



# Korvest Ltd

ACN 007 698 106

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## Notice of Annual General Meeting

### Explanatory Notes

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#### **Date of meeting**

24 October 2018

#### **Time of meeting**

11.30am

#### **Place of meeting**

KPMG Boardroom  
Level 7, 151 Pirie Street  
Adelaide SA 5000

This Notice of Annual General Meeting should be read in its entirety. If shareholders are in doubt as to how they should vote, they should seek advice from their accountant, solicitor or other professional adviser prior to voting.

## Notice of Annual General Meeting

Korvest Ltd ACN 007 698 106 (**Company**) will hold an annual general meeting at Level 7, 151 Pirie Street, Adelaide, South Australia on Wednesday 24 October 2018 at 11:30 am (Adelaide time).

The Explanatory Notes that accompany and form part of this notice of annual general meeting (**Notice**) describe the matters to be considered at the meeting.

### AGENDA

#### GENERAL BUSINESS

##### 2018 Financial Statements

To receive, consider and discuss the Company's financial statements and the report of the directors and auditor for the year ended 30 June 2018.

#### ORDINARY BUSINESS

##### Resolution 1

##### Adoption of Remuneration Report

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

*"That the remuneration report for the year ended 30 June 2018 be adopted for the purpose of section 250R(2) of the Corporations Act."*

Note: Section 250R(3) of the *Corporations Act 2001* (Cth) (**Corporations Act**) provides that the vote on this resolution is advisory only and does not bind the directors or the Company.

##### Voting Restriction

In accordance with the Corporations Act, a vote must not be cast on this resolution (and will be taken not to have been cast if cast contrary to this restriction) by or on behalf of a member of the key management personnel, details of whose remuneration are included in the remuneration report, and any closely related party of such a member. However, the member or any closely related party of such a member may vote if:

- (a) the vote is cast by a person as a proxy appointed by writing that specifies how the proxy is to vote on the resolution or by a person who is the chair of the meeting at which the resolution is voted on and the appointment does not specify the way the proxy is to vote and expressly authorises the chair of the meeting to exercise the proxy even if the resolution is connected directly or indirectly with the remuneration of a member of the key management personnel; and
- (b) the vote is not cast on behalf of a member of the key management personnel, details of whose remuneration are included in the remuneration report, or any closely related party of such a member.

##### Resolution 2

##### Re-election of Director – Mr Gerard Hutchinson

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

*"That Mr Gerard Hutchinson, a director retiring by rotation in accordance with the Company's constitution and being eligible for re-election, be re-elected as a director of the Company."*

## SPECIAL BUSINESS

### Resolution 3

#### Approval of the grant of Performance Rights to Mr Chris Hartwig for the purposes of ASX Listing Rule 10.14

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

*"That, for the purposes of ASX Listing Rule 10.14, approval is given for the grant of 32,006 performance rights to Mr Chris Hartwig under the Korvest Performance Rights Plan."*

#### Voting Exclusions and Voting Restriction

In accordance with the ASX Listing Rules, the Company will disregard any votes cast in favour of this resolution by or on behalf of Mr Hartwig, Mr McGregor, or any associates of Mr Hartwig or Mr McGregor. However, the Company need not disregard a vote if:

- (a) it is cast by that person as proxy for a person who is entitled to vote, in accordance with the directions on the proxy form; or
- (b) it is cast by the person chairing the meeting as proxy for a person who is entitled to vote, in accordance with a direction on the proxy form to vote as the proxy decides.

Further, in accordance with the Corporations Act, a vote must not be cast on this resolution (and will be taken not to have been cast if cast contrary to this restriction) by a person appointed as proxy if the person is a member of the key management personnel or a closely related party of such a member, unless:

- (a) the proxy appointment specifies how the proxy is to vote on the resolution; or
- (b) the person is the chair of the meeting at which the resolution is voted on and the proxy appointment 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 key management personnel.

### Resolution 4

#### Approval of the grant of Performance Rights to Mr Steven McGregor for the purposes of ASX Listing Rule 10.14

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

*"That, for the purposes of ASX Listing Rule 10.14, approval is given for the grant of 30,669 performance rights to Mr Steven McGregor under the Korvest Performance Rights Plan."*

#### Voting Exclusions and Voting Restriction

In accordance with the ASX Listing Rules, the Company will disregard any votes cast in favour of this resolution by or on behalf of Mr Hartwig, Mr McGregor, or any associates of Mr Hartwig or Mr McGregor. However, the Company need not disregard a vote if:

- (a) it is cast by that person as proxy for a person who is entitled to vote, in accordance with the directions on the proxy form; or
- (b) it is cast by the person chairing the meeting as proxy for a person who is entitled to vote, in accordance with a direction on the proxy form to vote as the proxy decides.

Further, in accordance with the Corporations Act, a vote must not be cast on this resolution (and will be taken not to have been cast if cast contrary to this restriction) by a person appointed as proxy if the person is a member of the key management personnel or a closely related party of such a member, unless:

- (c) the proxy appointment specifies how the proxy is to vote on the resolution; or
- (d) the person is the chair of the meeting at which the resolution is voted on and the proxy appointment 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 key management personnel.

## VOTING AND THE PROXY

For the purpose of determining the voting entitlements at the meeting, the board has determined that shares in the Company will be taken to be held by the registered holders of those shares at 6.30pm (Adelaide time) on 22 October 2018. Accordingly, transactions registered after that time will be disregarded in determining entitlements to attend and vote at the meeting.

A shareholder who is entitled to attend and cast a vote at the meeting and who wishes to vote on the resolutions contained in this Notice should either attend in person, or appoint a proxy or proxies to attend or vote on the shareholder's behalf. A proxy form is enclosed with this Notice. The proxy or proxies do not need to be a shareholder of the Company. A shareholder that is a body corporate may appoint a representative to attend in accordance with the Corporations Act.

A shareholder entitled to attend and to cast two or more votes is entitled to appoint two proxies. Where two proxies are appointed, each appointment must specify the proportion of the shareholder's voting rights that the proxy may exercise. If the shareholder appoints two proxies and the appointment does not specify this proportion, each proxy may exercise half of the votes able to be cast by the appointing shareholder.

The proxy form (and any power of attorney under which it is signed) must be received at the address below not later than 11:30 am (Adelaide time) on 22 October 2018 (being 48 hours before the commencement of the meeting). Any proxy forms received after that time will not be valid for the meeting.

Completed proxy forms should be sent to the Company's share registrar, Computershare Investor Services Pty Ltd, as follows:

- |                   |  |
|-------------------|--|
| By mail:          | Korvest Ltd<br>C/- Computershare Investor Services Pty Ltd<br>GPO Box 242<br>MELBOURNE VIC 3001<br>Australia   |
| By fax:           | Korvest Ltd<br>C/- Computershare Investor Services Pty Ltd<br>(within Australia) 1800 783 447<br>(outside Australia) +61 3 9473 2555                                 |
| Online:           | Enter the control number, SRN/HIN and postcode shown on the first page of the proxy form at:<br><a href="http://www.investorvote.com.au">www.investorvote.com.au</a> |
| Custodian voting: | For Intermediary Online subscribers only:<br><a href="http://www.intermediaryonline.com">www.intermediaryonline.com</a>  |

**DATED THIS 13th DAY OF SEPTEMBER 2018**  
**BY ORDER OF THE BOARD**

**Steven McGregor**  
Company Secretary

## Explanatory Notes

These Explanatory Notes have been prepared to provide shareholders with material information to enable them to make an informed decision on the business to be conducted at the annual general meeting of the Company.

The directors recommend shareholders read these Explanatory Notes in full before making any decision in relation to the resolutions. The directors also recommend shareholders read the instructions on the proxy form in full if they intend to vote by proxy.

### GENERAL BUSINESS

#### Receiving financial statements and reports

The Corporations Act requires that shareholders consider the annual consolidated financial statements and reports of the directors and auditor every year.

Shareholders attending the annual general meeting will be given a reasonable opportunity:

- (a) to ask questions about or make comments on the management of the Company; and
- (b) to ask the Company's auditor or the auditor's representative questions relevant to:
  - (1) the conduct of the audit;
  - (2) the preparation and content of the auditor's report;
  - (3) the accounting policies adopted by the Company in relation to the preparation of the financial statements; and
  - (4) the independence of the auditor in relation to the conduct of the audit.

A shareholder of the Company who is entitled to cast a vote at the annual general meeting may submit a written question to the auditor if the question is relevant to:

- (a) the content of the auditor's report to be considered at the annual general meeting; or
- (b) the conduct of the audit of the annual financial report to be considered at the annual general meeting.

A written question may be submitted by giving the question to the Company no later than 17 October 2018, being the fifth business day before the day on which the annual general meeting is to be held, and the Company will then, as soon as practicable after the question has been received, pass the question on to the auditor. At the annual general meeting the Company will allow a reasonable opportunity for the auditor or the auditor's representative to answer such written questions submitted to the auditor.

The Company will make copies of the question list reasonably available to shareholders attending the annual general meeting.

No resolution is required to be moved in respect of this item of General Business.

**ORDINARY BUSINESS****Resolution 1 – Adoption of Remuneration Report**

The remuneration report of the Company for the financial year ended 30 June 2018 is contained in the 2018 Annual Report which is available on the Company's website <http://www.korvest.com.au/investors/financial-reports/>.

Section 300A of the Corporations Act requires the directors to include a remuneration report in their directors' report for the financial year. Section 250R(2) requires the remuneration report be put to the vote at the Company's annual general meeting. The vote on the resolution is advisory only and does not bind the directors or the Company.

**Directors' Recommendation**

The directors recommend that shareholders vote in favour of Resolution 1.

**Resolution 2 – Re-election of Director – Mr Gerard Hutchinson**

Clause 50.1 of the Company's constitution provides that at every annual general meeting, one third of the directors (or if that is not a whole number, the next lowest whole number) for the time being (excluding the Managing Director (if any), and any director appointed by the directors since the last annual general meeting), and any directors for whom the annual general meeting would be the third annual general meeting since their appointment (or re-election), automatically retire from office. Clause 50.3 of the Company's constitution provides that a director retiring in rotation is eligible for re-election.

ASX Listing Rule 14.4 provides that a director (excluding the Managing Director (if any)) must not hold office (without re-election) past the third annual general meeting following the director's appointment or 3 years, whichever is longer. ASX Listing Rule 14.5 provides that an entity which has directors must hold an election of directors at each general meeting.

In accordance with clause 50.1 of the Company's constitution, Mr Hutchinson automatically retires in rotation and, being eligible, offers himself for re-election pursuant to clause 50.3 of the Company's constitution.

Mr Hutchinson was appointed as a director of the Company and Chairman of the Audit Committee effective 19 November 2014.

Mr Hutchinson is a Chartered Accountant with extensive financial and commercial experience of over 25 years in the construction, engineering, manufacturing, resources and services industries. From the finance basis gained with KPMG, the combination of Board and executive experience has included responsibility for a diverse portfolio of autonomous multinational operations, from start-ups to market leaders. This includes organisations with substantial revenues and large number of employees working across a diverse operating environments and cultures.

Mr Hutchinson has worked in a number of CFO-level roles, including 14 years working for the Leighton Group (now CIMIC) in Asia and Australia, 5 years as Executive Director, Finance for AECOM across Australia, New Zealand and Asia, and 3 years at AusGroup Limited, firstly as Chief Financial Officer and then as Managing Director.

Mr Hutchinson holds a Bachelor of Economics and Master degrees in Business Administration (MBA), Information System Management (MScISM), and Business Law (MBL), which has allowed his responsibilities to expand across commercial management, risk management, major IT implementations, capital raising and structured finance, and strategic management initiatives. Mr Hutchinson has also led the due diligence and integration of a number of mergers and acquisitions.

Mr Hutchinson is a fellow of the Institute of Chartered Accountants in Australia and New Zealand (FCA ANZ), Australian Institute of Company Directors (FAICD), and Australian Institute of Management (FAIM).

Mr Hutchinson also serves as a director and chairman of the audit committee of an Australian private company providing services to the global energy sector based in Houston, Texas.

### Directors' Recommendation

Other than Mr Hutchinson (who is standing for re-election), the directors recommend that shareholders vote in favour of Resolution 2.

## SPECIAL BUSINESS

### Resolutions 3 and 4 – Approval of the grant of Performance Rights to Mr Chris Hartwig and Mr Steven McGregor for the purposes of ASX Listing Rule 10.14

In 2011 as part of the overall remuneration strategy of the Company, the Company established a plan called the Korvest Performance Rights Plan (**Plan**). The Plan provides for the grant of performance rights (**Performance Rights**) to executives of the Company invited by the Board to participate in the Plan. The Performance Rights result in the issue of fully paid ordinary shares in the Company (**Shares**). A copy of the Plan Rules is available on the Company's website [www.korvest.com.au](http://www.korvest.com.au). A brief summary of the Plan Rules is set out below.

The Plan is designed to provide the Company's executives with an incentive to maximise the return to shareholders over the long term, and to assist in the attraction and retention of key executives. Details of the Company's executive remuneration philosophy and objectives can be found in the 2018 Annual Report.

Both Mr Hartwig and Mr McGregor have been invited to participate in the Plan. No other directors (or their associates) are entitled to participate in the Plan.

### Reason for Shareholder Approval

ASX Listing Rule 10.14 requires shareholder approval for the issue of securities to a director. Each of Mr Hartwig and Mr McGregor is a director of the Company. Accordingly, shareholder approval is sought for the grant of Performance Rights under the Plan to each of them. If approval is given under ASX Listing Rule 10.14, approval is not required under ASX Listing Rule 7.1. The Performance Rights to be granted to Mr Hartwig and Mr McGregor are in effect conditional entitlements, which may vest subject to the satisfaction of the performance hurdles (**Performance Hurdles**), details of which are summarised below.

### Grant of Performance Rights

The Company proposes to grant 32,006 Performance Rights to Mr Hartwig and 30,669 Performance Rights to Mr McGregor no later than one month after the date of the AGM. This means the maximum number of Performance Rights that may be acquired by all persons for whom approval is required at the scheduled AGM is 62,675.

### Grant of Performance Rights since the 2017 AGM

At the 2017 AGM, approval was obtained from the Company's shareholders for the grant to Mr McGregor, Finance Director, of 29,300 Performance Rights for no consideration and at nil exercise price in accordance with the Plan. Since that approval, those Performance Rights were granted on the terms as approved.

### Rights attaching to Performance Rights

A Performance Right is a right to acquire one Share which can be exercised once the Performance Right has become exercisable and provided it has not lapsed.

A Performance Right does not give the holder a legal or beneficial right to Shares and does not enable the participating executives, in this case Mr Hartwig and Mr McGregor, to receive dividends or any other shareholder benefit by virtue of the grant of that Performance Right unless and until it has been exercised and the Share issued.

## Exercise of Performance Rights

Performance Rights that have not vested, vest and are exercisable if:

- the Company meets during the Performance Period the performance criteria set by the Board at the time of grant; or
- the Board determines that a Performance Right becomes a vested Performance Right.

In addition, if an event such as a takeover bid occurs, then Performance Rights that have not vested, vest and are exercisable to the extent determined by the Board having regard to the length of time between the commencement of the Performance Period and the date of occurrence of such event, and the likelihood that the performance criteria would have otherwise been met if such event had not occurred.

## Performance Period

The performance period is the period commencing on 1 July 2018 and ending on 30 June 2021  
(**Performance Period**).

## Performance Hurdles

The Performance Rights are subject to the “EPS Performance Hurdle” and the “RTSR Performance Hurdle”, such that:

- half of the total number of Performance Rights that the Company proposes to grant to each of Mr Hartwig and Mr McGregor (**EPS Performance Rights**) will vest and become exercisable if the EPS Performance Hurdle is satisfied over the Performance Period; and
- half of the total number of Performance Rights that the Company proposes to grant to Mr Hartwig and Mr McGregor (**RTSR Performance Rights**) will vest and become exercisable depending on the ranking of the Company’s total shareholder return (**TSR**) against the TSR of 20 companies in a comparator group of companies selected by the Board (**Comparator Group**) over the Performance Period (**RTSR Performance Hurdle**).

## EPS Performance Hurdle

The EPS Performance Rights will vest and become exercisable if the EPS Performance Hurdle is satisfied over the Performance Period in the following circumstances:

- the EPS Performance Hurdle will be met if the Company exceeds the aggregate threshold EPS over the Performance Period as set out in the table below;
- one quarter (1/4) of the EPS Performance Rights will vest and be exercisable if the Company equals the aggregate threshold EPS as set out in the table below;
- *all of the EPS Performance Rights will vest and be exercisable if the Company equals or exceeds the aggregate range EPS as set out in the table below;*
- if the Company achieves an aggregate EPS greater than the threshold EPS but less than the range EPS, the number of EPS Performance Rights that will vest and be exercisable will be calculated on a pro rata basis in accordance with the following formula:

$$A = E \times \{ 25\% + 75\% [ ( B - C ) / D ] \}$$

where:

A = the number of EPS Performance Rights that will vest and become exercisable (rounded down to the nearest whole number)

B = the aggregate actual EPS over the Performance Period

C = the aggregate threshold EPS



D = the aggregate range EPS less the aggregate threshold EPS

E = the number of EPS Performance Rights granted to the relevant executive.

Year ended	Threshold EPS	Range EPS
<b>Base EPS</b>	<b>29.0</b>	<b>29.0</b>
30 June 2019	30.45	33.35
30 June 2020	31.973	38.353
30 June 2021	33.572	44.106
<b>Aggregate – 3 years to 30 June 2021</b>	<b>95.995</b>	<b>115.809</b>

Under the Plan, the Board may make an invitation to an executive to apply for Performance Rights on such terms and conditions as the Board determines for such invitation including without limitation as to criteria and when, and in what circumstances, a Performance Right may become exercisable and any other criteria to be satisfied.

The Board has determined the base EPS as the average of the statutory EPS for the three financial years of FY15, FY16 and FY17, as the Board considers that this represents an appropriate EPS Performance Hurdle. This is consistent with the approach adopted last year.

The EPS Performance Hurdle threshold is broadly equivalent to the Company achieving an aggregate compound annual growth rate of 5% per annum in respect of EPS for the Performance Period. The EPS Performance Hurdle range is broadly equivalent to the Company achieving an aggregate compound annual growth rate of 15% per annum in respect of EPS for the Performance Period.

If an EPS figure for a particular year is not achieved, the threshold EPS or range EPS will still be met if the aggregate EPS in the Performance Period is equal to or exceeds the amounts set out in the table above.

For the purposes of assessing satisfaction of the EPS Performance Hurdle, the Board may adjust the Company's EPS over the Performance Period for extraordinary, significant or non-recurring items.

#### **RTSR Performance Hurdle**

The RTSR Performance Rights will vest and become exercisable if the RTSR Performance Hurdle is satisfied over the Performance Period. The RTSR is a ranking of the Company's total shareholder return, which is calculated as the growth in share price plus dividends and any capital returns to shareholders to demonstrate the total return to each shareholder expressed as a percentage, against the total shareholder return of a comparative group of companies (**the Comparator Group**) over the Performance Period.

The Comparator Group is made up of 20 companies selected by the Board so as to represent, in the Board's view, an appropriate benchmark having considered companies that are alternative investment vehicles for local and global investors, that have a spread and size of operations similar to the Company, and that are impacted by economic and cyclical factors in a manner similar to the Company. The Board retains the discretion to change the composition of companies in the Comparator Group from time to time to take into account any mergers, takeovers, wind ups, new entrants, changes to the nature or scale of activities, and any other changes. As at the date of this Notice, the companies in the Comparator Group are set out in the table below:

Comparator Group	
Austin Engineering Ltd. (ASX:ANG)	GR Engineering Services Limited (ASX:GNG)
AJ Lucas Group Limited (ASX:AJL)	HGL Limited (ASX:HNG)
Baumart Holdings Limited (ASX:BMH)	Logicamms Limited (ASX:LCM)
Boom Logistics Ltd. (ASX:BOL)	Mareterram Limited (ASX:MTM)
CMI Ltd. (ASX:CMI)	NRW Holdings Limited (ASX:NWH)
Coventry Group Ltd. (ASX:CYG)	RCR Tomlinson Limited (ASX:RCR)
Decmil Group Limited. (ASX:DCG)	Rectifier Technologies Limited (ASX:RFT)
Embelton Limited (ASX:EMB)	Saunders International Limited (ASX:SND)
Engenco Limited (ASX:EGN)	XRF Scientific Limited (ASX:XRF)
EVZ Limited (ASX: EVZ)	Zicom Group Limited (ASX:ZGL)

At the end of the Performance Period, the Board will consider and determine whether and, to what extent, the RTSR Performance Hurdle is satisfied, with the percentage of RTSR Performance Rights that vest and become exercisable at each level of performance determined as set out in the table below:

Company's TSR against TSR of Comparator Group*	Portion of RTSR Performance Rights that vest
Below the 51 <sup>st</sup> percentile	0%
At the 51 <sup>st</sup> percentile	50%
Above the 51 <sup>st</sup> percentile but below the 75 <sup>th</sup> percentile	Between 50% and 100% vest using a straight line analysis
At or above the 75 <sup>th</sup> percentile	100%

\* Notwithstanding that the Company's TSR may meet or exceed the 51<sup>st</sup> percentile compared to the Comparator Group, no Performance Rights will vest if the Company's TSR is less than zero over the Performance Period.

The use of a RTSR Performance Hurdle is well accepted by the market and provides an appropriate incentive because participants receive rewards where the Company outperforms a peer group and therefore the incentive is aligned to relative market performance.

### Grant Price and Exercise Price

Each Performance Right will be granted for no consideration and will have a nil exercise price. As such, there are no loans in relation to this acquisition. If the Performance Right vests it would allow the holder to exercise the Performance Right and be issued with a Share.

### Exercise Period

Once the Performance Rights have become exercisable, those rights would need to be exercised within 12 months from the date on which they vest and become exercisable, or they will lapse and there will be no further entitlement to any Shares. This period may be shortened if the holder ceases to be employed under certain circumstances (as described below).

### **Bonus issue and capital reconstruction of the Company**

The number of Shares to be issued on the exercise of the Performance Rights will be adjusted to take account of any bonus issues, rights issues or reconstructions which the Company undertakes between the date of allocation of the Performance Rights and the exercise of those rights.

### **Cessation of employment**

In the case of the holder's employment ceasing due to misconduct, any other reason justifying termination without notice, or upon notice of resignation, all Performance Rights lapse immediately.

In the case of the holder's employment ceasing due to death or permanent disablement:

- Performance Rights that have vested and are exercisable remain exercisable up until the end of the exercise period;
- a portion of Performance Rights that have not vested (with such portion calculated based on the extent that the Performance Period has elapsed) will continue to be unvested Performance Rights, will vest if the relevant Performance Hurdles are satisfied within the Performance Period and will be exercisable up until the end of the exercise period; and
- remaining Performance Rights that have not vested will lapse immediately.

In all other cases where employment ceases:

- Performance Rights that have vested and are exercisable will lapse at the end of 30 days;
- a portion of Performance Rights that have not vested (with such portion calculated based on the extent that the Performance Period has passed) will continue to be unvested Performance Rights, will vest if the relevant Performance Hurdles are satisfied within the Performance Period and will be exercisable up until the end of the exercise period; and
- remaining Performance Rights that have not vested will lapse immediately.

### **Clawback**

If the Board determines in its absolute discretion that the vesting of Performance Rights that have not vested would result in an inappropriate benefit being provided to the holder, the Board may resolve that all or a number of such Performance Rights will lapse immediately.

The Board may determine in its absolute discretion the circumstances in which vesting of Performance Rights that have not vested would result in an inappropriate benefit being provided, including without limitation, where:

- a holder acts fraudulently, dishonestly or has engaged in conduct that adversely affects or is likely to adversely affect the Company's financial position, performance or reputation;
- a holder breaches their obligations to the Company or any duties under any applicable law; and
- there is a material misstatement, omission or error in the Company's financial statements on which the Board has based its determination previously as to whether to grant Performance Rights to the holder and the number of Performance Rights that were granted to the holder.

### **Restriction on the disposal of Shares**

The Plan provides that the Shares issued on exercise of the Performance Rights will be restricted from disposal until the earlier of:

- the period (if any) specified in the invitation to participate in the Plan;
- the time when the holder's employment ceases;
- the Board approving a recommendation by the Board's remuneration committee that the restriction on disposal be released; and

- for a period of two years from the date of grant of the Performance Rights.

### **Forfeiture of Shares**

Shares issued on exercise of Performance Rights may be forfeited if the holder perpetrates fraud against the Company or any of its subsidiaries (**Korvest group**), acts dishonestly or breaches their obligations to any member of the Korvest group.

The right of the Company to cause the Shares, which have been issued on exercise of the Performance Rights, to be forfeited, expires:

- on the termination of the holder's employment with the Company otherwise than as a result of fraud, dishonesty or a breach of his obligations to the Korvest group;
- upon the sale or transfer of the Shares; or
- on the day following the expiry of the seven year period from the date of grant of the Performance Rights.

### **Resolution 3 – Approval of the grant of Performance Rights to Mr Chris Hartwig for the purposes of ASX Listing Rule 10.14**

#### **Grant of Performance Rights to Mr Chris Hartwig**

Mr Hartwig, Managing Director, has been invited by the Board to participate in the Plan and to be issued with Performance Rights if approved by shareholders at this AGM.

Details of the Performance Rights to be issued and the terms on which they are to be issued are set out in the summary above.

#### **Directors' Recommendation**

Other than Mr Hartwig (to whom Performance Rights are to be issued if Resolution 3 is passed) and Mr McGregor (to whom Performance Rights are to be issued if Resolution 4 is passed), the directors recommend that shareholders vote in favour of Resolution 3.

### **Resolution 4 – Approval of the grant of Performance Rights to Mr Steven McGregor for the purposes of ASX Listing Rule 10.14**

#### **Grant of Performance Rights to Mr McGregor**

Mr McGregor, Finance Director, has again been invited by the Board to participate in the Plan and to be granted with Performance Rights if approved by shareholders at this AGM.

Details of the Performance Rights to be granted and the terms on which they are to be granted are set out in the summary above.

#### **Directors' Recommendation**

Other than Mr McGregor (to whom Performance Rights are to be granted if Resolution 4 is passed) and Mr Hartwig (to whom Performance Rights are to be issued if Resolution 3 is passed), the directors recommend that shareholders vote in favour of Resolution 4.

**Lodge your vote:**

**Online:**
[www.investorvote.com.au](http://www.investorvote.com.au)

**By Mail:**

Computershare Investor Services Pty Limited  
GPO Box 242 Melbourne  
Victoria 3001 Australia

Alternatively you can fax your form to  
(within Australia) 1800 783 447  
(outside Australia) +61 3 9473 2555




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(custodians) [www.intermediaryonline.com](http://www.intermediaryonline.com)

**For all enquiries call:**

(within Australia) 1300 556 161  
(outside Australia) +61 3 9415 4000

## Proxy Form

**XX**

  <b>Vote and view the annual report online</b> <ul style="list-style-type: none"> <li>• Go to <a href="http://www.investorvote.com.au">www.investorvote.com.au</a> or scan the QR Code with your mobile device.</li> <li>• Follow the instructions on the secure website to vote.</li> </ul>	
<b>Your access information that you will need to vote:</b> <p>PLEASE NOTE: For security reasons it is important that you keep your SRN/HIN confidential.</p>	

 **For your vote to be effective it must be received by 11:30am (Adelaide time) Monday 22 October 2018**

### How to Vote on Items of Business

All your securities will be voted in accordance with your directions.

#### Appointment of Proxy

**Voting 100% of your holding:** Direct your proxy how to vote by marking one of the boxes opposite each item of business. If you do not mark a box your proxy may vote or abstain as they choose (to the extent permitted by law). If you mark more than one box on an item your vote will be invalid on that item.

**Voting a portion of your holding:** Indicate a portion of your voting rights by inserting the percentage or number of securities you wish to vote in the For, Against or Abstain box or boxes. The sum of the votes cast must not exceed your voting entitlement or 100%.

**Appointing a second proxy:** You are entitled to appoint up to two proxies to attend the meeting and vote on a poll. If you appoint two proxies you must specify the percentage of votes or number of securities for each proxy, otherwise each proxy may exercise half of the votes. When appointing a second proxy write both names and the percentage of votes or number of securities for each in Step 1 overleaf.

**A proxy need not be a securityholder of the Company.**

### Signing Instructions for Postal Forms

**Individual:** Where the holding is in one name, the securityholder must sign.

**Joint Holding:** Where the holding is in more than one name, all of the securityholders should sign.

**Power of Attorney:** If you have not already lodged the Power of Attorney with the registry, 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 sign in the appropriate place to indicate the office held. Delete titles as applicable.

### Attending the Meeting

Bring this form to assist registration. If a representative of a corporate securityholder or proxy is to attend the meeting you will need to provide the appropriate "Certificate of Appointment of Corporate Representative" prior to admission. A form of the certificate may be obtained from Computershare or online at [www.investorcentre.com](http://www.investorcentre.com) under the help tab, "Printable Forms".

**Comments & Questions:** If you have any comments or questions for the company, please write them on a separate sheet of paper and return with this form.

**GO ONLINE TO VOTE,  
or turn over to complete the form →**

☐

**Change of address.** If incorrect, mark this box and make the correction in the space to the left. Securityholders sponsored by a broker (reference number commences with 'X') should advise your broker of any changes.

## Proxy Form

Please mark ☒ to indicate your directions

### STEP 1 Appoint a Proxy to Vote on Your Behalf

XX

I/We being a member/s of Korvest Ltd hereby appoint

☐

the Chairman  
of the Meeting **OR**



**PLEASE NOTE:** Leave this box blank if you have selected the Chairman of the Meeting. Do not insert your own name(s).

or failing the individual or body corporate named, or if no individual or body corporate is named, the Chairman of the Meeting, as my/our proxy to act generally at the Meeting on my/our behalf and to vote or abstain in accordance with the following directions (or if no directions have been given, and to the extent permitted by law, as the proxy sees fit) at the Annual General Meeting of Korvest Ltd to be held at **KPMG Boardroom Level 7, 151 Pirie Street, Adelaide, South Australia 5000 on Wednesday 24 October 2018 at 11:30am (Adelaide time)** and at any adjournment or postponement of that Meeting.

**Chairman authorised to exercise undirected proxies on remuneration related resolutions:** Where I/we have appointed the Chairman of the Meeting as my/our proxy (or the Chairman becomes my/our proxy by default), I/we expressly authorise the Chairman to exercise my/our proxy on **Items 1, 3 & 4** (except where I/we have indicated a different voting intention below) even though **Items 1, 3 & 4** are connected directly or indirectly with the remuneration of a member of key management personnel, which includes the Chairman.

**Important Note:** If the Chairman of the Meeting is (or becomes) your proxy you can direct the Chairman to vote for or against or abstain from voting on **Items 1, 3 & 4** by marking the appropriate box in step 2 below.

### STEP 2 Items of Business



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

#### ORDINARY BUSINESS

1 Adoption of Remuneration Report

For

Against

Abstain

☐☐☐

2 Re-election of Director – Mr Gerard Hutchinson

☐☐☐

#### SPECIAL BUSINESS

3 Approval of the grant of Performance Rights to Mr Chris Hartwig for the purposes of ASX Listing Rule 10.14

☐☐☐

4 Approval of the grant of Performance Rights to Mr Steven McGregor for the purposes of ASX Listing Rule 10.14

☐☐☐

The Chairman of the Meeting intends to vote undirected proxies in favour of each item of business. In exceptional circumstances, the Chairman of the Meeting may change his/her voting intention on any resolution, in which case an ASX announcement will be made.

### SIGN

**Signature of Securityholder(s)** *This section must be completed.*

Individual or Securityholder 1

Sole Director and Sole Company Secretary

Securityholder 2

Director

Securityholder 3

Director/Company Secretary

Contact  
Name

\_\_\_\_\_

Contact  
Daytime  
Telephone

\_\_\_\_\_

Date / /

KOV

Computershare +