## 4. Proxies

- a) **How to appoint a proxy:** If you wish to appoint a proxy, you can do so online by visiting [www.linkmarketservices.com.au](http://www.linkmarketservices.com.au) and following the instructions provided.  
**Steadfast strongly encourages shareholders to appoint a proxy online before the AGM.**
- b) **Entitlement to appoint a proxy:** If you are entitled to attend and vote at this AGM, you may appoint:
  - i. a person ("person" can be an individual or a body corporate); or
  - ii. if the shareholder is entitled to cast two or more votes at the meeting, two persons, as your proxy or proxies to attend and vote for you at the meeting. A proxy need not be a shareholder.
- c) **Maximum of two:** You may appoint a maximum of two proxies and may state what proportion or number of your votes each proxy is being appointed to exercise. If you appoint two proxies and do not specify the proportion or number of votes each proxy may exercise, each of the proxies may exercise half of your votes.
- d) **Deadline for appointing proxies:** To be effective, online proxy appointments must be made (or hard copy proxy forms must be received by the Company or Link Market Services) by no later than **10.00am AEST on 18 October 2022.**
- e) **How and when a proxy must vote:** If the appointment of a proxy specifies the way the proxy is to vote on a particular resolution:
  - i. if the proxy is not the Chairman of the AGM, the proxy need not vote on a poll but if the proxy does so, the proxy must vote as directed (subject to any applicable voting restrictions); and
  - ii. if the proxy is the Chairman of the AGM, the proxy must vote on a poll and must vote as directed.

In addition, there are some circumstances where the Chairman of the AGM will be taken to have been appointed as a shareholder's proxy for the purposes of voting on a particular resolution even if the shareholder has not expressly appointed the Chairman of the AGM as their proxy. This will be the case where:

- the appointment of proxy specifies the way the proxy is to vote on a particular resolution;
- the appointed proxy is not the chair of the meeting;
- a poll is called on the resolution; and
- either of the following applies:
  - the proxy is not recorded as attending the AGM; or
  - the proxy attends the AGM but does not vote on the resolution.

Voting will proceed by way of poll.

- a) **Proxy Voting by Chairman:** The Chairman of the AGM will vote undirected proxies able to be voted in favour of Items 2 to 8 inclusive. The voting exclusions on KMP in Items 2 and 3 do not apply to the Chairman of the AGM acting as proxy if their appointment expressly authorises the Chairman of the AGM to exercise the proxy even if that Item is connected directly or indirectly with the remuneration of a KMP of Steadfast.
- b) **Directing proxy votes:** We encourage shareholders who are appointing proxies to direct their proxies how to vote on each resolution by marking "For", "Against" or "Abstain" box before lodging their proxy form so that their proxy will vote on their behalf in accordance with their instructions.

## 5. Direct voting

You may cast your vote at the physical meeting. Alternatively, if you would like to vote directly, you may do so virtually by lodging an online vote during the live AGM via the following link: <https://meetings.linkgroup.com//SDF22>

Shareholders who cast a proxy vote on a resolution before the AGM by lodging a valid proxy form will still be entitled to lodge a further direct vote on that resolution in person or online during the live meeting, with the later vote overriding the earlier vote.

## 6. Corporate representatives

A corporation that is entitled to participate and vote at the AGM may appoint a person to act as its corporate representative. Evidence of the appointment of a corporate representative must be in accordance with s250D of the Corporations Act and be lodged with the Company before the AGM.

## 7. Powers of attorney

If you appoint an attorney to attend and vote at the AGM on your behalf, the power of attorney (or a certified copy) must be received by the Company or by Link Market Services by no later than 10.00am AEST on 18 October 2022, unless the power of attorney has previously been lodged with Company or by Link Market Services.

## 8. Questions from shareholders

A shareholder of the Company who is entitled to vote at the AGM may submit a question either to the Chairman of the AGM or the Company's auditor at the physical meeting or electronically in advance at [www.linkmarketservices.com.au](http://www.linkmarketservices.com.au) and following the instructions provided or by emailing [investor@steadfast.com.au](mailto:investor@steadfast.com.au) before 11 October 2022.

Shareholders will also be able to ask questions online during the meeting once their identity has been verified.

Shareholders and proxyholders may also ask questions in real-time by telephone during the AGM by calling: from Australia 1800 271 187 or from Overseas +61 2 91892033. A personalised PIN is needed to ask questions by telephone. To receive a personalised PIN, please contact Link Market Services before the AGM on +61 1800 990 363. If you plan to ask questions by telephone, you will still need to log into the online platform (see above) if you wish to vote during the meeting.

## 9. Privacy

Please be advised that this AGM will be broadcast over the internet to the public. Your attendance and questions may be visible to others. By asking a question, you acknowledge that other persons viewing or attending the AGM will be able to see that you have asked a question, and Steadfast is permitted to broadcast that question and its responses.



## Further Details of FY22 Steadfast STI and LTI Plans for the Managing Director & CEO

### Further Details of STI Plan:

Purpose and link to strategy	Rewards the achievements of the Group's business plan and individual goals over a twelve month period.
Operation	STI Plan consisting of cash and deferred equity award (DEA).
Potential reward	STI awards are performance based, at risk reward arrangements with Board discretion. The combined total of at risk remuneration (STI and LTI combined) for the Managing Director & CEO is targeted at 75% of total remuneration.
Performance metrics	<p><b>STI – Cash award (60% of total STI); Deferred equity award (40% of total STI)</b></p> <ul style="list-style-type: none"> <li>• Continuous employment for the vesting period for deferred equity awards over one year from the grant date;</li> <li>• Vesting is subject to future performance hurdles below; and</li> <li>• No negative material deterioration in reported results in the subsequent year.</li> </ul>
Performance measures	<p><b>Non-financial measures</b></p> <p>Personal objectives (KPIs) as agreed with the Board. At least 60% of the objectives must be achieved by the Managing Director &amp; CEO to be eligible for any STI. The Managing Director &amp; CEO achieved 89% of his FY22 non-financial objectives with weightings (refer Explanatory Notes to Item 3 above).</p>

<p>Performance measures <i>continues</i></p>	<p><b>Financial and other measures relating to FY22 awards</b></p> <p>STI was awarded as follows:</p> <table border="1" data-bbox="491 315 1252 862"> <thead> <tr> <th data-bbox="491 315 938 456"><b>Return on capital</b></th> <th data-bbox="938 315 1252 456"><b>Award outcome – 70% of amount awarded on fixed pay</b></th> </tr> </thead> <tbody> <tr> <td data-bbox="491 456 938 517">Below 12.2%</td> <td data-bbox="938 456 1252 517">0%</td> </tr> <tr> <td data-bbox="491 517 938 658">12.2% to 12.4%</td> <td data-bbox="938 517 1252 658">70% of: 80% (at 12.2%) to 150% (at 12.4%) of fixed pay on a straight line basis</td> </tr> <tr> <td data-bbox="491 658 938 862">12.4% to 12.7%+</td> <td data-bbox="938 658 1252 862">Outperformance award on a straight line basis. Maximum outperformance award: additional 70% of 50% of fixed pay</td> </tr> </tbody> </table> <p>Financial measures relating to the FY23 awards are set out on page 64 of the 2022 Annual Report.</p> <p><b>Strategic and Personal Objectives – 30% of amount awarded on fixed pay</b></p> <p>Award outcome: A minimum of 60% of the objectives must be achieved for the award to be granted.</p>	<b>Return on capital</b>	<b>Award outcome – 70% of amount awarded on fixed pay</b>	Below 12.2%	0%	12.2% to 12.4%	70% of: 80% (at 12.2%) to 150% (at 12.4%) of fixed pay on a straight line basis	12.4% to 12.7%+	Outperformance award on a straight line basis. Maximum outperformance award: additional 70% of 50% of fixed pay
<b>Return on capital</b>	<b>Award outcome – 70% of amount awarded on fixed pay</b>								
Below 12.2%	0%								
12.2% to 12.4%	70% of: 80% (at 12.2%) to 150% (at 12.4%) of fixed pay on a straight line basis								
12.4% to 12.7%+	Outperformance award on a straight line basis. Maximum outperformance award: additional 70% of 50% of fixed pay								
<p>Potential maximum STI (including outperformance award)</p>	<p>The Managing Director &amp; CEO can earn an STI up to 200% of his annual fixed remuneration.</p>								
<p>Approval of the STI</p>	<p>The Managing Director &amp; CEO’s STI is recommended by the Remuneration &amp; Performance Committee based on the Group’s financial and his non-financial performance outcomes and approved by the Board.</p>								
<p>Rationale for choosing performance measures</p>	<p>The non-financial measures are chosen to ensure the Managing Director &amp; CEO delivers outcomes that support the success of Steadfast.</p> <p>The financial measure of ROC is chosen to ensure long-term shareholder value is increased.</p>								
<p>Forms of STI reward elements</p>	<p>60% is paid as cash, normally in September following the end of financial year. 40% is granted as deferred equity award (DEA) of conditional rights to Steadfast ordinary shares and vesting over a one-year tenure performance hurdle from the grant date.</p>								

Key terms of DEA	<p>DEA is normally granted immediately following and subject to approval at the AGM.</p> <p>These rights are granted to the Managing Director &amp; CEO at no cost, to the dollar value of his DEA.</p> <p>The number of conditional rights granted is calculated based on the weighted average share price over the five trading days before the date of Board approval.</p> <p>The Managing Director &amp; CEO becomes eligible to receive one Steadfast ordinary share per conditional right, subject to his continuing employment with the Group over the vesting period post grant date, and no material adverse change to the reported results. The Remuneration &amp; Performance Committee noted there had not been any material deterioration in EPS from prior year adjustments in the subsequent year.</p> <p>These rights will accrue notional dividends and may accrue, subject to Board discretion, any bonus element inherent in any rights issue, which will be paid as additional shares upon vesting.</p>
Forfeiture conditions	<p>The Board retains the discretion to adjust any unpaid or unvested performance related remuneration (such as STI – Cash or STI – deferred portion) downwards if it is appropriate to do so. Malus provisions also apply.</p> <p>The conditional rights will be forfeited if the Managing Director &amp; CEO resigns before the vesting date.</p> <p>If the Managing Director &amp; CEO ceases employment in special circumstances, such as genuine retirement, redundancy or ill health, any unvested rights may be paid in cash and/or Steadfast ordinary shares, subject to Board discretion.</p>
Change of control	<p>The conditional rights vest upon a change of control event.</p>

## Further Details of LTI Plan:

Purpose and link to strategy	Provides opportunity for the Managing Director & CEO to acquire equity in the Company as a reward for increasing EPS and TSR over the longer term and helps to attract and retain talent.										
Operation	LTI Plan consisting of DEA.										
Potential reward	LTI awards are discretionary, performance based, at risk reward arrangements. The combined total of at risk remuneration (LTI and STI combined) is targeted at 75% of total remuneration.										
Performance metrics	<p><b>LTI – Deferred equity award (100%)</b></p> <ul style="list-style-type: none"> <li>• Continuous employment and performance rating to be met for the three-year vesting period;</li> <li>• Vesting is subjected to future performance hurdles below; and</li> <li>• No negative material deterioration in reported results in the subsequent year.</li> </ul>										
Future performance hurdles	<p><b>Non-financial measures</b></p> <p>At least 60% of the personal objectives (KPIs) as agreed with the Board must be achieved by the Managing Director &amp; CEO to be eligible for any LTI. The Managing Director &amp; CEO achieved a substantial majority of his FY22 non-financial objectives with weightings (refer Explanatory Notes to Item 3 above).</p> <p><b>Financial measures relating to FY22 awards:</b></p> <p>50% is based on average underlying diluted EPS growth, which is not payable unless at least 7.5% straight line growth is achieved over a future three-year vesting period*. The vesting schedule is outlined below:</p> <table border="1" data-bbox="491 1288 1252 1630"> <thead> <tr> <th>Straight line diluted EPS growth</th> <th>Vesting outcome – 75% of award</th> </tr> </thead> <tbody> <tr> <td>Below 7.5%</td> <td>0%</td> </tr> <tr> <td>At 7.5%</td> <td>50%</td> </tr> <tr> <td>7.5% to 12.5%</td> <td>Straight line between 50% to 100%</td> </tr> <tr> <td>12.5% or higher</td> <td>100%</td> </tr> </tbody> </table> <p>and</p> <p><b>TSR Vesting Outcome: 50% of award</b></p> <p>50% based on TSR measured against the top 200 ASX companies excluding those in the mining industry (peer group), which is not payable unless TSR exceeds the median of the peer group. TSR is calculated as the change in share price plus dividends declared and any capital returns measured over the financial year together with a future three-year vesting period.</p>	Straight line diluted EPS growth	Vesting outcome – 75% of award	Below 7.5%	0%	At 7.5%	50%	7.5% to 12.5%	Straight line between 50% to 100%	12.5% or higher	100%
Straight line diluted EPS growth	Vesting outcome – 75% of award										
Below 7.5%	0%										
At 7.5%	50%										
7.5% to 12.5%	Straight line between 50% to 100%										
12.5% or higher	100%										

<p>Future performance hurdles <i>continues</i></p>	<p>The vesting schedule is outlined below:</p> <table border="1" data-bbox="491 264 1251 577"> <thead> <tr> <th data-bbox="491 264 943 322">TSR</th> <th data-bbox="943 264 1251 322">Vesting outcome</th> </tr> </thead> <tbody> <tr> <td data-bbox="491 322 943 409">Equal to or less than 50<sup>th</sup> percentile of peer group</td> <td data-bbox="943 322 1251 409">0%</td> </tr> <tr> <td data-bbox="491 409 943 497">Greater than 50<sup>th</sup> but less than 75<sup>th</sup> percentile of peer group</td> <td data-bbox="943 409 1251 497">Straight line between 50% to 100%</td> </tr> <tr> <td data-bbox="491 497 943 577">Equal to or exceeding 75<sup>th</sup> percentile of peer group</td> <td data-bbox="943 497 1251 577">100%</td> </tr> </tbody> </table> <p>The FY23 changes are set out on page 64 of the 2022 Annual Report.</p>	TSR	Vesting outcome	Equal to or less than 50 <sup>th</sup> percentile of peer group	0%	Greater than 50 <sup>th</sup> but less than 75 <sup>th</sup> percentile of peer group	Straight line between 50% to 100%	Equal to or exceeding 75 <sup>th</sup> percentile of peer group	100%
TSR	Vesting outcome								
Equal to or less than 50 <sup>th</sup> percentile of peer group	0%								
Greater than 50 <sup>th</sup> but less than 75 <sup>th</sup> percentile of peer group	Straight line between 50% to 100%								
Equal to or exceeding 75 <sup>th</sup> percentile of peer group	100%								
<p>Potential maximum LTI</p>	<p>The Managing Director &amp; CEO can earn up to 100% of his annual fixed remuneration.</p>								
<p>Approval of the LTI</p>	<p>The Board approves the LTI based on the financial and non-financial performance outcome as recommended by the Remuneration &amp; Performance Committee.</p>								
<p>Forms of LTI reward</p>	<p>DEA of conditional rights to Steadfast ordinary shares and vesting after a three-year tenure hurdle and meeting future performance hurdles from the grant date.</p>								
<p>Rationale for choosing performance measures</p>	<p>The financial measures of EPS growth and TSR are chosen to ensure long-term shareholder value is increased.</p> <p>The non-financial measures are chosen to ensure the Managing Director &amp; CEO delivers outcomes that support the success of Steadfast.</p>								
<p>Key terms of DEA</p>	<p>DEA are normally granted immediately following and subject to approval at the AGM.</p> <p>These rights are granted to the Managing Director &amp; CEO (at no cost to him), to the dollar value of a percentage of his fixed remuneration in accordance with the LTI Plan.</p> <p>The number of conditional rights granted is calculated based on the weighted average share price over the five trading days before the date of Board approval.</p> <p>The Managing Director &amp; CEO becomes eligible to receive one Steadfast ordinary share per conditional right, subject to his continuing employment with the Group for the three-year period from the grant date and meeting performance hurdles, subject to Board discretion.</p> <p>There rights will not accrue notional dividends and may accrue, subject to Board discretion, any bonus element inherent in any rights issue, which will be paid as additional shares upon vesting.</p>								
<p>Forfeiture conditions</p>	<p>The Board retains the discretion to adjust any unpaid or unvested LTI downwards if it is appropriate to do so. Malus provisions also apply.</p> <p>The conditional rights will be forfeited if the Managing Director &amp; CEO resigns before the vesting date.</p> <p>If the Managing Director &amp; CEO ceases employment in special circumstances, such as genuine retirement, redundancy or ill health, any unvested rights may be paid in cash and/or Steadfast ordinary shares, subject to Board discretion.</p>								
<p>Change of control</p>	<p>The conditional rights will vest upon a change of control. However, the Board has discretion for them to immediately vest or vest over the vesting period.</p>								



## Further Details of Managing Director & CEO's current total remuneration package

The following details about Mr Kelly's current (FY23) total remuneration is provided in accordance with ASX Listing Rule 10.15.4 as he is a director under ASX Listing Rule 10.14.1:

- Fixed pay: \$1,242,000;
- Potential to earn STI. Maximum STI potential (including outperformance award) is 200% of fixed pay; and
- Potential to earn LTI. Maximum LTI potential is 100% of fixed pay.