

Notice of Annual General Meeting

The Annual General Meeting of GWA Group Limited ABN 15 055 964 380 (**GWA** or **Company**) will be held via a virtual platform at <https://web.lumiagm.com/> on Friday 29 October 2021 commencing at 10:00am (AEST).

ORDINARY BUSINESS

ACCOUNTS

To receive and consider the Company's Financial Statements for the financial year ended 30 June 2021 together with the statement and report by the directors and the report by the auditor in relation thereto.

RE-ELECTION OF DIRECTORS

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

1. That Mr Darryl McDonough, who retires as a director of the Company in accordance with clause 10.3 of the Company's Constitution, be re-elected as a director of the Company.
2. That Mr Peter Birtles, who retires as a director of the Company in accordance with clause 10.3 of the Company's Constitution, be re-elected as a director of the Company.

ADOPTION OF REMUNERATION REPORT

To consider the Remuneration Report as it appears in the Directors' Report for the financial year ended 30 June 2021 and, if thought fit, pass the following non-binding advisory resolution as an ordinary resolution in accordance with section 250R of the Corporations Act:

3. That the Remuneration Report for the financial year ended 30 June 2021 be adopted.

Note: The Company will disregard any votes cast on Resolution 3:

- by or on behalf of any member of key management personnel (including directors) whose remuneration is included in the Remuneration Report (together **KMP**) and each closely related party of such person. However, the Company need not disregard a vote if it is cast by such a person or by such a closely related party as proxy for a person who is entitled to vote, in accordance with the directions on the proxy form, or if it is cast by a person who is chairing the meeting as proxy for a person who is entitled to vote, in accordance with an express authority on the proxy form to vote as the proxy decides, even if the resolution is connected directly or indirectly with the remuneration of a KMP; or
- as proxy by any of the key management personnel whose remuneration is not included in the Remuneration Report (together **KMP**) or any closely related party of such a KMP. However, the Company need not disregard a vote if it is cast by such a person or by such a closely related party as proxy in accordance with the directions on the proxy form, or if it is cast by a person who is chairing the meeting as proxy in accordance with an express authority on the proxy form to vote as the proxy decides, even if the resolution is connected directly or indirectly with the remuneration of a KMP.

If you are a KMP or a closely related party of a KMP (or are acting on behalf of any such person) and purport to cast a vote that will be disregarded by the Company (as indicated above), you may be liable for an offence for breach of voting restrictions that apply to you under the Corporations Act.

SPECIAL BUSINESS

APPROVAL OF GRANT OF PERFORMANCE RIGHTS TO MANAGING DIRECTOR UNDER THE LONG TERM INCENTIVE PLAN

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

4. That for the purposes of ASX Listing Rule 10.14, and for all other purposes, approval is hereby given for the grant of up to 600,000 Performance Rights (incorporating the right to acquire shares in the Company) to the Managing Director, Mr Urs Meyerhans, on the terms set out in the accompanying Explanatory Memorandum and under the GWA Group Limited Long Term Incentive Plan (**LTIP**) which is constituted and administered in accordance with the Rules of the LTIP.

Note: The Company will disregard any votes cast in favour of Resolution 4 by or on behalf of a person referred to in Listing Rules 10.14.1, 10.14.2 or 10.14.3 who is eligible to participate in the LTIP (**Excluded Persons**). However, the Company need not disregard a vote if it is cast by:

- a person acting as proxy or attorney for a person who is entitled to vote on the resolution, in accordance with directions given to the proxy or attorney to vote on the resolution in that way; or
- the person who is chairing the meeting as proxy or attorney for a person who is entitled to vote on the resolution, 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 the following conditions are met:
 - » the beneficiary provides written confirmation to the holder that the beneficiary is not excluded from voting, and is not an Associate of a person excluded from voting, on the resolution; and
 - » the holder votes on the resolution in accordance with directions given by the beneficiary to the holder to vote in that way.

The Company will also disregard any votes cast on Resolution 4 as proxy by any member of key management personnel (including directors) (together **KMP**) or any closely related party of such a KMP. However, the Company need not disregard a vote if it is cast by an Excluded Person, a KMP or a closely related party of a KMP as proxy for a person who is entitled to vote, in accordance with the directions on the proxy form, or if it is cast by a person who is chairing the meeting as proxy for a person who is entitled to vote, in accordance with an express authority on the proxy form to vote as the proxy decides, even if the resolution is connected directly or indirectly with the remuneration of a KMP.

If you are a KMP or a closely related party of a KMP (or are acting on behalf of any such person) and purport to cast a vote that will be disregarded by the Company (as indicated above), you may be liable for an offence for breach of voting restrictions that apply to you under the Corporations Act.

APPROVAL OF GRANT OF PERFORMANCE RIGHTS TO EXECUTIVE DIRECTOR UNDER THE LONG TERM INCENTIVE PLAN

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

5. That for the purposes of ASX Listing Rule 10.14, and for all other purposes, approval is hereby given for the grant of up to 100,000 Performance Rights (incorporating the right to acquire shares in the Company) to the Executive Director, Mr Richard Thornton, on the terms set out in the accompanying Explanatory Memorandum and under the GWA Group Limited Long Term Incentive Plan (**LTIP**) which is constituted and administered in accordance with the Rules of the LTIP.

Note: The Company will disregard any votes cast in favour of Resolution 5 by or on behalf of a person referred to in Listing Rules 10.14.1, 10.14.2 or 10.14.3 who is eligible to participate in the LTIP (**Excluded Persons**). However, the Company need not disregard a vote if it is cast by:

- a person acting as proxy or attorney for a person who is entitled to vote on the resolution, in accordance with directions given to the proxy or attorney to vote on the resolution in that way; or
- the person who is chairing the meeting as proxy or attorney for a person who is entitled to vote on the resolution, 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 the following conditions are met:
 - » the beneficiary provides written confirmation to the holder that the beneficiary is not excluded from voting, and is not an Associate of a person excluded from voting, on the resolution; and
 - » the holder votes on the resolution in accordance with directions given by the beneficiary to the holder to vote in that way.

The Company will also disregard any votes cast on Resolution 5 as proxy by any member of key management personnel (including directors) (together **KMP**) or any closely related party of such a KMP. However, the Company need not disregard a vote if it is cast by an Excluded Person, a KMP or a closely related party of a KMP as proxy for a person who is entitled to vote, in accordance with the directions on the proxy form, or if it is cast by a person who is chairing the meeting as proxy for a person who is entitled to vote, in accordance with an express authority on the proxy form to vote as the proxy decides, even if the resolution is connected directly or indirectly with the remuneration of a KMP.

If you are a KMP or a closely related party of a KMP (or are acting on behalf of any such person) and purport to cast a vote that will be disregarded by the Company (as indicated above), you may be liable for an offence for breach of voting restrictions that apply to you under the Corporations Act.

EXPLANATORY MEMORANDUM

Accompanying this notice is an Explanatory Memorandum that provides shareholders with background information and further details on the resolutions to be considered at the meeting. The information provided is intended to assist shareholders in understanding the reasons for and the effect of the resolutions, if passed. Information is also presented in accordance with the requirements of the Corporations Act and the Listing Rules. Terms defined in the Explanatory Memorandum and used in this notice bear the same meaning as in the Explanatory Memorandum.

VOTING NOTES

VOTING ENTITLEMENTS

The Board has determined that the entitlement of any person to vote at the meeting will be that person's entitlement as set out in the Company's Register of Members as at 7:00pm (AEST) on Wednesday 27 October 2021.

ALL RESOLUTIONS WILL BE BY POLL

As shareholders are asked to participate virtually in the meeting, each resolution considered at the meeting will be conducted by a poll. The Board considers voting by poll to be in the interests of the shareholders as a whole and ensures the views of as many shareholders as possible are represented at the meeting.

VOTING BY PROXY

A member entitled to attend and vote at the meeting is entitled to appoint not more than two proxies. A proxy need not be a member of the Company. A shareholder may appoint an individual or body corporate to act as its proxy. If a body corporate is appointed as proxy, the body corporate must ensure that it appoints a corporate representative in accordance with section 250D of the Corporations Act to exercise its powers as proxy at the meeting. If two proxies are appointed, the appointment may specify the proportion or number of votes that the proxy may exercise. Otherwise, each proxy may exercise half the votes.

A personalised proxy form accompanies this notice of meeting.

Shareholders are encouraged to notify an appointed proxy of their appointment to enable them to participate in the meeting online and to exercise your voting instructions. Appointed proxies will need to contact the Company's share registry, Computershare Investor Services to obtain a username and password to vote online. Further details can be found in the AGM Online Meeting Guide available on the Company's website at www.gwagroup.com.au.

To be valid, the proxy form (together with the original or a certified copy of any power of attorney under which the proxy form is signed) must be received:

- at the Company's share registry — Computershare Investor Services Pty Limited, GPO Box 242 Melbourne Victoria 3001
- by Facsimile — (Within Australia) — 1800 783 447 (Outside Australia) — +61 3 9473 2555

Alternatively, you can submit your proxy online at www.investorvote.com.au quoting the six digit control number on the proxy form, or by scanning the QR code located on the front of the proxy form using your mobile device. Please note that you will be taken to have signed your proxy form if you lodge your votes via the registry's website. Intermediary online subscribers (Custodians) can lodge a proxy online by visiting www.intermediaryonline.com.

In order to take effect, your completed proxy form (and any necessary supporting documentation) must be received by 10:00am (AEST) on Wednesday 27 October 2021, being not less than 48 hours before the time for holding the meeting.

UNDIRECTED AND DIRECTED PROXIES — ITEMS 3, 4 AND 5

The Corporations Act places certain restrictions on the ability of Key Management Personnel (including the Chairman of the meeting) and Closely Related Parties to vote as proxy for another shareholder on Item 3 (Adoption of Remuneration Report), Item 4 (Grant of Performance Rights to Managing Director) and Item 5 (Grant of Performance Rights to Executive Director).

To ensure that your votes are counted when appointing a proxy who is a member of Key Management Personnel or a Closely Related Party of such a member, you are encouraged to direct your proxy as to how to vote on Items 3, 4 and 5 by indicating your preference by completing any of the 'For', 'Against' or 'Abstain' boxes on the proxy form.

The Chairman intends to vote all undirected proxies in favour of Items 3, 4 and 5.

If you appoint the Chairman of the meeting as your proxy but you do not direct the Chairman how to vote in respect of Items 3, 4 and 5, you will be authorising and directing the Chairman to **vote in favour of Items 3, 4 and 5** and the Chairman will vote in this way, even though Items 3, 4 and 5 are connected with the remuneration of Key Management Personnel.

PARTICIPATING IN THE MEETING ONLINE

The directors encourage shareholders to participate in the meeting via the Lumi online meeting platform.

Whilst shareholders will be able to vote on the resolutions online during the meeting in real time, shareholders are encouraged to lodge a proxy ahead of the meeting, even if they are participating online. If you are unable to attend, please lodge your vote online at www.investorvote.com.au.

Shareholders participating in the meeting using the Lumi online platform will be able to vote between the commencement of the meeting and the closure of voting as announced by the Chairman during the meeting.

If you participate in the meeting using the Lumi online platform, you will be able to listen to the proceedings, view the presentations, ask questions of the Board and vote in real time.

Instructions on how to log on to ask questions during the meeting are outlined below and available on the Company's website at www.gwagroup.com.au. Please note, only shareholders may ask questions online and only once they have been verified. It may not be possible to respond to all questions raised during the meeting. Shareholders are therefore encouraged to lodge questions prior to the meeting, as outlined below under the heading "Questions for the meeting".

If you choose to participate in the meeting online, registration will open at 9:00am (AEST) on Friday, 29 October 2021.

Shareholders can participate in the Annual General Meeting and watch online using one of the following methods:

- a. via a computer or mobile device at <https://web.lumiagm.com/322379293>
- b. by using the LUMI AGM app, which is available by downloading the app from the Apple App Store or Google Play Store.

Once you have selected one of the options above, shareholders will need the following information to participate in the AGM in real time:

1. The meeting ID for the GWA Group Limited AGM, which is 322-379-293;
2. Your username, which is your SRN/HIN; and
3. Your password, which is the postcode registered to your holding if you are an Australian shareholder. Overseas shareholders should refer to the Online Meeting Guide (link below) for their password details.

Further information regarding participating in the meeting online, including browser requirements, is detailed in the AGM Online Meeting Guide available on the Company's website at www.gwagroup.com.au.

QUESTIONS FOR THE MEETING

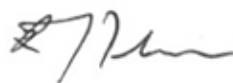
Written questions to the Chairman of the Meeting about the management of GWA, or to GWA's External Auditor about the content of the Auditor's Report and the conduct of the audit, may be submitted, online at www.investorvote.com.au before 10:00am (AEST) Wednesday, 27 October 2021.

TECHNICAL DIFFICULTIES

Technical difficulties may arise during the course of the AGM. The Chairman has discretion as to whether and how the meeting should proceed in the event that a technical difficulty arises. In exercising this discretion, the Chairman will have regard to the number of shareholders impacted and the extent to which participation in the business of the meeting is affected.

Where the Chairman considers it appropriate, the Chairman may continue to hold the meeting and transact business, including conducting a poll and voting in accordance with valid proxy instructions. For this reason, shareholders are encouraged to lodge a proxy by 10:00am (AEST) on Wednesday 27 October 2021, even if they plan to attend online.

By Order of the Board



Richard J Thornton
Executive Director and Company Secretary

10 September 2021

EXPLANATORY MEMORANDUM

In this Explanatory Memorandum, the following terms have the following meanings:

“Company” means GWA Group Limited ABN 15 055 964 380;

“Constitution” means the Constitution of the Company;

“Corporations Act” means the *Corporations Act 2001 (Cth)*;

“director” means a director of the Company; and

“Listing Rules” means the Listing Rules of ASX Limited.

ACCOUNTS

As required by section 317 of the Corporations Act, the Financial Statements for the financial year ended 30 June 2021 together with the statement and report by the directors and the report by the external auditor will be laid before the meeting. Members will be provided with the opportunity to ask questions about the reports. However, there will be no formal resolution put to the meeting about the reports.

ORDINARY RESOLUTIONS

Resolutions 1 to 5 (inclusive) are ordinary resolutions and will require the support of more than 50% of the votes cast at the meeting by members entitled to vote in order that they be passed.

RESOLUTIONS 1 AND 2 – RE-ELECTION OF DIRECTORS

The Company’s Constitution provides for the retirement of one-third of the directors from office at each Annual General Meeting. The directors who are to retire is determined according to the length of time each director has spent in office, with the director having spent the longest time in office retiring. By virtue of the Company’s Constitution, Mr Darryl McDonough and Mr Peter Birtles are retiring by rotation at this Annual General Meeting and, being eligible, offer themselves for re-election as directors.

Profiles of Mr McDonough and Mr Birtles are outlined below:

DARRYL MCDONOUGH BBUS (ACTY), LLB (HONS), SJD, FCPA, FAICD

Independent Chairman and Non-Executive Director

- Expertise: Experienced non-executive director
- Special Responsibilities: Chairman of Board and member of Nomination and Remuneration and Audit and Risk Committees

Mr McDonough was appointed Deputy Chairman and Non-Executive Director of GWA Group Limited in 2009 and Chairman on 31 October 2013. He has over 30 years of experience as a director and as a corporate lawyer. He has served as a director of a number of public companies in the past, including Bank of Queensland Limited and Super Retail Group Limited. He is a Past-President of The Australian Institute of Company Directors, Queensland Division.

The Board considers Mr McDonough to be independent.

PETER BIRTLES BSC, ACA, MAICD

Independent Non-Executive Director

- Expertise: Chartered Accountant, retail, financial and operational
- Special Responsibilities: Member of Audit and Risk Committee

Mr Birtles was appointed a Non-Executive Director of GWA Group Limited in 2010. He is a Chartered Accountant and is the former Managing Director and Chief Executive Officer of Super Retail Group Limited (Super Retail). He was formerly the Chief Financial Officer of Super Retail. Prior to joining Super Retail, he held a variety of finance, operational and information technology roles with The Boots Company in the United Kingdom and Australia and worked for Coopers & Lybrand. He is Chairman of Universal Store Holdings Limited and a director of Metcash Limited, Apparel Group (Hong Kong) Limited, APG & Co Pty Ltd and Good360 Australia Pty Ltd.

The Board considers Mr Birtles to be independent.

Recommendation

The Board (other than Mr McDonough and Mr Birtles who are seeking re-election) recommends that you support the resolutions re-electing Mr McDonough and Mr Birtles as directors of the Company.

RESOLUTION 3 – ADOPTION OF REMUNERATION REPORT

This resolution is a requirement of section 250R of the Corporations Act.

SHAREHOLDERS NON-BINDING VOTE ON THE REMUNERATION REPORT

Section 250R of the Corporations Act requires that the Company’s members vote on whether or not the Remuneration Report should be adopted. This vote is advisory only and the outcome will not be binding on the Board.

Prior to holding this vote, the Chairman will allow a reasonable opportunity for shareholders to ask questions or make comments about the Remuneration Report.

WHAT IS INCLUDED IN THE REMUNERATION REPORT?

The Remuneration Report includes information on how Company directors and certain executives are remunerated. More specifically, the report includes disclosure of all elements of the remuneration received by the Company’s directors and other key management personnel.

The report also includes a discussion of the Board’s policy for determining executive remuneration and the relationship between the Board’s policy for determining remuneration and the Company’s performance.

In respect of executives whose remuneration is linked to performance conditions, the report contains:

1. a summary of the performance conditions that attach to each element of their remuneration; and
2. an explanation of the relative proportions of those elements of their remuneration that are linked to performance conditions and those elements of their remuneration that are not.

In respect of executives who are employed under a contract, the report sets out the length of the contract, the notice period for terminating the contract and the amount of any termination payments payable under the contract.

Recommendation

The Remuneration Report forms part of the Directors’ Report, adopted in accordance with a unanimous resolution of the directors. Each of the directors recommends the Remuneration Report to shareholders for adoption.

RESOLUTION 4 — APPROVAL OF GRANT OF PERFORMANCE RIGHTS TO MANAGING DIRECTOR UNDER THE LONG TERM INCENTIVE PLAN

The Long Term Incentive Plan (LTIP) was approved by shareholders at the Annual General Meeting on 30 October 2008.

As outlined in the Company's 2020 Notice of Annual General Meeting, for the FY21 LTIP the Board decided on a single performance measure of relative Total Shareholder Return (TSR) due to the ongoing uncertainty caused by the impacts of the COVID-19 pandemic. The COVID-19 pandemic has weighed heavily on construction markets which has resulted in difficulty in accurately forecasting the business performance for the next three year period. For the FY22 LTIP, the Board decided to continue with a single performance measure of relative TSR. That decision was taken after considering various alternatives and incorporating independent expert advice.

For the FY23 LTIP and in following years, the Board's current preference is to re-introduce a second performance measure of Earnings Per Share (EPS) growth. The introduction of this second performance measure would be in addition to retaining the relative TSR measure and its introduction would be subject to prevailing conditions at that time. Shareholders will be kept informed on this issue.

The Board is seeking shareholder approval by ordinary resolution to the grant of up to 600,000 Performance Rights under the LTIP to the Managing Director, Mr Urs Meyerhans, in accordance with the requirements of Listing Rule 10.14 and for all other purposes.

Listing Rule 10.14 provides that the Company must not issue securities to a Director under an employee incentive scheme without shareholder approval. Pursuant to Listing Rules 10.11 and 10.12 (Exception 7), further shareholder approval is not required for the subsequent exercise and conversion of the Performance Rights into shares in the Company. If shareholder approval is given under Listing Rule 10.14, shareholder approval is also not required for the grant of those Performance Rights under Listing Rule 7.1 and the Performance Rights granted will not count towards the 15% limit on the number of equity securities that the Company may issue or agree to issue in any 12 month period without shareholder approval or an exception under Listing Rule 7.1.

A Performance Right is the right to receive one share in the Company, at no exercise price, subject to the satisfaction of all applicable vesting conditions.

Mr Meyerhans is eligible to receive Performance Rights under the LTIP, potentially vesting and becoming exercisable after the performance period from 1 July 2021 to 30 June 2024. Performance Rights which do not vest will lapse and will not be re-tested. Once vested, Performance Rights may be exercised before their expiry seven years after the date of grant.

The actual number of Performance Rights to be granted to Mr Meyerhans (to a maximum of 600,000 Performance Rights) will be determined based on 150% of his fixed remuneration for FY22 divided by the volume weighted average price of shares in the Company calculated over the 20 trading days after the Company's Annual General Meeting on 29 October 2021.

For example, based on a closing share price of \$2.88 as at 16 August 2021, Mr Meyerhans would be eligible to be granted 520,833 Performance Rights. He will receive the Performance Rights at no cost to him.

It is noted that Mr Meyerhans is a director of the Company and therefore a related party under Listing Rule 10.11.1, and the granting of Performance Rights is intended to remunerate or incentivise Mr Meyerhans. Accordingly, for the purposes of Listing Rule 10.15.4, Mr Meyerhans' current total maximum remuneration package for FY22 is \$3,000,000, comprising \$1,000,000 as total fixed remuneration (inclusive of superannuation) and \$2,000,000 as the maximum amount that Mr Meyerhans can earn as variable remuneration. Shareholders are referred to the Remuneration Report for further details of Mr Meyerhans' remuneration arrangements.

Performance Rights will vest depending upon the Company meeting or exceeding its performance hurdle during the three -year performance period from 1 July 2021 to 30 June 2024.

As outlined above, the basis of the grant to Mr Meyerhans for the FY22 LTIP is that 100% of the Performance Rights are subject to a relative Total Shareholder Return (TSR) hurdle. TSR is a key measure on which the Company's strategic plan is focused. Ensuring long term incentive rewards are contingent on this measure is consistent with the Board approved strategy.

TSR HURDLE

The performance hurdle and vesting proportions for the TSR measure that will apply to the grant of Performance Rights during FY22 is as follows:

TSR of GWA Group Limited relative to TSRs of Comparator Companies	Proportion of Performance Rights to Vest if TSR hurdle is met
Less than the 50th percentile	0%
Equal to 50th percentile	25%
Between the 50th percentile and 75th percentile	Straight line vesting between 25% and 100%
75th percentile or higher	100% (i.e. 100% of total grant)

The group of comparator companies for the TSR hurdle includes a bespoke group of 20 domestic ASX listed companies exposed to similar economic, market, and/or financial factors.

GWA and the comparator companies operate in a number of different sectors (e.g. Industrial, Material, Consumer Discretionary) and the choosing of one sector or industry will not provide a comprehensive list of related companies. To ensure an adequate number of comparator companies is included for the TSR hurdle, the Board has selected companies outside the building supplies and construction materials industry, but subject to similar external influences.

The group of comparator companies that will apply to the grant of Performance Rights during FY22 are as follows:

James Hardie Industries PLC, Fletcher Building Ltd, Boral Ltd, Adelaide Brighton Ltd, Brickworks Ltd, Super Retail Group Ltd, CSR Ltd, ARB Corp Ltd, Bapcor Ltd, Breville Group Ltd, GUD Holdings Ltd, Cedar Woods Properties Ltd, Decmil Group Ltd, Simonds Group Ltd, Hills Ltd, Fleetwood Ltd, Reece Ltd, Accent Group Ltd, Pact Group Holdings Ltd, Wagners Holding Company Ltd

The Board has discretion to adjust the comparator group to take into account events including, but not limited to, takeovers, mergers, de-mergers and similar transactions that might occur over the performance period. The Board reviews the comparator group on an annual basis to ensure they remain relevant and to ensure potential new peers are considered for inclusion.

OTHER MATTERS

No amount is payable by Mr Meyerhans for the Performance Rights proposed to be issued to him, or for shares issued on exercise of these Performance Rights.

Mr Meyerhans and Mr Richard Thornton are currently the only directors eligible under the LTIP rules to be granted Performance Rights. No person who requires approval to participate in the LTIP under Listing Rule 10.14 will be granted Performance Rights unless and until a separate shareholder approval is obtained for the purposes of Listing Rule 10.14.

No loans will be granted to Mr Meyerhans in relation to his participation in the LTIP.

In accordance with the LTIP rules, Mr Meyerhans is prohibited from entering into hedging transactions or arrangements which reduce or limit the economic risk of holding unvested Performance Rights.

Mr Meyerhans will also be subject to the clawback provisions under the LTIP rules. Any shares allocated on exercise of the Performance Rights will not be subject to any further trading restrictions, subject to complying with the Company's Share Trading Policy.

Details of any Performance Rights granted under the LTIP (and shares issued upon their exercise) will be published in the Company's Annual Report relating to the period in which they have been granted, together with a note that approval of the grant was obtained under Listing Rule 10.14.

The grant of Performance Rights to Mr Meyerhans will be made no later than 3 years after the date of this meeting.

Recommendation

The Board (other than Messrs Meyerhans and Thornton who are not entitled to vote) recommends that you support the resolution approving the grant of up to 600,000 Performance Rights to the Managing Director, Mr Urs Meyerhans, under the terms of the Long Term Incentive Plan. None of the directors (other than Mr Meyerhans) has an interest in the outcome of Resolution 4.

RESOLUTION 5 – APPROVAL OF GRANT OF PERFORMANCE RIGHTS TO EXECUTIVE DIRECTOR UNDER THE LONG TERM INCENTIVE PLAN

The Board is seeking shareholder approval by ordinary resolution to the grant of up to 100,000 Performance Rights under the LTIP to the Executive Director, Mr Richard Thornton, in accordance with the requirements of Listing Rule 10.14 and for all other purposes.

Mr Thornton is eligible to receive Performance Rights under the LTIP, potentially vesting after the performance period from 1 July 2021 to 30 June 2024. Performance Rights which do not vest will lapse and will not be re-tested.

The actual number of Performance Rights to be granted to Mr Thornton (to a maximum of 100,000 Performance Rights) will be determined based on 60% of his fixed remuneration for FY22 divided by the volume weighted average price of shares in the Company calculated over the 20 trading days after the Company's Annual General Meeting on 29 October 2021.

For example, based on a closing share price of \$2.88 as at 16 August 2021, Mr Thornton would be eligible to be granted 85,320 Performance Rights. He will receive the Performance Rights at no cost to him.

It is noted that Mr Thornton is a director of the Company and therefore a related party under Listing Rule 10.11.1, and the granting of Performance Rights is intended to remunerate or incentivise Mr Thornton. Accordingly, for the purposes of Listing Rule 10.15.4, Mr Thornton's current total maximum remuneration package for FY22 is \$819,080, comprising \$409,540 as total fixed remuneration (inclusive of superannuation) and \$409,540 as the maximum amount that Mr Thornton can earn as variable remuneration. Shareholders are referred to the Remuneration Report for further details of Mr Thornton's remuneration arrangements.

Performance Rights will vest depending upon the Company meeting or exceeding its performance hurdle during the specified three-year performance period of 1 July 2021 to 30 June 2024.

The basis of the grant to Mr Thornton and the performance hurdle and vesting proportions for the TSR measure are the same as outlined above for the grant of Performance Rights to Mr Meyerhans.

Since the last approval under Listing Rule 10.14, 43,723 Performance Rights were granted to Mr Thornton on 7 December 2020 valued at \$2.81 per Performance Right, relating to the three year performance period 1 July 2020 to 30 June 2023. The grant was approved by shareholders at the Annual General Meeting on 30 October 2020. No amount was or is payable by Mr Thornton for these Performance Rights or for shares issued on exercise of these Performance Rights.

Mr Thornton and Mr Urs Meyerhans are currently the only directors eligible under the LTIP rules to be granted Performance Rights. No person who requires approval to participate in the LTIP under Listing Rule 10.14 will be granted Performance Rights unless and until a separate shareholder approval is obtained for the purposes of Listing Rule 10.14.

No loans will be granted to Mr Thornton in relation to his participation in the LTIP.

Mr Thornton will be subject to the same restrictions on entering into hedging transactions or arrangements, and the same clawback provisions and Share Trading Policy, as are described above in relation to Mr Meyerhans and Resolution 4.

Details of any Performance Rights granted under the LTIP (and shares issued upon their exercise) will be published in the Company's Annual Report relating to the period in which they have been granted, together with a note that approval of the grant was obtained under Listing Rule 10.14.

The grant of Performance Rights to Mr Thornton will be made no later than 3 years after the date of this meeting.

Recommendation

The Board (other than Messrs Thornton and Meyerhans who are not entitled to vote) recommends that you support the resolution approving the grant of up to 100,000 Performance Rights to the Executive Director, Mr Richard Thornton, under the terms of the Long Term Incentive Plan. None of the directors (other than Mr Thornton) has an interest in the outcome of Resolution 5.