

## NOTICE OF ANNUAL GENERAL MEETING

Notice is hereby given that the Annual General Meeting of Hansen Technologies Limited ('the Company') will be held at the Manningham Civic Centre, 699 Doncaster Road, Doncaster, Victoria on Thursday 22 November 2018 at 11:00am AEDT.

### BUSINESS

**A. Accounts and reports:**

To table the financial report of the Company and its controlled entities and the related reports of the Directors and Auditors for the year ended 30 June 2018 and to provide members with the opportunity to raise any issues or ask any questions generally of the Directors.

**B. Ordinary Resolutions:**

To consider and, if thought fit, pass Resolution 1 as a non-binding resolution and Resolutions 2 to 7 (inclusive) as ordinary resolutions.

**1. Adoption of Directors' Remuneration Report:**

*'In accordance with the requirements of the Corporations Act, adopt the Remuneration Report for the year ended 30 June 2018 as it appears in the Directors' Report within the Annual Report 2018.'*

**2. Re-Election of Mr David Osborne:**

*'That Mr David Osborne, a Director retiring by rotation in accordance with the Company's Constitution and being eligible and having signified his candidature for Office, be and is hereby re-elected a Director of the Company.'*

**3. Re-Election of Ms Sarah Morgan:**

*'That Ms Sarah Morgan, a Director retiring by rotation in accordance with the Company's Constitution and being eligible and having signified her candidature for Office, be and is hereby re-elected a Director of the Company.'*

**4. Election of Mr David Howell:**

*'That Mr David Howell, a Director appointed by the Board effective from 24 May 2018 until this annual general meeting of the Company in accordance with the Company's Constitution and being eligible and having signified his candidature for Office, be and is hereby elected a Director of the Company.'*

**5. Grant of Performance Rights to Chief Executive Officer/Managing Director Mr Andrew Hansen for financial year ending 30 June 2019:**

*'That for the purposes of Listing Rule 10.14 and for all other purposes, Shareholders approve the grant of 222,689 Performance Rights to Mr Andrew Hansen under the Hansen Technologies Employee Performance Rights Plan on the terms and conditions set out in the Explanatory Notes.'*

**6. Appointment of Auditor:**

*'That RSM Australia Partners:*

- a) having been nominated by a member of the Company, for the purposes of section 328B of the Corporations Act 2001 and for all other purposes;*

- b) *having given its consent in writing to act as auditor, in accordance with section 328A of the Corporations Act 2001 and for all other purposes; and*
  - c) *having received consent from the Australian Securities and Investments Commission to act in the capacity of the auditor,*
- be appointed as the Auditor of the Company.'*

**7. Non-Executive Directors' Remuneration:**

*'That for the purposes of Listing Rule 10.17 the maximum aggregate amount of remuneration to be paid to all non-executive Directors in any financial year be increased from \$430,000 to \$520,000 per annum.'*

By Order of the Board



**Julia Chand** - Company Secretary – 19 October 2018

## **EXPLANATORY NOTES**

### **Resolution 1**

#### **Adoption of Directors' Remuneration Report**

The Annual Report for the year ended 30 June 2018 contains a Remuneration Report (refer pages 16 to 31) which sets out the remuneration policy for the Company and reports remuneration arrangements in place for Directors and the key management personnel. The Remuneration Report is approved by the Board, upon recommendation from the Remuneration Committee.

The Corporations Act requires the agenda of an Annual General Meeting to include a resolution for the adoption of the Remuneration Report. The vote on the resolution is advisory only and is not binding on the Directors or the Company.

At the Meeting a reasonable opportunity will be provided to the Shareholders for discussion, questions and comments on the Remuneration Report.

#### ***Voting Prohibition:***

A vote on Resolution 1 must NOT be cast by or on behalf of either of the following persons:

- (a) a member of the key management personnel as disclosed in the remuneration report; or
- (b) a closely related party (such as close family members and any controlled companies) of those persons,

unless the vote is cast by a person as proxy for a person entitled to vote in accordance with the direction on the proxy form and the vote is not cast on behalf of a person described in items (a) or (b) above.

The Chairman of the Meeting intends to vote undirected proxies in favour of this Resolution. If the Chairman of the Meeting is appointed as your proxy, or if the Chairman of the Meeting becomes your proxy by default, and you do not provide a voting direction, you are expressly authorising the Chairman to exercise the proxy on a Resolution that is connected directly or indirectly with the remuneration of a member of the key management personnel.

### **Resolutions 2 and 3**

#### **Re-election of Directors**

Rule 16 of the Constitution requires one third of directors (except for the Managing Director) to retire each year (by rotation).

#### ***Re-election of Mr David Osborne***

Mr David Osborne retires this year in accordance with this Rule and is permitted to seek re-election. Personal particulars for Mr David Osborne are set out in the 'Information on Directors and Company Secretary' section in the Annual Report.

#### ***Re-election of Ms Sarah Morgan***

Ms Sarah Morgan retires this year in accordance with this Rule and is permitted to seek re-election. Personal particulars for Ms Sarah Morgan are set out in the 'Information on Directors and Company Secretary' section in the Annual Report.

## **Resolution 4**

### **Election of Mr David Howell**

In accordance with Rule 13.2 of the Constitution, the Board appointed Mr David Howell as an additional Director to the Board, effective 24 May 2018. Any Director appointed under Rule 13.2 may hold office only until the next annual general meeting of the Company and is then eligible for election at that meeting.

The Board has nominated Mr David Howell be elected as a Director of the Company and, in accordance with Rule 16.3 of the Company's Constitution, has received notice in writing signed by Mr David Howell giving consent to the nomination. Personal particulars for Mr David Howell are set out in the 'Information on Directors and Company Secretary' section in the Annual Report and an announcement lodged with the ASX on 30 May 2018.

## **Resolution 5**

### **Grant of Performance Rights to Chief Executive Officer/Managing Director Mr Andrew Hansen**

#### ***Background***

Resolution 5 seeks Shareholder approval for the grant of Performance Rights to Mr Andrew Hansen, the Company's Chief Executive Officer/Managing Director, as part of his overall remuneration in terms of the LTI for the financial year ending 30 June 2019. The Performance Rights which are the subject of this Resolution 5 will be issued pursuant to the Hansen Technologies Employee Performance Rights Plan and otherwise on the terms and conditions set out in this Explanatory Notes.

The grant of Performance Rights is considered an appropriate remuneration strategy to align the interests of Mr Andrew Hansen with those of the Company's strategic plan focusing on optimising performance, with the benefits flowing through to enhanced Shareholder returns.

#### ***Listing Rule 10.14***

Listing Rule 10.14 provides that the approval of shareholders is required before a director can be issued securities under an employee incentive scheme. Mr Andrew Hansen is a director for the purposes of Listing Rule 10.14. Accordingly, Shareholder approval is being sought for the issue of Performance Rights to Mr Andrew Hansen.

#### ***Terms of Performance Rights***

148,459 Performance Rights (being rights equal to the value of 50% of his total fixed remuneration) will be granted to Mr Andrew Hansen, which will vest if the targeted performance measures are achieved. Mr Andrew Hansen also has an additional opportunity for a further 74,230 Performance Rights to vest to reward overachievement of targets. Therefore, the total number of Performance Rights to be granted to Mr Andrew Hansen is 222,689. This number was set by the Board in the context of considering Mr Andrew Hansen's remuneration package, of which the Performance Rights form a part.

The Performance Rights to be issued to Mr Andrew Hansen will be on terms consistent with the rules of the Hansen Technologies Employee Performance Rights Plan, which was approved by Shareholders during the November 2017 Annual General Meeting ("**Performance Rights Plan**"). A summary of the terms and conditions of the Performance Rights Plan was contained in Schedule 2 to the Explanatory Notes to the Notice of Meeting for the November 2017 Annual General Meeting, and a full copy is available to Shareholders from the Company on request.

No consideration is payable by Mr Andrew Hansen at the time of the grant of the Performance Rights or upon the allocation of Shares to which Mr Andrew Hansen may become entitled upon the

Performance Rights vesting. Each Performance Right will entitle Mr Andrew Hansen to one Share, subject to satisfaction of the vesting conditions applicable to the Performance Rights.

### **Vesting Conditions of the Performance Rights**

The Performance Rights will vest and convert into Shares if, over the 3-year measurement period (being 1 July 2018 to 30 June 2021) ("**PRP Measurement Period**"), the performance measures set out below are achieved.

#### **Total Shareholder Return (TSR)**

Performance measures for 111,345 Performance Rights (being 50% of the total Performance Rights to be issued to Mr Andrew Hansen) are based on a TSR calculation. The TSR calculation for the PRP Measurement Period will be determined based on a percentile ranking of the Company's TSR results relative to the TSR of comparable companies over the same measurement period.

#### **TSR Calculation**

TSR over the PRP Measurement Period is calculated as follows:

$$\text{TSR} = (B - A + C) / A$$

Where:

- A = the Share price at the start of the PRP Measurement Period (closing price quoted on ASX on 1 July 2018)
- B = the Share price at the end of the PRP Measurement Period (closing price quoted on ASX on 30 June 2021)
- C = Dividends paid over the PRP Measurement Period

#### **Relative TSR**

The Company's TSR calculated above must be positive over the PRP Measurement Period in order for the Performance Rights to vest. If the TSR is positive, the TSR calculated above will then be compared against the TSR of companies within the ASX Small Industrial Index over the same PRP Measurement Period to determine if the vesting conditions have been met and if the vesting scales outlined below apply (Relative TSR).

The vesting scale for the 111,345 Performance Rights subject to the Relative TSR is as follows:

<b>Relative TSR</b>	<b>Number of Performance Rights that vest</b>
Less than 50% percentile	Nil
At 50%	74,230
Between 50% and 75% <sup>(3)</sup>	74,230 to 111,345 (on a linear basis) <sup>(3)</sup>
Greater than 75%	111,345

*\*Note: <sup>(3)</sup> based on the additional 37,115 Performance Rights that will vest (on a linear basis) to reward overachievement targets.*

#### **Earnings per Share (EPS)**

Performance measures for 111,344 Performance Rights (being 50% of the total Performance Rights to be issued to Mr Andrew Hansen) is based on a EPS calculation. The EPS calculation for the PRP Measurement Period will be determined based on the compound annual growth rate of the Company (CAGR) over the PRP Measurement Period.

The vesting scale for the 111,344 Performance Rights subject to EPS is as follows:

<b>CAGR</b>	<b>Number of Performance Rights that vest</b>
Less than 6%	Nil

At 6%	74,230
Between 6% and 10% <sup>(4)</sup>	74,230 to 111,344 (on a linear basis) <sup>(4)</sup>
Greater than 10%	111,344

\*Note: <sup>(4)</sup> based on the additional 37,114 Performance Rights that will vest (on a linear basis) to reward overachievement targets.

#### Continuing employment

Mr Andrew Hansen must remain in the employment of the Company for the entire PRP Measurement Period in order for the Performance Rights to vest.

#### **Information required under Listing Rule 10.15**

Pursuant to and in accordance with Listing Rule 10.15, the following information is provided to Shareholders in relation to Resolution 5:

- (a) The Performance Rights are proposed to be issued to Mr Andrew Hansen. Mr Andrew Hansen is an Executive Director of the Company.
- (b) Up to 222,689 Performance Rights are proposed to be issued to Mr Andrew Hansen pursuant to the terms and conditions of the Performance Rights Plan.
- (c) The Performance Rights are being issued for nil consideration. No consideration is payable upon the allocation of Shares to which Mr Andrew Hansen may become entitled upon the Performance Rights vesting.
- (d) Since the Performance Rights Plan was last approved by Shareholders at the annual general meeting of the Company on 23 November 2017, 175,458 Performance Rights have been issued to Mr Andrew Hansen. Such Performance Rights were granted for nil consideration. No other person referred to in Listing Rule 10.14 has received any Performance Rights under the Performance Rights Plan.
- (e) Persons eligible to participate in the Performance Rights Plan are employees, a Director or consultant of the Company, but excludes any Non-Executive Director of any Group company.
- (f) No loans have been or are to be advanced to Mr Andrew Hansen in respect of the acquisition of the Performance Rights.
- (g) The Performance Rights will be issued as soon as practical after approval is obtained from Shareholders at this Meeting (and in any event, will be issued no later than 12 months after the Shareholder approval is obtained).
- (h) A voting exclusion statement in respect of Resolution 5 is set out below.

#### ***If Shareholder Approval is not obtained***

If Shareholder approval is not obtained for this Resolution 5, the Board intends to grant Mr Andrew Hansen additional cash remuneration in lieu of the Performance Rights, subject to the same vesting conditions being achieved.

#### **Chapter 2E of the Corporations Act**

The proposed grant of Performance Rights under Resolution 5 to Mr Andrew Hansen involves giving a financial benefit to a Related Party for the purposes of Chapter 2E of the Corporations Act. Chapter 2E of the Corporations Act prohibits the Company from giving a financial benefit to a Related Party of the Company unless either:

- (a) the giving of the financial benefit falls within one of the nominated exceptions to the provisions; or
- (b) prior shareholder approval is obtained to the giving of the financial benefit.

The Directors believe that the grant of Performance Rights is appropriate and reasonable in all circumstances, as part of the remuneration for Mr Andrew Hansen's role as the Chief Executive Officer/Managing Director. Therefore, the Company considers that the grant of the Performance Rights comes within one of the exceptions to Chapter 2E, and Shareholder approval is not required for that purpose.

### ***Directors' Recommendation***

The Directors (with the exception of Mr Andrew Hansen) recommend that Shareholders approve Resolution 5.

### ***Voting Exclusion***

The Company will disregard any votes cast in favour of Resolution 5 by or on behalf of:

- (a) a Director who is eligible to participate in the Performance Rights Plan; or
- (b) an Associate of that person.

However, the Company need not disregard a vote if it is cast by a person as a proxy for a person who is entitled to vote, in accordance with the directions on the proxy form, or is cast by the person chairing the Meeting as a proxy for a person who is entitled to vote, in accordance with the direction on the proxy form to vote as the proxy decides.

A member of the key management personnel or a closely related party of a member of key management personnel may not vote as a proxy on Resolution 5 if their appointment does not specify the way the proxy is to vote. However, this voting exclusion does not apply if the member of key management personnel is the Chairman of the Meeting acting as proxy and their appointment expressly authorises the Chairman of the Meeting to exercise the proxy even if the Resolution is connected directly or indirectly with the remuneration of a member of the key management personnel.

The Chairman of the Meeting intends to vote undirected proxies in favour of this Resolution. If the Chairman of the Meeting is appointed as your proxy, you are expressly authorising the Chairman to exercise the proxy on a Resolution that is directly connected with the remuneration of a member of the key management personnel.

## **Resolution 6**

### **Appointment of Auditor**

This is a resolution for shareholders to approve the appointment of RSM Australia Partners (RSM) as the new Auditor of the Company, in accordance with section 327B(1)(b) of the Corporations Act.

### ***Background***

Pitcher Partners has been the Company's external auditor since 2003. The Board determined that, in the interests of good corporate governance and in light of the global expansion of the Company's operations, it was appropriate to undertake a competitive tender for the Company's external audit services. Following a comprehensive tender process, RSM was selected as the external Auditor of the Company and its controlled entities for the financial year beginning on 1 July 2017.

On 20 November 2017, RSM consented in writing to act as Auditor of the Company.

On 23 November 2017, pursuant to sections 327C(1) and (2) of the Corporations Act, the Directors resolved that RSM be appointed as Auditor of the Company to hold office until the date of the next AGM of the Company.

As a consequence, Pitcher Partners applied to the Australian Securities and Investments Commission (ASIC) under section 329(5) of the Corporations Act for consent to resign as Auditor of the Company with effect from the date of ASIC's consent. On 5 December 2017, ASIC gave its consent to the resignation of Pitcher Partners as Auditor of the Company.

In accordance with section 328B of the Corporations Act, the Company has received a written Notice of Nomination from a shareholder of the Company for RSM to be appointed as the Company's Auditor. A copy of the Notice of Nomination is set out in Schedule 2 to the Explanatory Notes on page 11.

Subject to the Company receiving shareholder approval at the 2018 Annual General Meeting, RSM will become the new Auditor of the Company.

### ***Directors' Recommendation***

The Directors unanimously recommend that Shareholders approve Resolution 6. The chair of the meeting intends to vote any undirected proxies in favour of Resolution 6.

## **Resolution 7**

### **Non-Executive Directors' Remuneration**

#### ***Background***

Listing Rule 10.17 requires shareholders to approve the total aggregate remuneration that may be paid to the Company's Non-Executive Directors and any increase in that total.

The Company's Non-Executive Director fees are currently capped at an aggregate of \$430,000 per annum as approved by the Shareholders at the November 2013 Annual General Meeting.

Resolution 7 seeks the Shareholders' approval to increase the maximum aggregate amount of Non-Executive Directors' fees by \$90,000, from \$430,000 per annum to \$520,000 per annum. The reason for the proposed increase is to ensure that the total aggregate remuneration reflects market remuneration and to maintain the threshold in line with inflation.

No securities have been issued to any Non-Executive Director of the Company under Listing Rule 10.11 or 10.14 with the approval of Shareholders within the last three years.

#### ***Voting Exclusion***

The Company will disregard any votes cast in favour of Resolution 7 by or on behalf of:

- (a) a Director of the Company; and
- (b) an Associate of those persons.

However, the Company need not disregard a vote if it is cast by a person as a proxy for a person who is entitled to vote, in accordance with the directions on the proxy form, or is cast by the person chairing the Meeting as a proxy for a person who is entitled to vote, in accordance with the direction on the proxy form to vote as the proxy decides.

A member of the key management personnel or a closely related party of a member of key management personnel may not vote as a proxy on Resolution 7 if their appointment does not specify the way the proxy is to vote. However, this voting exclusion does not apply if the member of key management personnel is the Chairman of the Meeting acting as proxy and their appointment expressly authorises the Chairman of the Meeting to exercise the proxy.



The Chairman of the Meeting intends to vote undirected proxies in favour of this Resolution. If the Chairman of the Meeting is appointed as your proxy, you are expressly authorising the Chairman to exercise the proxy on a Resolution that is directly connected with the remuneration of a member of the key management personnel.

## **GENERAL NOTES**

### ***Entitlement to Vote***

The Company has determined in accordance with Part 7.11 of the Corporations Regulations that, for the purpose of voting at the Meeting, shares will be taken to be held by those persons recorded in the Company's register as at 7.00pm AEDT, Tuesday 20 November 2018.

### ***Corporate Representatives***

For a corporate representative to vote, they will require a Certificate of Appointment of Corporate Representative executed in accordance with the Corporations Act.

### ***Voting***

On a show of hands, every member present in person or by Proxy or by attorney or, in the case of a corporation, by a duly appointed representative, shall have one vote and on a poll one vote for every share held provided that if a member appoints two proxies or two attorneys, neither proxy or attorney shall be entitled to vote on a show of hands.

### ***Proxies***

A member entitled to attend and vote at the Meeting may appoint one or two persons to attend and vote at the Meeting as the member's proxy. If you wish to appoint a second proxy you will need to complete a second form. Link Market Services will provide additional proxy forms upon request.

A Proxy need not be a member. If two proxies are appointed, each proxy must be appointed to represent a specified proportion of the member's voting rights. If the vote split is not specified, it is deemed to be equally divided between the two proxies.

To be valid, completed Proxies must be received by the Company's Share Registry, Link Market Services Limited, by one of the following methods no later than 11.00am AEDT, Tuesday 20 November 2018:

- hand delivered to Link Market Services Limited, located at Level 12, 680 George Street, Sydney, NSW 2000, or
- posted to Hansen Technologies Limited C/- Link Market Services Limited, Locked Bag A14, Sydney South, NSW 1235, or
- sent by facsimile to Link Market Services Limited on (02) 9287 0309, or
- lodged online at [www.linkmarketservices.com.au](http://www.linkmarketservices.com.au)

To be valid, a Proxy Form must be signed by the member or an attorney duly authorised in writing. If the member is a company, the form must be executed under seal of the company or by its duly authorised officer or attorney. Where two or more persons are registered as members, each person must sign the Proxy Form.

## SCHEDULE 1 – GLOSSARY

In this Notice and Explanatory Notes, the following terms have the following meaning unless the context otherwise requires.

The following terms have the following meanings in this Explanatory Notes:

**A\$ or \$** means an Australian dollar.

**Associate** has the meaning ascribed in the Corporations Act.

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

**Auditor** has the meaning ascribed in the Corporations Act.

**Board** means the Directors acting as the board of Directors of the Company or a committee appointed by such board of Directors.

**Chairman** means chairman of the Board, at the time of this meeting being David Trude or alternative.

**Company** means Hansen Technologies Limited ABN 90 090 996 455.

**Constitution** means the constitution of the Company.

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

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

**Group** means the Company and any body corporate of which the Company is a holding company in terms of Section 9 and Division 6 of Part 1.2 of the Corporations Act.

**Listing Rules** means the Listing Rules of the ASX.

**LTI** means long-term incentive.

**Meeting** means the annual general meeting of the Company convened by this Notice of Meeting.

**Notice** means the Notice of Meeting accompanying this Explanatory Notes.

**Performance Rights** means the conditional entitlements to Shares granted to eligible persons under the Performance Rights Plan.

**Performance Rights Plan** has the meaning given in the Explanatory Notes for Resolution 5.

**Proxy Form** means the proxy form attached to the Notice.

**Related Party** has the meaning ascribed in the ASX Listing Rules.

**Resolutions** means the resolutions put to the shareholders of the Company at this meeting.

**Share** means a fully paid ordinary share in the capital of the Company.

**Shareholder** means the Company's existing shareholders at the date of the Notice of Meeting.

## **SCHEDULE 2 – NOTICE OF NOMINATION OF AUDITOR OF HANSEN TECHNOLOGIES LIMITED**

8 October 2018

The Company Secretary  
Hansen Technologies Limited  
2 Frederick Street  
Doncaster VIC 3108

Dear Sir/Madam

### **NOTICE OF NOMINATION OF RSM AUSTRALIA PARTNERS AS AUDITOR OF HANSEN TECHNOLOGIES LIMITED**

I, Andrew Alexander Hansen, being a member of Hansen Technologies Limited, nominate RSM Australia Partners (of Level 21, 55 Collins Street, Melbourne VIC 3000) for the appointment as auditor of Hansen Technologies Limited and its controlled entities at its 2018 Annual General Meeting or at any adjournment thereof.

I consent to the distribution of a copy of this notice of nomination as an attachment to the Notice of Meeting and Explanatory Memorandum for the 2018 Annual General Meeting of Hansen Technologies Limited as required by section 328B(3) of the Corporations Act 2001 (Cth).

Yours sincerely,

A handwritten signature in black ink, appearing to be 'AAH' with a stylized flourish at the end.

Andrew Alexander Hansen  
Shareholder