



ASX Announcement

Release date: 6 April 2023

Notice of Annual General Meeting

Smartgroup Corporation Limited (**ASX: SIQ**) confirms that the Company's 2023 Annual General Meeting (**AGM**) will be held on **Wednesday 10 May 2023 at 11.00am (Sydney time)**.

The following documents are attached:

1. 2023 Notice of Annual General Meeting
2. Sample Voting Form

This year's AGM has been convened as a physical meeting only. Smartgroup will also provide a video webcast of the meeting for shareholders who would like to watch the proceedings of the meeting remotely. Further details are set out in the attached Notice of Annual General Meeting.

This announcement was authorised for release by Sophie MacIntosh, Chief Legal and Sustainability Officer and Joint Company Secretary.

For further information:

Sophie MacIntosh
Chief Legal and Sustainability Officer and Joint Company Secretary
Telephone 1300 665 855

Email: Investor Relations: ir@smartgroup.com.au

Website: www.smartgroup.com.au



2023 Notice of Annual General Meeting

Date: **Wednesday, 10 May 2023**

Time: **11.00am Sydney time**

Venue: **Wesley Conference Centre, Lyceum Room
220 Pitt Street, Sydney, NSW 2000**

Letter from the Chairman

6 April 2023

Dear Shareholders

Smartgroup's 2023 Annual General Meeting

On behalf of the Directors of Smartgroup Corporation Ltd (**Smartgroup**), I am pleased to invite you to the 2023 Annual General Meeting (**AGM**) of Smartgroup.

The AGM will be held at **11.00am** (Sydney time) on **Wednesday, 10 May 2023** at Wesley Conference Centre, Lyceum Room, 220 Pitt Street, Sydney, NSW 2000. The enclosed Notice of Meeting sets out the business to be considered at the AGM.

If you are planning to attend the AGM, please bring your Voting Form to the AGM to assist with registration on the day. Your Voting Form was enclosed with the letter dated the same date as this Notice of Meeting advising you of the time and date of the AGM and how to access the Notice of Meeting via the Company's website.

This year's AGM has been convened as a physical meeting only, rather than the hybrid meetings that we have held for the last 3 years. We will also provide a video webcast of the meeting for shareholders who would like to view the proceedings of the meeting remotely. To access the webcast, please follow the instructions set out on page 8 of this Notice of Meeting under the heading "Information for Shareholders – Viewing the AGM via Webcast".

Shareholders will not be able to ask questions or vote via the webcast. However, if you are unable to attend the meeting in person you may also:

- lodge questions online before the AGM at www.linkmarketservices.com.au; and
- vote on the resolutions to be considered at the AGM by completing and lodging your Voting Form in accordance with the instructions set out in the Notice of Meeting – this includes an option to lodge your votes online ahead of the AGM.

Thank you for your continued support of Smartgroup and I look forward to seeing you at the AGM.

Yours sincerely



Michael Carapiet
Chairman

Smartgroup Corporation Ltd ACN 126 266 831

Notice of Annual General Meeting

Notice is given that the 2023 Annual General Meeting (**AGM**) of Shareholders of Smartgroup Corporation Ltd ACN 126 266 831 (**Company**) will be held at Wesley Conference Centre, Lyceum Room, 220 Pitt Street, Sydney, NSW 2000 at **11.00am** (Sydney time) on **Wednesday, 10 May 2023** for the purpose of transacting the business set out in this notice (**Notice of Meeting**).

The Explanatory Notes accompanying this Notice of Meeting, and the Voting Form, are incorporated in, and comprise part of, this Notice of Meeting. Capitalised terms used in this Notice of Meeting have the meanings given to them in the Glossary on pages 22 to 23.

The business of the meeting is to consider the Company's financial statements and reports for the financial year ended 31 December 2022 and then to consider 5 Resolutions for which Shareholder approval is sought. Details of each of these items are set out below.

Consideration of financial statements and reports

To receive and consider the 2022 Annual Report, the Directors' Report and the Auditor's Report of the Company for the financial year ended 31 December 2022.

The 2022 Annual Report, which includes the Directors' Report and Auditor's Report for the financial year ended 31 December 2022, is available on the Company's website at <https://ir.smartgroup.com.au/Investors> under the ASX Announcements tab. As part of the consideration of the financial statements and reports, Shareholders (as a whole) will be given a reasonable opportunity to ask questions about, or make comments on, the management of the Company for the year ended 31 December 2022.

The Company's Auditor will also attend the AGM and will be available to respond to questions from Shareholders 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.

This item of business does not require Shareholders to vote on a resolution or adopt the received reports.

Resolutions for approval

1. Remuneration Report

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

"That the Remuneration Report of the Company for the year ended 31 December 2022 be adopted."

Note: the Remuneration Report is set out at pages 44 to 57 of the 2022 Annual Report, available on the Company's website at <https://ir.smartgroup.com.au/Investors> under the ASX Announcements tab. In accordance with section 250R(3) of the Corporations Act, the vote on this Resolution is advisory only and does not bind the Directors or the Company.

2. Re-election of Director – Ms Deborah Homewood

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

"That Ms Deborah Homewood, who retires in accordance with article 10.3(a) of the Company's constitution and, being eligible, offers herself for re-election, be re-elected as a Director of the Company."

3. Re-election of Director – Mr John Prendiville

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

"That Mr John Prendiville, who retires in accordance with article 10.3(a) of the Company's constitution and, being eligible, offers himself for re-election, be re-elected as a Director of the Company."

4. Issue of Shares to Mr Scott Wharton under the Loan Funded Share Plan

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

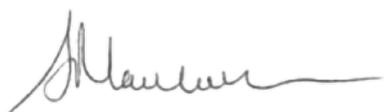
"That, for the purposes of Listing Rule 10.14 and for all other purposes, Shareholders approve the acquisition by way of issue of 936,679 Shares by Mr Scott Wharton, who becomes the Company's Managing Director and Chief Executive Officer on 17 July 2023, under the Company's Loan Funded Share Plan and otherwise on the terms and conditions outlined in the Explanatory Notes."

5. Issue of Performance Rights to Mr Scott Wharton under the Short Term Incentive Plan

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

"That, for the purposes of Listing Rule 10.14 and for all other purposes, Shareholders approve the acquisition by way of issue of the Relevant Number of Performance Rights by Mr Scott Wharton, who becomes the Company's Managing Director and Chief Executive Officer on 17 July 2023, under the Company's Short Term Incentive Plan and otherwise on the terms and conditions outlined in the Explanatory Notes."

By order of the Board
6 April 2023



Sophie MacIntosh
Chief Legal and Sustainability Officer and Company Secretary

Voting Exclusion Statements

Resolution 1 – Remuneration Report

In accordance with section 250R(4) of the Corporations Act, a vote on Resolution 1 must not be cast (in any capacity) by or on behalf of:

- a member of the KMP, details of whose remuneration are included in the Remuneration Report for the year ended 31 December 2022; or
- a Closely Related Party of such a member.

However, in accordance with sections 250BD(1) and 250R(5) of the Corporations Act, a person described above may cast a vote on Resolution 1 if:

- the vote is cast by such person (including where such person is the Chair) as proxy for a person who is permitted to vote, and the appointment of the proxy specifies how the proxy is to vote on that Resolution; or
- the vote is cast by the Chair as proxy for a person who is permitted to vote, and the appointment of the Chair as proxy expressly authorises the Chair to exercise the proxy even if the resolution is connected directly or indirectly with the remuneration of a member of the KMP.

Resolution 4 – Issue of Shares to Mr Scott Wharton under the Loan Funded Share Plan

In accordance with ASX Listing Rule 14.11, the Company will disregard any votes cast in favour of Resolution 4 by or on behalf of Mr Scott Wharton or any associate of Mr Wharton. However, this does not apply to a vote cast in favour of Resolution 4 by:

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

Note: The Company's non-executive Directors are excluded from participation in the Loan Funded Share Plan and are therefore not excluded from voting in favour of Resolution 4.

A vote must not be cast, and the Company will disregard any votes cast on Resolution 4 as a proxy by any member of the KMP (and their closely related parties), including directors, if their appointment does not specify the way in which the proxy is to vote, unless it is cast by the Chair of the meeting as undirected proxy for a person entitled to vote and the Chair has received express authority to exercise the proxy as the Chair sees fit even though Resolution 4 is connected directly or indirectly with the remuneration of a member of the KMP.

In addition, in accordance with section 250BD(1) of the Corporations Act, a vote on Resolution 4 must not be cast by or on behalf of a member of the KMP or a Closely Related Party of a member of the KMP as a proxy unless:

- the vote is cast by such person (including where such person is the Chair) as proxy for a person who is permitted to vote, and the appointment of the proxy specifies how the proxy is to vote on that Resolution; or
- the vote is cast by the Chair as proxy for a person who is permitted to vote, and the appointment of the Chair as proxy expressly authorises the Chair to exercise the proxy even if the resolution is connected directly or indirectly with the remuneration of a member of the KMP.

Resolution 5 – Issue of Performance Rights to Mr Scott Wharton under the Short Term Incentive Plan

In accordance with ASX Listing Rule 14.11, the Company will disregard any votes cast in favour of Resolution 5 by or on behalf of:

- Mr Scott Wharton or any associate of Mr Wharton; or
- any Director or any associate of any Director.

However, this does not apply to a vote cast in favour of Resolution 5 by:

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

Note: All Directors are entitled to participate in the Short Term Incentive Plan and therefore all Directors are excluded from voting in favour of Resolution 5.

A vote must not be cast, and the Company will disregard any votes cast on Resolution 5 as a proxy by any member of the KMP (and their closely related parties), including directors, if their appointment does not specify the way in which the proxy is to vote, unless it is cast by the Chair of the meeting as undirected proxy for a person entitled to vote and the Chair has received express authority to exercise the proxy as the Chair sees fit even though Resolution 5 is connected directly or indirectly with the remuneration of a member of the KMP.

In addition, in accordance with section 250BD(1) of the Corporations Act, a vote on Resolution 5 must not be cast by or on behalf of a member of the KMP or a Closely Related Party of a member of the KMP as a proxy unless:

- the vote is cast by such person (including where such person is the Chair) as proxy for a person who is permitted to vote, and the appointment of the proxy specifies how the proxy is to vote on that Resolution; or
- the vote is cast by the Chair as proxy for a person who is permitted to vote, and the appointment of the Chair as proxy expressly authorises the Chair to exercise the proxy even if the resolution is connected directly or indirectly with the remuneration of a member of the KMP.

Information for Shareholders

Attendance at the AGM

Shareholders may attend the AGM in person at Wesley Conference Centre, Lyceum Room, 220 Pitt Street, Sydney, NSW 2000. Shareholders attending the meeting will need their Shareholder Reference Number (SRN) or Holder Identification Number (HIN). This number is located at the top of your Voting Form. This year's AGM has been convened as a physical meeting only, rather than the hybrid meetings that we have held for the last 3 years. We will also provide a video webcast of the meeting for shareholders who would like to view the proceedings of the meeting remotely. To access the webcast, please follow the instructions below under the heading "Viewing the AGM via Webcast".

Shareholders will not be able to ask questions or vote via the webcast. However, if you are unable to attend the meeting in person you may also:

- lodge questions online before the AGM at www.linkmarketservices.com.au; and
- vote on the resolutions to be considered at the AGM by completing and lodging your Voting Form in accordance with the instructions set out below – this includes an option to lodge your votes online ahead of the AGM.

Viewing the AGM via Webcast

To access the webcast of the AGM, please login at <https://meetings.linkgroup.com/SIQ23> using a desktop, mobile or tablet device with internet access. Registration will commence from 10.30am (Sydney time) on the day of the meeting. Once registration opens, enter your name, phone number and email address to join the meeting.

We recommend logging in to webcast at least 15 minutes prior to the start of the meeting to ensure your internet connection and device are working and to attend to registration requirements.

Voting on resolutions to be considered at the AGM

The following section sets out important information about how Shareholders can vote on the resolutions to be considered at the AGM.

Voting entitlements

In accordance with regulation 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 7.00pm (Sydney time) on Monday, 8 May 2023 (**Effective Time**), will be entitled to attend and vote on the resolutions to be considered at the AGM as a Shareholder.

Voting by poll

Voting on each of the Resolutions being proposed at the AGM will be conducted by a poll, rather than on a show of hands.

Direct voting

In accordance with clause 9.22 of the Company's Constitution, the Directors have:

- determined that a Shareholder who is entitled to vote on a Resolution at the AGM is entitled to a direct vote in respect of that Resolution; and

- approved rules governing direct voting (the **Smartgroup Direct Voting Rules**), a copy of which is available on the Company's website at <https://ir.smartgroup.com.au/Investors> under the Annual General Meeting tab.

Any Shareholder who submits a direct vote agrees to be bound by the Smartgroup Direct Voting Rules.

Direct voting before the AGM

In accordance with clause 9.22 of the Company's Constitution, Shareholders may vote directly on the Resolutions to be considered at the AGM.

Shareholders who wish to exercise a direct vote before the AGM should lodge a Voting Form by no later than **11.00am** (Sydney time) on **Monday, 8 May 2023**. Details of how to lodge your Voting Form are set out in the section below headed "How to Submit Voting Forms".

Shareholders who do not lodge a valid Voting Form by this time will only be able to vote at the AGM by attending the AGM at the location referred to above and voting in person.

Shareholders who wish to exercise a direct vote before the AGM should ensure that they tick box A on the Voting Form. If you tick box A to lodge a direct vote, you are voting directly on each Resolution and are not appointing a proxy to vote on your behalf. If you wish to appoint a proxy, please tick box B on the Voting Form and follow the instructions below under the heading "Appointment of Proxies".

Shareholders lodging a direct vote may include in the Voting Form the number of shares to be voted for or against any Resolution by inserting the percentage or number of shares to be voted in each manner. If no percentage or share number is inserted, a voting direction will be taken to apply to all shares held by the Shareholder. If any Shareholder purports to vote more than their total number of shares, excess votes will be disregarded.

Appointment of Proxies

All Shareholders as at the Effective Time who are entitled to attend and vote at the AGM may appoint a proxy for that purpose. A proxy need not be a Shareholder. If you wish to appoint a proxy for this AGM, please use the Voting Form and tick box B.

If you are entitled to cast two or more votes at this AGM, you may appoint two proxies and you may specify the proportion or number of votes that each proxy is entitled to exercise. If you do not specify the proportion or number of votes each proxy may exercise, then each proxy will be entitled to exercise half of the votes. An additional Voting Form will be supplied by the Company on request. Additional Voting Forms should be requested from the Company's Share Registry, Link Market Services Limited by calling +61 1300 554 474.

In the case of an individual, a proxy must be under the hand of the individual or his or her attorney who has been authorised in writing. In the case of a corporation, a proxy must be executed by the corporation under common seal or under the hand of its authorised officer or officers or attorney.

The Chair will vote undirected and available proxies in favour of each of the Resolutions to be considered at the AGM. If you appoint the Chair as your proxy using the Voting Form provided, and you do not direct your proxy how to vote on Resolutions 1, 4 or 5, then by submitting your Voting Form you will be expressly authorising the Chair to exercise your proxy on that Resolution, even though that Resolution is connected, directly or indirectly, with the remuneration of members of the KMP.

How to submit Voting Forms

To be valid for use at the AGM, Voting Forms must be received by the Company by no later than **11.00am** (Sydney time) on **Monday, 8 May 2023** at the Company's Share Registry:

- by delivering in person - Link Market Services Limited:
 - Parramatta Square, Level 22, Tower 6, 10 Darcy Street, Paramatta NSW 2150; or
 - Level 12, 680 George Street, Sydney NSW 2000;
- by post - using the Reply Paid envelope addressed Smartgroup Corporation Ltd, C/- Link Market Services Limited, Locked Bag A14, Sydney South, NSW 1235;
- by facsimile - to Link Market Services on +61 2 9287 0309;
- online – by logging on to the Link Market Services website at www.linkmarketservices.com.au and following the instructions on the Voting Form; or
- by scanning the QR code on the back of the Voting Form using a mobile device.

If a Voting Form is signed under a power of attorney, it must be accompanied by the original or a certified copy of the power of attorney under which the Voting Form is signed.

Shareholder questions

Shareholders who are unable to attend the AGM , or who may prefer to register questions in advance, are invited to do so. Please log onto www.linkmarketservices.com.au select "Voting" and then click "Ask a Question".

To allow time to collate questions and prepare answers, please submit any questions by **11.00am** (Sydney time) on **Monday, 8 May 2023**. 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.

Explanatory Notes

These Explanatory Notes have been prepared for the information of Shareholders in connection with the Resolutions to be considered at the Annual General Meeting to be held at **11.00am** (Sydney time) on **Wednesday, 10 May 2023**. These Explanatory Notes form part of the Notice and should be read together with the Notice.

Resolution 1 – Remuneration Report

Pursuant to section 250R of the Corporations Act, at the annual general meeting of a listed company, that company must propose a resolution that the remuneration report be adopted.

The purpose of Resolution 1 is to lay before the Shareholders the Remuneration Report so that Shareholders may ask questions about, or make comments on, the Remuneration Report in accordance with the requirements of the Corporations Act, and vote on an advisory and non-binding resolution to adopt the Remuneration Report.

The Board will consider the outcome of the vote of Shareholders on the Remuneration Report at the Meeting when reviewing the Company's remuneration policies.

The Remuneration Report is contained within the 2022 Annual Report. You may view the 2022 Annual Report on the Company's website at <https://ir.smartgroup.com.au/Investors> under the ASX Announcements tab.

The vote on Resolution 1 is advisory only and does not bind the Directors or the Company. However, under the Corporations Act, if at least 25% of the votes cast on this Resolution at the Meeting are against adoption of the Remuneration Report, then:

- if comments are made on the Remuneration Report at the Meeting, the Company's remuneration report for the financial year ending 31 December 2023 will be required to include an explanation of the Board's proposed action in response or, if no action is proposed, the Board's reasons for this; and
- if, at the Company's 2024 annual general meeting, at least 25% of the votes cast on the resolution for adoption of the remuneration report for the relevant financial year are against its adoption, the Company will be required to put to shareholders a resolution proposing that a general meeting (**Spill Meeting**) be called to consider the election of Directors (**Spill Resolution**). The Spill Meeting must be held within 90 days of the date of the Company's 2024 annual general meeting. For any Spill Resolution to be passed, more than 50% of the votes cast on the resolution must be in favour of it. If a Spill Resolution is passed, all of the Directors (other than any managing director) will cease to hold office immediately before the end of the Spill Meeting unless re-elected at that meeting.

The Remuneration Report forms part of the Directors' Report, which has been unanimously adopted by a resolution of the Board. The Directors have resolved in favour of the Remuneration Report and recommend it to Shareholders for adoption.

Directors' recommendation

The Directors unanimously recommend that Shareholders vote in favour of Resolution 1.

Resolution 2 – Re-election of Ms Deborah Homewood as a Director

Ms Deborah Homewood retires in accordance with the Constitution. Being eligible, Ms Homewood offers herself for re-election as a Director. Resolution 2 seeks Shareholder approval of the re-election of Ms Homewood.

Ms Homewood was first appointed as a Director on 9 May 2016 and was last re-elected as a Director at the annual general meeting held on 10 June 2020.

Ms Homewood is a member of the Audit and Risk Committee, the Human Resources and Remuneration Committee and the IT and Innovation Committee. The Board considers Ms Homewood to be an independent Director.

Ms Homewood completed her registered nurse training at St Andrews Hospital, Queensland, and holds a Masters of Management from Macquarie Graduate School of Management. Ms Homewood has many years of management experience in various sectors, including retail, the medical industry and communications. She was most recently Managing Director of MAX Solutions from July 2012 to December 2022. Before that, Ms Homewood was CEO of Pacnet, Australia and New Zealand – an Asian-headquartered telecommunications carrier – where she also held various other senior roles including Vice President Sales, South Asia. Ms Homewood is a current member of Chief Executive Women, and chaired the Membership Committee of that organisation from 2010 to 2012.

The Board believes that Ms Homewood's senior executive experience, her knowledge of the healthcare, employment, disability and training sectors, and her human resources, remuneration, sales and communications skills bring significant benefits to the Board and the Committees of which Ms Homewood is a member. The Board therefore supports Ms Homewood's re-election.

Ms Homewood has confirmed to the Company that she continues to have sufficient time to fulfil her responsibilities as a Director.

Directors' recommendation

The Directors, with Ms Deborah Homewood abstaining, unanimously recommend that Shareholders vote in favour of Resolution 2.

Resolution 3 – Re-election of Mr John Prendiville as a Director

Mr John Prendiville retires in accordance with the Constitution. Being eligible, Mr Prendiville offers himself for re-election as a Director. Resolution 3 seeks Shareholder approval of the re-election of Mr Prendiville.

Mr Prendiville was first appointed as a Director on 18 February 2014 and was last elected as a Director at the annual general meeting held on 10 June 2020.

Mr Prendiville is the Board Deputy Chair and a member of the Human Resources and Remuneration Committee and the IT and Innovation Committee. The Board considers Mr Prendiville to be an independent Director.

Mr Prendiville holds a Bachelor of Science (Hons) in Astrophysics from the Royal Military College, Duntroon, and a Master of Business Administration from the University of Western Australia and the Institute for International Finance in Japan. He is currently a Director and a member of the Audit and Risk Committee of the University of Notre Dame Australia. Mr Prendiville is also a shareholder and Director of GetCapital Pty Limited, a rapidly growing provider of finance to the SME space in Australia, and a range of other private companies with interests in the technology, property, industrial and fintech space. He is also a Director and Chair of Wilsons Private Wealth and a member of the Investment Committee of the Melbourne-based fund manager, River Capital. Previously Mr Prendiville held numerous senior roles at Macquarie Group, where he worked for 20 years until his departure in 2011.

The Board believes that Mr Prendiville's senior executive experience, his deep knowledge of the financial services sector, and his financial, accounting, risk management, remuneration

and people management skills bring significant benefits to the Board and the Committees of which Mr Prendiville is a member. The Board therefore supports Mr Prendiville's re-election.

Mr Prendiville has confirmed to the Company that he continues to have sufficient time to fulfil his responsibilities as a Director.

Directors' recommendation

The Directors, with Mr John Prendiville abstaining, unanimously recommend that Shareholders vote in favour of Resolution 3.

Resolution 4 – Issue of Shares to Mr Scott Wharton under the Loan Funded Share Plan

Background

On 3 April 2023, the Company announced to ASX that Mr Scott Wharton has been appointed as the Company's new Managing Director and Chief Executive Officer to replace Mr Tim Looi, whose retirement from that role was announced in February 2023. Mr Wharton's appointment is effective from the Commencement Date, which is expected to be 17 July 2023.

Resolution 4 seeks Shareholder approval pursuant to ASX Listing Rule 10.14 for the issue of Shares to Mr Wharton under the Loan Funded Share Plan as described in this Notice. The issue of these Shares will occur after the Commencement Date, at which time Mr Wharton will be a Director of the Company.

ASX Listing Rule 10.14

ASX Listing Rules 10.14.1 and 10.14.2 provide that an entity must not permit a director of the entity or an associate of a director of the entity to acquire equity securities under an employee incentive scheme without the approval of Shareholders.

The Loan Funded Share Plan is an employee incentive scheme for the purposes of the ASX Listing Rules. As described above, Mr Wharton will be a Director at the time Shares are issued to him under the Loan Funded Share Plan and, accordingly, Shareholder approval is required under ASX Listing Rule 10.14 for Mr Wharton to acquire those Shares.

In accordance with ASX Listing Rule 10.15.9, a summary of the material terms of the Loan Funded Share Plan is attached as Appendix A.

Details of Shares to be issued and loan to be made to Mr Wharton under the Loan Funded Share Plan

If Shareholders pass Resolution 4 then:

- conditional upon Mr Wharton's appointment as Managing Director and Chief Executive Officer taking effect, Mr Wharton will be issued 936,679 Shares under the Loan Funded Share Plan (the **LFSP Shares**);
- the Board has resolved to issue the LFSP Shares to Mr Wharton during the first Trading Window after Mr Wharton's appointment as Managing Director and Chief Executive Officer takes effect and, in any event, no later than 12 months after the AGM;
- the issue price of each LFSP Share to be issued to Mr Wharton will be the 20-day volume weighted average price of Shares traded on ASX up to and including the date of the AGM (**Issue Price**); and

- in accordance with the terms of the Loan Funded Share Plan, the Company will loan to Mr Wharton an amount equal to 936,679 multiplied by the Issue Price to fund the purchase of the LFSP Shares.

A summary of the material terms of the loan to be made to Mr Wharton is set out below.

Other terms on which the LFSP Shares will be issued to Mr Wharton

The LFSP Shares vest over three years subject to the satisfaction of the LFSP Share Vesting Conditions, which are set out in more detail below, under the headings “EPS performance hurdle”, “TSR performance hurdle” and “Continuous employment condition”. Once vested, the LFSP Shares remain restricted until Mr Wharton repays the loan. Mr Wharton may repay the loan at any time after the LFSP Shares have vested up until the end of year five (when the loan becomes repayable).

The Board believes that an equity-based long-term incentive plan is important to ensure an appropriate part of the executive’s reward is linked to generating long-term returns for Shareholders. In addition, the Board considers the LFSP Share Vesting Conditions for the proposed issue of LFSP Shares to Mr Wharton to be appropriate.

If the LFSP Share Vesting Conditions are not satisfied, or if the Board determines that they cannot be satisfied, Mr Wharton will forfeit his unvested LFSP Shares unless the Board exercises its discretion to permit those LFSP Shares to vest in accordance with the terms of the Loan Funded Share Plan. Under the terms of the Loan Funded Share Plan, Shares that are forfeited are then bought back by the Company at a price per Share equal to the amount per Share then outstanding on any Loan provided by the Company to acquire the Shares.

EPS performance hurdle

The Earnings Per Share (**EPS**) performance hurdle applies to 75% of the total number of LFSP Shares that may vest at the end of the LFSP Share Vesting Period.

In determining underlying net profit after tax, significant or exceptional non-repeating items that are not relevant to the long-term performance of the Company (including, for example, acquisition or defence advisory related costs) will be excluded at the discretion of the Board.

The following method is used to calculate the EPS performance hurdle. It is based on the achievement of target Compound Annual Growth Rate (**CAGR**) in EPS over a 3-year period ending on 31 December 2025, measured on the Company’s underlying net profit after tax, adjusted to exclude the non-cash tax-effected amortisation of intangibles (**NPATA**). Based on the 2022 NPATA of \$61.2 million, EPS for 2022 is \$0.458.

EPS PERFORMANCE HURDLE				
<i>Applies to a maximum of 75% of the total number of LFSP Shares</i>				
Measure	LFSP Share Vesting Period	EPS CAGR	EPS Target	LFSP Shares subject to vesting (expressed as percentage of 75% of the total number of LFSP Shares)
EPS CAGR	3 calendar years ending 31 December 2025*	Below 4.0%		Nil
		4.0%	\$0.515	50%
		Between 4.0% and 8.0%		Straight line from 50% to 100%
		8.0% or more	\$0.576	100% (capped)

**Or such other date on which the Board makes a determination as to whether the LFSP Vesting Conditions have been met.*

TSR performance hurdle

The Total Shareholder Return (**TSR**) performance hurdle applies to 25% of the total number of LFSP Shares that may vest at the end of the LFSP Share Vesting Period.

TSR measures the growth in the price of shares plus cash distributions notionally reinvested in shares. The TSR performance hurdle is based on the TSR ranking of the Company as determined over the LFSP Share Vesting Period compared to the TSR of companies in the S&P/ASX 200 Index.

The Company and each of the companies in the S&P/ASX 200 Index will be ranked from highest to lowest based on their TSR over the LFSP Share Vesting Period. For the purpose of calculating the TSR measurement, the relevant share prices will be determined by reference to the volume weighted average share price over the 20 trading days up to and including 1 January 2023 (the start date of the LFSP Share Vesting Period) and 20 trading days up to and including 31 December 2025 (the end date of the LFSP Share Vesting Period).

TSR PERFORMANCE HURDLE			
<i>Applies to a maximum of 25% of the total number of LFSP Shares</i>			
Measure	LFSP Share Vesting Period	Smartgroup TSR performance compared to Index	LFSP Shares subject to vesting (expressed as percentage of 25% of the total number of LFSP Shares)
Relative TSR (ranking)	3 calendar years ending 31 December 2025*	0 to 49 th percentile	Nil
		50 th percentile	50%
		51 st to 74 th percentile	Straight line between 50% and 100%
		75 th to 100 th percentile	100%

**Or such other date on which the Board makes a determination as to whether the LFSP Vesting Conditions have been met.*

Continuous employment condition

Mr Wharton must be continuously employed by the Company until the end of LFSP Share Vesting Period (or until the end of the period ending on such other date that the Board makes a determination as to whether the LFSP Vesting Conditions have been met).

Forfeiture conditions

In addition to the LFSP Share Vesting Conditions, the LFSP Shares are also subject to the LFSP Share Forfeiture Conditions. In summary, a holder of Shares issued under the Loan Funded Share Plan (including the LFSP Shares) will forfeit them if the holder does not satisfy the relevant vesting conditions or if they cease employment with the Company and are deemed to be a Bad Leaver (including any vested Shares). The Board has discretion to determine that some or all of the LFSP Shares may vest in appropriate circumstances. The LFSP Shares are restricted until the end of the LFSP Share Vesting Period and until the loan has been repaid.

Grant value

Mr Wharton's long-term incentive (**LTI**) opportunity is \$1,105,000, representing 130% of his annual fixed remuneration as at the Commencement Date, being \$850,000, inclusive of superannuation. The number of LFSP Shares to be granted to Mr Wharton, representing his total LTI opportunity, has been determined by dividing the LTI grant value by \$1.1797, being the fair value of an LFSP Share as determined by the Board on 16 February 2023, the date on which 2023 grant allocations were approved for all other executive participants under the Loan Funded Share Plan.

Material terms of loan to be made to Mr Wharton

The Loan Funded Share Plan provides a five year limited recourse, interest-free and fee-free loan from the Company for the sole purpose of acquiring the LFSP Shares. Once vested, the LFSP Shares remain restricted until Mr Wharton repays the loan. Mr Wharton may repay the loan at any time after the LFSP Shares have vested up until the end of year five (when the loan becomes repayable).

Any dividend paid on the LFSP Shares while the LFSP Shares are restricted is applied (on an after-tax basis) towards repaying the outstanding loan. The balance of the dividend (if any) will be paid directly to the Shareholder (in this case Mr Wharton) to fund his tax liability on the dividends received.

Following the satisfaction of the LFSP Vesting Conditions, Mr Wharton can dispose of the LFSP Shares on repayment of any outstanding loan balance.

As this is a limited-recourse loan, if the value of the LFSP Shares is less than the outstanding loan balance at the end of the loan period, the Company will only have recourse to the cash proceeds received by Mr Wharton from a disposal of the LFSP Shares issued to him and the after-tax amount in respect of a cash dividend or a capital distribution received by the borrower in respect of those Shares in accordance with the Loan Funded Share Plan.

Other information required under ASX Listing Rule 10.15

In addition to the information set out above and elsewhere in this document, the following information is provided to Shareholders for the purposes of ASX Listing Rule 10.15.

Total remuneration package

Mr Wharton's total remuneration package from the Commencement Date comprises:

- a fixed salary of \$850,000 per annum inclusive of superannuation;
- participation in the Company's short term incentive arrangements with a maximum full year payment of:
 - in respect of the 2023 financial year, an amount representing 65% of his annual fixed remuneration at the Commencement Date inclusive of superannuation, pro-rated by reference to the proportion of the full year during which Mr Wharton is engaged; and
 - in respect of subsequent financial years, an amount representing 65% of his then current annual fixed remuneration, inclusive of superannuation,

with up to 50% of each year's payment under the short term incentive arrangements payable in cash and up to 50% in the form of Performance Rights proposed to be issued under the Short Term Incentive Plan, subject to Shareholder approval; and

- long term incentives to be granted under the Loan Funded Share Plan at the discretion of the Board, subject to Shareholder approval and subject to the achievement of the performance hurdles set by the Board in relation to any such grant.

In respect of the 2023 financial year, the maximum full year short term incentive payment, based on the expected Commencement Date of 17 July 2023, would be \$254,300, of which \$127,150 would be payable in cash, and \$127,150 would be payable in the form of Performance Rights, subject to Shareholder approval.

Mr Wharton is also entitled to a one-off sign-on bonus of \$150,000 (gross and subject to applicable taxation) payable within one month of the Commencement Date.

Shares previously issued to Mr Wharton under the Loan Funded Share Plan

No shares have previously been issued to Mr Wharton under the Loan Funded Share Plan.

Publication of details of Shares issued under the Loan Funded Share Plan

Details of any Shares issued to Mr Wharton under the Loan Funded Share Plan will be published in the Company's annual report relating to the period in which they were issued, along with a statement that approval for the issue was obtained under ASX Listing Rule 10.14.

Other persons covered by ASX Listing Rule 10.14

Any additional persons covered by ASX Listing Rule 10.14 who become entitled to participate in an issue of securities under the Loan Funded Share Plan after Resolution 4 is passed and who were not named in this Notice of Meeting will not participate until approval is obtained under that Listing Rule.

Non-executive Directors are excluded from the operation of the Loan Funded Share Plan. Therefore, as at the date of this Notice of Meeting, the only current Director entitled to participate in the Loan Funded Share Plan is Mr Tim Looi, the current Managing Director and Chief Executive Officer. For the avoidance of doubt, no Shares are being issued to Mr Looi under the Loan Funded Share Plan in respect of his employment with the Group in the 2023 year.

Other considerations

ASX Listing Rules 7.1 and 10.11

ASX Listing Rule 7.1 provides (in general terms) that, without the approval of the holders its ordinary securities, an entity must not issue or agree to issue equity securities, which amount to more than 15% of its issued share capital in any rolling 12-month period. However, ASX Listing Rule 7.2 sets out a number of exceptions to ASX Listing Rule 7.1. Exception 14 in ASX Listing Rule 7.2 provides that, if an issue of shares is made with the approval of the holders of the entity's ordinary securities under Listing Rule 10.14 then approval is not required under Listing Rule 7.1.

ASX Listing 10.11 provides that without the approval of the holders of ordinary securities, an entity must not issue or agree to issue equity securities to, among others, a related party of the entity. However, ASX Listing Rule 10.12 sets out a number of exceptions to ASX Listing Rule 10.11. Exception 8 in ASX Listing Rule 10.12 provides an exception for an issue of equity securities made with the approval of the holders of the entity's ordinary securities under ASX Listing Rule 10.14.

Outcome of Resolution 4

Shareholder approval is sought under Listing Rule 10.14 for Resolution 4. If Resolution 4 is passed, the issue of the LFSP Shares to Mr Wharton will fall under an exception to, and is not included in the calculation of, the Company's 15% annual placement capacity pursuant to ASX Listing Rule 7.1, and a separate approval for the purposes of ASX Listing Rule 10.11 will not be required. If Resolution 4 is not passed, the Company will not be able to issue the LFSP Shares to Mr Wharton as currently proposed and will need to use another method of adequately remunerating him for his services to the Company.

Corporations Act – treatment of remuneration matters

Pursuant to Chapter 2E of the Corporations Act, a public company cannot give a financial benefit to a related party unless one of the exceptions to the relevant provisions in Chapter 2E of the Corporations Act apply or shareholders have in a general meeting approved the giving of that financial benefit to the related party.

Section 211 of the Corporations Act provides an exception to the provisions of Chapter 2E of the Corporations Act where the financial benefit is given to the related party as an officer or employee of the company and to give the remuneration would be reasonable given the circumstances of the company and the related party's circumstances (including the responsibilities involved in the office or employment).

The Company considers the proposed issue of the LFSP Shares to Mr Wharton to be reasonable remuneration for a company of the size and nature of the Company and, as such, falls within the exception set out in section 211 of the Corporations Act.

Directors' interest in the outcome of this Resolution

No current Director has an interest in the outcome of Resolution 4.

Directors' recommendation

The current Directors (for the avoidance of doubt, not including Mr Wharton), unanimously recommend that Shareholders vote in favour of Resolution 4.

Resolution 5 – Issue of Performance Rights to Mr Scott Wharton under the Short Term Incentive Plan

Background

On 3 April 2023, the Company announced to ASX that Mr Scott Wharton has been appointed as the Company's new Managing Director and Chief Executive Officer to replace Mr Tim Looi, whose retirement from that role was announced in February 2023. Mr Wharton's appointment is effective from the Commencement Date, which is expected to be 17 July 2023.

Resolution 5 seeks Shareholder approval pursuant to ASX Listing Rule 10.14 for the issue of Performance Rights to Mr Wharton under the Short Term Incentive Plan as described in this Notice. The issue of these Performance Rights will occur after the Commencement Date, at which time Mr Wharton will be a Director of the Company.

ASX Listing Rule 10.14

ASX Listing Rules 10.14.1 and 10.14.2 provide that an entity must not permit a director of the entity or an associate of a director of the entity to acquire equity securities under an employee incentive scheme without the approval of Shareholders.

The Short Term Incentive Plan is an employee incentive scheme for the purposes of the ASX Listing Rules. As described above, Mr Wharton will be a Director at the time Performance Rights are issued to him under the Short Term Incentive Plan and, accordingly, Shareholder approval is required under ASX Listing Rule 10.14 for Mr Wharton to acquire those Performance Rights.

In accordance with ASX Listing Rule 10.15.9, a summary of the material terms of the Short Term Incentive Plan is attached as Appendix B.

Details of Performance Rights to be issued to Mr Wharton under the Short Term Incentive Plan

If Shareholders pass Resolution 5 then:

- conditional upon Mr Wharton's appointment as Managing Director and Chief Executive Officer taking effect, Mr Wharton will be issued the Relevant Number of Performance Rights under the Short Term Incentive Plan (the **STIP Performance Rights**);
- the Board has resolved to issue the STIP Performance Rights to Mr Wharton during the first Trading Window after Mr Wharton's appointment as Managing Director and Chief Executive Officer takes effect, and, in any event, no later than 12 months after the AGM; and
- no monetary consideration is payable by Mr Wharton on issue or vesting of any STIP Performance Rights.

Under the Short Term Incentive Plan, each Performance Right confers on the holder an entitlement to acquire by way of issue or transfer or both (as determined by the Board in its sole and absolute discretion) one Share subject to the satisfaction of any vesting conditions, performance hurdles and exercise conditions, with no exercise or strike price payable by the holder. A summary of the material terms of the STIP Performance Rights is set out below and in Appendix B.

Other terms on which the STIP Performance Rights will be issued to Mr Wharton

The STIP Performance Rights will be subject to performance hurdles relating to the annual KPIs for Mr Wharton set by the Board as part of his short term incentive arrangements. The achievement of these performance hurdles will be assessed by the Board at the end of the year. The details of the KPIs and the assessed achievement of each will then be reported in the Company's Remuneration Report. No other performance hurdles or exercise conditions apply to the Performance Rights.

Grant value of the STIP Performance Rights

The Board has determined that Mr Wharton should be issued Performance Rights having a value of \$276,250 multiplied by the Relevant Proportion, comprising 50% of Mr Wharton's total potential short term incentive entitlements in respect of the 2023 financial year under the remuneration arrangements described in more detail on page 17 of this Notice of Meeting.

The Relevant Number of Performance Rights to be granted to Mr Wharton will be determined by calculating the 10 day volume weighted average market price (as that term is defined in the Listing Rules) of the Shares over the 10 Trading Day period commencing on the Trading Day that is immediately after the date of the AGM. The Relevant Number of Performance Rights will then be determined by dividing \$276,250 multiplied by the Relevant Proportion by this VWAP number.

Other information required under ASX Listing Rule 10.15

In addition to the information set out above and elsewhere in this document, the following information is provided to Shareholders for the purposes of ASX Listing Rule 10.15.

Total remuneration package

Refer to page 17 of this document for details (including the amount) of Mr Wharton's remuneration package from the Commencement Date.

Securities previously issued to Mr Wharton under the Short Term Incentive Plan

No Performance Rights or other securities have previously been issued to Mr Wharton under the Short Term Incentive Plan.

Publication of details of securities issued under the Short Term Incentive Plan

Details of any Performance Rights or other securities issued to Mr Wharton under the Short Term Incentive Plan will be published in the Company's annual report relating to the period in which they were issued, along with a statement that approval for the issue was obtained under ASX Listing Rule 10.14.

Other persons covered by ASX Listing Rule 10.14

Any additional persons covered by ASX Listing Rule 10.14 who become entitled to participate in an issue of securities under the Short Term Incentive Plan after Resolution 5 is passed and who were not named in this Notice of Meeting will not participate until approval is obtained under that Listing Rule.

Other considerations

Outcome of Resolution 5

Shareholder approval is sought under Listing Rule 10.14 for this Resolution 5. If Resolution 5 is passed, the issue of the STIP Performance Rights to Mr Wharton will fall under an exception

to, and is not included in the calculation of, the Company's 15% annual placement capacity pursuant to ASX Listing Rule 7.1, and a separate approval for the purposes of ASX Listing Rule 10.11 will not be required.¹ If Resolution 5 is not passed, the Company will not be able to issue the STIP Performance Rights to Mr Wharton as currently proposed and will need to use another method of adequately remunerating him for his services to the Company.

Corporations Act – treatment of remuneration matters

The Company considers the proposed issue of the Performance Rights to Mr Wharton to be reasonable remuneration for a company of the size and nature of the Company and, as such, falls within the exception set out in section 211 of the Corporations Act.²

Directors' interest in the outcome of this Resolution

All Directors are entitled to participate in the Short Term Incentive Plan and therefore all Directors have (or may have) an interest in the outcome of this Resolution.

Directors' recommendation

As all Directors have (or may have) an interest in the outcome of this Resolution, the Directors abstain from making a recommendation in relation to this Resolution.

¹ Further information in relation to Listing Rules 7.1 and 10.11 is set out elsewhere in this document.

² Further information in relation to section 211 of the Corporations Act is set out elsewhere in this document.

Glossary

2022 Annual Report means the financial report of the Company (and its controlled entities) for the year ended 31 December 2022.

AGM means the 2023 annual general meeting of the Shareholders.

ASX Listing Rules or **Listing Rules** means the official listing rules of ASX.

Auditor means PricewaterhouseCoopers.

Auditor's Report means the report of the Auditor regarding its audit of the Company and its controlled entities which accompanies the 2022 Annual Report.

Australian Securities Exchange or **ASX** means ASX Limited ACN 008 624 691 or, as the context requires, the Australian Securities Exchange, being a financial market operated by it.

Awards has the meaning given to that term in Appendix B.

Board means the board of Directors.

Chair means the chair of the Meeting.

Closely Related Party means, in relation to a member of the KMP, any of the following:

- a spouse, child or dependant of the member;
- a child or dependant of the member's spouse;
- anyone else who is one of the member's family and may be expected to influence, or be influenced by, the member in the member's dealings with the Company;
- a company the member controls; or
- a person prescribed by regulations (as at the date of this Notice of Meeting, no additional persons have been prescribed by regulation).

Commencement Date means the date on which the appointment of Mr Wharton as Managing Director and Chief Executive Officer of the Company takes effect, which is expected to be 17 July 2023.

Company means Smartgroup Corporation Limited ACN 126 266 831.

Constitution means the constitution of the Company.

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

Directors mean the directors of the Company and **Director** means any of them.

Directors' Report means the report of the Directors which forms part of the 2022 Annual Report.

Explanatory Notes means these explanatory notes that accompany, and are incorporated as part of, this Notice of Meeting.

Key Management Personnel or **KMP** means those persons having authority and responsibility for planning, directing and controlling the activities of the consolidated entity of which the Company forms part, directly or indirectly, including the Directors and certain senior executives.

LFSP Forfeiture Conditions means the forfeiture conditions applicable to the LFSP Shares.

LFSP Shares means the 936,679 Shares proposed to be issued to Mr Scott Wharton in accordance with the Loan Funded Share Plan, and for which Shareholder approval is sought under Resolution 4.

LFSP Share Vesting Conditions means the vesting conditions applicable to the LFSP Shares.

LFSP Share Vesting Period means the period of 3 calendar years ending 31 December 2025 (or such other date on which the Board makes a determination as to whether the LFSP Vesting Conditions have been met).

Loan Funded Share Plan means the Company's Loan Funded Share Plan, pursuant to which Shares in the Company may be acquired by eligible employees using loans made to them by the Company, and a summary of the key terms of which are set out in Appendix A.

Notice of Meeting or **Notice** means this notice of meeting relating to the AGM.

Options has the meaning given to that term in Appendix B.

Performance Rights has the meaning given to that term in Appendix B.

Relevant Number means the number that is calculated by application of the following formula (rounded down to the nearest whole number): $276,250 \times \text{Relevant Proportion}/\text{Share VWAP}$.

Relevant Proportion means the number of days from the Commencement Date to 31 December 2023, divided by 365.

Remuneration Report means the remuneration report of the Company that forms part of the Directors' Report.

Resolution means a resolution set out in this Notice of Meeting.

Share has the meaning given to that term in Appendix B.

Share Appreciation Rights has the meaning given to that term in Appendix B.

Shareholder means a holder of Shares as shown on the register of members of the Company as at 7.00pm on Monday, 8 May 2023.

Share VWAP means the volume weighted average market price (as that term is defined in the Listing Rules) of the Shares over the 10 Trading Day period commencing on the Trading Day that is immediately after the date of the AGM, as calculated by the Company.

Short Term Incentive Plan means the Company's short term incentive plan pursuant to which eligible participants may be issued Options, Performance Rights and Share Appreciation Rights, and a summary of the key terms of which are set out in Appendix B.

Trading Day has the meaning given to that term in the ASX Listing Rules.

Trading Window has the meaning given in the Company's Trading Policy, a copy of which is available on the Company's website at <https://ir.smartgroup.com.au/Investors> under the Corporate Governance tab.

Voting Form means the voting form enclosed with the letter dated the same date as this Notice of Meeting advising you of the time and date of the AGM and how to access the Notice of Meeting via the Company's website, which permits Shareholders either to exercise a direct vote on the Resolutions, or to appoint a proxy to vote on behalf of the Shareholder on the Resolutions in accordance with the directions on the Voting Form.

Appendix A – Summary of terms of the Loan Funded Share Plan

Eligibility

Full-time and part-time employees and executives of the Company or any of its subsidiaries (**Participants**), who are selected by the Board, will be eligible to participate in the Smartgroup Limited Loan Funded Share Plan (**Plan**). For the avoidance of doubt this does not extend to associates.

Invitation

Participants may purchase a specified number of Shares which are subject to restrictions to be determined by the Board. An invitation may only be made if approved by the Board. It must be in writing and must be made in accordance with the Plan rules. Offers of Shares under the Plan are economically equivalent to an award of options.

Transaction costs

The Company may, but is not required to, bear all brokerage, commission or other transaction costs payable by a Participant in relation to acquisition of Shares under the Plan.

Conditions

The Board may determine that Shares to be granted to Participants will be subject to:

- Vesting Conditions; and
- Forfeiture Conditions,

which must be detailed in the invitations made to Participants.

The nature and content of the Vesting Conditions are determined by the Board and may include conditions relating to any or all of:

- continuing employment;
- performance of the Participant;
- performance of the Company; or
- the occurrence of specific events.

Unless determined otherwise by the Board, while Shares are held by a Participant under the Plan, they are subject to forfeiture if any of the following Forfeiture Conditions are satisfied:

- if the Participant breaches any term of the loan agreement between the Participant and the Company;
- if the Participant ceases employment, but only in certain circumstances set out in the rules of the Plan; or
- if, in the opinion of the Board, any of the Vesting Conditions have not been or cannot be satisfied for any reason.

If the applicable Vesting Conditions are satisfied, the Participant will be permitted to retain those Shares which have vested provided they repay the loan owing on those Shares. The Board may waive any or all of the Forfeiture Conditions.

On cessation of employment, the Board will have absolute discretion to determine whether the Participant is a Bad Leaver, a Good Leaver or Leaver. Together with the Vesting

Conditions and Forfeiture Conditions, each of these classifications will have differing implications on whether, for example, a Participant retains any unvested Plan Shares or vested Plan Shares and the terms of the Loan which applies to the Plan Shares.

Loan terms

Participants will be invited to purchase Shares using loan funds under the loan agreement with the Company (**Loan**).

The Board may determine the value of the Loan that will be provided to Participant to facilitate the acquisition of the Plan Shares, or the means by which that value will be calculated and shall state the value or means of calculation of the Loan value in the invitation from the Board.

A Participant who accepts a Loan irrevocably authorises the Company to apply the Loan funds on behalf of the Participant in payment of the total cost of the Plan Shares to be acquired.

The Loan must always be repaid if the Participant wishes to benefit from the Shares. Participants only benefit from growth in share price.

The Loans to be made under the Plan will be:

- limited recourse in nature, meaning that if the market value of the Shares is less than the loan value at the end of the term of the Loan, the Participant cannot be forced to repay the remaining Loan balance out of their own funds;
- interest-free and fee free; and
- repayable in full on the earlier of the termination date of the Loan (5 years from the date it is made) or the date on which the Shares are sold in accordance with the terms of the rules of the Plan.

In the event that the Vesting Conditions are not met, or Shares do not vest for any other reason, the Shares may be bought-back by the Company and the proceeds used to repay the Loan, such that the Participant receives no gain from the Plan.

Dividends and voting rights

A Participant is entitled to any rights which accrue (including voting rights and dividends) to Plan Shares held by the Participant and may deal with those rights in accordance with the terms of the Plan rules and the invitation from the Board in relation to those Plan Shares.

If the Company pays dividends or make capital distributions, the after-tax value of any dividends paid or distributions made to a Participant will be applied to repay the Loan. The balance (that is, the estimated value of the tax payable by the Participant on the dividend or distribution) is paid to the Participant to allow them to fund their tax liability on the dividend or distribution.

Transferability and dealings

A Participant must not sell, transfer, encumber or otherwise deal with a Plan Shares unless otherwise permitted under the Plan or determined by the Board.

At the end of the vesting period and subject to continuous employment, Participants can dispose of their Shares on repayment of any outstanding Loan balance.

Capital reconstruction

In the event of a capital reconstruction, subject to any provisions in the Listing Rules, the Board may adjust the number of Plan Shares held by a Participant.

The Board may determine that Plan Shares held by a Participant may be bought-back (in accordance with the requirements of the Constitution and the Corporations Act) in certain circumstances.

Administration and Board discretion

The Board administers the Plan, and it may delegate some or all of its powers and functions under the Plan to a person or to a committee of two or more persons.

The Board may add to, repeal, amend, alter or vary any or all of the provisions of the Plan rules (including with retrospective effect) in writing in any respect whatsoever, including the rights or obligations of the Participant, provided that no addition, repeal, amendment, alteration or variation of the Plan terms will:

- without the Participant's consent in writing, materially reduce the Participant's accrued benefits or entitlements as they existed before the date of the amendment;
- without the Participant's consent in writing, impose additional obligations on the Participant in respect of his or her Plan Shares;
- repeal, amend, alter or vary these protections,

unless the addition, repeal, amendment, alteration or variation is introduced primarily:

- for the purpose of complying with or conforming to present or future laws or regulating the maintenance or operation of the Plan or like plans, including any relevant tax legislation;
- to correct any manifest error or mistake; or
- to enable the Plan or the Company to comply with the Corporations Act, the Listing Rules or its Constitution.

Appendix B - Summary of terms of the Short Term Incentive Plan

Overview of the Short Term Incentive Plan

Under the Short Term Incentive Plan, the Board may offer eligible participants awards (**Awards**) comprising:

- Options, being options to acquire Shares, subject to the satisfaction of any vesting conditions, performance hurdles and exercise conditions and payment of the relevant exercise price (if any) (**Options**);
- Performance Rights, being rights to acquire Shares, subject to the satisfaction of any vesting conditions, performance hurdles and exercise conditions, with no exercise or strike price payable (**Performance Rights**); and
- Share Appreciation Rights being, in relation to a Share, a right to receive a future payment equal to the positive difference between the initial market value of the Share and the subsequent market value of the Share, where such amount may be settled in cash or Shares (**Share Appreciation Rights**).

Eligibility and grant

The Board may, from time to time, in its sole and absolute discretion determine that an Eligible Employee may participate in the Short Term Incentive Plan. Under the terms of the Short Term Incentive Plan, an Eligible Employee means:

- any Director or any full-time or part-time employee of the Company or any of its subsidiaries who is determined by the Board in its sole and absolute discretion to be eligible to receive grants of Awards under the Short Term Incentive Plan; or
- any other person who is determined by the Board in its sole and absolute discretion to be eligible to receive grants of Awards under the Short Term Incentive Plan.

Unless the Board otherwise determines in its sole and absolute discretion, the number of Awards which may be granted under the Short Term Incentive Plan which upon exercise may vest Plan Shares (as defined below) must not, when aggregated with offers under employee incentive schemes made over the previous three years in reliance on the former ASIC class order relief or similar individual relief, exceed five percent (5%) of the total issued capital of the Company at the time of the grant of any particular Award.

If a recipient of an Award under the Short Term Incentive Plan (**Participant**) is a Director (or is, in general terms, an associated entity of a Director) then, except where the grant of the Award has been approved by Shareholders under ASX Listing Rule 10.11 or 10.14, any Plan Shares (as defined below) to be acquired by the Participant following the exercise or vesting and automatic exercise of the Award must be Shares that have been purchased on-market.

Terms of the Awards

The terms and conditions of Awards offered or granted under the Short Term Incentive Plan will be determined by the Board, in its sole and absolute discretion. In this context, the Board may determine, among other things:

- the number of Awards;
- the grant date, issue price, term, expiry date, vesting conditions, performance hurdles and exercise conditions in respect of any Award;
- the exercise price in respect of an Option;

- the Initial Market Value in respect of a Share Appreciation Right;
- the exercise period in respect of Option and Share Appreciation Right; and
- the applicable disposal restrictions attaching to Awards or Plan Shares, being any Shares held by a participant: (a) in respect of which the participant exercised an Option; (b) upon automatic exercise of a Performance Right; or (c) as a result of the exercise of a Share Appreciation Right (**Plan Shares**).

Prior to making an invitation to an Eligible Employee to apply for a grant of an Award, the Board will determine, and specify in the relevant invitation letter, any vesting conditions, performance hurdles and exercise conditions attaching to the relevant Award.

For the avoidance of doubt, Awards will only vest if any applicable vesting conditions and/or performance hurdles have been satisfied, waived by the Board, or are deemed to have been satisfied. Any Awards that have vested will only be exercisable when any applicable exercise conditions have been satisfied, waived by the Board, or are deemed to have been satisfied.

Participant rights

Unless determined otherwise by the Board in its sole and absolute discretion, Awards will not be quoted on the ASX or any other financial market. A Participant who holds Awards is not entitled to:

- notice of, or to vote or attend at, a meeting of the Shareholders; or
- receive any dividends declared by the Company,

unless and until:

- any Options or Performance Rights held by the Participant are exercised or vest and the Participant holds Plan Shares; or
- any Share Appreciation Rights are exercised, and then only if the Share Appreciation Rights are equity settled and the Participant holds Plan Shares.

Any Plan Shares allotted and issued, or caused to be transferred, by the Company to a Participant will rank equally with all existing Shares on and from the date of issue or transfer.

No transfer of Awards (or Plan Shares)

Other than in certain very limited circumstances, Awards may not be assigned, transferred, encumbered or otherwise disposed of by a Participant, unless:

- the prior consent of the Board is obtained; or
- such assignment or transfer occurs by force of law upon the death of a Participant to the Participant's legal personal representative.

Subject to any contrary determination by the Board, Plan Shares may not be transferred, encumbered or otherwise disposed of by a Participant unless all restrictions on the transfer, encumbrance or disposal of the Plan Shares have been met, the Board has waived any such restrictions, or the prior consent of the Board is obtained. The Company may do everything necessary to enforce any transfer restrictions in respect of Plan Shares, including imposing an ASX holding lock on the Plan Shares or using an employee share trust to hold the Plan Shares during the relevant restriction period.

Ceasing employment/ceasing to hold office

Where a Participant ceases his or her employment or to hold office (as applicable) and is a Good Leaver or a Leaver, all vested Awards that have not been exercised will continue in force and remain exercisable (subject to their conditions) until their expiry date, unless the Board determines otherwise; and any unvested Awards will vest where, in the Board's sole and absolute discretion, any vesting conditions and performance hurdles applicable to those Awards have been satisfied, with that vesting to be on a pro rata basis over the relevant period, unless the Board determines otherwise.

Where a Participant ceases his or her employment or to hold office (as applicable) and is a Bad Leaver (e.g. he or she has engaged in grave misconduct, committed a serious or persistent breach of his or her employment agreement etc.), all vested Awards that have not been exercised will continue in force and remain exercisable (subject to their conditions), until their expiry date, unless the Board determines otherwise; and all unvested Awards will automatically be forfeited by the Participant for the payment by the Company to the Participant of nominal consideration, unless the Board determines otherwise.

Fraudulent or dishonest actions

Where, in the opinion of the Board, a Participant:

- acts fraudulently or dishonestly; or
- wilfully breaches his or her duties to the Company or any of its subsidiaries,

then the Board may deem all unvested Awards of the Participant to have lapsed.

Change of Control Event

On the occurrence of a Change of Control Event (e.g. a person makes an offer for Shares under a takeover bid and the person has voting power in the Company exceeding 50%) the Board will determine, in its sole and absolute discretion, the manner in which all unvested and vested Awards will be dealt with.

Buy-back

The Company may buy-back Awards or Plan Shares in accordance with the Short Term Incentive Plan.

Administration and Board discretion

The Board administers the Short Term Incentive Plan, and it may delegate some or all of its powers and functions under the Short Term Incentive Plan to a person or to a committee of the Board.

The Board may amend the Short Term Incentive Plan and the terms on which any Award has been granted (including with retrospective effect), provided that, if the amendment materially reduces the rights of any Participant in respect of Awards granted to them prior to the date of the amendment, then, no such amendment may be made without the consent of a Participant, other than in certain limited circumstances, including, where the amendment is introduced primarily:

- for the purpose of complying with or conforming to present or future legislation governing or regulating the Short Term Incentive Plan or like plans; or
- to correct any manifest error or mistake.



Smartgroup Corporation Ltd
ABN 48 126 266 831

LODGE YOUR VOTE

ONLINE
<https://investorcentre.linkgroup.com>

BY MAIL
Smartgroup Corporation Ltd
C/- Link Market Services Limited
Locked Bag A14
Sydney South NSW 1235 Australia

BY FAX
+61 2 9287 0309

BY HAND
Link Market Services Limited
Parramatta Square, Level 22, Tower 6,
10 Darcy Street, Parramatta NSW 2150; or
Level 12, 680 George Street, Sydney NSW 2000

ALL ENQUIRIES TO
Telephone: +61 1300 554 474



X99999999999

VOTING FORM

I/We being a member(s) of Smartgroup Corporation Ltd and entitled to attend and vote hereby appoint:

STEP 1 Please mark either A or B

A VOTE DIRECTLY

elect to lodge my/our
vote(s) directly (mark box)

in relation to the Annual General Meeting of the Company to be held at **11.00am (Sydney time) on Wednesday, 10 May 2023**, and at any adjournment or postponement of the Meeting.

You should mark either "for" or "against" for each item. Do not mark the "abstain" box.

OR

B APPOINT A PROXY

the Chairman
of the Meeting
(mark box)

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

Name

Email

or failing the person or body corporate named, or if no person or body corporate is named, the Chairman of the Meeting, as my/our proxy to act on my/our behalf (including to vote in accordance with the following directions or, if no directions have been given and to the extent permitted by the law, as the proxy sees fit) at the Annual General Meeting of the Company to be held at **11.00am (Sydney time) on Wednesday, 10 May 2023 (the Meeting)** and at any postponement or adjournment of the Meeting.

The Meeting will be conducted as a physical meeting. You can participate by attending in person at **Wesley Conference Centre, Lyceum Room, 220 Pitt Street, Sydney, NSW**.

Important for Resolutions 1, 4 and 5: If the Chairman of the Meeting is your proxy, either by appointment or by default, and you have not indicated your voting intention below, you expressly authorise the Chairman of the Meeting to exercise the proxy in respect of Resolutions 1, 4 and 5, even though the Resolutions are connected directly or indirectly with the remuneration of a member of the Company's Key Management Personnel (KMP).

The Chairman of the Meeting intends to vote undirected proxies in favour of each item of business.

VOTING DIRECTIONS

Proxies will only be valid and accepted by the Company if they are signed and received no later than 48 hours before the Meeting.

Please read the voting instructions overleaf before marking any boxes with an

STEP 2

Resolutions

1 Adoption of Remuneration Report

For Against Abstain*

5 Issue of Performance Rights under the Short Term Incentive Plan

For Against Abstain*

2 Re-election of Director – Ms Deborah Homewood

3 Re-election of Director – Mr John Prendiville

4 Issue of Shares under the Loan Funded Share Plan

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

STEP 3

SIGNATURE OF SHAREHOLDERS – THIS MUST BE COMPLETED

Shareholder 1 (Individual)

Joint Shareholder 2 (Individual)

Joint Shareholder 3 (Individual)

Sole Director and Sole Company Secretary

Director/Company Secretary (Delete one)

Director

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

SIQ PRX2301N



HOW TO COMPLETE THIS SHAREHOLDER VOTING FORM

YOUR NAME AND ADDRESS

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

VOTING UNDER BOX A – VOTE DIRECTLY

If you ticked the box under Box A you are indicating that you wish to vote directly. Please only mark either **"for"** or **"against"** for each item. Do not mark the **"abstain"** box. If you mark the **"abstain"** box for an item, your vote for that item will be invalid.

If no direction is given on all of the items, or if you complete both Box A and Box B, your vote may be passed to the Chairman of the Meeting as your proxy.

Custodians and nominees may, with the Share Registrar's consent, identify on the Voting Form the total number of votes in each of the categories **"for"** and **"against"** and their votes will be valid.

The Chairman's decision as to whether a direct vote is valid is conclusive.

VOTING UNDER BOX B – APPOINTMENT OF PROXY

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

PROXY VOTING BY THE CHAIRMAN OF THE MEETING

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

VOTES ON ITEMS OF BUSINESS – PROXY APPOINTMENT

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

APPOINTMENT OF A SECOND PROXY

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

To appoint a second proxy you must:

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

PROXY VOTING BY KMP

The KMP of the Company (which includes each of the Directors) and their closely related parties will not be able to vote as your proxy on Resolutions 1, 4 and 5 unless you direct them how to vote or the Chairman of the Meeting is your proxy. If you intend to appoint a member of the KMP or one of their closely related parties as your proxy, you can direct them how to vote by following the instructions in this Voting Form.

SIGNING INSTRUCTIONS

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

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

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

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

Companies: where the company has a Sole Director who is also the Sole Company Secretary, this form must be signed by that person. If the company (pursuant to section 204A of the *Corporations Act 2001*) does not have a Company Secretary, a Sole Director can also sign alone. Otherwise this form must be signed by a

Director jointly with either another Director or a Company Secretary. Please indicate the office held by signing in the appropriate place.

CORPORATE REPRESENTATIVES

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

LODGEMENT OF A VOTING FORM

This Voting Form (and any Power of Attorney under which it is signed) must be received at an address given below by **11:00am (Sydney time) on Monday, 8 May 2023**, being not later than 48 hours before the commencement of the Meeting. Any Voting Form received after that time will not be valid for the scheduled Meeting.

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



ONLINE

<https://investorcentre.linkgroup.com>

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



BY MOBILE DEVICE

Our voting website is designed specifically for voting online. You can now lodge your proxy by scanning the QR code adjacent or enter the voting link <https://investorcentre.linkgroup.com> into your mobile device. Log in using the Holder Identifier and postcode for your shareholding.

QR Code



To scan the code you will need a QR code reader application which can be downloaded for free on your mobile device.



BY MAIL

Smartgroup Corporation Ltd
C/- Link Market Services Limited
Locked Bag A14
Sydney South NSW 1235
Australia



BY FAX

+61 2 9287 0309



BY HAND

delivering it to Link Market Services Limited*
Parramatta Square
Level 22, Tower 6
10 Darcy Street
Parramatta NSW 2150

or

Level 12
680 George Street
Sydney NSW 2000

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

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