

3 May 2021

The Manager
Market Announcements Office
Australian Securities Exchange Limited
20 Bridge Street
Sydney NSW 2000

ELECTRONIC LODGEMENT

Dear Sir / Madam

Notice of Extraordinary General Meeting

In accordance with the Listing Rules, please find attached Notice of Extraordinary General meeting and accompanying Proxy Voting Form for release to market.

Authorised for lodgement by:



Ashe-lee Jegathesan
Company Secretary





NOTICE OF EXTRAORDINARY GENERAL MEETING

NOTICE OF EXTRAORDINARY GENERAL MEETING

Uniti Group Limited ACN 158 957 889 (**Company**) gives notice that an extraordinary general meeting of its Shareholders (**Meeting**) will be held at:

Time: 10.30am (AEST)

Date: Thursday, 3 June 2021

Place: Lander & Rogers,
Level 19 Angel Place,
123 Pitt St, Sydney NSW 2000

IMPORTANT NOTICE REGARDING ATTENDANCE, COVID-19

It is possible that COVID-19 related restrictions on physical attendance at the EGM may be in place at the time of the meeting, and physical attendance at the meeting may be restricted. Should this be the case, if you wish to attend the EGM in person, please contact EGM2021@unitigroupplimited.com to confirm that this can be accommodated.

If restrictions apply at the time of the meeting, the quorum requirements for the Meeting will be satisfied through the attendance in person of Graeme Barclay, Chairman, and Michael Simmons, Managing Director & CEO. We will also then arrange for shareholders to participate in the EGM by webcast, details of which will be notified to shareholders.

Voting

Shareholders are encouraged to vote on each of the resolutions, either by attending and voting at the meeting, casting a direct vote prior to the meeting or, alternatively, appointing a proxy to attend and vote on your behalf. If you direct your proxy how to vote, your votes will be cast at the meeting in accordance with your directions.

Shareholders can cast their direct vote or appoint a proxy online at:

<https://www.votingonline.com.au/uwlegm2021>

or by following the instructions on the Voting Form. These must be submitted by no later than 10:30am (AEST) on Tuesday, 1 June 2021 to be valid.

Please see the "Important Information" below for more information.

Questions From Shareholders

Shareholders are encouraged to submit any questions they may wish to ask in advance of the meeting.

Questions may be submitted by emailing:

EGM2021@unitigroupplimited.com no later than 5pm (AEST) on Monday 31 May 2021.

We will endeavour to address as many relevant questions as possible during the course of the meeting. However, there may not be sufficient time available at the meeting to address all of the questions raised. Please note that individual responses will not be sent to shareholders.

Please refer to the Explanatory Statement for additional information in relation to submission of questions.

Explanatory Statement

The Explanatory Statement attached to this Notice provides additional information on matters to be considered at the Meeting. The Explanatory Statement and the Proxy Form form part of this Notice.

The Directors have determined pursuant to regulation 7.11.37 of the Corporations Regulations 2001 (Cth) that the persons eligible to vote at the Meeting are those who are registered as Shareholders at 7.00pm (AEST) on Tuesday, 1 June 2021.

Shareholders should read the Notice and the Explanatory Statement carefully before deciding how to vote on the Resolutions.

Certain terms used in this Notice and the Explanatory Statement are defined in the Glossary which forms part of the Explanatory Statement.

AGENDA

1 Resolution 1 - Ratification of the issue of Placement Shares

To consider and, if thought fit, pass (with or without amendment) the following resolution as an **ordinary** resolution:

"That, Shareholders ratify the issue of 33,333,333 ordinary shares at an issue price of \$1.50 (and otherwise on the terms and conditions set out in the Explanatory Statement accompanying this Notice) on 21 December 2020 for the purposes of Listing Rule 7.4".

2 Resolution 2 – Approval of the issue of Options to Directors

Resolution 2a – Approval of the issue of Options to Graeme Barclay

To consider and, if thought fit, pass (with or without amendment) the following resolution as an **ordinary** resolution:

"That, for the purpose of Listing Rule 10.14, and for all other purposes, approval is given for the issue of 5,380,922 Options under the terms of the Company's Employee Share Option Plan to Graeme Barclay as set out in the table contained in, and otherwise on the terms and conditions and for the reasons set out in, the Explanatory Statement accompanying this Notice."

Resolution 2b – Approval of the issue of Options to Kathryn Gramp

To consider and, if thought fit, pass (with or without amendment) the following resolution as an **ordinary** resolution:

"That, for the purpose of Listing Rule 10.14, and for all other purposes, approval is given for the issue of 2,017,844 Options under the terms of the Company's Employee Share Option Plan to Kathryn Gramp as set out in the table contained in, and otherwise on the terms and conditions and for the reasons set out in, the Explanatory Statement accompanying this Notice."

Resolution 2c – Approval of the issue of Options to John Lindsay

To consider and, if thought fit, pass (with or without amendment) the following resolution as an **ordinary** resolution:

"That, for the purpose of Listing Rule 10.14, and for all other purposes, approval is given for the issue of 2,017,844 Options under the terms of the Company's Employee Share Option Plan to John Lindsay as set out in the table contained in, and otherwise on the terms and conditions and for the reasons set out in, the Explanatory Statement accompanying this Notice."

Resolution 2d – Approval of the issue of Options to Vaughan Bowen

To consider and, if thought fit, pass (with or without amendment) the following resolution as an **ordinary** resolution:

"That, for the purpose of Listing Rule 10.14, and for all other purposes, approval is given for the issue of 5,380,922 Options under the terms of the Company's Employee Share Option Plan to Vaughan Bowen as set out in the table contained in, and otherwise on the terms and conditions and for the reasons set out in, the Explanatory Statement accompanying this Notice."

Resolution 2e – Approval of the issue of Options to Michael Simmons

To consider and, if thought fit, pass (with or without amendment) the following resolution as an **ordinary** resolution:

"That, for the purpose of Listing Rule 10.14, and for all other purposes, approval is given for the issue of 5,380,922 Options under the terms of the Company's Employee Share Option Plan to Michael Simmons as set out in the table contained in, and otherwise on the terms and conditions and for the reasons set out in, the Explanatory Statement accompanying this Notice."

BY ORDER OF THE BOARD

Dated: 3 May 2021



Ashe-lee Jegathesan
Company Secretary

VOTING EXCLUSION STATEMENTS

1 Resolution 1 - Ratification of Placement Shares

The Company will disregard any votes cast in favour of Resolution 1 by or on behalf of a person who participated in the relevant issue, and any associates of those persons.

However, the Company will not disregard a vote if it is cast by:

- > the person as proxy or attorney for a person who is entitled to vote, in accordance with directions on the Proxy Form; or
- > the Chairman 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; or
- > a holder acting solely in a nominee, trustee, custodial or other fiduciary capacity on behalf of a beneficiary provided:
 - 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.

2 Resolution 2 – Approval of the issue of Options to Directors

The Company will disregard any votes cast in favour of Resolutions 2a, 2b, 2c, 2d and 2e by or on behalf of a person who is eligible participate in the Employee Share Option Plan and who is a person referred to in Listing Rule 10.14.1, 10.14.2 or 10.14.3 and any associates of those persons or by a person appointed as a proxy, where that person is either a member of the Key Management Personnel or a Closely Related Party of such member.

However, the Company will not disregard a vote if it is cast by:

- > the person as proxy or attorney for a person who is entitled to vote, in accordance with directions on the Proxy Form; or
- > the Chairman 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; or

- > a holder acting solely in a nominee, trustee, custodial or other fiduciary capacity on behalf of a beneficiary provided:
 - 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.

3 Key Management Personnel as proxies

In accordance with section 250BD of the Corporations Act, a vote on the following resolutions must not be cast by a person appointed as a proxy, where that person is either a member of the Key Management Personnel or a Closely Related Party of such a Key Management Personnel, unless that proxy specifies the way the proxy is to vote on the resolution:

- > Resolution 2 – Approval of the issue of Options to Directors

“Key Management Personnel” are the Directors and those other persons who have authority and responsibility for planning, directing and controlling the activities of the Company, either directly or indirectly, as listed in the Remuneration Report for the year ended 30 June 2020.

A “Closely Related Party” of such a Key Management Personnel has the meaning set out in the Glossary.

IMPORTANT INFORMATION

Direct voting – prior to the Meeting

- 1 You may vote directly on resolutions considered at the meeting without attending the meeting or appointing a proxy. You may cast a direct vote prior to the meeting either online at <https://www.votingonline.com.au/uwlegm2021> or by completing and submitting a Voting Form.
- 2 If you use the Voting Form to cast your direct vote, you must mark Box A in Section 1 on the Voting Form. You must complete the voting directions on Section 3 by marking "For" or "Against" for your vote to be counted.

Voting by proxy

- 3 A Shareholder entitled to attend and vote at the meeting may appoint a proxy to attend and vote on their behalf. If the Shareholder is entitled to cast two or more votes at the meeting, the Shareholder may appoint up to two proxies to attend and vote on their behalf.
- 4 If a Shareholder appoints two proxies, each proxy must be appointed to represent a specified proportion or number of the Shareholder's votes. Absent this specification, each proxy will need to exercise half the votes on a poll. Fractions will be disregarded.
- 5 The Company encourages shareholders to elect either Graeme Barclay, Chairman, or Michael Simmons, Managing Director & CEO, as both will be attending the meeting in person to satisfy quorum requirements.
- 6 To appoint a proxy, a Proxy Form must be signed by the Shareholder or the Shareholder's attorney duly authorised in writing. If the Shareholder is a corporation, the Proxy Form must be signed in accordance with section 127 of the Corporations Act and the relevant representative should bring to the Meeting adequate evidence of their appointment, unless this has previously been provided to the Share Registry.

- 7 To be effective, a Proxy Form (and, if it is signed by an attorney, the authority under which it is signed or a certified copy of the authority) must be received by the Company not later than 10.30 a.m. (AEST) on Tuesday 1 June 2021. **Proxy appointments received later than this time will be invalid.**
- 8 Proxy forms and authorities may be sent to Boardroom Pty Limited (UWL Share Register) by:

By Fax: 02 9290 9655

By Post: to GPO Box 3993, Sydney NSW 2001; or

By hand delivery: to Level 12, 255 George Street, Sydney NSW 2000.
- 9 You can also lodge your proxy online at <https://www.votingonline.com.au/uwlegm2021>.
- 10 The Proxy Form must specify the Shareholder's name and address, the name of the Company, the name of the proxy, and the meetings at which the proxy is appointed. If no name is specified as proxy, the Chairman of the meeting will be deemed to be the Shareholder's proxy.
- 11 If a proxy is appointed, Shareholders are encouraged to direct their proxy on how to vote by marking either "For", "Against" or "Abstain" on the Proxy Form for that item of business.
- 12 Where permitted, the Chairman will vote undirected proxies in favour of all Resolutions.
- 13 Members will be only able to vote by proxy or by direct voting prior to the Meeting.

EXPLANATORY STATEMENT

This Explanatory Statement is intended to provide Shareholders with the information that the Directors believe to be material in assessing the merits of each Resolution contained in the accompanying Notice and deciding whether or not to vote in favour of each Resolution.

This Explanatory Statement forms part of the Notice which should be read in its entirety. This Explanatory Statement contains the terms and conditions on which Resolutions will be voted.

A Proxy Form accompanies the Notice.

A shareholder who is entitled to cast a vote at the Meeting may submit a written question to the Company if the question is relevant to:

- (a) the resolutions the subject of the EGM; or
- (b) the business of the company,

by giving the question to the Company prior to the meeting up to 5.00 pm on Monday 31 May 2021 via email to EGM2021@unitigrouplimited.com.

If you have questions regarding attendance at the EGM, please contact the Company's share registry, Boardroom Limited by telephone, from within Australia 1300 737 760 or from outside Australia +61 2 9290 9600.

This Explanatory Statement is not investment advice. You should seek your own financial and professional advice before making any decision on how to vote.

1 Resolution 1 - Ratification of issue of 33,333,333 Placement Shares

Background

On 16 December 2020, the Company announced a placement (Placement) of 33,333,333 Shares at a price of \$1.50 per Share (Placement Shares). The Placement was offered by the Company and issued to certain institutional and sophisticated investors. None of the subscribers for Placement Shares were Related Parties. A Share Purchase Plan for all other shareholders was also announced at the same time, resulting in the issue of a further 13,335,093 Shares also at a price of \$1.50 per Share.

Listing Rule 7.1

Listing Rule 7.1 provides that a company must not, subject to specified exceptions, issue or agree to issue equity securities that total more than 15% of its fully paid ordinary issued shares during any 12 month period without approval of its Shareholders (Placement Capacity).

Listing Rule 7.4

Listing Rule 7.4 sets out an exception to Listing Rule 7.1. It provides that an issue of equity securities by a company made under Listing Rule 7.1 is treated as having been made with approval for the purposes of Listing Rule 7.1, if it is subsequently approved by the company's shareholders.

The Company is seeking Shareholder approval for the ratification of the issue of the Placement Shares under Listing Rule 7.4 so as to maintain flexibility to issue equity securities up to the Placement Capacity and take advantage of any capital raising opportunities or opportunities to use shares as consideration for acquisitions which may arise during the next 12 months.

Without Shareholder approval of the Placement Shares pursuant to Listing Rule 7.4, these Shares will be counted towards the Company's Placement Capacity and will reduce the Company's capacity to issue securities in the future without obtaining Shareholder approval, which may delay the Company's execution of acquisitions or cause the Company to lose the opportunity to participate in certain acquisitions.

EXPLANATORY STATEMENT *continued*

Pursuant to Listing Rule 7.5, the following information is provided in relation to Resolution 1:

Number of Shares issued	33,333,333
Date of Issue of Shares	21 December 2020
Issue Price (Deemed Issue price for shares issued as consideration or part consideration for an acquisition)	\$1.50
Terms of securities issued	Fully paid ordinary shares in the capital of the Company issued on the same terms and rank equally with the existing Shares on issue from the date of issue
Shares issued to	New and existing institutional investors (allocated by the lead manager, Merrill Lynch Equities (Australia) Limited, in consultation with the Company) who subscribed under the Placement, none of which were Related Parties. As set out in the Company's announcement to the ASX on 17 December 2020, shares were allocated having regard to a number of factors including, but not limited to, shareholders who assisted the Company to accumulate a relevant interest in OptiComm at an important stage of that acquisition, and existing investors' long term support for the Company.
Purpose of Issue	The funds raised (after costs) under the Placement were used to fund the Company's acquisition of Telstra's Velocity® network assets
Voting exclusion statement	A voting exclusion statement is included in the Notice for Resolution 1

Recommendation

We are seeking approval in order to maintain future flexibility through the ratification of the prior issue of the Placement Shares as failure to ratify may compromise the Company's ability to execute on future opportunities by restricting its ability to make further issues of equity securities within the next 12-month period. Any delay associated with obtaining Shareholder approval at the time of a future acquisition means that the Company may not be able to act quickly and opportunistically.

Notwithstanding the future flexibility sought by this prior Placement resolution, the Board notes that there are no acquisition opportunities currently under consideration that would necessitate a capital raising to be undertaken.

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

2 Resolutions 2a, 2b, 2c, 2d and 2e – Approval of the Issue of Options to each of Graeme Barclay, Kathryn Gramp, John Lindsay, Vaughan Bowen and Michael Simmons (each, a Director)

2.1 Share Price Performance

At the time of its ASX listing in February 2019, the Company's market capitalisation and enterprise value was approximately \$33 million and \$26 million respectively, based on the initial public offering share price of \$0.25. As at 23 April 2021 (the day that this document was sent to be print set) the 10-day VWAP of the Company's shares was \$2.58 per share and a market capitalisation of \$1.741 billion and enterprise value of \$1.966 billion. This share price appreciation since listing equates to +932%.

EXPLANATORY STATEMENT *continued*

The share price history for the Company since February 2019 is set out in the following graph.



Since listing, the company has undertaken a number of capital raisings that have provided investors the opportunity to participate in the growing scale and value of the Company. For investors that participated in these opportunities and have retained their shares, the subsequent increase in the value of the Company's shares since that raising is as set out in the following table:

Date	Type of issue	# of shares issued (M)	Issue price	Share price appreciation*
Feb-19	IPO	52.7	\$0.25	932%
Jun-19	Placement	15.0	\$1.00	158%
Sep-19	Placement & ANREO	83.4	\$1.20	115%
Dec-19	Placement & ANREO	64.8	\$1.62	59%
Jun-20	Entitlement Offer	192.9	\$1.40	84%
Dec-20	Placement & SPP	46.7	\$1.50	72%

*share price appreciation calculated using the 10-day VWAP on 23 April 2021 of \$2.58 per share

2.2 Relevant Terms of the Uniti Group Employee Share Option Plan (Option Plan)

All Company directors are entitled to participate in the Option Plan and each director currently holds options previously approved and issued pursuant to the Option Plan, as set out in section 2.6.

The Option Plan provides that option holders' current options held may be adjusted to compensate for the reduction in the effective interest in the Company that each issued Option carries in the event that new equity is issued or a capital reconstruction is undertaken.

Clause 8.1 of the Option Plan provides "if the Company makes any new issue of securities or alterations to

its capital by way of a rights issue, bonus issue or other distribution of capital, reduction of capital or reconstruction of capital, the Board may make adjustments to the rights attaching to those Options (including, without limitation, to the number of Shares which may be acquired on exercise of the Options and the Exercise Price of an Option) on any basis it deems fit."

The Board has previously, and again on this occasion, considered how to give effect to this, and has determined that it is not appropriate, as it is not aligned sufficiently with shareholders' interests, to either reduce the exercise price of existing options or increase the number of options that may be exercised at the current exercise price of existing options.

EXPLANATORY STATEMENT *continued*

Had the Board determined to proceed to adjust the terms of existing options in this way, shareholders would not have been provided with the opportunity to vote for or against these changes.

Instead, the Board has decided to provide shareholders with the opportunity to consider and vote on the proposed terms applying to the adjustment to the number of options held by directors, as it has done at both the 2019 and 2020 Annual General Meetings (AGMs), adopting the same approach as applied at these AGMs other than imposing an additional share price performance condition, as detailed below.

The terms attaching to the Options for which approval is being sought at this EGM include an extension of the vesting periods on the options to be issued under this proposal compared to currently held options and the introduction of a minimum share price performance condition (\$3.00), to align and motivate option holders to grow the value of the Company for all shareholders. More details are set out below.

2.3 Further Context – Approach taken in Prior Years

Directors were granted Options under the Option Plan prior to the listing of the Company in February 2019 and/or at AGMs held in October 2019 and November 2020, each grant being made with the approval of shareholders. These Options were issued to Directors to ensure alignment with the interests of all shareholders, that being to achieve steady and sustainable growth in the value of the Company and, in turn, its share price. Furthermore, the Options issued to Directors prior to its ASX listing were also in recognition of the then fledgling position of the Company, which, at the time of ASX listing, was unprofitable and generating negative cashflow.

At both the 2019 and 2020 AGMs, shareholders approved a pro rata increase in the number of Options granted to Directors based upon the increase in the number of new shares issued by the Company in the intervening period/s, with the exercise price for additional options determined respectively by the 10-day VWAP following the release of the FY19 and FY20 financial year results. The dates for vesting and expiry of the 2019 and 2020 option grants were extended to ensure that these options would be an effective retention tool as well as to motivate and

incentivise option holders to deliver growth in value for shareholders above then existing market value over a longer period into the future.

This proposal applies exactly the same methodology and rationale as was used for the 2019 and 2020 AGMs which approved the issue of additional options, however the Board has increased the strike price to reflect current market value, further extended the vesting periods and varied the vesting conditions, including a minimum share price performance condition, for the reasons set out in this EM.

The appropriate exercise (or “strike”) price for the Options to be issued under this proposal is \$2.17 per share, being the 10-day VWAP following the release of the latest results (the half year results to 31 December 2020, released on 23 February 2021), consistent with the approach taken and approved by shareholders at the 2019 and 2020 AGMs. This strike price is significantly higher than the issue price of entitlement offers and other equity issued to investors in the period between June 2020 and January 2021, (which was issued at \$1.40 and \$1.50 as set out in the table in section 2.1 above) which resulted in the increased issued capital of the Company and is the trigger for the adjustment calculation. This is also consistent with past option adjustments approved by shareholders whereby the strike price of new options is higher than the price attached to shares issued as part of capital raisings requiring the option adjustment.

However, the Company’s share price has been consistently above \$2.17 since early March 2021 with a 10-day VWAP at 23 April 2021 of \$2.58. Due to this recent further share price appreciation the Board proposes that the strike price be set at a higher amount than the 10-day VWAP post the most recent results announcement and be determined by the higher of:

- a) the 10-day VWAP prior to the EGM; and
- b) \$2.17.

The Board reiterates that the minimum \$2.17 strike price is significantly higher than the price at which shares were issued in June 2020 (\$1.40 per share) and in December 2020/January 2021 (\$1.50 per share) to part fund the Opticomm and Velocity® Network asset

EXPLANATORY STATEMENT *continued*

acquisitions. The balance of the funding was raised through corporate debt facilities, so as to limit the number of new shares issued (in order to minimise dilution to shareholders), whilst maintaining a prudent level of debt leverage.

Shareholders will recall that the proposed acquisition of OptiComm Limited remained uncertain at the date of the Notice of Meeting for the 2020 AGM due the presence of a rival bidder for OptiComm. In light of the uncertainty at that time, the Board determined not to include the shares issued under the capital raise to fund the acquisition of OptiComm Limited (undertaken in June 2020) or the proposed issue of shares to OptiComm's shareholders under the (then proposed) Scheme of Arrangement in its calculations of the number of pro rata options to be issued to Directors. The Board indicated at that time that it would consider the impact of the shares issued to fund the OptiComm acquisition on Options held by Directors once the outcome of the OptiComm transaction and its accompanying benefits for Company shareholders was clear.

Since that time, the acquisition of OptiComm by way of a Scheme of Arrangement has been successfully completed and the Company has also subsequently acquired the highly strategic Telstra Velocity® assets, encompassing Telstra's agreement to become a retail service provider ("RSP") on the OptiComm network. Both acquisitions were funded through a mixture of debt and equity raised through a combination of share placement, entitlement and share purchase plan offers. The Company also completed the acquisition of Harbour ISP in November 2020, involving a small number of shares issued to its vendors at \$1.41 per share as part consideration.

2.4 Rationale for Current Proposal

ASX Listing Rule 10.14 requires the issue of options to Directors to be approved by Shareholders.

Existing options held by Directors have been significantly diluted by the issue of ~350 million new shares in the Company, that were issued to enable the acquisitions of OptiComm, the Velocity® Network assets and Harbour ISP to be completed. These new shares were issued at prices between \$1.40 and \$1.50 per share.

Given the significant uplift in the value of the Company that has been delivered by your Board and management since June 2020, through both the successful execution of our acquisition strategy and delivery of organic growth, as evidenced in our recent half year results presentation dated 24 February 2021, the Board considers it is appropriate and reasonable to make the proposed adjustment to compensate and reward participants in the Option Plan as at the date of this EM, including those held by Directors, as envisaged under the terms of the Option Plan.

The Board proposes to do this through a pro rata increase in the number of existing unexercised options held by Directors based upon the proportional increase in the number of Company shares issued after 15 June 2020 (immediately prior to the announcement of the entitlement offer to part fund the acquisition of OptiComm Limited) and before 31 January 2021 (immediately following the completion of the SPP offer to part fund the Velocity® Network assets acquisition). In aggregate, a proportional number of options to directors amounts to the issue of 20.18 million options.

Of critical relevance to shareholders is that, assuming all the proposed new options are exercised by Directors, this would result in the Company receiving ~\$44 million in cash at the \$2.17 minimum strike price per share (and higher again if the 10 day VWAP prior to the EGM is higher than \$2.17, as is the case using the 23 April 2021 10-day VWAP which would result in the Company receiving ~\$52 million in cash). For the avoidance of doubt, these are options NOT performance rights (or shares) that are proposed to be issued, for which each recipient will need to pay the Company, in cash, at the stated exercise price to receive new shares in the Company.

As well as providing an offset to the dilutionary impact from shares issued, the terms applying to the proposed Options to be granted to Directors are intended to incentivise them to work towards, and to reward them for, achieving increases in the Company's value for the benefit of all shareholders. To this end, the Board has extended vesting dates and applied vesting conditions, as set out in the table in section 2.5.

EXPLANATORY STATEMENT *continued*

2.5 Proposed Terms of Options to be issued to Directors

The following table outlines the proposed additional allocation to Directors (including the Executive Directors) and the vesting conditions that apply:

Director	Options	Vesting dates	Expire	Vesting Condition/s
Graeme Barclay Non-Executive Chairman	5,380,922 (to vest in 3 equal tranches)	30 June 2022 30 June 2023 30 June 2024	30 June 2025 30 June 2026 30 June 2027	a) Time based; and b) 10-day VWAP prior to each vesting date above \$3.00
Kathy Gramp Non-Executive Director	2,017,844 (to vest in 3 equal tranches)	30 June 2022 30 June 2023 30 June 2024	30 June 2025 30 June 2026 30 June 2027	a) Time based; and b) 10-day VWAP prior to each vesting date above \$3.00
John Lindsay Non-Executive Director	2,017,844 (to vest in 3 equal tranches)	30 June 2022 30 June 2023 30 June 2024	30 June 2025 30 June 2026 30 June 2027	a) Time based; and b) 10-day VWAP prior to each vesting date above \$3.00
Vaughan Bowen Executive Director	5,380,922 (to vest in 3 equal tranches)	30 June 2022 30 June 2023 30 June 2024	30 June 2025 30 June 2026 30 June 2027	a) Service based (continuing employment) b) 10-day VWAP prior to each vesting date above \$3.00
Michael Simmons Managing Director	5,380,922 (to vest in 3 equal tranches)	30 June 2022 30 June 2023 30 June 2024	30 June 2025 30 June 2026 30 June 2027	a) Service based (continuing employment) b) 10-day VWAP prior to each vesting date above \$3.00

Subject to the vesting conditions noted above being satisfied, the Options will vest and can be exercised within the expiry period.

Following feedback from investors and proxy advisors, Options to be issued to non-executive directors for this grant are proposed not to require the director to remain employed by the Company as a non-executive director (or in any other capacity) in order to ensure each non-executive director is not (and not perceived to be) conflicted in being able to act independently and in the best interests of the Company.

EXPLANATORY STATEMENT *continued*

A summary of the key terms of the Option Plan are set out below:

Participants	Current or former (within 12 months prior to the grant being made) employees, directors (both executive and non-executive) and company secretaries of the Company or its subsidiaries (other than persons who have been given notice of dismissal for misconduct or have resigned to avoid such dismissal), as well as contractors or consultants who provide services to the Company or its subsidiaries.
Fully or partially paid	Options to acquire fully paid ordinary shares.
Issue price	The 10-day volume weighted average price of the Company Shares at the time of issue, [unless approved otherwise by shareholders].
Voting rights and rights to dividends or distribution	Options granted carry no dividend or voting rights, nor do they carry any rights to participate in any issue of shares of the Company or any other entity. Shares issued on the exercise of Options will rank equally with Shares (including the new Shares) in relation to voting rights, entitlements to participate in distributions and dividends, and future rights issue, where the record date for determining entitlements falls on or after the date of allotment.
Minimum holding period	The Options and Shares acquired from exercising them must be held for a minimum of 3 years from the date the Options are issued unless otherwise determined by the Board.
Vesting conditions	Performance or time based conditions over the vesting period as determined by the Board.
Other Permitted Vesting	The Board may determine that the Options become vested Options if a change of control of the Company occurs, or a takeover or scheme of arrangement, or a merger or consolidation of the Company into another company is recommended, a scheme of arrangement is undertaken, or any other event as determined by the Board in its discretion.
Exercise price	The exercise price must not be less than the market value of the Share in the Company at the date of grant of the Option, unless approved otherwise by shareholders.
Expiry dates	An Option will lapse upon the earliest to occur of: <ul style="list-style-type: none"> the moment immediately after the latest time at which that Option may become vested (if not an Unvested Option) or the latest time at which that Option may be exercised (if a Vested Option); failure to meet vesting conditions; the participant electing to forfeit their rights, title and interest in the Option; where, in the opinion of the Board, a participant deals with an Option in contravention of any dealing restriction under the Option Plan.
Alterations to capital and reconstructions	If the Company makes any new issue of securities or alterations to its capital by way of a rights issue, bonus issue or other distribution of capital, reduction of capital or reconstruction of capital, the Board may make adjustments to the rights attaching to those Options (including, without limitation, to the number of Shares which may be acquired on exercise of the Options and the Exercise Price of an Option) on any basis it deems fit.

There is no cash cost to the Company associated with the issue of the proposed Option. The value of each option to the option holder is estimated at \$0.46 per option by the Black-Scholes option valuation formula.

If Resolutions 2a, 2b, 2c, 2d, and 2e are passed, the Company will be able to proceed with the issue of Options to the Directors as set out in the resolutions, further aligning the Directors' interests with that of the Company and motivating the achievement of long-term performance for the benefit of all shareholders. If the resolutions are not passed, the Company will not proceed with the issue of these Options to Directors and the Board will reassess alternatives available to it under the Option Plan to ensure option holders have not been unduly disadvantaged by the rights and other share issues undertaken by the Company between June 2020 and January 2021.

EXPLANATORY STATEMENT *continued*

2.6 ASX Listing Rule 10.15 Information

Pursuant to ASX Listing Rule 10.15, the following information is provided in relation to Resolutions 2a, 2b, 2c, 2d and 2e:

- a) approval is required by Listing Rule 10.14.1 for the issue of the options to Directors under each of Resolution 2a, 2b, 2c, 2d and 2e;
- b) a maximum of 20.18 million options are to be granted to Directors;
- c) the options are being issued for nil cash consideration but with an exercise price set at the higher of i) the 10-day VWAP immediately prior to the EGM and ii) \$2.17 per share (set with reference to the 10-day VWAP for the period immediately after the HY Financial Results to 31 December 2020 were released on 23 February 2021);
- d) all Directors are entitled to participate in the Option Plan;
- e) all Options currently held by Directors have been previously approved by Shareholders;
- f) the Options are being issued on the terms set out above and otherwise under the Option Plan previously approved by shareholders and as disclosed to the ASX on 12 February 2019;
- g) the Options will be issued within 1 month of the date of the Meeting;
- h) there is no loan scheme in relation to the Employee Share Option Plan;
- i) a voting exclusion statement is included in the Notice for each part of Resolution 2; and
- j) Details of Directors' total remuneration for FY21 (see below).

Details of each Directors' total remuneration for FY21 under the terms of their employment agreements are as follows:

Name	Fixed remuneration (incl. of superannuation and salary sacrificed items)	Maximum Variable Remuneration Opportunity (Share Rights)
Graeme Barclay	\$132,000	\$300,000
Kathryn Gramp	\$87,500	Nil
John Lindsay	\$87,500	Nil
Michael Simmons	\$450,000	\$800,000
Vaughan Bowen	\$200,000	\$700,000

* Share Rights remain subject to shareholder approval being granted at the Annual General Meeting.

The number of options currently held by directors (either directly or indirectly) and previously approved by shareholders under the Option Plan are as follows:

Director	Total number of Options Held	Number of Options not yet vested as at 1 July 2021*
Graeme Barclay – Non-Executive Chairman	4,990,534	665,471
Kathy Gramp – Non-Executive Director	1,871,452	249,552
John Lindsay – Non-Executive Director	1,871,452	249,552
Vaughan Bowen – Executive Director	4,990,537	665,471
Michael Simmons – Managing Director	4,990,534	665,471

*All unvested options as at 1 July 2021 will vest on 30 June 2022, subject to relevant conditions

EXPLANATORY STATEMENT *continued*

Details of any options issued under the Option Plan to Directors pursuant to the proposed resolutions herein will be published in the Company's 2021 Annual Report, noting that the issue was approved under ASX Listing Rule 10.14. Further, any additional people who are covered by Listing 10.14 who become entitled to participate in an issue of Options under the Option Plan and are not set out in this Resolution 2 will not participate in the Option Plan until approval is obtained for their participation under Listing Rule 10.14.

If Resolutions 2a, 2b, 2c, 2d, and 2e are passed for the purposes of Listing Rule 10.14, then additional approval of shareholders is not required for the purposes of Listing Rule 7.1.

Under Chapter 2E of the Corporations Act, a public company, or an entity that the public company controls, must not give a financial benefit to a related party of the public company, unless the Shareholders of the company have in general meeting approved the giving of that financial benefit to the related party or an exception applies. The grant of the Options constitutes giving a financial benefit to Directors (or their nominee) and all Directors are a Related Party by

virtue of their position as a Director.

The Directors are of the view that the exception under section 211(1) of the Corporations Act (Remuneration and reimbursement for officer or employee) applies to the proposed grant of Options which are considered reasonable remuneration in the circumstances. Accordingly, the Directors have determined that shareholder approval pursuant to Chapter 2E of the Corporations Act is not required in respect of the grant of the Options to Directors.

Recommendation

The Directors recommend that the Shareholders vote in favour of Resolutions 2a, 2b, 2c, 2d, and 2e, except that each Director makes no recommendation in relation to the relevant Resolution relating to that Director, as that Director has an interest in the outcome of that Resolution.

The Chairman of the Meeting intends to vote all undirected proxies in favour of each Resolution.

GLOSSARY

ASIC means the Australian Securities and Investment Commission.

ASX means the Australian Securities Exchange or ASX Limited as the context requires.

Board means the board of Directors of Uniti Group Limited.

Chairman means the chair of the Board or the person chairing the meeting (as the context requires).

Closely Related Party of a member of the Key Management Personnel means:

- (a) a spouse or child of the member;
- (b) a child of the member's spouse;
- (c) a dependent of the member or the member's spouse;
- (d) anyone else who is one of the member's family and may be expected to influence the member, or be influenced by the member, in the member's dealing with the entity;
- (e) a company the member controls; or
- (f) a person prescribed by the Corporations Regulations 2001 (Cth) for the purposes of the definition of 'closely related party' in the Corporations Act.

Company means Uniti Group Limited ACN 158 957 889.

Constitution means the constitution of the Company.

Corporations Act means Corporations Act 2001 (Cth).

Directors means the directors of the Company.

Employee Share Option Plan means the Company's employee share option plan as released to the ASX on 12 February 2019.

Explanatory Statement means this explanatory statement.

Key Management Personnel has the same meaning as in the accounting standards issued by the Australian Accounting Standards Board and means those persons having authority and responsibility for planning, directing and controlling the activities of the Company, or if the Company is part of a consolidated entity, of the consolidated entity, directly or indirectly, including any director (whether executive or otherwise) of the Company, or if the Company is part of a consolidated entity, of an entity within the consolidated group.

Listing Rules means the ASX Listing Rules.

Meeting means the annual general meeting of members called under the Notice.

Notice means the notice of meeting to which this Explanatory Statement is attached.

Placement means the placement of 33,333,333 Shares at a price of \$1.50 per Share, as announced by the Company on 16 December 2020.

Placement Capacity the ability for the Company to issue or agree to issue equity securities that total more than 15% of its fully paid ordinary shares during any 12-month period without approval of its Shareholders under Listing Rule 7.1.

Placement Shares means the Shares issued under the Placement.

Proxy Form means the proxy form attached to or accompanying the Notice.

Option means an option to acquire one fully paid share in the Company pursuant to the Employee Share Option Plan at a price nominated to the recipient of the Option at the time of the grant of the Option.

Related Party has the meaning given in the Listing Rules or the Corporations Act, as the context requires.

Resolution means a resolution set out in the Notice.

Share means a fully paid ordinary share in the Company.

Shareholder means a holder of a Share.

Share Registry means Boardroom Pty Limited.

Trading Day has the meaning given in the Listing Rules.

Uniti refers to Uniti Group Limited ACN 158 957 889.

Uniti Group refers to Uniti Group Limited and all of its wholly owned subsidiaries.

VWAP means the volume weighted average share price for the relevant number of Trading Days as defined in the Listing Rules.



unitigrouplimited.com

All correspondence to:

✉ **By Mail** Boardroom Pty Limited
GPO Box 3993
Sydney NSW 2001 Australia

📠 **By Fax** +61 2 9290 9655

💻 **Online** www.boardroomlimited.com.au

☎ **By Phone** (within Australia) 1300 737 760
(outside Australia) +61 2 9290 9600

YOUR VOTE IS IMPORTANT

For your vote to be effective it must be recorded **before 10:30 am (AEST) on Tuesday 1 June 2021.**

📱 TO VOTE ONLINE

STEP 1: VISIT <https://www.votingonline.com.au/uwlegm2021>

STEP 2: Enter your Postcode (if within Australia) OR Country of Residence (if outside Australia)

STEP 3: Enter your Voting Access Code (VAC):

📱 BY SMARTPHONE



PLEASE NOTE: For security reasons it is important you keep the above information confidential.

Scan QR Code using smartphone
QR Reader App

TO VOTE BY COMPLETING THE VOTING FORM

The voting form can be used to either vote directly (Section 1) OR appoint a proxy to vote on your behalf (Section 2).

SECTION 1: DIRECT VOTING

If you wish to vote directly, you should clearly mark the box in Section 1 and the boxes in Section 3 to indicate your voting instruction for each resolution. Please only mark either "for" or "against" for each resolution. Do not mark the "abstain" box if you are voting directly. If no direction is given on a resolution, or if you complete both the boxes in Section 1 and 2, your vote may be passed to the Chairman of the Meeting as your proxy. Securityholders, custodians and nominees may identify on the Voting Form the total number of votes in each of the categories "for" and "against" and their votes will be valid. The Chairman's decision as to whether a direct vote is valid is final and conclusive.

SECTION 2: APPOINTMENT OF PROXY

Indicate who you want to appoint as your Proxy.

If you wish to appoint the Chairman of the Meeting as your proxy, mark the box in Section 2. If you wish to appoint someone other than the Chairman of the Meeting as your proxy please write the full name of that individual or body corporate. If you leave this section blank, or your named proxy does not attend the meeting or does not vote on a poll in accordance with your instructions, the Chairman of the Meeting will be your proxy by default. A proxy need not be a Securityholder of the company. Do not write the name of the issuer company or the registered Securityholder in the space.

Appointment of a Second Proxy

You are entitled to appoint up to two 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 contacting the company's securities registry or you may copy this form.

To appoint a second proxy you must:

- complete two forms. On each form state the percentage of your voting rights or the number of securities 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.
- return both forms together in the same envelope.

SECTION 3: VOTING DIRECTIONS

To cast your direct vote or to direct your proxy how to vote, place a mark in one of the boxes opposite each resolution. All your securities will be voted in accordance with such a direction unless you indicate only a portion of securities are to be voted on any resolution by inserting the percentage or number that you wish to vote in the appropriate box or boxes. The sum of the votes cast must not exceed your voting entitlement or 100%. If you do not mark any of the boxes on a given resolution, your proxy may vote as he or she chooses (subject to any voting restrictions that apply to your proxy). If you mark more than one box on a resolution for all your securities your vote on that resolution will be invalid.

Proxy which is a Body Corporate

Where a body corporate is appointed as your proxy, the representative of that body corporate attending the Meeting must have provided an "Appointment of Corporate Representative" prior to admission. An Appointment of Corporate Representative form can be obtained from the company's securities registry.

SECTION 4: SIGN THE FORM

The form **must** be signed as follows:

Individual: This form is to be signed by the Securityholder.

Joint Holding: where the holding is in more than one name, all the Securityholders should sign.

Power of Attorney: to sign under a Power of Attorney, you must have already lodged it with the registry. Alternatively, attach a certified photocopy of the Power of Attorney to this form when you return it.

Companies: this form must be signed by a Director jointly with either another Director or a Company Secretary. Where the company has a Sole Director who is also the Sole Company Secretary, this form should be signed by that person. **Please indicate the office held by signing in the appropriate place.**

LODGE MENT

Voting Forms (and any Power of Attorney under which it is signed) must be received no later than 48 hours before the commencement of the Meeting, therefore by **10:30 am (AEST) on Tuesday 1 June 2021**. Any Voting Form received after that time will not be valid for the scheduled Meeting.

Voting forms may be lodged using the enclosed Reply Paid Envelope or:

💻 **Online** www.votingonline.com.au/uwlegm2021

📱 **By Smartphone** Scan the QR Code

📠 **By Fax** +61 2 9290 9655

✉ **By Mail** Boardroom Pty Limited
GPO Box 3993,
Sydney NSW 2001 Australia

👤 **In Person** Boardroom Pty Limited
Level 12, 225 George Street,
Sydney NSW 2000 Australia

Attending the Meeting

If you wish to attend the meeting please bring this form with you to assist registration.

☐ **Your Address**

This is your address as it appears on the company's share register. If this is incorrect, please mark the box with an "X" and make the correction in the space to the left. Securityholders sponsored by a broker should advise their broker of any changes.

Please note, you cannot change ownership of your securities using this form.

VOTING FORM

SECTION 1: DIRECT VOTING

☐

I/We being a Securityholder/s of **Uniti Group Limited** (Company) and entitled to attend and vote hereby elect to vote directly at the Extraordinary General Meeting of the Company to be held at **Lander & Rogers, Level 19 Angel Place, 123 Pitt Street, Sydney 2000 on Thursday, 3 June, 2021 at 10:30 am** and at any adjournment of that Meeting.

SECTION 2: APPOINTMENT OF PROXY

I/We being a Securityholder/s of **Uniti Group Limited** (Company) and entitled to attend and vote hereby appoint:

☐

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 (excluding the registered Securityholder) you are appointing as your proxy below

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 at the **Extraordinary General Meeting** of the Company to be held at **Lander & Rogers, Level 19 Angel Place, 123 Pitt Street, Sydney 2000 on Thursday, 3 June, 2021 at 10:30 am** and at any adjournment or of that Meeting, to act on my/our behalf and to vote in accordance with the following directions or if no directions have been given, as the proxy sees fit.

Chair of the Meeting authorised to exercise undirected proxies on remuneration related matters: If I/we have appointed the Chair of the Meeting as my/our proxy or the Chair of the Meeting becomes my/our proxy by default and I/we have not directed my/our proxy how to vote in respect of Resolutions 2a-2e, I/we expressly authorise the Chair of the Meeting to exercise my/our proxy in respect of these Resolutions even though Resolutions 2a-2e are connected with the remuneration of a member of the key management personnel for the Company.

The Chair of the Meeting will vote all undirected proxies in favour of all Items of business (including Resolutions 2a-2e). If you wish to appoint the Chair of the Meeting as your proxy with a direction to vote against, or to abstain from voting on an item, you must provide a direction by marking the 'Against' or 'Abstain' box opposite that resolution.

SECTION 3: VOTING DIRECTIONS

		For	Against	Abstain*
Resolution 1	Ratification of the issue of Placement Shares	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Resolution 2a	Approval of the issue of Options to Graeme Barclay	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Resolution 2b	Approval of the issue of Options to Kathryn Gramp	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Resolution 2c	Approval of the issue of Options to John Lindsay	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Resolution 2d	Approval of the issue of Options to Vaughan Bowen	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Resolution 2e	Approval of the issue of Options to Michael Simmons	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

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

SECTION 4: SIGN THE FORM

This form must be signed to enable your directions to be implemented.

Individual or Securityholder 1

Sole Director and Sole Company Secretary

Securityholder 2

Director

Securityholder 3

Director / Company Secretary

Contact Name.....

Contact Daytime Telephone.....

Date / / 2021