

22 September 2017

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

Dear Sir

## **NOTICE OF 2017 ANNUAL GENERAL MEETING**

Please see attached the 2017 Notice of Annual General Meeting (AGM) and sample proxy and question forms.

Copies of the 2017 Notice of AGM and individualised proxy and question forms will be sent to shareholders today.

The 2017 AGM is scheduled for 10:00 am Thursday 26 October 2017 in the Castlereagh Room, Sheraton on the Park, 161 Elizabeth Street, Sydney, entry also from 134 Castlereagh Street.

Yours faithfully



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

**Steadfast Group Limited**  
ABN: 98 073 659 677 ACN: 073 659 677  
Level 4, 99 Bathurst Street, Sydney NSW 2000  
t 02 9495 6500 f 02 9495 6565 [www.steadfast.com.au](http://www.steadfast.com.au)

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# Steadfast Group Limited Notice of AGM 2017

The largest general insurance broker network and group of underwriting agencies in Australasia, with growing operations in Asia and Europe.



The 2017 Steadfast AGM will be held at 10.00am  
Thursday 26 October 2017 in the Castlereagh Room,  
Sheraton on the Park, 161 Elizabeth Street, Sydney,  
entry also from 134 Castlereagh Street.

# Steadfast Group Limited

## Notice of AGM 2017

Steadfast Group Limited (ACN 073 659 677) is also referred to as the “Company” or “Steadfast” in this notice of Annual General Meeting (“AGM”). The financial year ended 30 June 2017 is also referred to as “FY17”.

### 1. Consideration of reports

To receive and consider the financial report for the Company and its controlled entities, the directors’ report and auditor’s report for the financial year ended 30 June 2017 as set out in the Company’s 2017 annual report.

*There is no vote on this item.*

### 2. Remuneration report

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

*“That the remuneration report (set out in the directors’ report) for the financial year ended 30 June 2017 be adopted.”*

### 3. Grant of equity to CEO

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

*“That the following be approved:*

*(a) for the purposes of ASX Listing Rule 10.14 and for all other purposes:*

- (i) the grant to Mr Robert Kelly of deferred equity awards under the Company’s long term and short term incentive schemes in relation to Mr Kelly’s FY17 remuneration;*
- (ii) the issue (or transfer) to and acquisition by Mr Robert Kelly of Steadfast ordinary shares in relation to Mr Kelly’s FY17 remuneration on vesting of the relevant deferred equity awards into Steadfast ordinary shares; and*

*(b) for the purposes of sections 200B and 200E of the Corporations Act 2001 (Cth) and for all other purposes, the giving of all benefits to Mr Robert Kelly referred to in paragraph 3(a) in connection with Mr Robert Kelly ceasing to hold an office or position of employment with the Company or a related body corporate in circumstances of death, genuine retirement, redundancy or total and permanent disablement,*

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

### 4. To increase the maximum aggregate fees payable to non-executive directors

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

*“That approval be given for the purposes of the constitution of the Company, the ASX Listing Rules (including ASX Listing Rule 10.17) and for all other purposes for an increase in the maximum aggregate fees payable to all non-executive directors of the Company from \$900,000 per financial year approved in 2013 to \$1,100,000 per financial year, with effect from the financial year commenced 1 July 2017.”*

### 5. Re-election of director – Mr Frank O’Halloran, AM

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

*“That Mr Frank O’Halloran, AM is re-elected as a non-executive director of the Company.”*

### 6. Re-election of director – Mr Philip Purcell

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

*“That Mr Philip Purcell is re-elected as a non-executive director of the Company.”*

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

By order of the Board.



Linda Ellis  
Company Secretary  
22 September 2017

# Explanatory Notes on the business to be transacted at the 2017 AGM

## Item 1 – Consideration of reports

Following consideration of the reports, the Chairman will give shareholders a reasonable opportunity to ask questions about or comment on the management of the Company. The Chairman will also give shareholders a reasonable opportunity to ask the Auditor questions relevant to:

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

## Item 2 – Remuneration report

In accordance with the *Corporations Act 2001 (Cth)*, the Company is required to present the Company's remuneration report to shareholders for consideration and adoption at the meeting. The remuneration report outlines Steadfast's remuneration philosophy, framework and outcomes for the financial year ended 30 June 2017. The remuneration report is located in the Company's 2017 annual report on pages 41 to 62 and is also available on the [Steadfast investor website](#). Shareholders will have a reasonable opportunity to ask questions and comment on the remuneration report at the AGM.

The Company's remuneration structure is designed to align executive and shareholder interests, retain talent and support long term value creation by providing competitive remuneration and valuable rewards for exceptional performance and earnings per share growth. The Company obtains periodic independent input to confirm the appropriateness of these arrangements.

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

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

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

## Voting exclusion – item 2

1. Subject to 2. below, a vote must not be cast (in any capacity) on the resolution in item 2 by or on behalf of a member of the Company's key management personnel (including the directors) ("KMP"), details of whose remuneration are included in the remuneration report, or their closely related parties (as defined under the *Corporations Act 2001 (Cth)*), whether as a shareholder or as a proxy, except that a vote may be cast on the resolution in item 2 by a KMP, or a closely related party of a KMP if:
  - (a) the vote is cast as a proxy appointed in writing that expressly specifies how the proxy is to vote on the resolution in item 2; and
  - (b) the vote is not cast on behalf of a KMP or a closely related party of a KMP.
2. If you appoint the Chairman of the AGM as your proxy or the Chairman of the 2017 AGM is appointed as your proxy by default <sup>1</sup>, and you do not direct your proxy how to vote on the resolution in item 2 on the proxy form, you will be expressly authorising the Chairman of the AGM to exercise your proxy in favour of the resolution in item 2 even if item 2 is connected directly or indirectly with the remuneration of a member of the KMP, which include the Chairman of the AGM.

<sup>1</sup> If no proxy was identified in your lodged proxy form.

### Item 3 - Grant of equity to CEO

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

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

Resolution 3 deals with the proposed grant of deferred equity awards to Mr Robert Kelly, Managing Director & CEO ("MD & CEO"), under the Company's short term incentive plan ("STI Plan") and long term incentive plan ("LTI Plan"). Specifically, the board intends to grant Mr Kelly an initial number of 369,542 deferred equity awards of conditional rights to Steadfast ordinary shares at no cost ("DEAs") as part of his FY17 remuneration, subject to the hurdles described in the Further Details of the STI and LTI Plans (as attached to these Explanatory Notes).

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

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

For FY17, the targeted remuneration mix for the MD & CEO was 30% fixed and 70% variable (at risk). The board believes that the fundamental driver for executive remuneration should be long term financial performance that generates value for Steadfast's shareholders. The at risk (or variable) remuneration components for the MD & CEO are set by reference to current market practice and regulation. To ensure the MD & CEO remains focused on long term outcomes without encouraging excessive risk taking or short term cost cutting, the following conditions apply:

- financial performance hurdles – LTI – 75% based on average diluted earnings per share ("EPS") growth, chosen to align with shareholders' objectives; 25% based on total shareholder return ("TSR"), chosen as an effective measure to incentivise and measure shareholder value creation; STI – financial measure is EPS;
- operating performance hurdle – the MD & CEO has been set annual performance objectives aligned to the Group's strategic objectives and must achieve at least 60% of those objectives to be eligible for any STI or LTI;
- 40% of the STI is granted as DEAs which will vest and be satisfied by either the issue or transfer of ordinary shares in the capital of the Company in three equal tranches after one, two and three years from the grant date (subject to continued tenure of employment and no material adverse change to reported financial results over the retention period);
- 100% of the LTI is granted as DEAs which will vest after three years from the grant date (subject to the satisfaction of the future performance hurdles and continued tenure of employment) and is satisfied by either the issue or transfer of ordinary shares in the capital of the Company; and
- the board retains the discretion to adjust any unpaid or unvested performance – related remuneration (such as STI – cash, STI – DEAs and LTI) downwards if it is appropriate to do so. This discretion applies to all the following comments on applicable dates for vesting of share-based payment awards. The board also has a discretion to vest early in a change of control scenario.

The objectives agreed for the MD & CEO for FY17 were: achieving budgeted growth of 8% in adjusted pro forma net profit after tax; improving broker margins; continue growth of Steadfast Network brokers; successful implementation of INSIGHT (three year project); successful implementation of underwritercentral (three year project); successful implementation of new technology for back-office efficiencies; and retention, development and succession planning of key executive roles. The MD & CEO achieved 87% of his operating performance hurdles and drove the Company to achieve underlying 9.6% diluted EPS growth in FY17.

Under the 2017 STI, the MD & CEO was awarded \$549,000 in cash and, subject to shareholder approval, will be granted 129,925 STI DEAs. Under the 2017 LTI, subject to shareholder approval, the MD & CEO will be granted 239,617 LTI DEAs. The date by which these initial DEAs will be issued to Mr Kelly in accordance with the approval sought at the 2017 AGM is 31 October 2017.

This gives an initial number of 369,542 DEAs, calculated by dividing \$1,041,000 by a Steadfast share price of \$2.817. The figure of \$1,041,000 is the total value of Mr Kelly's FY17 STI and LTI share entitlements approved by the Remuneration & Succession Planning Committee (comprised of independent non-executive directors) and disclosed in the 2017 remuneration report on page 46 of Steadfast's 2017 Annual Report. The figure of \$2.817 is the average of the daily volume weighted average share price of Steadfast shares over the five trading days on the Australian Securities Exchange prior to Steadfast announcing its 2017 results on 23 August 2017 (and the Board approving Mr Kelly's 2017 awards of STI and LTI).

This initial number of STI DEAs will increase to reflect any dividends paid on Steadfast shares prior to vesting as if the DEAs were part of Steadfast's dividend reinvestment plan. This does not apply to LTI DEAs. The LTI and STI DEAs are eligible for the bonus element inherent in any rights issue, paid on vesting. The date by which any subsequent DEAs (on the basis of dividends accrued or bonus element of a rights issue) will be issued to Mr Kelly in accordance with the approval sought at the 2017 AGM is 25 October 2020.

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

**Hypothetical worked example based on Steadfast interim dividend announced 22 February 2017**

Assumed balance of STI DEAS*:	129,925
Dividend per Steadfast share**:	\$0.026
DRP price**:	\$2.43410
Additional number of DEAs to be issued	
$(129,925 \times \$0.026) / \$2.43410$	1,387

\*this is the initial number of STI DEAs for which shareholder approval to issue is sought at the 2017 AGM. The actual balance of STI DEAs to which dividends will attach will progressively increase as further STIs are granted on the basis of dividends accrued.

\*\*the actual dividend per share and actual DRP price applicable for the Steadfast interim dividend announced to ASX on 22 February 2017

Further details of the 2017 STI and LTI Plans are attached to these Explanatory Notes, and also contained in the 2017 Annual Report.

**ASX Listing Rule 10.14**

ASX Listing Rule 10.14 prohibits the issue of new securities to a director (or their associates) under an employee incentive scheme without shareholder approval. It aims to minimise the dilution of shareholders and to protect them against related party transactions.

Other than Mr Robert Kelly, the MD & CEO, there are no directors or associates of directors who are entitled to participate in either the LTI or STI Plans. Details of any issue to Mr Robert Kelly of DEAs, and any issue to Mr Robert Kelly of Steadfast shares as a consequence of those DEAs vesting into Steadfast shares, are published in each annual report of the Company relating to a period in which the relevant DEAs or Steadfast shares have been issued (as applicable) and that approval for the issue was obtained under ASX Listing Rule 10.14 (subject to shareholder approval). Since the approval sought at the 2016 AGM, Mr Kelly received 410,654 DEAs, at nil cost to him, in accordance with the approval received at the 2016 AGM. In accordance with the terms of the relevant STI Plan, one-third of the DEAs awarded under each of the 2015 and 2016 STI Plans, and all of the DEAs awarded under the 2014 STI plan vested in August 2017 and 461,937 Steadfast shares were transferred to Mr Kelly on such vesting at nil cost to Mr Kelly. Any additional directors or their associates who become entitled to participate in either the LTI or STI Plans after item 3 is approved and are not named in this notice of meeting will not be issued securities under either the LTI or STI until approval is obtained under ASX Listing Rule 10.14. It is not the intention of the non executive directors to participate in the LTI or STI Plans.

ASX Listing Rule 10.14 only applies to *issues* of securities to a director, not *transfers* of securities which are acquired on market if the DEAs vest. Nevertheless, shareholders are being asked to vote on paragraph 3(a)(ii) of Resolution 3 to preserve flexibility in the operation in the LTI and STI Plans (so that the relevant Steadfast shares (on the vesting of any DEAs) can be either transferred or issued).

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

**Termination Benefits**

Termination benefits for Mr Robert Kelly covered by this approval involve any subsequent issue or transfer of any Steadfast shares as a result of the vesting of any DEAs, or any equivalent cash payment in lieu (“Benefits”) under either the STI or LTI Plans, so that they do not count towards such maximum termination amounts only to the extent the Benefits involve death, genuine retirement, redundancy or total and permanent disability. In these four limited circumstances, the board may provide the Benefits earlier than the usual vesting periods. The most likely example is genuine retirement.

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

In considering this resolution, shareholders should note that Mr Kelly, who is 70 years of age, has agreed to continue in his role until at least the end of 2020.

**Corporations Act**

The *Corporations Act 2001 (Cth)* (“Corporations Act”) limits the maximum termination amounts which a corporation can pay on retirement to persons who hold a “managerial or executive office” (as defined in the Corporations Act).

Under section 200B of the Corporations Act, a corporation can only give a person who holds a “managerial or executive office”

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

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

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

Shareholder approval also assists Steadfast to retain and motivate the MD & CEO. The share benefits under the LTI and STI Plans are consistent with the approach adopted since the Company’s listing on ASX in 2013. They have been disclosed in previous annual reports and notices of meetings. The Board continues to believe such benefits are suitable for Steadfast.

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

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

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

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

### **Voting exclusion – item 3**

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

- 1 The following persons may not vote, and the Company will disregard any vote cast by the following persons, on item 3:
  - (a) the MD & CEO and any of his associates. The Company does not need to disregard votes by such a person as proxy for another person who is entitled to vote if the vote is cast (i) in accordance with the directions on the proxy form; or (ii) by the Chairman of the AGM as a proxy, in accordance with the direction on the proxy form to vote as the proxy decides; and
  - (b) any member of Company’s KMP (or a closely related party of any such member) that is appointed as proxy where the proxy appointment does not specify the way the proxy is to vote on item 3, unless: (i) the proxy is the Chairman of the meeting at which item 3 is voted on; and (ii) the proxy appointment expressly authorises the Chairman to exercise the proxy even though item 3 is connected directly or indirectly with the remuneration of a KMP.
- 2 If you appoint the Chairman of the AGM as your proxy or the Chairman of the 2017 AGM is appointed as your proxy by default, and you do not direct your proxy how to vote on the resolution in item 3 on the proxy form, you will be expressly authorising the Chairman of the AGM to exercise your proxy in favour of the resolution in item 3 even if item 3 is connected directly or indirectly with the remuneration of a KMP.

### **Item 4 – To increase the maximum aggregate fees payable to non-executive directors**

In accordance with the Company’s constitution and ASX Listing Rule 10.17, shareholders are being asked to approve an increase in the maximum aggregate fees payable each financial year to the non-executive directors (NEDs).

The current maximum fees cap of \$900,000 per financial year was put in place before the Company’s initial public offering and admission to ASX in 2013. It is proposed that the maximum fees cap be increased by \$200,000 to \$1,100,000 per financial year, to apply with effect from and including the financial year commenced 1 July 2017.

The Board has considered its current skills, its diversity and the Company’s significant growth and has decided to appoint a second woman to the Board in the first half of 2018 to strengthen the Board’s diversity, skills and succession plans for its committees. The increased maximum fees cap will allow us to achieve this aim.

Shareholders should note that, even if the proposed new maximum fees cap is approved, the Company may well determine that the total amount paid to NEDs each financial year be less than the cap. The Company will, of course, in future continue to set the actual level of remuneration of its NEDs within the maximum fees cap after having regard to relevant considerations including market practice and Board performance. NEDs do not receive performance based remuneration and are not entitled to receive performance based shares or options or rights over shares in the Company. No shares in the Company have been issued to any NED under ASX Listing Rule 10.11 or 10.14 with the approval of shareholders at any time within the last three years before the date of this Notice.

In FY17, NEDs received total fees and superannuation of \$765,000. An increase of 3% to a total of \$787,950 is planned for FY18 not including the appointment of an additional NED.

***Noting that the NEDs have a personal interest in this resolution, the NEDs do not make a recommendation to shareholders in relation to voting on this resolution. The NEDS will not vote on this resolution.***

***Mr Kelly, as Managing Director & CEO, recommends that you vote in favour of the resolution in item 4.***

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

#### **Voting exclusion – item 4**

Item 4 is a resolution connected directly or indirectly with the remuneration of a member of the Company's KMP.

- 1 The following persons may not vote, and the Company will disregard any vote cast by the following persons, on item 4:
  - (a) the directors and any of their associates. The Company does not need to disregard votes by such a person as proxy for another person who is entitled to vote if the vote is cast (i) in accordance with the directions on the proxy form; or (ii) by the Chairman of the AGM as a proxy, in accordance with the direction on the proxy form to vote as the proxy decides; and
  - (b) any KMP (or a closely related party of any such member) that is appointed as proxy where the proxy appointment does not specify the way the proxy is to vote on item 4, unless: (i) the proxy is the Chairman of the meeting at which item 4 is voted on; and (ii) the proxy appointment expressly authorises the Chairman to exercise the proxy even though item 4 is connected directly or indirectly with the remuneration of a KMP.
- 2 If you appoint the Chairman of the AGM as your proxy or the Chairman of the 2017 AGM is appointed as your proxy by default <sup>1</sup>, and you do not direct your proxy how to vote on the resolution in item 4 on the proxy form, you will be expressly authorising the Chairman of the AGM to exercise your proxy in favour of the resolution in item 4 even if item 4 is connected directly or indirectly with the remuneration of a Director, which includes the Chairman of the AGM.

#### **Re-election of directors**

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

#### **Item 5 – Re-election of Mr Frank O'Halloran, AM**

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

Mr O'Halloran was appointed to the Steadfast board in 2012. He is non-executive Chairman of the Board and serves on the Audit & Risk, Remuneration & Succession Planning and Nomination committees, being the Chairman of the latter.

Mr O'Halloran had over 35 years' experience at QBE where he was Group CEO from 1998 until 2012. He also worked with Coopers & Lybrand for 13 years where he started his career as a Chartered Accountant. Mr O'Halloran was President of the Insurance Council of Australia from 1999 to 2000 and was inducted into the International Insurance Hall of Fame in 2010. He is the Chairman of The Salvation Army Territorial Appeal and Fund Development Committee.

***The directors with Mr O'Halloran abstaining (and not voting) recommend that you vote in favour of the resolution in item 5.***

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

#### **Item 6 – Re-election of Mr Philip Purcell**

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

Mr Purcell was appointed to the Steadfast board in 2013. He is a non-executive director and serves on the Audit & Risk, Nomination, Remuneration & Succession Planning committees.

Mr Purcell has 44 years' experience in the insurance and legal industries. He has been a partner at Dunhill Madden Butler, PricewaterhouseCoopers Legal and Ebsworth & Ebsworth, and has held two board positions with GE in Australia. Mr Purcell continues to assist clients who are engaged in commercial transactions or mediations of commercial disputes.

***The directors with Mr Purcell abstaining (and not voting) recommend that you vote in favour of the resolution in item 6.***

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

# Information regarding voting

## 1. Poll

The Chairman intends to conduct voting at the AGM by poll.

## 2. Entitlement to attend and vote

In accordance with Regulation 7.11.37 of the Corporations Regulations and ASX Settlement Operating Rule 5.6.1, the directors have determined that a shareholder's entitlement to attend and vote at the 2017 AGM is as set out in the Company's share register as at 10.00am (Sydney time) on 24 October 2017.

Transactions registered after that time will be disregarded in determining the shareholders entitled to attend and vote at the 2017 AGM.

## 3. Proxies

- (a) *Proxy form:* A proxy form is included with this notice of AGM.
- (b) *Appointing a proxy:* If you are entitled to attend and vote at this AGM, you may appoint:
  - (i) a person ("person" can be an individual or a body corporate); or
  - (ii) if the shareholder is entitled to cast two or more votes at the meeting, two persons,
 as your proxy or proxies to attend and vote for you at the meeting. A proxy need not be a shareholder.
- (c) *Maximum of two:* You may appoint a maximum of two proxies and may state on the proxy form what proportion or number of your votes each proxy is being appointed to exercise. If you appoint two proxies and do not specify the proportion or number of votes each proxy may exercise, each of the proxies may exercise half of your votes.
- (d) *Deadline for receipt:* The Company must receive at least 48 hours (i.e. by 10.00am Sydney time on 24 October 2017) before the meeting:
  - (i) your completed proxy form; and
  - (ii) if you sign under power of attorney or corporate representative, that power of attorney or corporate representative appointment or a certified copy of it.

Any proxy form received after this deadline (including at the AGM) will be invalid.

- (e) *How to send:* The proxy form (and any authority appointing an attorney or corporate representative) must be:
  - (i) sent by post to the Company's share registry:  
Steadfast Group Limited  
C/- Link Market Services Limited  
Locked Bag A14  
Sydney South, NSW 1235  
Australia;
  - (ii) delivered by hand to the Company's share registry:  
Link Market Services Limited  
1A Homebush Bay Drive  
Rhodes NSW 2138;
  - (iii) sent by fax to the Company's share registry on +61 2 9287 0309; or
  - (iv) lodged on-line at [www.linkmarketservices.com.au](http://www.linkmarketservices.com.au).
- (f) *How and when a proxy must vote:* If the appointment of a proxy specifies the way the proxy is to vote on a particular resolution:
  - (i) the proxy is not required to vote on a show of hands, but if the proxy does so, the proxy must vote as directed (subject to any applicable voting exclusions);
  - (ii) if the proxy has two or more appointments that specify different ways to vote on the resolution, the proxy must not vote on a show of hands;
  - (iii) if the proxy is not the Chairman of the AGM, the proxy need not vote on a poll but if the proxy does so, the proxy must vote as directed (subject to any applicable voting restrictions); and
  - (iv) if the proxy is the Chairman of the AGM, the proxy must vote on a poll and must vote as directed.

Note that the Chairman intends to conduct voting by way of poll.

- (g) *Proxy Voting by Chairman:* The Chairman of the Meeting will vote undirected proxies in favour of Items 2, 3, 4, 5 and 6. The voting exclusions on KMP in Items 2, 3 and 4 do not apply to the Chairman of the Meeting acting as proxy if their appointment expressly authorises the Chairman of the Meeting to exercise the proxy even if that item is connected directly or indirectly with the remuneration of a KMP of Steadfast.
- (h) *Directing proxy votes:* We encourage shareholders who are appointing proxies to direct their proxies how to vote on each resolution by crossing a “For”, “Against” or “Abstain” box before lodging their proxy form so that their proxy will vote on their behalf in accordance with their instructions.

#### **4. Body corporate representative**

Any corporation wishing to appoint a person to act as representative at the meeting may do so by providing that person with:

- a “Certificate of Appointment of Corporate Representative” which can be obtained from the Company’s share registry; or
- a letter or certificate authorising the person to act as the corporation’s representative in accordance with the corporation’s constitution; or
- a copy of the resolution appointing the representative, certified by a secretary or director of the corporation.

#### **5. Questions from shareholders**

A shareholder of the Company who is entitled to vote at the AGM may submit a question either to the Chairman of the AGM or the Company’s auditor by emailing [investor@steadfast.com.au](mailto:investor@steadfast.com.au). The question(s) may be submitted no later than Friday, 20 October 2017.

## Further Details of FY17 Steadfast STI and LTI Plans for the MD & CEO

### Further Details of STI Plan:

Purpose and link to strategy	Recognises the contributions and achievements of the MD & CEO (and other and helps to attract and retain talent.
Operation	STI Plan consisting of cash and deferred equity awards of conditional rights to Steadfast ordinary shares (DEAs).
Opportunity	STI awards are discretionary, performance based, at risk reward arrangements.
Performance hurdles	<p>Non-financial measures – personal, cultural and behavioural objectives as agreed. At least 60% of the objectives must be achieved by the MD &amp; CEO to be eligible for any STI. The objectives agreed for the MD &amp; CEO for FY17 were:</p> <ul style="list-style-type: none"> <li>• achieving budgeted growth of 8% in adjusted pro forma net profit after tax;</li> <li>• improving broker margins;</li> <li>• continue growth of Steadfast Network brokers;</li> <li>• successful implementation of INSIGHT (three year project);</li> <li>• successful implementation of underwriterCentral (three year project);</li> <li>• successful implementation of new technology for back-office efficiencies; and</li> <li>• retention, development and succession planning of key executive roles.</li> </ul> <p>The MD &amp; CEO achieved 87% of his non-financial objectives (for further detail, see the 2017 Remuneration Report at page 46 of the 2017 Annual Report) and drove the Company to achieve underlying 9.6% diluted EPS growth in FY17.</p> <p>Financial measures – STI is payable as at least 5% EPS growth was achieved against the prior year EPS of 8.09 cents. Maximum STI was not awarded as EPS growth of 10% or more was not achieved.</p>
Potential maximum STI	The MD & CEO can receive up to 150% of his annual fixed remuneration.
Approval of the STI	The Board approves the MD & CEO's STI based on the financial and his non- financial performance outcome as recommended by the Remuneration & Succession Planning Committee ("RSPC").
Rationale for choosing performance measures	<p>The financial measure of EPS growth is chosen to ensure long term shareholder value increased.</p> <p>The non-financial measures are chosen to ensure the MD &amp; CEO performs specific tasks that support the success of the Company.</p>
Forms of STI reward elements	60% is paid as cash, normally in September following the end of financial year. 40% is granted as DEAs.
Vesting of the DEAs	Vesting is in three equal tranches after one, two and three years from the grant date. DEAs will vest no later than three years after the AGM. Continuous employment is required during the vesting period and there being no material deterioration in the reported results.

<p>Key terms of STI DEA</p>	<p>DEAs are granted immediately following and subject to approval at the AGM.</p> <p>These DEAs are granted to at no cost to the MD &amp; CEO, to the dollar value of the DEAs awarded. No consideration is payable on the conversion into Steadfast ordinary shares of the DEAs. Steadfast will not lend Mr Kelly any money in relation to the DEAs.</p> <p>The number of DEAs granted is calculated based on the weighted average share price over the five trading days before the grant date.</p> <p>The MD &amp; CEO will become eligible to receive one Steadfast ordinary share per DEA subject to his continuing employment with the Group over the vesting period post grant date, and there being no material adverse change to previously reported results.</p> <p>These DEAs will accrue notional dividends and any bonus element inherent in any rights issue, which will be paid as additional shares upon vesting.</p>
<p>Forfeiture conditions</p>	<p>The board retains the discretion to adjust any unpaid or unvested performance- related remuneration (such as STI – Cash or STI – deferred portion) downwards if it is appropriate to do so.</p> <p>The DEAs will be forfeited if the MD &amp; CEO resigns before the vesting date for the relevant DEAs.</p> <p>If the MD &amp; CEO ceases employment in special circumstances, such as genuine retirement, any unvested DEAs may be paid in cash and/or Steadfast ordinary shares subject to board discretion.</p>

**Further Details of LTI Plan:**

Purpose and link to strategy	Provides opportunity for the MD & CEO to acquire equity in the Company as a reward for increasing EPS over the longer term and helps to attract, motivate and retain talent.																				
Operation	LTI Plan consisting of deferred equity awards of conditional rights to Steadfast ordinary shares (DEAs).																				
Opportunity	LTI awards are discretionary, performance based, at risk reward arrangement.																				
Future performance hurdles	<p>Non-financial measures – personal, cultural and behavioural objectives aligned to the Group’s strategic objectives as agreed with the Board. At least 60% of the objectives must be achieved by the MD &amp; CEO to be eligible for any LTI and in each year of the vesting period.</p> <p>The FY17 achievements are shown in the “Strategy and Prospects” section of the Directors’ Report and include items such as:</p> <ul style="list-style-type: none"> <li>• Steadfast Client Trading Platform rollout;</li> <li>• Acquisitions, hubbing and management buy-ins executed;</li> <li>• London office open and operational;</li> <li>• Offshore expansion including Steadfast cluster launched in Singapore, acquisition of non-controlling interest in unisonSteadfast; and</li> <li>• London superbinder operational and writing new and renewal business.</li> </ul> <p>Financial measures –</p> <p>75% is based on average diluted EPS growth, no LTI will vest unless the Group’s average diluted EPS increases by a straight line 5% to 10% per annum over a future three year vesting period. The vesting schedule is outlined below:</p> <table border="1"> <thead> <tr> <th>Straight line diluted EPS growth</th> <th>Vesting outcome</th> </tr> </thead> <tbody> <tr> <td>Below 5%</td> <td>0%</td> </tr> <tr> <td>At 5%</td> <td>50%</td> </tr> <tr> <td>5% to 10%</td> <td>Straight line between 50% to 100%</td> </tr> <tr> <td>10% or higher</td> <td>100%</td> </tr> </tbody> </table> <p>25% is based on Total Shareholder Return (TSR) (calculated as the change in share price plus dividends declared and any capital returns measured over the financial year together with a future three year vesting period) measured against Top 200 ASX companies excluding those in the mining industry (peer group). The vesting schedule is outlined below:</p> <table border="1"> <thead> <tr> <th>TSR</th> <th>Vesting outcome</th> </tr> </thead> <tbody> <tr> <td>Less than median of peer group</td> <td>0%</td> </tr> <tr> <td>At median of peer group</td> <td>50%</td> </tr> <tr> <td>Exceeding median of peer group by 75% or below</td> <td>Straight line between 50% to 100%</td> </tr> <tr> <td>Exceeding median of peer group by 75% or higher</td> <td>100%</td> </tr> </tbody> </table>	Straight line diluted EPS growth	Vesting outcome	Below 5%	0%	At 5%	50%	5% to 10%	Straight line between 50% to 100%	10% or higher	100%	TSR	Vesting outcome	Less than median of peer group	0%	At median of peer group	50%	Exceeding median of peer group by 75% or below	Straight line between 50% to 100%	Exceeding median of peer group by 75% or higher	100%
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Potential maximum LTI	The MD & CEO could receive an LTI worth up to 75% of his annual fixed remuneration.
Approval of the LTI	The Board will approve the grant and vesting of the LTI based on the financial and non-financial performance outcome as recommended by the RSPC.
Rationale for choosing performance measures	The financial measures of EPS growth and TSR are chosen to ensure long-term shareholder value is increased. The non-financial measures are chosen to ensure the MD & CEO performs specific tasks that support the success of Steadfast.
Form of LTI reward	DEAs which will vest subject to a three year tenure hurdle and meeting the future performance hurdles from the grant date. DEAs will vest no later than three years after the AGM.
Key terms of LTI DEA	As for STI above except DEAs under the LTI will not accrue notional dividends.
Forfeiture conditions	As for STI above.

## LODGE YOUR VOTE

 **ONLINE**  
www.linkmarketservices.com.au

 **BY MAIL**  
Steadfast Group Limited  
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  
1A Homebush Bay Drive, Rhodes NSW 2138

 **ALL ENQUIRIES TO**  
Telephone: +61 1300 554 474



X99999999999

## PROXY FORM

I/We being a member(s) of Steadfast Group Limited and entitled to attend and vote hereby appoint:

### 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 of the person or body corporate you are appointing as your proxy

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 **10:00am on Thursday, 26 October 2017 at Castlereagh Room, Sheraton on the Park, 161 Elizabeth Street, Sydney** (the Meeting) and at any postponement or adjournment of the Meeting.

**Important for Resolutions 2, 3 and 4:** 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 favour of Resolutions 2, 3 and 4, 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

#### Resolutions

	For	Against	Abstain*		For	Against	Abstain*
2 Remuneration Report	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	6 Re-election of director – Mr Philip Purcell	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
3 Grant of equity to CEO	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>				
4 To increase the maximum aggregate fees payable to NEDs	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>				
5 Re-election of director – Mr Frank O'Halloran, AM	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>				

 \* 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.

### 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).



## HOW TO COMPLETE THIS SHAREHOLDER PROXY 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.**

### 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 of that individual or body corporate in Step 1. A proxy need not be a shareholder of the Company.

### DEFAULT TO CHAIRMAN OF THE MEETING

Any directed proxies that are not voted on a poll at the Meeting will default to the Chairman of the Meeting, who is required to vote those proxies as directed. Any undirected proxies that default to the Chairman of the Meeting will be voted according to the instructions set out in this Proxy Form, including where the Resolutions 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 of business. 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 items of business, your proxy may vote as he or she chooses. If you mark more than one box on an 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 Proxy 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 Proxy Form and the second Proxy 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.

### SIGNING INSTRUCTIONS

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

**Individual:** where the holding is in one name, the holder 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" should 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](http://www.linkmarketservices.com.au).

### LODGEMENT OF A PROXY FORM

This Proxy Form (and any Power of Attorney under which it is signed) must be received at an address given below by **10:00am on Tuesday, 24 October 2017**, being not later than 48 hours before the commencement of the Meeting. Any Proxy Form received after that time will not be valid for the scheduled Meeting.

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



#### ONLINE

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

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) as shown on the front of the Proxy Form).



#### 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 [www.linkmarketservices.com.au](http://www.linkmarketservices.com.au) 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

Steadfast Group Limited  
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\*  
1A Homebush Bay Drive  
Rhodes NSW 2138

\* 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.**

