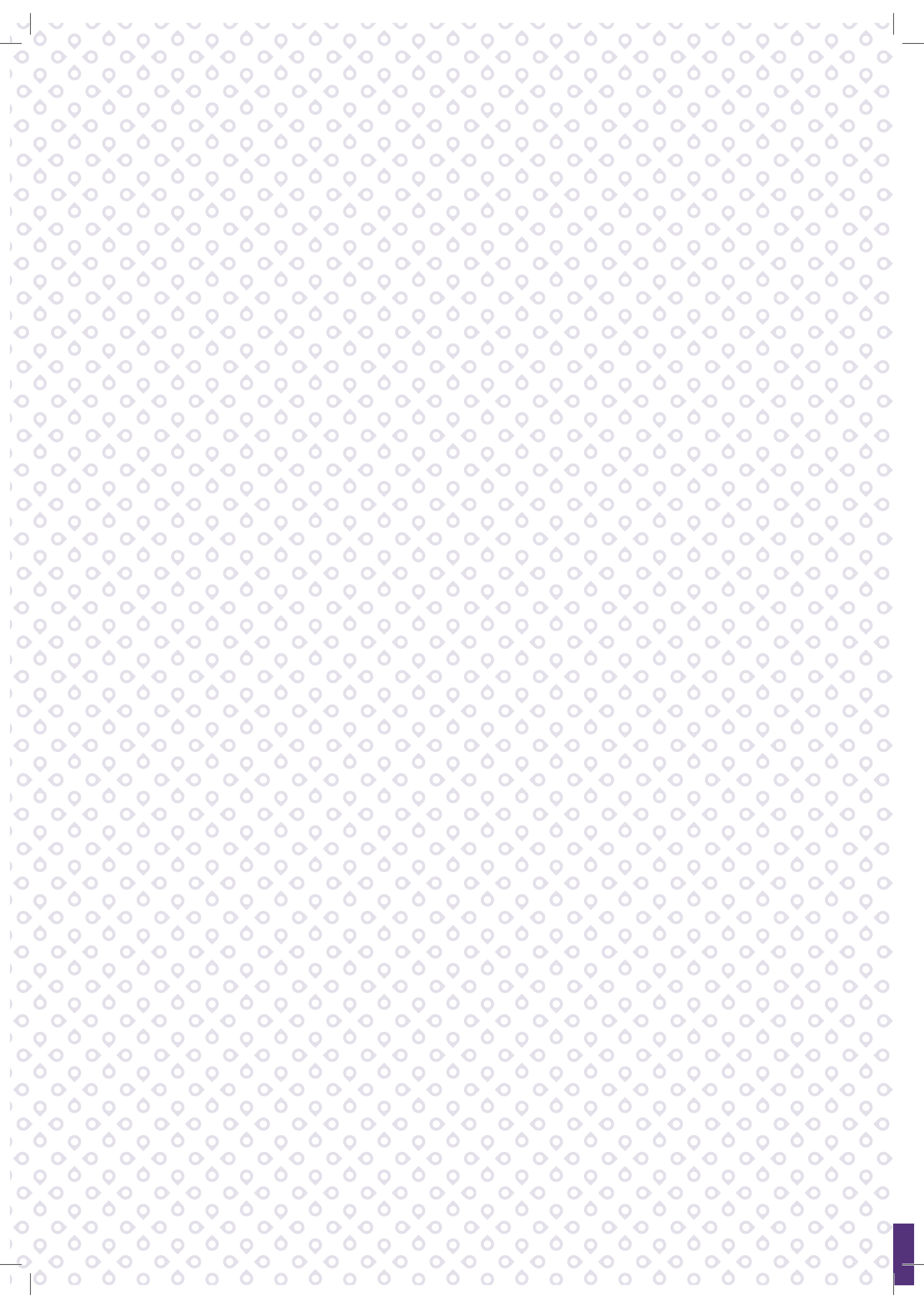


Notice of Annual General Meeting



■ Notice of Annual General Meeting

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Notice of Annual General Meeting

1.0

25 May 2017 at 10.00am (AEST)

Notice is given that the Annual General Meeting (**Meeting**) of the members of Mitula Group Limited (**Mitula Group or Company**) will be held at the time and location, and to conduct the business, specified below:

Date	Thursday 25 May 2017
Time	10.00am (Melbourne time)
Location	The offices of PricewaterhouseCoopers 2 Riverside Quay, Southbank VIC 3006

The Notes and Explanatory Statement which accompany, and form part of, this Notice of Meeting more fully describes the matters to be considered at the Annual Meeting.

Items of Business

Financial Statements and Reports

To receive and consider the Financial Report, the Directors' Report and the Auditor's Report for the financial year ended 31 December 2016.

Note: No resolution will be required to be passed on this matter.

Resolution 1 - Remuneration Report

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

"That the Remuneration Report forming part of the Directors' Report for the financial year ended 31 December 2016 be adopted".

Note: The vote on this resolution is advisory only and does not bind the Company or its Directors.

Resolution 2 - Re-election of Director (Mr Joseph Hanna)

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

"That Mr Joseph Hanna, a Director retiring by rotation in accordance with the Company's Constitution and the ASX Listing Rules, and being eligible, offers himself for re-election, is re-elected as a Director of the Company".

Resolution 3 - Election of Director (Mr Georg Chmiel)

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

"That Mr Georg Chmiel, a Director appointed to the Board since the last Annual General Meeting, and being eligible for election, is elected as a Director of the Company".

Resolution 4 - Approval of issue of Shares to the Managing Director and CEO (Mr del Pozo)

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

"That, for the purposes of ASX Listing Rule 10.11 and for all other purposes, Shareholders approve the issue of 64,728 ordinary fully paid shares, to the Managing Director and CEO, Mr Gonzalo del Pozo, in satisfaction of part of Mr del Pozo's accrued STI cash bonus entitlement for the 6-month period ending 31 December 2016 (as described in the Explanatory Statement)".

Resolution 5 - Approval of issue of Performance Rights to the Managing Director and CEO (Mr del Pozo)

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

"That, in accordance with ASX Listing Rule 10.14 and for all other purposes, the Company approves the allotment and issue of 387,220 Performance Rights to the Managing Director and CEO, Mr Gonzalo del Pozo, under the Mitula Group Limited Performance Rights Plan (as described in the Explanatory Statement)".

By order of the Board



Lee Mitchell
Company Secretary
20 April 2017

Voting Restrictions

2.0

● Resolution 1 – Adoption of the Remuneration Report

Persons excluded from voting

A vote cast on resolution 1 (**Remuneration Report**) must not be cast (in any capacity) by or on behalf of the following:

- a) a member of the Key Management Personnel (being those persons described as Key Management Personnel in the Company's Remuneration Report and including all Directors) (**KMP**); or
- b) a Closely Related Party (as defined in the Corporations Act) of such a member.

However, a person described above may cast a vote on resolution 1 if:

- ▶ the person does so under a written proxy that specifies how the proxy is to vote on the resolution; or
- ▶ the person is the Chair and has been appointed as proxy (expressly or by default) without being directed how to vote on the resolution and expressly authorises the Chair to exercise the proxy even if the resolution is connected directly or indirectly with the remuneration of the KMP; and
- ▶ in either case, the vote is not cast on behalf of a person described in (a) or (b) above.

● Resolution 4 – Approval of issue of Shares to the Managing Director and CEO (ASX Listing Rule 10.11)

Persons excluded from voting

The Company will disregard any votes cast on resolution 4 by Mr del Pozo and any of his associates.

In addition, the Company will disregard votes cast by a member of the KMP (and any of their Closely Related Parties). However, a vote may be cast by such a person if:

- a) the person is acting as proxy and the proxy form specifies how the proxy is to vote; or
- b) the person is the Chair voting an undirected proxy which expressly authorises the Chair to vote the proxy on a resolution connected directly or indirectly with the remuneration of a member of the KMP.

● Resolution 5 – Approval of issue of Performance Rights to the Managing Director and CEO (ASX Listing Rule 10.14)

The Company will disregard any votes cast on resolution 5 by Mr del Pozo and any of his associates.

In addition, the Company will disregard votes cast by a member of the KMP (and any of their Closely Related Parties). However, a vote may be cast by such a person if:

- ▶ the person is acting as proxy and the proxy form specifies how the proxy is to vote; or
- ▶ the person is the Chair voting an undirected proxy which expressly authorises the Chair to vote the proxy on a resolution connected directly or indirectly with the remuneration of a member of the KMP.

Notes Regarding Proxies and Voting

3.0

○ Voting entitlement

All shareholders are entitled to attend the Meeting.

The Board has determined in accordance with regulation 7.11.37 of the Corporations Regulations that, for the purposes of voting at the Meeting, the shares held by each Shareholder will be as they appear on the Company's share register at **7.00pm (AEST) on Tuesday, 23 May 2017**. This means that if you are not the registered holder of a share at that time you will not be entitled to vote in respect of that share.

○ Proxies

A shareholder entitled to attend and vote at the Meeting is entitled to appoint not more than two proxies, who need not be shareholders of the Company.

If you appoint a proxy who is also a shareholder or is also a proxy for another shareholder, your directions may not be effective on a show of hands. Your directions will be effective if a poll is taken on the relevant resolution.

Where more than one proxy is appointed, neither proxy may vote on a show of hands, however both proxies will be entitled to vote on a poll (subject to any voting exclusion). Each proxy should be appointed to represent a specified percentage or specified number of the shareholder's voting rights. If the appointments do not specify the percentage or number of votes that each proxy may exercise, each proxy may exercise half the votes. Fractions of votes will be disregarded.

If you sign and return a proxy form and do not nominate a person to act as your proxy, the Chair will be appointed as your proxy by default.

Appointment of the Chair or other Key Management Personnel as your proxy

Due to the voting exclusions referred to earlier in relation to resolution 1 (Remuneration Report), if you intend to appoint Key Management Personnel or their Closely Related Parties, other than the Chair, as your proxy, you are encouraged to direct your proxy on how to vote on resolution 1 (Remuneration Report) by marking either 'For', 'Against' or 'Abstain' opposite that resolution on the proxy form. If you do not direct such a proxy how to vote on resolution 1 (Remuneration Report) they will not be able to vote an undirected proxy and your vote will not be counted. This does not apply to the Chair, who is able to vote undirected proxies.

How the Chair will vote undirected proxies

The Chair intends to vote any available undirected proxy in favour of all resolutions including resolution 1 (Remuneration Report).

You should note that if you appoint the Chair as your proxy, or the Chair is appointed as your proxy by default, and the proxy form does not specify whether to vote 'For', 'Against' or 'Abstain', this will be taken as a direction to the Chair to vote in accordance with his stated voting intention, which is to vote in favour of all resolutions including resolution 1 (Remuneration Report), even if the Chair has an interest in the outcome of the vote on resolution 1. Any votes cast by the Chair on resolution 1 other than as proxy will be disregarded. Shareholders always have the ability to appoint the Chair as their proxy and direct him to cast the votes contrary to the Chair's stated voting intention or to abstain from voting on a resolution.

If you appoint the Chair as your proxy but do not wish him to vote in favour of resolution 1 (Remuneration Report), it is important for you to complete the voting directions in respect of resolution 1 on the proxy form.

**Key Management Personnel and their Closely Related Parties
cannot vote undirected proxies**

Any undirected proxy given to a Key Management Personnel or their Closely Related Parties, other than the Chair, will not be voted on any of resolution 1 (Remuneration Report), resolution 4 (Approval of issue of Shares to the Managing Director and CEO) and resolution 5 (Approval of issue of Performance Rights to the Managing Director and CEO). To allow such a proxy to vote on each of these resolutions, shareholders must specify how the proxy should vote by ticking 'For', 'Against' or 'Abstain' opposite that resolution on the proxy form.

A proxy appointment form is enclosed with this Notice of Meeting.

For the appointment of a proxy to be valid, the following documents must be received either at the Company's registered office or at the Company's share registry, Boardroom Pty Limited, **at least 48 hours prior to the Meeting** or any adjournment of the Meeting:

- ▶ the proxy appointment form; and
- ▶ if the proxy appointment form is signed by the appointor's attorney, the authority under which the appointment was signed or a certified copy of the authority. The documents must be received by the Company at the address set out below by no later than 10.00am (AEST) on 23 May 2017. Proxy forms received after that time will not be valid for the scheduled Meeting.

Online	www.votingonline.com.au/mitulaagm2017
By facsimile	+61 2 9290 9655
By mail	Boardroom Pty Limited, GPO Box 3993, SYDNEY NSW 2001
By delivery	Boardroom Pty Limited, Grosvenor Place, Level 12, 225 George Street, SYDNEY, NSW, 2000

Further directions for the proper completion of proxy forms are printed on the proxy form.

Voting by Attorney

A shareholder entitled to attend and vote at the Meeting may appoint an attorney to vote at the Meeting. An original or certified copy of the power of attorney must be received at an address given above at least 48 hours before the commencement of the Meeting.

Corporate Representatives

To vote at the Meeting, a corporation which is a shareholder, or which has been appointed as a proxy by a shareholder, may appoint a person to act as its representative. The appointment of a representative must comply with section 250D of the Corporations Act. Evidence of the appointment must be brought to the Meeting together with any authority under which it is signed. A pro forma 'Certificate of Appointment of Corporate Representative' may be obtained from the Company's Share Registry.

Voting Entitlements

Pursuant to Regulation 7.11.37 of the Corporations Regulations, the Directors of the Company have determined that the shareholding of each shareholder for the purposes of ascertaining the voting entitlements for the Meeting will be as it appears in the Share Register at 7.00pm (AEST) on 23 May 2017.

Voting Procedure Generally

Each shareholder present in person or by proxy, attorney or corporate representative has one vote on a show of hands and one vote for each fully paid share held on a poll (subject to any voting exclusion referred to earlier).

Jointly Held Shares

If shares are jointly held, only one of the shareholders can vote. If more than one joint shareholder votes, only the vote of the shareholder whose name appears first on the register of shareholders will be counted.

Explanatory Statement

4.0

● Important Notices

The purpose of this Explanatory Statement (which accompanies, and forms part of, the Notice of Meeting), is to provide Shareholders with an explanation of the business of the Meeting and to assist shareholders in deciding how they may wish to vote on the resolutions set out in the Notice of Meeting.

All resolutions are ordinary resolutions. Ordinary resolutions require a simple majority of votes cast by shareholders entitled to vote on the resolution.

This Explanatory Statement is an important document and should be read carefully by all shareholders before making a decision on the following.

● Item 1: Financial Statements and Reports

The Corporations Act requires the Company to formally lay its annual financial report and the reports of the directors and auditor for the financial year ended 31 December 2016 before the Annual General Meeting.

No resolution is required for this item, but shareholders will be given the opportunity to ask questions and to make comments on the reports and the management and performance of the Company.

The Company's auditor will also be present at the Meeting and shareholders will be given the opportunity to ask the auditor questions about the conduct of the audit, the preparation and content of the auditor's report, the accounting policies adopted by the Company and the independence of the auditor.

The Annual Report can also be viewed, printed and downloaded from the Company's website www.mitulagroup.com.

Shareholders eligible to vote at the Meeting may also submit written questions to the auditor in accordance with the Corporations Act by no later than the fifth business day before the date of the Meeting. Each of these written questions, if any, will be answered by the auditor at the Meeting, provided the question is relevant to:

- ▶ the conduct of the audit of the Financial Report; or
- ▶ the content of the Independent Auditor's Report.

A list of the written questions to be answered by the auditor at the Meeting, if any, will be prepared by the auditor and made available at the start of the Meeting.

● Resolution 1: Adoption of Remuneration Report

The Remuneration Report for the year ended 31 December 2016 appears on pages 26-40 (inclusive) of the Company's 2016 Annual Report.

The Remuneration Report sets out the policy for the remuneration of the Directors and Key Management Personnel of the Company and the consolidated entity.

The Corporations Act requires that a resolution be put to the vote that the Remuneration Report be adopted. The Corporations Act expressly provides that the vote is advisory only and does not bind the Directors or the Company. Notwithstanding the 'advisory' status of the vote on the Remuneration Report, the Directors will take the outcome of the vote into account when considering the Company's remuneration policy.

Shareholders attending the Meeting will be given a reasonable opportunity to ask questions about, or make comments on, the Remuneration Report.

The Directors recommend that shareholders vote in favour of resolution 1.

● Resolution 2: Re-election of Director (Mr Joseph Hanna)

Mr Hanna is submitting himself for election at the Meeting.

Biography details of Mr Hanna (and other Directors) appear on pages 22 to 24 of the Company's 2016 Annual Report.

The Directors (other than Mr Hanna because of his interest) recommend that shareholders vote in favour of resolution 2.

● Resolution 3: Election of Director (Mr Georg Chmiel)

Under the Constitution, the Directors may appoint a person to be a Director. Under the ASX Listing Rules, any Director appointed in this way holds office only until the end of the next following Annual General Meeting and is then eligible for election at that meeting. Georg Chmiel was appointed on 18 January 2017 and is eligible for election.

Biography details of Mr Chmiel (and other Directors) appear on page 22 to 24 of the Company's 2016 Annual Report. The Directors (other than Mr Chmiel because of his interest) recommend that shareholders vote in favour of resolution 3.

● Resolution 4 – Approval to issue Shares in satisfaction of STI cash bonus payable to the Managing Director and CEO (Mr del Pozo)

Background

Mr del Pozo, the Company's Managing Director and CEO, has agreed to take one half of his accrued cash STI bonus entitlement for H2 FY'16 by way of an issue of new ordinary shares rather than cash. The Board considers this to be an appropriate measure and further aligns Mr del Pozo's interests with those of the Company's shareholders.

Resolution 4 therefore seeks shareholder approval pursuant to Listing Rule 10.11 for the issue of 64,728 shares at an implied issue price of \$0.8474 each to Mr del Pozo. The price of \$0.8474 reflects the Company's VWAP for the 3-month period ending 31 December 2016.

The total value of these Shares (at the implied issue price) is \$54,850.51 being the Australian Dollar amount equivalent (calculated using the spot exchange rate on 31 December 2016) of 50% of Mr del Pozo's STI cash bonus for H2 of FY'16.

If approval is not received under resolution 4, the Company intends to pay the bonus in cash.

Section 208 of Corporations Act

Section 208 of the *Corporations Act* provides that for a public company, or an entity that the public company controls, to give a financial benefit to a related party of the public company, the public company or entity must:

- ▶ obtain the approval of the public company's members in the manner set out in Sections 217 to 227 of the *Corporations Act*; and
- ▶ give the benefit within fifteen (15) months following such approval, unless the giving of the financial benefit falls within an exception set out in sections 210 to 216 of the *Corporations Act*.

The Board has considered the application of Chapter 2E of the *Corporations Act* and has resolved that either or both the arms' length terms and/or reasonable remuneration exceptions provided by sections 210 and 211 of the *Corporations Act* is relevant in the circumstances. Accordingly, the Company will not seek approval for the issue of the Shares to Mr del Pozo pursuant to section 208 of the *Corporations Act*, in addition to the approval now being sought under the ASX Listing Rules.

Listing Rule 10.11

Listing Rule 10.11 provides that a company must not issue or agree to issue any equity securities, or other securities with rights to conversion to equity, to a related party of that company without first obtaining Shareholder approval.

In accordance with Listing Rule 10.13, the following information is provided to Shareholders:

- ▶ the shares are to be issued to Mr. del Pozo. Mr. del Pozo is the Managing Director and CEO of the Company;
 - ▶ the maximum number of shares to be issued to Mr. del Pozo is 64,728;
 - ▶ subject to receiving shareholder approval, the Company will issue the Shares as soon as practicable after, but in any event no later than 1 month after, the date of the Meeting;
 - ▶ the implied issue price of the Shares will be \$0.8474 each;
 - ▶ the Shares will be issued on the same terms and conditions, and rank equally with, the Company's existing ordinary shares on issue;
 - ▶ a voting exclusion statement has been included in the Notice of Meeting for the purposes of resolution 4; and
 - ▶ no funds will be raised from the issue of the Shares.
- ▶ if resolution 4 is approved for the purposes of Listing Rule 10.11, then approval is not required under Listing Rule 7.1

The Chairman of the meeting intends to vote all available undirected proxies in favour of resolution 4. If the Chairman of the Meeting is appointed as your proxy and you have not specified the way the Chairman is to vote on resolution 4, by signing and returning the Proxy Form, you will be considered to have provided the Chairman with an express authorisation for the Chairman to vote the proxy in accordance with the Chairman's intention.

Please also read the information in the Notes to the Notice of Meeting under the heading "Voting Prohibition by Proxy Holders" which deals with the Chairman's voting of proxies on resolution 4.

Directors' Recommendation

The Directors (other than Mr del Pozo due to his interest) recommend that Shareholders vote in favour of resolution 4.

The Chairman of the meeting intends to vote all available undirected proxies in favour of resolution 4.

A voting exclusion statement is included in the Notice of Meeting.

○ Resolution 5 - Approval of issue of Performance Rights to the Managing Director and CEO (Mr del Pozo)

Background

The Board is seeking shareholder approval for proposed grants of rights to receive fully paid ordinary shares in the Company listed in Table 1 (**Performance Rights**) in connection with the CEO and Managing Director, Gonzalo del Pozo's H2 2016 and 2017 long term incentive (**LTIP**) arrangements under the Mitula Group Limited Performance Rights Plan (**LTIP**).

Each Performance Right, once issued, will give Mr del Pozo a right to acquire one ordinary share in the Company on vesting, subject to satisfaction of the applicable conditions and performance hurdles.

The Company's policy on senior executive remuneration is designed to remunerate executives for increasing shareholder value and for achieving financial targets and business strategies. It is also designed to attract, retain and motivate appropriately qualified and experienced executives. The Board considers that it is in shareholders' interests to provide Mr del Pozo with an equity-based long term incentive to ensure that there is alignment between the returns to shareholders and rewards to the CEO and also as an important retention strategy.

The awards proposed in Table 1 should be considered in the context of the Company's achievements in 2016, which are detailed in the 2016 Annual Report.

Approvals sought

ASX Listing Rule 10.14 states that a listed company must not permit a Director to acquire securities under an employee incentive scheme without the approval of shareholders by ordinary resolution.

The purpose of resolution 5 is to have shareholders approve the proposed grant under the LTIP to the Company's Managing Director and CEO, Mr. Gonzalo del Pozo, of the Performance Rights detailed in Table 1.

Key terms of grant

The key terms of the grant of the Performance Rights proposed to be made to Mr del Pozo under the LTIP are set out below.

Further details about the LTIP are included in the Remuneration Report which is contained in the Company's 2016 Annual Report. A full copy of the LTIP rules are available upon request from the Company Secretary.

Table 1

Instrument	Quantum (maximum)	Grant Date	Measurement Period	Vesting Date (subject to achievement of Performance Conditions)
Performance Rights (LTIP) – Tranche 1	107,891	30 September 2016 (subject to shareholder approval)	1 July 2016 to 31 December 2016 (6 months)	31 December 2017
Performance Rights (LTIP) – Tranche 2	279,329	30 September 2016 (subject to shareholder approval)	1 January 2017 to 31 December 2017 (1 year)	31 December 2018

Maximum number of Performance Rights

The maximum number of Performance Rights that may be acquired by Mr del Pozo if shareholder approval is provided at the Meeting is set out in Table 1.

The actual number of Performance Rights granted following the Meeting may be less than the maximum number, as Directors will consider the value of the Performance Rights at the time of grant (based on the prevailing market price of the Company's shares at that time).

Date of Grant

If shareholder approval is obtained, the Performance Rights will be granted within 1 month of the date of this meeting.

Price of Performance Rights

The Performance Rights will be issued at no cost to Mr del Pozo. Once the performance conditions are met and if the Performance Rights vest there will be no exercise price payable upon the exercise/conversion of the Performance Rights into Shares.

Specific terms of grant to the CEO

Subject to approval by shareholders the total number of Performance Rights proposed to be issued to Mr del Pozo under the LTIP will be 387,220.

The Board has determined Mr del Pozo's long term incentive opportunity for the 6 month period ending 31 December 2016 and the 12 month period ending 31 December 2017 at the aggregate value of \$328,130.23 (**LTI Opportunity**), being:

- ▶ 46.35% of Mr del Pozo's salary for the 6-month measurement period ended 31 December 2016 (based on achievement by Mr del Pozo of 92.7% of his performance conditions for that measurement period); and
- ▶ 60% of Mr del Pozo's salary for the 12-month measurement period ended 31 December 2017.

The actual number of Performance Rights proposed to be granted to Mr del Pozo was determined by:

- ▶ converting Mr del Pozo's salary (which is payable in Euro) to the Australian Dollar equivalent using the spot exchange rate prevailing as at 31 December 2016, which was \$0.6844;
- ▶ calculating the face value of the Company's shares based on the volume-weighted average price for the 3-month period up to and including 31 December 2016, which was \$0.8474 per share (**Face Value**); and
- ▶ dividing the LTI Opportunity by the Face Value and then rounding to the nearest whole figure.

The Performance Rights will be granted in two tranches. The first tranche has a 6-month measurement period commencing on 1 July 2016, and the second tranche will have a 1 year measurement period commencing on 1 January 2017. The Performance Rights will not be retested if the relevant performance conditions are not satisfied during the measurement period.

The Board has determined that a number of performance conditions will apply to each tranche of the Performance Rights including:

- ▶ An overriding requirement that the volume-weighted average price of the Company's shares for the 3-month period ending at the end of the relevant measurement period must be more than the VWAP for the 3-month period immediately prior to the start of that measurement period (**VWAP Condition**);
- ▶ Achievement of total revenue compared to targets set by the Board (**Recurring Revenue**) in relation to 70% of the Performance Rights to be granted in each tranche; and
- ▶ Growth in EBITDA compared to targets set by the Board (**EBITDA**) in relation to 30% of the Performance Rights to be granted in each tranche.

The VWAP Conditions were selected as performance conditions as they ensure alignment between shareholder returns and reward to the executive as well as ensuring that executives remained focus on increasing both revenue and EBITDA growth as primary drivers of shareholder value.

At the end of the relevant measurement period, each of the VWAP Condition, Recurring Revenue and EBITDA performance conditions will be measured to determine the proposed number of Performance Rights that will conditionally vest (subject to the ongoing employment condition detailed below) which will then be considered and determined by Board resolution.

The link between achievement of the various performance conditions set by the Board and the percentage of the Performance Rights which vest pursuant to the relevant performance condition during the measurement period is represented in the following table.

Performance against the relevant condition(s)	Quantum of Performance Rights subject to performance conditions that vest (%)
Less than minimum performance threshold of 80% of target	No Performance Rights vest
Equal to the minimum performance threshold of 80% of target	60% of the Performance Rights vest
Above the minimum performance target up to 119% of the maximum performance target	Between 61% and 99%, increasing on a straight-line basis
120% or higher of the performance target	100% of the Performance Rights available to be exercised

In addition, for the Performance Rights to vest, Mr del Pozo must remain in office on the vesting date described in Table 1 (i.e. the date that is 12 months after the end of the relevant measurement period, being 31 December 2017 and 31 December 2018 respectively).

If either of the VWAP and continued employment conditions mentioned are not satisfied then the relevant Performance Rights lapse immediately without vesting.

All Performance Rights will also be subject to an overriding condition that the financial performance of the Company, in the absolute discretion of the Board, has been satisfactory.

Overview of the terms of the LTIP and Performance Rights

The LTIP provides for eligible employees to be offered a conditional opportunity for fully paid ordinary shares in the Company through the grant of Performance Rights, such that shares may be allocated to them, subject to meeting certain vesting conditions within a set measurement period.

The Board is responsible for administering the LTIP in accordance with the LTIP rules and the terms and conditions of the specific grants to participants in the LTIP. The operation of the LTIP is subject to compliance with the ASX Listing Rules, Corporations Act and other applicable laws.

The key terms of Performance Rights granted under the LTIP are set out below:

Testing and vesting

- ▶ Grants under the LTIP will be tested at the end of the applicable measurement period. No retesting will occur. If the relevant performance conditions are satisfied then the Performance Rights will vest 12 months after the end of the measurement period provided the relevant executive remains in office at that time.
- ▶ Each Performance Right which vests will be converted into one fully paid ordinary share. No moneys are payable upon vesting of the Performance Rights.
- ▶ If the relevant vesting conditions are not satisfied at the relevant time, the applicable Performance Rights will lapse and be forfeited.
- ▶ Once the Performance Rights have vested, the board will decide at that time whether to purchase the shares required on-market or to issue new shares. This decision will depend on factors such as dilution and cost to the Company.

Ranking of shares

Upon vesting of the Performance Rights, shares received by participants will rank equally with ordinary shares currently on issue.

Voting and dividend rights

- ▶ Performance Rights do not carry any voting rights, and participants are not entitled to dividends, until Performance Rights have vested and converted into ordinary shares.
- ▶ Shares allocated on vesting of the Performance Rights will carry full dividend and voting rights from the date of allocation.

Change of control event

The Directors have discretion to determine that Performance Rights will vest in the event of a change of control, subject to pro rata performance up to the relevant date.

Reorganisation event

In the event of any reorganisation of the issued capital of the Company, the Performance Rights will be reconstructed in accordance with the requirements of the ASX Listing Rules applicable to a reconstruction of capital at the time of the reorganisation.

Participation in capital raising

A participant may only participate in new issues of securities if ordinary shares have been allocated to the participant in accordance with the LTIP Rules, before the date of determining entitlements to the issue.

Cessation of employment

If a participant in the LTIP ceases employment with the Company before the vesting conditions are tested, any Performance Rights will lapse and be forfeited. Performance Rights will also lapse if the ongoing employment condition described above is not satisfied.

If cessation of employment occurs due to death, TPD or redundancy, or where the Board otherwise approves, Performance Rights may vest at the Board's discretion.

Where a participant acts fraudulently, dishonestly, joins a competitor, or is, in the Board's opinion, in breach of his or her obligations to the Company, then any unvested Performance Rights will lapse and be forfeited.

Trading Restrictions

A participant may not sell, transfer, mortgage or otherwise deal with or encumber any Performance Rights. Disposal of any shares acquired upon exercise of Performance Rights is subject to the Company's securities trading policy.

Section 208 of the Corporations Act

Section 208 of the *Corporations Act* provides that for a public company, or an entity that the public company controls, to give a financial benefit to a related party of the public company, the public company or entity must:

- ▶ obtain the approval of the public company's members in the manner set out in Sections 217 to 227 of the *Corporations Act*; and
- ▶ give the benefit within fifteen (15) months following such approval, unless the giving of the financial benefit falls within an exception set out in sections 210 to 216 of the *Corporations Act*.

The Board has considered the application of Chapter 2E of the *Corporations Act* and has resolved that the reasonable remuneration exception provided by section 211 of the *Corporations Act* is relevant, as the proposed financial benefit is considered to be reasonable in these circumstances. Accordingly, the Company will not seek approval for the issue of the Performance Rights to Mr del Pozo pursuant to section 208 of the *Corporations Act*.

Other information relating to the potential grant of Performance Rights

In accordance with ASX Listing Rules 10.14 and 10.15, the following additional information is provided for shareholders.

- ▶ If shareholders approve the issue of the Performance Rights under LR 10.14, shareholder approval is not required under LR 7.1.
- ▶ The maximum number of Performance Rights that can be awarded to Mr del Pozo under this approval is 387,220. Subject to achievement of performance and other vesting conditions, this means that the maximum number of fully paid ordinary shares which can be issued to Mr del Pozo on vesting of the approved Performance Rights is 387,220.
- ▶ Subject to receiving shareholder approval, the Company will issue the Performance Rights as soon as practicable after, but in any event no later than 12 months after, the date of the Meeting.
- ▶ No Director other than Mr del Pozo is currently eligible to participate in the grant of Performance Rights under the LTIP.

- ▶ No Directors have received Performance Rights or other securities under the LTIP since it was adopted.
- ▶ Upon satisfaction of the relevant performance hurdles and other vesting conditions referred to above, Mr del Pozo will be entitled to exercise each Performance Right granted to him and be issued with one ordinary share (subject to the terms of the issue of the Performance Rights relating to bonus issues and capital reorganisations of the Company) per Performance Right.
- ▶ No loan will be provided by the Company in relation to the grant or exercise of the Performance Rights provided to Mr del Pozo.
- ▶ The price payable on the issue or exercise of each Performance Right is nil so no funds will be raised by the Company.
- ▶ The terms of the Performance Rights are described above.

Board recommendation:

The Directors (with Mr del Pozo abstaining given his personal interest) recommend that shareholders vote in favour of resolution 5.

The Chairman of the Meeting intends to vote all available undirected proxies in favour of resolution 5.

A voting exclusion statement is included in the Notice of Meeting.

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 10:00am (AEST) on Tuesday 23 May 2017.**

🖥 TO VOTE ONLINE

STEP 1: VISIT www.votingonline.com.au/mitulaagm2017

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

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

📱 BY SMARTPHONE



Scan QR Code using smartphone
QR Reader App

TO VOTE BY COMPLETING THE PROXY FORM

STEP 1 APPOINTMENT OF PROXY

Indicate who you want to appoint as your Proxy.

If you wish to appoint the Chair of the Meeting as your proxy, mark the box. If you wish to appoint someone other than the Chair 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, the Chair of the Meeting will be your proxy. 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. 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:

(a) complete two Proxy Forms. On each Proxy 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.

(b) return both forms together in the same envelope.

STEP 2 VOTING DIRECTIONS TO YOUR PROXY

To direct your proxy how to vote, mark one of the boxes opposite each item of business. 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 item by inserting the percentage or number that you wish to vote in the appropriate box or boxes. If you do not mark any of the boxes on a given item, your proxy may vote as he or she chooses. If you mark more than one box on an item for all your securities your vote on that item 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.

STEP 3 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.**

STEP 4 LODGEMENT

Proxy 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 **10:00am (AEST) on Tuesday 23 May 2017.** Any Proxy Form received after that time will not be valid for the scheduled meeting.

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

🖥 **Online** www.votingonline.com.au/mitulaagm2017

📠 **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.**

PROXY FORM

STEP 1 APPOINT A PROXY

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

☐

the **Chair of the Meeting (mark box)**

OR if you are **NOT** appointing the Chair 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 Chair of the Meeting as my/our proxy at the Annual General Meeting of the Company to be held at the **offices of PricewaterhouseCoopers, 2 Riverside Quay, Southbank, VIC 3006 on Thursday 25 May 2017 at 10:00am (AEST)** and at any adjournment 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 1, 4 and 5, I/we expressly authorise the Chair of the Meeting to exercise my/our proxy in respect of these Resolutions even though Resolutions 1, 4 and 5 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 1, 4 and 5). 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.

STEP 2 VOTING DIRECTIONS

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

		For	Against	Abstain*
Resolution 1	Adoption of the Remuneration Report	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Resolution 2	Re-election of Director (Mr Joseph Hanna)	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Resolution 3	Election of Director (Mr Georg Chmiel)	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Resolution 4	Approval of issue of Shares to the Managing Director and CEO (Mr del Pozo)	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Resolution 5	Approval of issue of Performance Rights to the Managing Director and CEO (Mr del Pozo)	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

STEP 3 SIGNATURE OF SECURITYHOLDERS

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 / / 2017