

# YELLOW BRICK ROAD HOLDINGS LIMITED ACN 119 436 083

# NOTICE OF ANNUAL GENERAL MEETING AND EXPLANATORY MEMORANDUM

For a meeting to be held on Tuesday 8 November 2022 commencing at 10:00am (Sydney time) at Pullman Sydney Hyde Park Hotel, Cook Room, 36 College Street, Sydney.

# THIS IS AN IMPORTANT DOCUMENT AND SHOULD BE READ IN ITS ENTIRETY

If you do not understand any part of this document, please contact a professional adviser immediately

# YELLOW BRICK ROAD HOLDINGS LIMITED ACN 119 436 083

#### NOTICE OF ANNUAL GENERAL MEETING

Notice is given that an Annual General Meeting ("AGM") of the members of Yellow Brick Road Holdings Limited ("Company") will be held at *Pullman Sydney Hyde Park Hotel, Cook Room, 36 College Street, Sydney* at 10:00am (Sydney time) on Tuesday, 8 November 2022.

#### **Agenda Items**

The business to be considered at the AGM is set out below. Information on the proposals to which the business relates is set out in the Explanatory Memorandum which accompanies this Notice. This Notice should be read in conjunction with the accompanying Explanatory Memorandum.

#### **Business**

# Financial statements and reports

To receive and consider the Financial Report, Directors' Report and Auditor's Report for the financial year ended 30 June 2022.

All shareholders can view the Annual Report which contains the Financial Report, Directors' Report and Auditor's Report for the year ended 30 June 2022 on the Company's website at https://ybr.com.au/investor-centre.

This item of business is for discussion at the AGM and is not a resolution.

#### **Proposed Resolutions**

#### 1. Re-election of John George as a Non-Executive Director

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

That John George, who retires by rotation in accordance with clause 5.2 of the Company's Constitution and, being eligible, offers himself for re-election, be re-elected as a Non-Executive Director of the Company.

#### 2. Adoption of Remuneration Report (Non-Binding Advisory Vote)

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

That the Remuneration Report for the financial year ended 30 June 2022 (as set out in the Company's Directors' Report) be adopted.

The Remuneration Report is contained in the 2022 Annual Report (to be available prior to the Meeting at <a href="https://ybr.com.au/about/investor-centre">https://ybr.com.au/about/investor-centre</a>).

Note that in accordance with section 250R(3) of the Corporations Act, the vote on this Resolution is advisory only and does not bind the Directors or the Company. However, if at least 25% of the votes cast on this resolution are against it, the conditional spill resolution in item 5 below will be put to the Meeting.



**Voting Prohibition Statement**: A vote on Resolution 2 must not be cast (in any capacity) by or on behalf of any of the following (each an **Excluded Voter**):

- (a) a member of the Company's key management personnel (including the Directors) (**KMP**), whose remuneration details are included in the Remuneration Report; or
- (b) a Closely Related Party (such as close family members and any controlled companies of those persons) of such a KMP,

unless it is cast as a proxy for a person who is not an Excluded Voter and either:

- (c) the proxy form appointing the proxy specifies the way the proxy is to vote on Resolution 2; or
- (d) the person chairing the Meeting (**Chair**) is appointed as the proxy and the proxy form does not specify the way the proxy is to vote on Resolution 2 but expressly authorises the Chair to exercise the proxy even if the resolution is connected directly or indirectly with the remuneration of a member of the KMP.

# 3. Approval of Employee Equity Incentive Scheme

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

That for the purposes of ASX Listing Rule 7.2 (exception 13(b)), and for all other purposes, the Shareholders of the Company approve the adoption of an Employee Equity Incentive Scheme, on the terms and conditions set out in the Explanatory Statement which accompanies and forms part of this Notice of Meeting.

**Voting Exclusion Statement**: The Company will disregard any votes cast in favour of Resolution 3 by or on behalf of:

- (a) a person who is eligible to participate in the Employee Equity Incentive Scheme; or
- (b) an Associate of that person or those persons.

However, this does not apply to a vote cast in favour of Resolution 3 by:

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

**Voting Prohibition Statement**: In accordance with section 250BD of the Corporations Act, a person appointed as a proxy must not vote, on the basis of that appointment, on Resolution 3 if:

- (a) the proxy is either:
  - (i) a member of the Company's Key Management Personnel; or
  - (ii) a Closely Related Party of a member of the Company's Key Management Personnel; and
- (b) the appointment does not specify the way the proxy is to vote on the Resolution.

However, the above prohibition does not apply if:

- (a) the proxy is the Chair of the Meeting; and
- (b) the 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 Company's Key Management Personnel.

# 4. Amendment to Constitution (virtual-only meetings)

To consider and, if thought fit, pass the following as a special resolution of the Company:

That the constitution of the Company be modified by inserting after rule 80.1 the new rule 80.2 set out in the Explanatory Memorandum which accompanies and forms part of this Notice of Meeting.

# 5. Spill resolution (if required)

Note - this Resolution will only be voted on if the outcome of Resolution 2 is such that at least 25% of the votes cast are against the adoption of the Remuneration Report. See item 5 of the Explanatory Memorandum for further details.

To consider and, if thought fit, pass the following as an ordinary resolution of the Company: *That:* 

- (a) a general meeting of the Company (**spill meeting**) be held within 90 days of the passing of this Resolution;
- (b) all the non-executive Directors in office when the Directors' report for the year ended 30 June 2022 was approved and who remain in office at the time of the spill meeting, cease to hold office immediately before the end of the spill meeting; and
- (c) resolutions to appoint persons to offices that will be vacated immediately before the end of the spill meeting must be put to the spill meeting.

**Voting Prohibition Statement**: A vote on Resolution 5 must not be cast (in any capacity) by or on behalf of any of the following (each an **Excluded Voter**):

- (a) a member of the Company's key management personnel (including the Directors) (**KMP**), whose remuneration details are included in the Remuneration Report; or
- (b) a Closely Related Party (such as close family members and any controlled companies of those persons) of such a KMP,

unless it is cast as a proxy for a person who is not an Excluded Voter and either:



- (c) the proxy form appointing the proxy specifies the way the proxy is to vote on Resolution 5; or
- (d) the person chairing the Meeting (**Chair**) is appointed as the proxy and the proxy form does not specify the way the proxy is to vote on Resolution 5 but expressly authorises the Chair to exercise the proxy even if the resolution is connected directly or indirectly with the remuneration of a member of the KMP.

#### IMPORTANT INFORMATION

# **Voting options for the AGM**

- Voting in person at the AGM.
- Appointing a proxy, attorney, or a corporate representative (if you are a corporate shareholder) before the AGM.

#### **Ouestions**

**During the meeting**: Only those attending who have registered as a Shareholder or proxyholder will be able to ask questions during the AGM. Shareholders are requested to restrict themselves to two questions or comments initially. Further questions will be considered if time permits.

**Before the meeting**: The Company welcomes questions in advance of the AGM. These can be submitted through online prior to the Meeting. Shareholders who elect to return a hard copy Proxy Form may enclose their questions with their Proxy Form. Questions must be received by no later than 5.00pm (Sydney time) on Thursday, 3 November 2022.

The Directors will endeavour to address the key themes raised during the AGM. Please note that individual responses will not be sent to Shareholders.

# **Further arrangements**

If it becomes necessary to make further arrangements for holding the AGM, the Company will ensure that Shareholders are given as much notice as possible. We encourage Shareholders to monitor the ASX website and the Company's website at <a href="www.ybr.com.au/about/investor-centre">www.ybr.com.au/about/investor-centre</a> for any updates.

#### **Assistance**

If you require any assistance, please contact the Company's share registry, Computershare Investor Services on:

(within Australia) 1300 850 505

(outside of Australia) +61 3 9415 4000

#### ADDITIONAL INFORMATION

This Notice is accompanied by an Explanatory Memorandum which provides an explanation of the business of the Meeting, including the proposed Resolutions.

#### **Voting Entitlement**

The Board of Directors of the Company has determined in accordance with regulation 7.11.37 of the *Corporations Regulations 2001* (Cth) that for the purpose of voting at the AGM, shares will be taken to be held by those who hold them at 7.00 pm (Sydney time) on Sunday, 6 November 2022. This means that if you are not the registered holder of a relevant share at that time, you will not be entitled to vote in respect of that share.

If more than one joint holder of shares attends the AGM (whether personally, by proxy or by attorney or by representative) and tenders a vote, only the vote of the joint holder whose name appears first on the register will be counted.

# **Voting Procedures**

As a Shareholder, you can vote on the items of business to be considered at the AGM by:

- casting a vote in person at the meeting; or
- appointing:
  - an attorney or, in the case of corporate shareholders, a corporate representative (please refer to the further information below); or
  - a proxy (online or using a hard copy proxy form returned by post or fax).

All resolutions will be decided by poll.

# **Voting by Proxy**

Each shareholder who is entitled to attend and vote at the AGM may appoint a proxy to attend and vote on behalf of that shareholder. The proxy need not be a shareholder. Please note that a proxyholder need not vote on a show of hands (but if the proxy does so, the proxy must vote as directed), can speak at the meeting (this authority is suspended while the member is present at the meeting) and can vote on a poll.

A shareholder who is entitled to cast two or more votes may appoint one or two proxies and may specify the proportion or number of votes that each proxy is appointed to exercise. If a shareholder appoints two proxies and the appointment does not specify the proportion, or number, of shareholder's votes, each proxy may exercise half the votes (disregarding fractions). Neither proxy may vote on a show of hands.

In the event that a shareholder appoints a proxy and specifies the way the proxy is to vote on a particular Resolution:

- (a) where the proxy is not the Chairman:
  - (i) the proxy need not vote on a poll but if the proxy does so then the proxy must vote the way that the shareholder specifies; and
  - (ii) if a poll is demanded and the proxy does not attend or vote, then the Chairman is taken to have been appointed as the proxy; and
- (b) where the Chairman is the proxy (including where the Chairman is taken to have been appointed the proxy as set out above) the proxy must vote on a poll and must vote the way that the shareholder specifies.

If you appoint a member of the KMP (which includes Directors and the Chairman of the Meeting) or any of their Closely Related Parties as your proxy, in general, for your vote to count,



you must direct your proxy how to vote on Resolution 2, 3 and 5 (if required).

The Chairman intends to exercise all undirected proxies in favour of Resolutions 1, 2, 3 and 4 and against Resolution 5 (if required). If the Chairman of the Meeting is appointed as your proxy and you have not specified the way the Chairman is to vote on Resolutions 1, 2, 3, 4 or 5 (if required), by signing and returning the proxy form, the shareholder is considered to have provided the Chairman with an express authorisation for the Chairman to vote the proxy in accordance with the Chairman's intention.

In addition, a vote must not be cast on either Resolution 2, 3 or 5 (if required) by a member of the KMP of the Company, or a Closely Related Party of a KMP, acting as proxy for a person entitled to vote, if their appointment does not specify the way the proxy is to vote on that Resolution.

# KMP voting restrictions for Resolutions 2, 3 and 5 (if required)

Under the Corporations Act, voting restrictions apply to the Company's KMP and their Closely Related Parties for Resolutions 2, 3 and 5 (if required). The term "Closely Related Party" in relation to a member of KMP includes a spouse, dependant and certain other close family members, as well as any companies controlled by the KMP. Please refer to the Voting Exclusion Statements and Voting Prohibition Statements under Resolutions 2, 3 and 5.

# Online proxy appointment before the AGM

You may appoint and direct your proxy online, by using your smartphone or by visiting www.investorvote.com.au.

To use this option, you will need your Securityholder Reference Number (SRN) or Holder Identification Number (HIN) and your allocated Control Number as shown on your proxy form. You will be taken to have signed the proxy form if you lodge it in accordance with the instructions on the <a href="https://www.investorvote.com.au">www.investorvote.com.au</a> website. To use your smartphone voting service, scan the QR code which appears on your proxy form and follow the instructions provided. To scan the code you need to have already downloaded a free QR code reader app to your smartphone. When scanned, the QR code will take you directly to the mobile voting site. A proxy cannot be appointed electronically if they are appointed under a power of attorney or similar authority. The online proxy facility may not be suitable for shareholders who wish to appoint two proxies with different voting directions. Please read the instructions for online proxy submissions carefully before you lodge your proxy.

Custodians and other intermediaries may appoint and direct their proxy online by visiting www.intermediaryonline.com (subscribers only).

#### **Proxy Appointment by post or fax**

A proxy can also be appointed by using the proxy form enclosed with this notice of meeting. Information on how to complete the proxy form is included on the form.

For the appointment of a proxy using a proxy form, the following documents must be lodged:

- (a) the completed proxy form; and
- (b) if the proxy form is signed by the appointer's attorney the authority under which the proxy form was signed or a certified copy of the authority.

#### Lodgement of proxy appointments

For the appointment of a proxy to be effective for the meeting, the Company must receive an online proxy appointment through the <a href="www.investorvote.com/au">www.investorvote.com/au</a> website or a duly completed proxy form (and if signed by an attorney, the attorney's authority or a certified copy), in either case by 10.00am on Sunday, 6 November 2022.

Proxy forms may be posted or faxed to the Company's share registry at:

# **Computershare Investor Services Pty Limited**

GPO Box 242

MELBOURNE VIC 3001

Australia

Facsimile: 1800 783 447 (within Australia)

+61 3 9473 2555 (outside Australia)

If posting, please allow sufficient time for your form to be received by 10.00am on 6 November 2022.

#### **Corporate representatives**

A corporate shareholder wishing to appoint a person to act as its representative at the Meeting may do so by providing that person with:

- a properly executed letter, certificate, form, or other document, such as an "Appointment of Corporate Representative" confirming that they are authorised to act as the corporate shareholder's representative. A form may be obtained from <a href="www.investorcentre.com/au">www.investorcentre.com/au</a> and select "Printable Forms"; or
- a copy of the resolution appointing the representative, certified by a director or secretary of the corporate shareholder.

Evidence of the appointment, including a copy of the signed appointment document, must be lodged with the Company before the AGM (unless it has previously been given to the Company). Evidence of the appointment can be provided to the Company's share registry, Computershare, ahead of the online AGM through the contact details provided in this Notice.

By order of the Board of Directors of Yellow Brick Road Holdings Limited

Andrew Symes

General Counsel & Company Secretary

7 October 2022

# YELLOW BRICK ROAD HOLDINGS LIMITED ACN 119 436 083

# **Annual General Meeting Explanatory Memorandum**

# **Important Information**

This Explanatory Memorandum has been prepared for the information of the shareholders of Yellow Brick Road Holdings Limited (the "Company") in connection with the business to be conducted at the Annual General Meeting of the Company to be held at 10:00am (Sydney time) on Tuesday, 8 November 2022.

The purpose of this Explanatory Memorandum is to provide information that the Directors believe to be material to shareholders in deciding whether or not to pass the Resolutions set out in the Notice.

# You should read this document carefully.

This Explanatory Memorandum and the accompanying Notice are important. You should read each document in its entirety before deciding how to vote on the Resolutions at the Meeting. If you are in doubt as to what you should do, you should consult your financial, legal or other professional adviser.

# **No Investment Advice**

This Explanatory Memorandum does not constitute financial product advice and it does not purport to contain all of the information that a prospective investor may require in evaluating a possible investment in the Company. This Explanatory Memorandum has been prepared without taking account of any person's particular investment objectives, financial situation or needs.

#### Glossary

Unless otherwise defined in this document, capitalised terms have the meaning set out in the Glossary at the end of this Explanatory Memorandum.

#### FINANCIAL STATEMENTS AND REPORTS

The first item of the Notice of Annual General Meeting deals with the presentation of the consolidated Annual Financial Report of the Company for the financial year ended 30 June 2022 together with the Directors' Declaration and Report in relation to that financial year and the Auditor's Report on those Financial Statements. Shareholders should consider these documents and raise any matters of interest with the Directors when this item is being considered.

No Resolution is required to be moved in respect of this item.

Shareholders will be given a reasonable opportunity at the Annual General Meeting to ask questions and make comments on the accounts and on the business, operations and management of the Company.

The Chairman will also provide shareholders a reasonable opportunity to ask the Company's auditor or their representative questions relevant to:

(a) the conduct of the audit;

- (b) the preparation and content of the Auditor's Report;
- (c) the accounting policies adopted by the Company in relation to the preparation of the financial statements; and
- (d) the independence of the auditor in relation to the conduct of the audit.

The Chairman will also provide shareholders a reasonable opportunity for the auditor or their representative to answer any written questions submitted to the auditor under section 250PA of the Corporations Act if the question is relevant to:

- (a) the content of the Auditor's Report to be considered at this Meeting; or
- (b) the conduct of the audit of the annual financial report to be considered at this Meeting.

To submit a question to the auditor under section 250PA of the Corporations Act, it must be given to the Company no later than Tuesday, 1 November 2022. Questions to the auditor can be sent through online after submitting an online Proxy Form at <a href="www.investorvote.com.au">www.investorvote.com.au</a>, by clicking "Ask a Question of the Auditor".

#### ORDINARY RESOLUTIONS

# Resolution 1 – Re-election of John George as a Non-Executive Director

In accordance with clause 5.2 of the Company's Constitution, John George will retire by rotation from office at the Meeting, and being eligible, offers himself for re-election as a Non-Executive Director of the Company.

Mr George has extensive experience in accounting, corporate advisory, governance, capital raising and investor relations. He is currently Director of consulting firm Standard Edge and previously held senior roles at ASIC and KPMG. He was the CEO of an international insurance recovery firm with offices in North America, New Zealand and Australia and a former Non-Executive Director of Shine Lawyers and Gladstone Airport Corporation Limited. Mr George is a member of the Dumaresq-Barwon Border Rivers Commission's Audit Risk Committee that operates water infrastructure assets for the New South Wales and Queensland state governments respectively. Mr George was Deputy President of the Governance Institute (Qld) and is currently Chairman of Queensland Public Companies Discussion Group. He holds advisory roles with leading family offices in Australia.

The Directors (with John George abstaining) unanimously recommend that Shareholders vote in favour of Resolution 1.

The Chairman intends to vote any undirected proxies held by him in favour of Resolution 1.

#### Resolution 2 - Adoption of Remuneration Report (Non-Binding Advisory Vote)

The Annual Report for the financial year ended 30 June 2022 contains a remuneration report which sets out the remuneration policies applicable to the Company and reports the remuneration arrangements that were in place for the Company's Directors and senior executives for the financial year ended 30 June 2022.

A reasonable opportunity will be provided for discussion of the remuneration report at the Meeting before shareholders are asked to vote on Resolution 2, to adopt the remuneration report.

The vote on this Resolution will be advisory only and will not bind the Directors or the Company. However, the Board will take the outcome of the vote into consideration when



reviewing the Company's remuneration practices and policies.

Noting that each Director has a personal interest in his own remuneration from the Company, the Board unanimously recommends to Shareholders that they vote in favour of Resolution 2.

The Chairman intends to vote any undirected proxies held by him in favour of Resolution 2.

# Resolution 3 – Approval of Employee Equity Incentive Scheme

The Board has adopted an employee incentive scheme entitled "Employee Equity Incentive Scheme" (Incentive Scheme).

The Incentive Scheme provides for Options or Rights to be granted to persons eligible to participate (Eligible Participants) in the discretion of the Board, to allow them to acquire Shares upon exercising the Rights or Options, as the case may be. Eligible Participants are employees and service contractors of the Group and any non-executive director of a Group company who is declared by the Board to be an Eligible Participant, however any grant to a Director under the Incentive Scheme would be subject to Shareholder approval under the Listing Rules.

To achieve its corporate objectives, the Group needs to attract and retain a range of people with skills that are critical to the ongoing success of the Group. The Board considers that grants of Options or Rights to be made to selected Eligible Participants under the Incentive Scheme will underpin the Group's employment strategies, and that the implementation of the Incentive Scheme will:

- provide incentives to the Participants to focus on superior performance that creates shareholder value;
- link the reward of staff with the achievement of strategic goals and the long-term performance of the Company;
- enable the Group to recruit and retain the talented people needed to achieve the Company's business objectives; and
- align the financial interests of the Participants with those of the Company's Shareholders.

Under the Incentive Scheme, the number of Options or Rights that may be issued to an Eligible Participant and the performance criteria and hurdles to be met prior to the issue or exercise of such Options or Rights is to be set by the Board.

The exercise of each Option or Right issued under the Incentive Scheme will entitle the holder of that Option or Right to acquire one Share.

Subject to certain exceptions, the ASX Listing Rules prohibit listed companies issuing, in any 12 month period, more than 15% of the number of shares on issue at the start of that period without shareholder approval.

Issues under employee incentive schemes, such as the Incentive Scheme, are taken into account for this 15% limit unless the issue of securities under the employee incentive scheme has been approved by the Company's shareholders within the preceding three years.

Resolution 3 does not seek to authorise the issue of Options or Rights under the Incentive Scheme. The Resolution, if passed, will mean that issues of Options or Rights to any Eligible Participant under the Incentive Scheme will not be taken into account for the purposes of determining the 15% limit imposed under the ASX Listing Rules on the number of securities which the Company can issue without shareholder approval. This is important for the Company

to maintain maximum flexibility to raise capital in the future.

No securities have been issued to any person under the Incentive Scheme as at the date of the Notice accompanying this Explanatory Memorandum.

# **Summary of Incentive Scheme terms**

A summary of the terms of the Incentive Scheme is set out below. The specific terms of any particular grant of Options or Rights, including any performance hurdle, will be contained in an Invitation and associated documentation sent to Eligible Participants.

- (a) **Eligible Participants** Employees (including executive directors) and service contractors of the Group and any non-executive directors of a Group company who are declared by the Board to be Eligible Participants.
- (b) **Right to acquire Shares** grants under the Plan will be of Options or Rights to acquire Shares. A grant may comprise one or several tranches.
- (c) **Invitation to participate** the Board may invite selected Eligible Participants to apply for Options to acquire Shares in the Company, or Rights to acquire Shares in the Company, or both.
- (d) **Cost to Participant on grant** no amount is payable by a Participant for the grant of either Options or Rights.
- (e) Limit on total number of Options and Rights The maximum number of Options and Rights that may be offered at any time under the Incentive Scheme is 5% of the total number of Shares on issue at that time minus the aggregate of the number of Options and Rights then on issue plus the number of Shares issued as a result of the Incentive Scheme during the previous 3 year period.
- (f) **Options and Rights are non-transferable** an Option or Right granted to a Participant is not transferable and may not otherwise be dealt with except by transmission to a Participant's legal representative upon death or a person administering a Participant's estate or an involuntary transfer that occurs by force of law.
- (g) **Performance hurdle and vesting** the Board may determine that, in respect of any grant, Shares will be acquired under the Incentive Scheme only where a performance hurdle is attained, such performance hurdle to be set out in the relevant Invitation. Options and Rights may only be exercised if they vest in accordance with the performance hurdles, unless the Board otherwise determines.
- (h) Exercise price the exercise price of an Option will be an amount determined by the Board from time to time, as specified in an Invitation, which shall be a fixed amount or an amount determined by application of a methodology approved by the Board. Each Option will entitle the holder to acquire one Share upon payment of the exercise price, subject to the satisfaction of any performance hurdle.
- (i) Exercise of Options Options and Rights will have a term determined by the Board and the relevant expiry date will be determined by the Board and advised to Eligible Participants in the Invitation. An Option or Right lapses if it is not exercised by the respective expiry date.
- (j) Cessation of employment Where a Participant ceases to be employed or appointed as a result of retirement or resignation, or for such other reason as the Board may agree, any Options or Rights held by the Participant which have vested may be exercised within 12 months of the Participant's employment or appointment ceasing, or until



- 5.00pm on the expiry date of the relevant Options or Rights, whichever is sooner. Where a Participant's employment or appointment is terminated for cause, any Options or Rights held by the Participant will immediately lapse, whether or not they have vested as of the date of termination.
- (l) **Change of Control** there may also be an exercise of unvested Options and Rights on a takeover bid, change of control or scheme of arrangement if the Board, in its absolute discretion, so determines.
- (m) Forfeiture after vesting Options and Rights that have vested but which have not been exercised may still become incapable of exercise at the discretion of the Board in the event of fraud or other serious breach of contract or duty by the Participant in respect of whom those Options or Rights are issued.
- (n) **Restrictions on disposal** the Board may impose restrictions on the disposal by a Participant of any Shares resulting from the exercise of an Option or Right, as set out in the relevant Invitation.
- (o) **Source of Shares** Shares required for the purposes of the Incentive Scheme may be sourced either by issuing new Shares or by acquiring existing Shares.
- (p) **Dividends and voting rights** neither the Options nor the Rights carry any right to receive dividends or to vote.
- (q) Administration costs The Company will pay all expenses, costs and charges in relation to the establishment and operation of the Incentive Scheme, including all costs incurred or associated with an issue or purchase of Shares pursuant to the exercise of Options or Rights awarded to Participants under the Incentive Scheme.
- (r) **Adjustment under certain events** The Board will:
  - (i) reduce the exercise price of Options in the event of a new issue; and
  - (ii) change the number of underlying Shares to which Options or Rights relate in the event of a bonus issue,

in accordance with the ASX Listing Rules.

- (s) New issues the holders of Options or Rights are not entitled to participate in any new issue to existing holders of securities in the Company unless the holder has become entitled to exercise the Option or Right and the holder exercises the Option or Right before the record date for the determination of entitlements to the new issue of securities and participates as a result of being a holder of Shares.
- (t) Amendments to rules the Board may amend the Incentive Scheme rules at any time in any manner the Board thinks fit in its absolute discretion. However, the rules may not be amended if, the amendment would reduce the rights of a Participant in respect of Options or Rights already granted, unless such amendment is made for the purposes of complying with State or Commonwealth legislation, to correct any mistake, or to address potential adverse tax implications for Participants.

A copy of the Incentive Scheme rules is available at no cost on request to the Company Secretary.

#### **ASX Listing Rules**

Broadly speaking, and subject to a number of exceptions, Listing Rule 7.1 limits the amount of equity securities that a listed company can issue without the approval of its shareholders over any 12 month period to 15% of the fully paid ordinary securities it had on issue at the start of

that period.

If this Resolution is approved by Shareholders for all purposes under the Corporations Act and the ASX Listing Rules, including ASX Listing Rule 7.2 (exception 13(b)), it will have the effect of enabling the securities issued by the Company under the Incentive Scheme to be automatically excluded from the formula to calculate the number of securities which the Company may issue in any 12 month period using Listing Rule 7.1 (15% capacity) during the next three year period.

The Company advises that Shareholder approval for the Incentive Scheme has not previously been sought from Shareholders under ASX Listing Rule 7.2 (exception 13(b)). Accordingly, this would be the first time that the Company has sought Shareholder approval for the Incentive Scheme for the purposes of ASX Listing Rule 7.2 (exception 13(b)). If this Resolution is approved by Shareholders, the Company will issue up to a maximum of *16,228,000* Options and Rights under the Incentive Scheme during the three year period following approval (for the purposes of exception 13).

The Board unanimously recommends to Shareholders that they vote in favour of Resolution 3.

The Chairman intends to vote any undirected proxies held by him in favour of Resolution 3.

# Resolution 4 – Amendment to Constitution (Virtual Meetings)

To permit the Company to hold meetings of Shareholders by virtual meeting technology only, instead of holding a meeting of Shareholders at a physical venue or holding a 'hybrid' meeting (one held at a physical venue and also using virtual meeting technology), it is proposed that the following new rule 80.2 be inserted into the Company's constitution:

"80.2 The Company may hold a meeting of its members using virtual meeting technology only."

In the Board's view, virtual meeting technology allows the Company to efficiently hold meetings of its members with broader attendance than at physical meetings, while making a significant saving by avoiding the cost of hiring a meeting venue large enough for the potential but unknown number of attendees who may attend in person. The Company's recent experience of holding its 2020 and 2021 AGMs as virtual meetings has shown that such meetings work effectively and are convenient to members who may otherwise be unable to attend a physical meeting. The Board may also consider 'hybrid' meetings in the future (using both a physical meeting and virtual participation), but believes the option of virtual-only meetings should also be available. The Board also believes that virtual meeting technology is likely to continue to improve and become more prevalent in its use by listed companies.

The Corporations Act now provides for meetings of a company's members using virtual meeting technology only, if that is expressly required or permitted by the company's constitution (section 249R of the Corporations Act). It provides (among other things) that if a meeting of members is held using virtual meeting technology only:

- each member who attends using the virtual meeting technology is deemed to be present in person at the meeting while so attending (section 249RA(3) of the Corporations Act); and
- the virtual meeting technology must be reasonable and allow the members who attend the meeting using the virtual meeting technology, as a whole, to exercise orally and in writing any rights of those members to ask questions and make comments (section 249S(7) of the Corporations Act).

Resolution 4 is a special resolution and therefore requires approval by at least 75% of the votes



cast by Shareholders entitled to vote (whether cast in person, by proxy or attorney or, in the case of a corporate Shareholder, by a corporate representative).

The Board unanimously recommends to Shareholders that they vote in favour of Resolution 4.

The Chairman intends to vote any undirected proxies held by him in favour of Resolution 4.

# Resolution 5 – Spill resolution (if required)

This item ("spill resolution") will only be put to the Meeting if at least 25% of the votes cast on Resolution 2 are against that resolution. If less than 25% of the votes cast on Resolution 2 are against the resolution, there will be no "second strike" and the spill resolution will not be put to the AGM.

If the spill resolution is put to the AGM, it will be considered as an ordinary resolution. If the spill resolution is passed, then an extraordinary general meeting of shareholders ("spill meeting") must be held within 90 days.

The following non-executive Directors who remain in office at the time of the spill meeting will cease to hold office at the end of the spill meeting unless they are willing to stand for reelection, and are re-elected, at that meeting:

Adrian Bouris John George.

The Executive Chairman and Managing Director of the Company, Mark Bouris, would not be required to stand for election as a Director at the spill meeting, and would continue to hold office.

If John George is re-elected at the AGM, he would still need to be re-elected at any spill meeting, to remain in office.

In deciding how to vote on Resolution 5, the Board suggests that shareholders take the following factors into account:

- Response to first strike The Board has taken significant action to address concerns
  expressed by shareholders relating to the company's executive remuneration framework,
  principally by the conducting of a review of all senior management positions and
  remuneration and a restructuring of senior management roles based on the results of the
  review, which has resulted in a consolidation of senior management roles and a
  consequential cost saving.
- Loss of Directors' leadership, skills and knowledge The Company has benefitted from the clear focus and leadership the Board has provided to the business. Each of the relevant non-executive Directors has previously been elected as a Director and received strong support from shareholders. There is no assurance that the current Directors would be willing to stand for re-election at the spill meeting or, if they are, that they would be re-elected at that meeting. This creates significant risk that the governance of the Company would be disrupted and creates a real challenge to engage new Directors with the skills and knowledge expected of members of the Board.
- Disruption to the Company If the spill resolution is passed, this will create instability in leadership and potentially negatively impact the Company's ability to further pursue its critical securitisation strategy. The Board has been integral in developing and overseeing this strategy.
- Costs If the spill resolution is passed, the Company will incur significant costs in

convening and holding the spill meeting.

If you **do not** want a spill meeting to take place, you should vote "**against**" Resolution 5. If you want a spill meeting to take place, you should vote "**for**" Resolution 5.

#### **Board recommendation**

The Board recommends that shareholders vote against Resolution 5. The Chairman of the meeting intends to vote all available proxies against this resolution.

#### **GLOSSARY**

In this Explanatory Memorandum:

**Associate** has the meaning given to it by the ASX Listing Rules.

**ASX** means ASX Limited ACN 008 624 691 or the Australian Securities Exchange, as the context requires.

**Board** means the board of directors of the Company.

**Closely Related Party** of a member of the KMP means:

- (a) a spouse or child of the member;
- (b) a child of the member's spouse;
- (c) a dependant of the member or of 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 dealings with the Company;
- (e) a company the member controls; or
- (f) a person prescribed by the Corporation Regulations 2001 (Cth).

Company means Yellow Brick Road Holdings Limited ACN 119 436 083.

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

**Director** means a director of the Company.

**Explanatory Memorandum** means the Explanatory Memorandum accompanying the Notice.

**Group** means the Company and each of its related bodies corporate and associated entities (as defined in the Corporations Act) from time to time.

**Key Management Personnel** or **KMP** means each individual whose remuneration is disclosed in the 2022 Remuneration Report (including each Director of the Company).

Meeting or Annual General Meeting or AGM means the annual general meeting convened by the Notice.

**Notice** means the notice of meeting accompanying this Explanatory Memorandum.

**Option** means an option to acquire a Share on payment of the exercise price set by the Board in the terms of grant.

**Resolution** means a resolution set out in the Notice.



**Right** means the right to receive a Share if vesting conditions are met.

Share or Shares means an ordinary fully paid share or shares in the capital of the Company.

Shareholder means a holder of Shares.



Yellow Brick Road Holdings Limited ABN 44 119 436 083

#### Need assistance?



Phone:

1300 850 505 (within Australia) +61 3 9415 4000 (outside Australia)



Online:

www.investorcentre.com/contact



# YOUR VOTE IS IMPORTANT

For your proxy appointment to be effective it must be received by 10:00am (Sydney Time) Sunday 6 November 2022.

# **Proxy Form**

#### 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.

#### PARTICIPATING IN THE MEETING

#### **Corporate Representative**

If a representative of a corporate securityholder or proxy is to participate in the meeting you will need to provide the appropriate "Appointment of Corporate Representative". A form may be obtained from Computershare or online at www.investorcentre.com/au and select "Printable Forms".

# **Lodge your Proxy Form:**

#### Online:

Lodge your vote online at www.investorvote.com.au using your secure access information or use your mobile device to scan the personalised QR code.

Your secure access information is

Control Number: 181566 SRN/HIN:

For Intermediary Online subscribers (custodians) go to www.intermediaryonline.com

#### By Mail:

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

#### By Fax:

1800 783 447 within Australia or +61 3 9473 2555 outside Australia



PLEASE NOTE: For security reasons it is important that you keep your SRN/HIN confidential.

You may elect to receive meeting-related documents, or request a particular one, in electronic or physical form and may elect not to receive annual reports. To do so, contact Computershare.

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Proxy Form				Please mark X to indicate your directions				
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					For	Against	Absta	
Resolution 1	Re-election of J	lohn George as a No	on-Executive Director					
Resolution 2	Adoption of Rer	muneration Report (N	Non-Binding Advisory \	/ote)				
Resolution 3	Approval of Em	ployee Equity Incent	tive Scheme					
Resolution 4	Amendment to	Constitution (virtual-	only meetings)					
Resolution 5	Spill resolution	(if required)						
The Chairmar				of items 1,2,3 and 4 and against ention on any resolution, in whic				
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Change of address. If incorrect,



