



22 October 2019

Dear Shareholder,

On behalf of the Board I am pleased to invite you to attend the fifth Annual General Meeting (**AGM**) of The PAS Group Limited (**Company**). The following information is enclosed:

- the Notice of AGM (**Notice**);
- an Explanatory Statement;
- a proxy form;
- a shareholder question form; and
- a reply-paid envelope for lodging your proxy form and/or sending any written questions to the Company before the AGM.

#### **AGM**

The AGM will be held at 11.00 am on Friday 22 November 2019 (AEDT) at the Company's head office (Meeting Room 1) at 17 Hardner Road, Mount Waverley, Victoria 3149.

#### **Business of the AGM**

The business of the AGM is set out in the Notice. The Notice and Explanatory Statement set out important information in relation to the matters to be considered by shareholders at the meeting, and I encourage you to read these materials carefully.

#### **Attendance**

If you are attending the AGM, please bring your personalised proxy form to allow the Share Registry to promptly register your attendance at the meeting. The registration desk will be open from 10:30 am (AEDT).

If you are unable to attend in person, you may wish to appoint a proxy to attend and vote at the meeting in your place. Proxy forms must be received at the Share Registry of the Company no later than 11.00 am (AEDT) on Wednesday 20 November 2019. Please refer to the Notice and proxy form regarding the appointment of a proxy.

#### **Shareholder Questions**

Shareholders attending the AGM will have the opportunity to ask questions at the AGM. If you have an issue or question that you would like to be discussed at the meeting, please complete the enclosed shareholder question form.

Written shareholder queries submitted before the AGM must be received by 11.00 am on Friday 15 November 2019 (AEDT).

I look forward to seeing you at the AGM.

Yours sincerely,

Adam Gray  
Chairman  
The PAS Group Limited



## **NOTICE OF ANNUAL GENERAL MEETING**

Notice is given that the 2019 Annual General Meeting (**AGM**) of shareholders of The PAS Group Limited (**PAS Group** or **Company**) will be held:

Date: Friday 22 November 2019 (AEDT)

Time: 11.00 am (AEDT)

Venue: Meeting Room 1, 17 Hardner Road, Mount Waverley, Victoria 3149

The Explanatory Statement accompanying this Notice of Annual General Meeting (**Notice**) provides additional information on the matters to be considered at the AGM. The Explanatory Statement and the proxy form are part of this Notice.

### **A. CONSIDERATION OF REPORTS**

To receive and consider the Financial Report, the Directors' Report and the Independent Auditor's Report of the Company for the financial year ended 30 June 2019 (**Reports**).

Unless the Company's Share Registry has been notified otherwise, shareholders have not been sent a hard copy of the Company's 2019 Annual Report. All shareholders can view the 2019 Annual Report, which contains the Financial Report for the year ended 30 June 2019, on the Company's website at <http://www.thepasgroup.com.au>.

### **B. QUESTIONS AND COMMENTS**

Following consideration of the Reports, the Chairman will give shareholders a reasonable opportunity to ask questions about or comment on the management of the Company.

The Chairman will also give shareholders a reasonable opportunity to ask the Auditor questions relevant to:

- a. the conduct of the audit;
- b. the preparation and content of the Independent 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 give the Auditor a reasonable opportunity to answer written questions submitted by shareholders that are relevant to the content of the Independent Auditor's Report or the conduct of the audit. A list of written questions submitted by shareholders will be made available at the start of the AGM and any written answer tabled by the Auditor at the AGM will be made available as soon as practicable after the meeting.

### **C. ITEMS FOR APPROVAL**

#### **1. Election of Director – Christopher Murphy**

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

*That, Christopher Murphy, who retires in accordance with clause 59 of the Company's Constitution, having offered himself for re-election and being eligible, is re-elected as a Director of the Company.*

#### **2. Remuneration Report**

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



*That the Company's Remuneration Report for the financial year ended 30 June 2019 (set out in the Directors' Report), is adopted.*

The Remuneration Report is set out in the 2019 Annual Report (available at <http://www.thepasgroup.com.au>). In accordance with section 250R(3) of the *Corporations Act 2001* (Cth) (**Act**), the vote on this resolution is advisory only and does not bind the Directors or the Company.

#### Voting Exclusion Statement

A vote on Resolution 2 must not be cast (in any capacity) by, or on behalf of, the following persons:

- a. a member of the Key Management Personnel (**KMP**) whose remuneration details are included in the 2019 Remuneration Report; or
- b. a closely related party of such a KMP (including close family members and companies the KMP controls).

However, a person described above may cast a vote on Resolution 2 as a proxy if the vote is not cast on behalf of a person described above and either:

- a. the proxy appointment is in writing that specifies the way the proxy is to vote (e.g. for, against, abstain) on the resolution; or
- b. the vote is cast by the Chairman of the Meeting and the appointment of the Chairman as proxy:
  - (i) does not specify the way the proxy is to vote on the resolution; and
  - (ii) expressly authorises the Chairman to exercise the proxy even if the resolution is connected directly or indirectly with the remuneration of a member of the KMP.

"Key management personnel" and "closely related party" have the same meaning as set out in the Act.

### **3. Approval of 10% Placement Capacity**

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

*That subject to and conditional upon the Company being an Eligible Entity for the purposes of Listing Rule 7.1A on the date of this AGM, pursuant to and in accordance with ASX Listing Rule 7.1A and for all other purposes, approval is given for the issue of Equity Securities totalling up to 10% of the issued capital in The PAS Group Limited, calculated in accordance with the formula prescribed in ASX Listing Rule 7.1A.2 and on the terms and conditions set out in the Explanatory Statement which forms part of the Notice of Annual General Meeting.*

#### Voting Exclusion Statement

In accordance with ASX Listing Rule 14.11, the Company will disregard any votes cast in favour of Resolution 3 by or on behalf of:

- a. Any person who is expected to participate in the 10% placement facility, or who will obtain a material benefit as a result of the proposed issue, except a benefit solely by reason of being a holder of ordinary securities in the Company; or
- b. An associate of those persons.

As at the date of this Notice, the Company has no specific plans to issue securities under the 10% placement facility under ASX Listing Rule 7.1A and therefore it is not known who (if any) may participate in a potential issue of securities under the placement facility (if any) under ASX Listing Rule 7.1A. On that basis, the Company is not aware of any person who would be excluded from voting on this resolution.

However, the Company need not disregard a vote cast on Resolution 3 if:



- a. it is cast by a person as proxy for a person who is entitled to vote in accordance with the directions on the proxy form; or
- b. it is cast by the Chairman of the Meeting as proxy for a person who is entitled to vote, in accordance with a direction on the proxy form to vote as the proxy decides.

#### 4. Approval of The PAS Group Long Term Incentive Plan

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

*That for the purposes of ASX Listing Rule 7.2, exception 9, section 260C(4) of the Corporations Act 2001 (Cth) and all other purposes, The PAS Group Long Term Incentive Plan (**Plan**) (as detailed in the Explanatory Statement accompanying and forming part of this Notice) be approved for the issue of securities under The PAS Group Long Term Incentive Plan .*

##### Voting exclusion statement

In accordance with ASX Listing Rule 14.11, the Company will disregard any votes cast in favour of Resolution 4 by or on behalf of:

- a. a Director of the Company who is eligible to participate in The PAS Group Long Term Incentive Plan; or
- b. an associate of any of those Directors.

However, the Company need not disregard a vote cast on Resolution 4 if:

- a. it is cast by a person as proxy for a person who is entitled to vote in accordance with the directions on the proxy form; or
- b. it is cast by the Chairman of the Meeting as proxy for a person who is entitled to vote, in accordance with a direction on the proxy form to vote as the proxy decides.

The Non-executive Directors (being Mr Adam Gray, Mr Craig Holland, Mr Chris Murphy and Ms Silvia Mazzucchelli) are ineligible to participate in The PAS Group Long Term Incentive Plan or any other employee incentive scheme within The PAS Group. As a result, Non-executive Directors will not be excluded from voting on Resolution 4. Only Eric Morris and his associates will be excluded from voting.

In accordance with section 250BD of the Act, a vote must not be cast on Resolution 4 as proxy by a member of the KMP at the date of the AGM, or a closely related party of a KMP, unless it is cast as proxy for a person entitled to vote in accordance with their directions. This restriction on voting undirected proxies does not apply to the Chairman of the Meeting where the proxy appointment expressly authorises the Chairman of the Meeting to exercise undirected proxies even if the resolution is connected, directly or indirectly, with the remuneration of the KMP.

By order of the Board

Marcus Crowe

Chief Financial Officer & Company Secretary  
22 October 2019



## ENTITLEMENT TO ATTEND AND VOTE

In accordance with Regulation 7.11.37 of the *Corporations Regulations 2001* (Cth), the Board has determined that persons who are registered holders of shares of the Company as at 7:00 pm (AEDT) on Wednesday 20 November 2019 are entitled to attend and vote at the AGM as a shareholder.

If more than one joint holder of shares is present at 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 by Proxy*

If you are a shareholder entitled to attend and vote, you may appoint an individual or a body corporate as a proxy. If a body corporate is appointed as a proxy, that body corporate must ensure that it appoints a corporate representative in accordance with section 250D of the Act to exercise its powers as proxy at the AGM.

A proxy need not be a shareholder of the Company.

A shareholder may appoint up to two proxies and specify the proportion or number of votes each proxy may exercise. If the shareholder does not specify the proportion or number of votes to be exercised, each proxy may exercise half of the shareholder's votes. However, if two proxies are appointed, neither proxy may vote on a show of hands.

To be effective, the proxy must be received at the Share Registry of the Company no later than 11.00 am (AEDT) on Wednesday 20 November 2019. Proxies must be received before that time by one of the following methods:

By post:	The PAS Group Limited C/- Link Market Services Limited Locked Bag A14 SYDNEY SOUTH NSW 1235 Australia
Online:	<a href="http://www.linkmarketservices.com.au">www.linkmarketservices.com.au</a>
By delivery:	Link Market Services Limited 1A Homebush Bay Drive RHODES NSW 2138
By facsimile:	In Australia: (02) 9287 0309 From outside Australia: +61 2 9287 0309

To be valid, a proxy must be received by the Company in the manner stipulated above. The Company reserves the right to declare invalid any proxy not received in this manner.

### *Voting by Attorney*

A proxy form and the original power of attorney (if any) under which the proxy form is signed (or a certified copy of that power of attorney or other authority) must be received by the Company no later 11.00 am (AEDT) on Wednesday 20 November 2019, being 48 hours before the AGM.

### *Corporate Representatives*

A body corporate which is a shareholder, or which has been appointed as a proxy, is entitled to appoint any person to act as its representative at the AGM. The appointment of the representative must comply with the requirements under section 250D of the Act. The representative should bring to the AGM a properly executed letter or other document confirming its authority to act as the company's representative.



## **EXPLANATORY STATEMENT**

This Explanatory Statement has been prepared for the information of shareholders of the Company in relation to the business to be conducted at the Company's AGM to be held on Friday, 22 November 2019 at 11.00am (AEDT).

The purpose of this Explanatory Statement is to provide shareholders with information that is reasonably required by shareholders to decide how to vote upon the resolutions.

Resolutions 1 and 4 to be voted on are ordinary resolutions which require a simple majority of votes cast by shareholders entitled to vote on the resolution. Resolution 2 which is an advisory resolution does not bind the Directors or the Company. Resolution 3 is a special resolution which to be passed, requires at least 75% of votes cast in favour by shareholders present and entitled to vote on the resolution.

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### **Resolution 1 - Election of Christopher Murphy**

In accordance with ASX Listing Rule 14.4 and clause 59 of the Constitution, Christopher Murphy retires and, being eligible, offers himself for election as a Non-executive Director.

Christopher Murphy was appointed to the Board on 1 August 2017. Christopher is a Managing Director of Coliseum Capital Management, a private firm that makes long-term investments in both public and private companies. Prior to joining Coliseum in 2008, Christopher was a Senior Associate for the Transaction Services practice of PwC. While in Transaction Services, Christopher performed buy-side and sell-side financial due diligence for Private Equity and Corporate clients. Prior to Transaction Services, Christopher worked in the PwC Audit practice. Christopher is a CFA charter holder, formerly a CPA (inactive), and received a Master of Accounting and a BS in Business Administration from the University of Oregon.

Chris is a member of the Audit and Risk Committee and a member of the Nomination and Remuneration Committee.

Other listed entity directorships: None.

Interest in shares: Nil.

This resolution may be passed as an ordinary resolution.

### **Directors' Recommendation**

With Christopher Murphy abstaining, the Directors unanimously recommend that shareholders vote in favour of Resolution 1.

### **Resolution 2 - Remuneration Report**

Section 250R(2) of the Act requires that the section of the Directors' Report dealing with the remuneration of directors and key management personnel (**Remuneration Report**) be put to the vote of shareholders for adoption by way of a non-binding vote.

Section 250R(3) of the Act provides that the vote on the Remuneration Report is advisory and does not bind the Directors or the Company. However, if 25% of the votes are cast against two consecutive annual resolutions for the purposes of section 250R(2), the Act requires a shareholder vote on whether to convene a special meeting at which all directors (other than the managing director) who were in office when the second section 250R(2) resolution was voted on, must stand for re-election.

The Remuneration Report details the remuneration policy for the Company and:



- reports the remuneration arrangements for Key Management Personnel of the Company (**KMP**);
- explains Board policies in relation to the nature and value of remuneration paid to KMP; and
- discusses the relationship between the policy and Company performance.

The Report is available in the Company's 2019 Annual Report (available on the Company's website <http://www.thepasgroup.com.au>).

The Chairman will give shareholders a reasonable opportunity to ask questions about or make comments on the Remuneration Report.

### **Directors' Recommendation**

As a matter of best practice corporate governance the Directors abstain from making a recommendation in relation to Resolution 2.

### **Resolution 3 - Approval of 10% Placement Capacity**

#### **3.1 General**

ASX Listing Rule 7.1A came into effect on 1 August 2012 and enables an Eligible Entity to seek shareholder approval by special resolution at its AGM to issue Equity Securities equivalent to an additional 10% of the number of ordinary securities on issue by way of a placement over a 12 month period, in addition to the existing 15% placement capacity permitted by ASX Listing Rule 7.1 (**10% Placement Capacity**).

An **Eligible Entity** is one that, as at the date of the relevant AGM:

- (a) is not included in the S&P/ASX 300 Index; and
- (b) has a market capitalisation (excluding restricted securities and securities quoted on a deferred settlement basis) of \$300 million or less.

The Company is an Eligible Entity as it is not included in the S&P/ASX 300 Index and had a market capitalisation at the close of business on Tuesday 8 October 2019 of \$17.8 million, based on a share price of \$0.13.

The effect of Resolution 3 will be to allow the Company to issue Equity Securities up to 10% of the Company's fully paid ordinary securities on issue during the period up to 12 months after the meeting, without using the Company's 15% annual placement capacity granted under Listing Rule 7.1.

The Equity Securities must be in the same class as an existing class of quoted Equity Securities. The Company currently has only one class of Equity Securities on issue, being fully paid ordinary shares.

The exact number of Equity Securities that the Company may issue under an approval under Listing Rule 7.1A will be calculated according to the following formula in ASX Listing Rule 7.1A.2, at an issue price permitted by ASX Listing Rule 7.1A.3 to such persons as the Board may determine, on the terms as described in this Explanatory Statement:

$$(A \times D) - E$$

Where:

**A** is the number of fully paid ordinary securities on issue 12 months before the date of issue or agreement:

- (a) plus the number of fully paid ordinary securities issued in the previous 12 months under an exception in ASX Listing Rule 7.2;
- (b) plus the number of partly paid ordinary securities that became fully paid in the previous 12 months;



- (c) plus the number of fully paid ordinary securities issued in the 12 months with approval of holders of ordinary securities under ASX Listing Rules 7.1 or 7.4; and
  - (d) less the number of fully paid ordinary securities cancelled in the previous 12 months.
- D** is 10%.
- E** is the number of Equity Securities issued or agreed to be issued under ASX Listing Rule 7.1A.2 in the 12 months before the date of issue or agreement to issue that are not issued with the approval of holders of ordinary securities under ASX Listing Rules 7.1 or 7.4.

### **3.2 Technical Information Required by ASX Listing Rule 7.1A**

In accordance with ASX Listing Rule 7.3A, the information below is provided in relation to Resolution 3:

#### **(a) Minimum Price**

The minimum price at which the Equity Securities may be issued is 75% of the volume weighted average price of Equity Securities in that class, calculated over the 15 ASX trading days on which trades in that class were recorded immediately before:

- (i) the date on which the price at which the Equity Securities are to be issued is agreed (Agreed Issue Date); or
- (ii) if the Equity Securities are not issued within 5 ASX trading days of the Agreed Issue Date, the date on which the Equity Securities are issued.

#### **(b) Date of Issue**

The Equity Securities may be issued under the 10% Placement Capacity commencing on the date of this AGM and expiring on the first to occur of the following:

- (i) 22 November 2020, being 12 months after the date of this AGM; or
- (ii) the date of approval by the Company's shareholders of any transaction under ASX Listing Rule 11.1.2 (a significant change to the nature or scale of the Company's activities) or 11.2 (disposal of the Company's main undertaking) or such longer period if allowed by ASX. Approval will cease to be valid in the event that the Company's shareholders approve a transaction under ASX Listing Rule 11.1.2 or 11.2.

#### **(c) Risk of economic and voting dilution**

Any issue of Equity Securities under the 10% Placement Capacity will dilute the voting interests and may dilute the economic interests of shareholders who do not receive Equity Securities under the issue.

The table below seeks to demonstrate the potential dilution of existing shareholders resulting from the issue of Equity Securities under the 10% Placement Capacity calculated in accordance with the formula contained in ASX Listing Rule 7.1A.2. The table does this by setting out the potential number of Shares issued and funds raised on the basis of:

- (i) the current number of Shares on issue;
- (ii) the number of Shares on issue changing (variable 'A' in the formula); and
- (iii) a variation in the issue price of the Shares (noting that Shares may only be issued at up to a 25% discount based on the volume weighted average price of the Shares calculated over the 15 ASX trading days preceding the issue).



Variable 'A' in ASX listing Rule 7.1A.2 (Number of Shares on Issue)	Issue Price (per share)	Voting Dilution		
		<b>\$0.065</b> (50% decrease in current issue price)	<b>\$0.13</b> (Current issue price)	<b>\$0.26</b> (100% increase in current issue price)
<b>136,690,860</b> (Current Variable A)	Additional 10% Shares issued	13,669,086	13,669,086	13,669,086
	<b>Funds Raised</b>	<b>\$888,491</b>	<b>\$1,776,981</b>	<b>\$3,553,962</b>
<b>205,036,290</b> (50% increase in Variable A)*	Additional 10% Shares issued	20,503,629	20,503,629	20,503,629
	<b>Funds Raised</b>	<b>\$1,332,736</b>	<b>\$2,665,472</b>	<b>\$5,330,944</b>
<b>273,381,720</b> (100% increase in Variable A)*	Additional 10% Shares issued	27,338,172	27,338,172	27,338,172
	<b>Funds Raised</b>	<b>\$1,776,981</b>	<b>\$3,553,962</b>	<b>\$7,107,925</b>

\* The number of Shares on issue (variable A in the formula) could increase as a result of the issue of Shares that does not require shareholder approval (such as under a pro-rata rights issue) or an issue of Shares with shareholder approval under Listing Rule 7.1.

**The table on this page uses the following assumptions:**

1. The current number of shares on issue is the Shares on issue as at 8 October 2019.
2. The current issue price is the closing price of the Shares on the ASX on 8 October 2019.
3. The Company issues the maximum possible number of Equity Securities under the 10% Placement Capacity.
4. The calculations above do not show the dilution that any one particular shareholder will be subject to. All shareholders should consider the dilution caused to their own shareholding depending on their specific circumstances.
5. This table does not set out any dilution pursuant to approvals under ASX Listing Rule 7.1.

Shareholders should note that there is a risk that:

- (i) the market price of equity securities may be significantly lower on the issue date than on the date on which this approval is being sought; and
- (ii) the equity securities may be issued at a price that is at a discount to the market price for those equity securities on the date of issue.

**(d) Purpose of Issue under 10% Placement Capacity**

The Company may issue Equity Securities under the 10% Placement Capacity for various purposes including the following:

- (i) as cash consideration in which case the Company intends to use funds raised for new assets or acquisitions and for general working capital purposes; or



- (ii) as non-cash consideration for new asset acquisitions and in such circumstances the Company will provide a valuation of the non-cash consideration as required by listing Rule 7.1A.3.

**(e) Allocation under the 10% Placement Capacity**

The recipients of the Equity Securities to be issued under the 10% Placement Capacity have not yet been determined. However, the recipients of Equity Securities could consist of current shareholders or new investors (or both), none of whom will be related parties of the Company.

The Company will determine the recipients at the time of the issue under the 10% Placement Capacity, having regard to the following factors:

- (i) the purpose of the issue;
- (ii) alternative methods for raising funds available to the Company at that time, including, but not limited to, an entitlement issue or other offer where existing shareholders may participate;
- (iii) the effect of the issue of the Equity Securities on the control of the Company;
- (iv) the circumstances of the Company, including, but not limited to, the financial position and solvency of the Company;
- (v) prevailing market conditions; and
- (vi) advice from corporate, financial and broking advisers (if applicable).

**(f) Previous Approval under ASX Listing Rule 7.1A**

The Company has not previously requested approval under ASX Listing Rule 7.1A at any previous AGM.

**Special Resolution**

Resolution 3 is a special resolution. Accordingly, at least 75% of votes cast by shareholders present and eligible to vote at the AGM must be in favour of Resolution 3 for it to be passed.

**Voting Exclusion**

A voting exclusion statement is included in this notice. As at the date of this notice of meeting, the Company has not invited any existing shareholders to participate in an issue of Equity Securities under ASX Listing Rule 7.1A. Therefore, no existing shareholders will be excluded from voting on Resolution 3.

**Recommendation**

The Board unanimously recommends that shareholders vote in favour of Resolution 3.

**Resolution 4 - Approval of The PAS Group Long Term Incentive Plan**

Resolution 4 seeks approval of The PAS Group Long Term Incentive Plan (**Plan**).

In general terms, ASX Listing Rule 7.1 requires a listed company to obtain shareholder approval prior to the issue of shares, or securities convertible into shares, representing more than 15% of the issued capital of that company in any 12 month period (**15% Capacity**). An exception to Listing Rule 7.1 is set out in Listing Rule 7.2 (Exception 9) that provides that an issue of securities under an employee incentive scheme is not calculated as part of the Company's 15% Capacity if, within three years before the issue date one of the following occurred:

- shareholders approved the issue of securities under the scheme as an exception to Listing Rule 7.1 in accordance with the Listing Rules; or
- in the case of a scheme established prior to an entity being listed, a summary of the terms of the scheme was included in the prospectus.



The PAS Group disclosed its previous Long Term Incentive Plan in the Notice of Meeting for its 2016 AGM. The Long Term Incentive Plan has been reviewed by external legal consultants and there has been no substantive change made to the Plan rules since its disclosure at the Company's 2016 AGM.

Resolution 4 seeks shareholder approval for the Company to have the capacity to issue securities under the Plan as an exception to Listing Rule 7.1 in accordance with Listing Rule 7.2 (Exception 9). Furthermore, if Resolution 4 is passed, Listing Rule 7.2 (Exception 4) will exempt from Listing Rule 7.1 any shares that are issued on the conversion of securities that are issued under this approval.

In order to provide a long-term incentive which aligns employees with the Company's strategies, the Board has established the Plan to provide an additional incentive for eligible employees to work to improve the performance of the Company and enhance the relationship between the Company and eligible employees for the long term mutual benefit of all stakeholders.

The Board believes that appropriately designed equity-based plans are an important part of the Company's remuneration structure. Such plans are a key element in attracting and retaining talented employees, including senior executives, and ensure the interests of employees are aligned with those of shareholders in creating long-term shareholder value.

In order to take advantage of the exemption from Listing Rule 7.1 contained in Listing Rule 7.2 (Exception 9) and allow the Company greater flexibility to issue securities, Shareholders are requested to approve the Plan as an exemption from Listing Rule 7.1.

In addition, the Company is also seeking shareholder approval of the Plan that it may obtain the benefit of the exemption in section 260C(4) of the Corporations Act for the giving of financial assistance to the acquisition of Shares on the conversion of securities issued under the Plan.

**The Company is not seeking approval for the issue of securities to any Director or an associate of a Director under this Resolution.**

#### Terms and Conditions of the Plan

A summary of the terms and conditions of the Plan are annexed to this Explanatory Statement.

#### Other information required by Listing Rule 7.2 (Exception 9)

The number of securities issued under the Plan since the date of the last approval by shareholders at the Company's 2016 AGM was 6,438,840 performance rights. No shares have been issued.

A voting exclusion statement is included in the Notice of Meeting under Resolution 4.

A copy of the Plan Rules will be available at the Meeting venue immediately prior to and during the Meeting.

This resolution may be passed as an ordinary resolution.

#### **Directors' Recommendation**

The Non-executive Directors unanimously recommend that shareholders vote in favour of Resolution 4. Mr Morris, a Director eligible to participate in the Plan and excluded from voting, has abstained from providing a recommendation.

**ANNEXURE**

**Terms and Conditions of The PAS Group Limited Long Term Incentive Plan**

Feature	Terms of the Plan
Type of security	<p>The Plan provides flexibility for the Board to grant one or more of the following securities subject to the terms of the individual offer at the relevant time:</p> <ul style="list-style-type: none"> <li>• performance rights (<b>rights</b>);</li> <li>• options; or</li> <li>• such other rights or benefits as the Board may determine in its discretion.</li> </ul> <p>Unless otherwise specified in an offer document, the Board has the discretion to settle vesting with a cash equivalent payment. The Board also has discretion to make a Dividend Equivalent Award as defined under “Voting and Dividend Rights” in this table.</p>
Eligibility	<p>Offers may be made at the Board’s discretion to Employees of a Group Company who satisfies the eligibility criteria (if any) set by the Board.</p> <p>The Plan is not available for Non-executive Directors.</p>
Offers of equity	<p>The Board may make offers of options or rights at its discretion on the terms and conditions it determines (including conditions in relation to vesting, cash settlement, disposal restrictions or forfeiture and any applicable exercise price). The Board may set different terms and conditions which apply to different participants in the Plan.</p> <p>The Board will determine the procedure for offering and granting options and rights (including the form, terms and content of any offer or invitation or acceptance procedure) in accordance with the rules of the Plan.</p>
Consideration payable	<p>No payment is required for a grant of securities under the Plan unless the Board determines otherwise.</p>
Vesting	<p>Options and rights will become exercisable if and to the extent that any applicable performance, service and other vesting conditions specified at the time of the grant are satisfied (collectively, the Vesting Conditions) and the options or rights have not been forfeited.</p> <p>Vesting Conditions may include conditions relating to employment or service, the individual performance of the participant and/or the Company’s performance and the exercise price (if any) being less than the current market price of the underlying Share as at vesting. The Vesting Conditions and performance period will be set by the Board in its absolute discretion.</p>
Voting and Dividend rights	<p>Options and rights do not carry voting or dividend rights. Shares issued or transferred to participants on exercise of options or rights will carry the same rights and entitlements as other issued Shares, including voting and dividend rights.</p>

Feature	Terms of the Plan
	In addition, the Board has discretion to make a Dividend Equivalent Award which means an award of Shares (or cash payment if determined by the Board) equivalent in value to the amount of dividends that would have been payable to a participant over the relevant period of time specified in the offer document as if a Share had been held by the Participant instead of rights during such period of time and otherwise determined in accordance with the offer document.
Ranking	Shares issued or transferred upon exercise of options or conversion of rights granted under the Plan will rank equally all respects with other issued Shares.
Lapse	If the Board determines that the Vesting Conditions (if any) applicable to all or part of the options or rights have not been satisfied, the relevant securities will lapse.  The options or rights will lapse on cessation of employment in certain circumstances as specified in the offer document and as determined by the Board.
Issue or Acquisition of Shares	Shares to be allocated to participants on the exercise of options or rights may be issued by the Company or acquired on or off market by the Company or its nominee. The Company may appoint a trustee to acquire and hold those Shares on behalf of participants or otherwise for the purposes of the Plan.
Transfer	The Board must approve any transfer of options or rights.
Change in control	The Plan provides that in the event of a change of control as that is defined in the Plan, the Board has the absolute discretion to determine whether some, none or all of a participant's unvested rights or options will vest and become exercisable or cease to be subject to restrictions unless the specific terms of the relevant offer specify otherwise.
Capital reconstruction	If there are certain variations of the share capital of the Company including a rights issue, subdivision, consolidation or reduction in share capital, the Board may make such adjustments as it considers appropriate to ensure participants are not materially advantaged or disadvantaged, in accordance with the provisions of the ASX Listing Rules.
Clawback	The Board has the ability to implement a policy in relation to any circumstances in which the Company may claw back performance-based remuneration from key management personnel (or other senior executives) of the Company (or any other Group Company).
Other	The Plan contains the usual terms for dealing with administration, variation, suspension and termination of the Plan.

**LODGE YOUR QUESTIONS**

**ONLINE**  
www.linkmarketservices.com.au

**BY MAIL**  
The PAS Group Limited  
C/- Link Market Services Limited  
Locked Bag A14  
Sydney South NSW 1235 Australia

**BY FAX**  
+61 2 9287 0309

**BY HAND**  
Link Market Services Limited  
1A Homebush Bay Drive, Rhodes NSW 2138; or  
Level 12, 680 George Street, Sydney NSW 2000

**ALL ENQUIRIES TO**  
Telephone: +61 1300 554 474

**PROXY FORM**

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

**APPOINT A PROXY**

the Chairman of the Meeting (mark box)

OR if you are **NOT** appointing the Chairman of the Meeting as your proxy, please write the name of the person or body corporate you are appointing as your proxy

STEP 1

or failing the person or body corporate named, or if no person or body corporate is named, the Chairman of the Meeting, as my/our proxy to act on my/our behalf (including to vote in accordance with the following directions or, if no directions have been given and to the extent permitted by the law, as the proxy sees fit) at the Annual General Meeting of the Company to be held at **11:00am (AEDT) on Friday, 22 November 2019 at the Company's head office (Meeting Room 1) at 17 Hardner Road, Mount Waverley, Victoria 3149 (the Meeting)** and at any postponement or adjournment of the Meeting.

**Important for Resolutions 2 and 4:** If the Chairman of the Meeting is your proxy, either by appointment or by default, and you have not indicated your voting intention below, you expressly authorise the Chairman of the Meeting to exercise the proxy in respect of Resolutions 2 and/or 4, even though the Resolutions are connected directly or indirectly with the remuneration of a member of the Company's Key Management Personnel (**KMP**). (Note: you may direct the Chairman of the Meeting to vote against Resolutions 2 and/or 4 or to abstain by marking the boxes below.)

**The Chairman of the Meeting intends to vote undirected proxies in favour of each item of business.**


**VOTING DIRECTIONS**

Proxies will only be valid and accepted by the Company if they are signed and received no later than 48 hours before the Meeting. Please read the voting instructions overleaf before marking any boxes with an

STEP 2

**Resolutions**

	For	Against	Abstain*
1 Re-election of Christopher Murphy as a Director	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
2 Adaption of Remuneration Report (Advisory only)	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
3 Approval of 10% Placement Capacity	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
4 Approval of The PAS Group Long Term Incentive Plan	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

 \* 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 votes will not be counted in computing the required majority on a poll.

**SIGNATURE OF SHAREHOLDERS – THIS MUST BE COMPLETED**

Shareholder 1 (Individual)

Joint Shareholder 2 (Individual)

Joint Shareholder 3 (Individual)




Sole Director and Sole Company Secretary

Director/Company Secretary (Delete one)

Director

This form should be signed by the shareholder. If a joint holding, either shareholder may sign. If signed by the shareholder's attorney, the power of attorney must have been previously noted by the registry or a certified copy attached to this form. If executed by a company, the form must be executed in accordance with the company's constitution and the *Corporations Act 2001* (Cth).

STEP 3



## HOW TO COMPLETE THIS SHAREHOLDER PROXY FORM

### YOUR NAME AND ADDRESS

This is your name and address as it appears on the Company's share register. If this information is incorrect, please make the correction on the form. Shareholders sponsored by a broker should advise their broker of any changes. **Please note: you cannot change ownership of your shares using this form.**

### APPOINTMENT OF PROXY

If you wish to appoint the Chairman of the Meeting as your proxy, mark the box in Step 1. If you wish to appoint someone other than the Chairman of the Meeting as your proxy, please write the name of that individual or body corporate in Step 1. A proxy need not be a shareholder of the Company.

### DEFAULT TO CHAIRMAN OF THE MEETING

Any directed proxies that are not voted on a poll at the Meeting will default to the Chairman of the Meeting, who is required to vote those proxies as directed. Any undirected proxies that default to the Chairman of the Meeting will be voted according to the instructions set out in this Proxy Form, including where the Resolutions are connected directly or indirectly with the remuneration of KMP.

### VOTES ON ITEMS OF BUSINESS – PROXY APPOINTMENT

You may direct your proxy how to vote by placing a mark in one of the boxes opposite each item of business. All your shares will be voted in accordance with such a direction unless you indicate only a portion of voting rights are to be voted on any item by inserting the percentage or number of shares you wish to vote in the appropriate box or boxes. If you do not mark any of the boxes on the items of business, your proxy may vote as he or she chooses. If you mark more than one box on an item your vote on that item will be invalid.

### APPOINTMENT OF A SECOND PROXY

You are entitled to appoint up to two persons as proxies to attend the Meeting and vote on a poll. If you wish to appoint a second proxy, an additional Proxy Form may be obtained by telephoning the Company's share registry or you may copy this form and return them both together.

To appoint a second proxy you must:

- (a) on each of the first Proxy Form and the second Proxy Form state the percentage of your voting rights or number of shares 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; and
- (b) return both forms together.

### SIGNING INSTRUCTIONS

You must sign this form as follows in the spaces provided:

**Individual:** where the holding is in one name, the holder must sign.

**Joint Holding:** where the holding is in more than one name, either shareholder may sign.

**Power of Attorney:** to sign under Power of Attorney, you must lodge the Power of Attorney with the registry. If you have not previously lodged this document for notation, 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 indicate the office held by signing in the appropriate place.

### CORPORATE REPRESENTATIVES

If a representative of the corporation is to attend the Meeting the appropriate "Certificate of Appointment of Corporate Representative" must be produced prior to admission in accordance with the Notice of Meeting. A form of the certificate may be obtained from the Company's share registry or online at [www.linkmarketservices.com.au](http://www.linkmarketservices.com.au).

### LODGEMENT OF A PROXY FORM

This Proxy Form (and any Power of Attorney under which it is signed) must be received at an address given below by **11:00am (AEDT) on Wednesday, 20 November 2019**, being not later than 48 hours before the commencement of the Meeting. Any Proxy Form received after that time will not be valid for the scheduled Meeting.

Proxy Forms may be lodged using the reply paid envelope or:



#### ONLINE

[www.linkmarketservices.com.au](http://www.linkmarketservices.com.au)

Login to the Link website using the holding details as shown on the Proxy Form. Select 'Voting' and follow the prompts to lodge your vote. To use the online lodgement facility, shareholders will need their "Holder Identifier" (Securityholder Reference Number (SRN) or Holder Identification Number (HIN) as shown on the front of the Proxy Form).



#### BY MAIL

The PAS Group Limited  
C/- Link Market Services Limited  
Locked Bag A14  
Sydney South NSW 1235  
Australia



#### BY FAX

+61 2 9287 0309



#### BY HAND

delivering it to Link Market Services Limited\*  
1A Homebush Bay Drive  
Rhodes NSW 2138  
or  
Level 12  
680 George Street  
Sydney NSW 2000

\* During business hours (Monday to Friday, 9:00am–5:00pm)

**IF YOU WOULD LIKE TO ATTEND AND VOTE AT THE ANNUAL GENERAL MEETING, PLEASE BRING THIS FORM WITH YOU.  
THIS WILL ASSIST IN REGISTERING YOUR ATTENDANCE.**




ACN 169 477 463


## LODGE YOUR QUESTIONS

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 **ALL ENQUIRIES TO**  
 Telephone: +61 1300 554 474

Please use this form to submit any questions about The PAS Group Limited ("the Company") that you would like us to respond to at the Company's 2019 Annual General Meeting. Your questions should relate to matters that are relevant to the business of the meeting, as outlined in the accompanying Notice of Meeting and Explanatory Memorandum. If your question is for the Company's auditor it should be relevant to the content of the auditor's report, or the conduct of the audit of the financial report.

This form must be received by the Company's share registrar, Link Market Services Limited, by **11:00am (AEDT) on Friday, 15 November 2019**.

Questions will be collated. During the course of the Annual General Meeting, the Chairman of the Meeting will endeavour to address as many of the more frequently raised shareholder topics as possible and, where appropriate, will give a representative of the Company's auditor, the opportunity to answer written questions submitted to the auditor. However, there may not be sufficient time available at the meeting to address all topics raised. Please note that individual responses will not be sent to shareholders.

**My question relates to (please mark the most appropriate box)**

- |   |  |   |
|---|--|---|
| <input type="checkbox"/> Performance or financial reports | <input type="checkbox"/> A resolution being put to the AGM | <input type="checkbox"/> General suggestion |
| <input type="checkbox"/> Remuneration Report              | <input type="checkbox"/> Sustainability/Environment        | <input type="checkbox"/> Other              |
| <input type="checkbox"/> My question is for the auditor   | <input type="checkbox"/> Future direction                  |   |


- |   |  |   |
|---|--|---|
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| <input type="checkbox"/> Remuneration Report              | <input type="checkbox"/> Sustainability/Environment        | <input type="checkbox"/> Other              |
| <input type="checkbox"/> My question is for the auditor   | <input type="checkbox"/> Future direction                  |   |


**QUESTIONS**