

Via ASX Online**ASX Announcement – 10 October 2022**

ASX Market Announcements Office

ASX Limited

Annual General Meeting of Diverger Limited

Diverger Limited (**Diverger** or **the Company**) advises that an Annual General Meeting (**AGM** or **the Meeting**) will be held at **11:30am (AEDT) on Friday 11 November 2022** as a **hybrid meeting** at the offices of **BDO Australia, Rooms 5-8, Level 11 / 1 Margaret Street, Sydney, NSW, 2000** and via **Zoom teleconference**.

In accordance with ASX Listing Rule 3.17, attached are the following documents:

- A Letter to Shareholders regarding arrangements for the Annual General Meeting as dispatched to Shareholders in lieu of the Notice of Meeting;
- Notice of Annual General Meeting; and
- Proxy Form.

Michael Harris
Diverger Limited CFO & Company Secretary

Email: mharris@diverger.com.au

10 October 2022

**Annual General Meeting of Diverger Limited
to be held on Friday, 11 November 2022 at 11:30am (AEDT)**

Dear Shareholder

I am pleased to advise that the Annual General Meeting (**AGM** or **the Meeting**) of Diverger Limited (**Diverger** or **the Company**) will be held at **11:30am (AEDT) on Friday 11 November 2022** as a **hybrid meeting** at the **offices of BDO Australia. Rooms 5-8, Level 11 / 1 Margaret Street, Sydney, NSW, 2000** and **via Zoom teleconference**.

Meeting Materials

The notice of AGM, the accompanying Explanatory Statement and the Proxy Form (Meeting Materials) are being made available to shareholders electronically.

You can access the Meeting Materials using the following link: <https://diverger.com.au/>

Diverger's 2022 Annual Report can be accessed by using the same link.

Items of Business to be addressed at the AGM

There are seven resolutions to be voted on by shareholders at this year's AGM:

- Resolution 1: Adoption of Remuneration Report
- Resolution 2: Re-election of Mr. Grahame Evans
- Resolution 3: Election of Mr. Peter Brook
- Resolution 4: Approval of issue of 357,521 performance rights pursuant to the Plan (Performance Rights) to Managing Director, Nathan Jacobsen
- Resolution 5: Approval of issue of 150,000 performance rights pursuant to the Plan (Performance Rights) to Peter Brook, Non-executive Director and Chair of the Board
- Resolution 6: Amendments to the Constitution
- Resolution 7: Approval of the Additional 10% Placement Capacity

Voting

I strongly encourage shareholders to vote by completing and submitting your Proxy Form as soon as possible, even if you intend to attend the AGM in person. To vote online, please follow the instructions below:

- STEP 1: Visit www.linkmarketservices.com.au
- STEP 2: Enter your Securityholder Reference Number (SRN) or your Holder Identification Number (HIN) as contained in the attached Proxy Form.
- STEP 3: Enter your Postcode (if within Australia) OR Country of Residence (if outside Australia).
- STEP 4: Follow the prompts to vote on each resolution.

Important Note: For your voting instructions to be valid and counted towards this AGM, please ensure that your online lodgement is received no later than **11:30am (AEDT) on Wednesday, 9 November 2022**. Voting instructions received after this time will not be valid for the scheduled AGM.

Arrangements will also be in place for those who wish to attend the AGM in person. Shareholders will be able to vote in real time when invited by the Chair. Shareholders will be able to vote For, Against or Abstain on each item through the online meeting platform.

Meeting Details

Accessing the AGM online

If you are a shareholder or a proxy holder and you wish to virtually attend the AGM, please pre-register in advance of the Meeting here: https://us02web.zoom.us/webinar/register/WN_An4iOU1qRiqmAkxO3AlwJA.

After registering, you will receive a confirmation containing a link to access the AGM online. You may log into this link 15 minutes prior to the AGM commencing.

Attending the AGM in person

Shareholders and proxy holders who wish to attend the AGM in person, can do so at the offices of BDO Australia. Rooms 5 - 8, Level 11 / 1 Margaret Street, Sydney, NSW, 2000.

If you decide to attend in person, you will need to register at the registration desk on the day of the AGM. The registration desk will be open 30 minutes prior to the commencement of the AGM.

The health of the Company's shareholders, employees and other AGM attendees is of paramount importance. We ask that you do not attend the AGM if you feel unwell or have been in contact with someone who may have been affected by COVID-19.

Electronic Communication

You can update your communication preference to ensure that you receive all communications from the Company electronically in the future by updating your shareholder details online via Link Market Services www.linkmarketservices.com.au. To log in, you will need your HIN/SRN and postcode (or country for overseas residents).

Should you have any queries regarding your shareholding or the Company's upcoming AGM, please contact Link Market Services Limited on 1300 554 474.



Peter Brook
Chairman



Diverger Limited

ACN 111 695 357

Notice of Annual General Meeting

Notice is hereby given that the Annual General Meeting (**AGM** or **Meeting**) of Diverger Limited (**Diverger** or the **Company**) will be held as follows:

Date: **Friday, 11 November 2022**

Time: **11:30am (AEDT)**

Venue: **BDO Australia. Rooms 5-8, Level 11 / 1 Margaret Street, Sydney, NSW, 2000**

or

Register in advance to attend online at:

https://us02web.zoom.us/webinar/register/WN_An4iOU1qRigmAkxO3AlwJA

BUSINESS

Annual financial and other reports

To receive and consider the Company's financial report for the year ended 30 June 2022 (**2022 Annual Report**), Directors' Report and Independent Auditor's Report for the financial year ended 30 June 2022.

Resolution 1 — Adoption of Remuneration Report

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

"That for the purposes of section 250R(2) of the *Corporations Act 2001 (Cth)* (**Corporations Act**), the Remuneration Report of the Company for the year ended 30 June 2022 be adopted."

Note: The Remuneration Report is set out in the Company's 2022 Annual Report. The vote on this resolution is advisory only and does not bind the Company or the directors of the Company (**Directors**).

A voting exclusion statement applies to this resolution – see below for details.

Resolution 2 — Re-election of Mr. Grahame Evans

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

"That Mr. Evans, who retires by rotation in accordance with rule 7.1(g) of the Company's Constitution (**Constitution**) and, being eligible, stands for re-election, be re-elected as a Director."

Resolution 3 — Election of Mr. Peter Brook

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

“That Mr. Brook, who was appointed a director on 20 December 2021 and retires in accordance with rule 7.1(e) of the Constitution and, being eligible, stands for election, be elected as a Director.”

Resolution 4 – Approval of issue of 357,521 performance rights pursuant to the Plan (Performance Rights) to Managing Director, Nathan Jacobsen

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

“That for the purposes of ASX Listing Rule 10.14 and for all other purposes, the issue by the Company of 357,521 Performance Rights to Mr. Nathan Jacobsen on the terms set out in the Explanatory Statement be approved.”

A voting exclusion statement applies to this resolution – see below for details.

Resolution 5 – Approval of issue of 150,000 performance rights pursuant to the Plan (Performance Rights) to Peter Brook, Non-Executive Director and Chair of the Board

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

“That for the purposes of ASX Listing Rule 10.14 and for all other purposes, the issue by the Company of 150,000 Performance Rights to Mr. Peter Brook on the terms set out in the Explanatory Statement be approved.”

A voting exclusion statement applies to this resolution – see below for details.

Resolution 6 — Amendments to the Constitution

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

“That in accordance with Section 136(2) of the Corporations Act, the Company’s Constitution be amended as set out in the Explanatory Memorandum with immediate effect.”

Resolution 7 — Approval of the Additional 10% Placement Capacity

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

“That for the purpose of 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 Company's share capital calculated in accordance with ASX Listing Rule 7.1A.2 and otherwise on the terms and conditions set out in the Explanatory Memorandum accompanying this notice of Meeting.”

A voting exclusion statement applies to this resolution – see below for details.

By order of the Board

A handwritten signature in black ink, appearing to read 'Mark Licciardo', is written over a faint, light-colored rectangular stamp or watermark.

Mark Licciardo

Company Secretary

Dated: 10 October 2022

Notes:**1. Accessing the AGM online**

If you are a shareholder or a proxy holder and you wish to virtually attend the AGM, please pre-register in advance of the Meeting here: https://us02web.zoom.us/webinar/register/WN_An4iOU1qRigmAkxO3AlwJA

After registering, you will receive a confirmation containing a link to access the AGM online. You may log into this link 15 minutes prior to the AGM commencing.

2. Attending the AGM in person

Shareholders and proxy holders who wish to attend the AGM in person, can do so at the offices of BDO Australia. Rooms 5-8, Level 11 / 1 Margaret Street, Sydney, NSW, 2000.

If you decide to attend in person, you will need to register at the registration desk on the day of the AGM. The registration desk will be open 30 minutes prior to the commencement of the AGM.

The health of the Company's shareholders, employees and other AGM attendees is of paramount importance. We ask that you do not attend the AGM if you feel unwell or have been in contact with someone who may have been affected by COVID-19.

3. A Shareholder entitled to attend and vote at this AGM is entitled to appoint one proxy or, if the Shareholder is entitled to cast two or more votes at the Meeting, two proxies to attend and vote on behalf and instead of the Shareholder.
4. Where two proxies are appointed, a Shareholder may specify the proportion or number of votes each proxy is appointed to exercise. Where the appointment does not specify the proportion or number of the Shareholder's votes each proxy may exercise, each proxy may exercise half of the votes.
5. A proxy need not be a Shareholder.
6. Proxy votes if appointment specifies way to vote:

Section 250BB of the Corporations Act provides that an appointment of a proxy may specify the way the proxy is to vote on a particular resolution and, if it does:

- (a) the proxy need not vote on a show of hands, but if the proxy does so, the proxy must vote that way;
 - (b) if the proxy has two or more appointments that specify different ways to vote on the resolution, the proxy must not vote on a show of hands;
 - (c) if the proxy is the chairperson of the Meeting (**Chairman**) at which the resolution is voted on, the proxy must vote on a poll, and must vote that way (i.e. as directed); and
 - (d) if the proxy is not the Chairman, the proxy need not vote on the poll, but if the proxy does so, the proxy must vote in the way directed.
7. Transfer of non-chair proxy to Chairman in certain circumstances:

Section 250BC of the Corporations Act provides that, if:

- (a) an appointment of a proxy specifies the way the proxy is to vote on a particular resolution at a meeting of Shareholders;
- (b) the appointed proxy is not the Chairman;
- (c) at the meeting, a poll is demanded on the resolution; and
- (d) either of the following applies:
 - (i) the proxy is not recorded as attending the meeting; or
 - (ii) the proxy does not vote on the resolution,

the Chairman is taken, before voting on the resolution closes, to have been appointed as the proxy for the purposes of voting on the resolution at that meeting.

8. A proxy form accompanies this notice (**Proxy Form**). To be valid it must be received together with the power of attorney or other authority (if any) under which the form is signed, or a certified copy of that power of attorney or authority, not less than 48 hours before the time for holding the Meeting, namely by 11:30am (Sydney time) on Wednesday, 9 November 2022:

At Link Market Services Limited:

- (a) post to C/-Link Market Services Limited, Locked Bag A14, Sydney South NSW, 1235 Australia; or
- (b) facsimile on +61 2 9287 0309.

9. **Regulation 7.11.37 determination:**

A determination has been made by the Board under regulation 7.11.37 of the *Corporations Regulations* 2001 (Cth) that those persons who are registered as the holders of shares in the Company as at 7:00pm (Sydney time) on Wednesday, 9 November 2022 will be taken to be the holders of shares for the purposes of determining voting entitlements at the AGM.

10. **To vote online, please follow the instructions below:**

STEP 1: Visit www.linkmarketservices.com.au

STEP 2: Enter your Securityholder Reference Number (SRN) or your Holder Identification Number (HIN) as contained in the attached Proxy Form.

STEP 3: Enter your Postcode (if within Australia) OR Country of Residence (if outside Australia).

STEP 4: Follow the prompts to vote on each resolution.

11. **Voting by poll**

All Resolutions will be voted on by way of a poll.

Questions and Comments by Shareholders at the Meeting

In accordance with the Corporations Act, a reasonable opportunity will be given to Shareholders, as a whole, to ask questions or make comments on the management of the Company at the AGM.

Similarly, a reasonable opportunity will be given to Shareholders, as a whole, to ask questions of the Company's external auditor, BDO Audit Pty Ltd (**BDO**), relevant to:

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

Shareholders may also submit a written question to BDO if the question is relevant to the content of the BDO audit report or the conduct of its audit of the 2022 Annual Report.

Relevant written questions to BDO must be made no later than 5:00pm (Sydney time) on 4 November 2022. A list of those questions will be made available to Shareholders attending the Meeting. BDO will either answer questions at the Meeting or table written answers to them at the Meeting. If written answers are tabled at the Meeting, they will be made available to Shareholders as soon as practicable after the Meeting.

Please send written questions for BDO to the Company Secretary by no later than 5:00pm (Sydney time) on 4 November 2022:

By email – m.licciardo@acclime.com

Voting exclusion statements:

1. **Resolution 1** (Adoption of Remuneration Report)

The Corporations Act prohibits the Company's Key Management Personnel (**KMP**), details of whose remuneration are included in the Company's remuneration report, and their closely related parties from voting in any capacity on this Resolution. However, such a person may cast a vote on this Resolution as a proxy for a person who is permitted to vote if:

- (a) the appointment of the proxy specifies the way in which the proxy is to vote on the Resolution 1; or
- (b) such a person is the Chairman, and the appointment of the proxy expressly authorises the Chairman to exercise the undirected proxies even if the Resolution 1 is connected with the remuneration of a member of the KMP.

The Chairman intends to vote undirected proxies in favour of Resolution 1.

2. **Resolution 4** (Approval of issue of 357,521 Performance Rights to Mr. Nathan Jacobsen), **Resolution 5** (Approval of issue of 150,000 Performance Rights to Mr. Peter Brook)

The Company will disregard any votes on Resolutions 4 and 5:

- a) cast in favour or on behalf of any person referred to in ASX Listing Rule 10.14.1, 10.14.2 or 10.14.3 (which includes Directors) who are eligible to participate in the Employee Incentive Scheme or any of their respective associates; or
- b) cast as a proxy by members of the KMP at the date of the Meeting and their closely related parties.

However, the Company need not disregard a vote in relation to Resolutions 4 and 5 if it is cast by:

- (a) a person as proxy or attorney for a person who is entitled to vote on the Resolution, in accordance with directions given to the proxy or attorney to vote on the Resolution in that way; or
- (b) the Chairman as proxy or attorney for a person who is entitled to vote on the Resolution, in accordance with an express authority in the Proxy Form to vote undirected proxies as the Chairman sees fit even though Resolutions 4 and 5 is connected with the remuneration of a member of the KMP; or
- (c) a Shareholder acting solely in a nominee, trustee, custodial or other fiduciary capacity on behalf of a beneficiary, provided the following conditions are met:
 - (i) the beneficiary provides written confirmation to the Shareholder that the beneficiary is not excluded from voting, and is not an associate of a person excluded from voting, on the Resolution; and
 - (ii) the Shareholder votes on the Resolution in accordance with directions given by the beneficiary to the Shareholder to vote in that way.

3. Resolution 7 (Approval of Additional 10% Placement Capacity)

The Company will disregard any votes cast in favour on Resolution 7 by or on behalf of any person who is expected to participate in, 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 entity) and any of their associates.

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

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

If you are a Restricted Voter and purport to cast a vote other than as permitted above, that vote will be disregarded by the Company (as indicated above) and you may be liable for breaching the voting restrictions that apply to you under the Corporations Act.

Note: In accordance with ASX Listing Rule 14.11.1 and the relevant note under that rule concerning ASX Listing Rule 7.1A, as at the date of this notice of meeting it is not known who may participate in the proposed issue (if any). On that basis, no Shareholders are currently excluded.

General Information on Proxy Voting

It is the intention of the Chairman to vote eligible undirected proxies in favour of all Resolutions, to the extent permitted by law.

If a Shareholder appoints the Chairman as their proxy, expressly or by default, and they do not direct the Chairman how to vote on a Resolution, by completing and returning the Proxy Form they will be expressly authorising the Chairman to exercise the proxy and vote as the Chairman sees fit on a Resolution, even if the Resolution is connected directly or indirectly with the remuneration of a KMP Member.

In respect of Resolutions 1, 4 and 5, the Proxy Form contains an express authorisation for the Chairman to exercise undirected proxies even though these Resolutions are connected directly or indirectly with the remuneration of a KMP Member.

Those Shareholders appointing a proxy who do not want the Chairman to cast their vote in favour of a Resolution should:

- (a) appoint the Chairman as proxy with a direction to cast votes in the manner directed; or
- (b) appoint a person other than the Chairman as proxy with or without a direction to cast votes 'for', 'against' or to 'abstain' from voting on these Resolutions (as the Shareholder considers appropriate).

Explanatory Statement

General information

This Explanatory Statement is an important document and should be read carefully. It comprises part of, and should be read in conjunction with, the Notice of Annual General Meeting (**Notice**).

If you have any questions regarding the matters referred to in this Explanatory Statement (or elsewhere in the Notice), please contact the Company, or your stockbroker or other professional adviser.

Consideration of the Company's annual financial and other reports

The Corporations Act requires that the 2022 Annual Report (which includes the financial statements and Directors' declaration), the Directors' Report and Independent Auditor's Report be laid before the AGM.

There is no requirement either in the Corporations Act or the Constitution for Shareholders to approve the 2022 Annual Report, the Directors' Report or the Independent Auditor's Report.

However, Shareholders will be given a reasonable opportunity at the Meeting to ask questions and make comments on these reports.

Resolution 1 – Adoption of Remuneration Report

Board recommendation: The Board recommends that Shareholders vote in **FAVOUR** of Resolution 1.

Undirected proxies: The Chairman intends to vote undirected proxies in **FAVOUR** of Resolution 1.

There will be an opportunity for Shareholders at the Meeting to comment on and ask questions about the Remuneration Report, which appears in the Company's 2022 Annual Report.

The vote on the proposed Resolution adopting the Remuneration Report is advisory only and will not bind the Company or its Directors. However, the Board will take the outcome of the vote into consideration when reviewing the Company's remuneration policy and practices.

The Corporations Act contains a 'two strikes' rule in relation to remuneration reports. Briefly, if at two consecutive AGMs, 25% or more votes were cast against the resolution that the Company's remuneration report be adopted, a 'spill resolution' must be put to the vote at that AGM. If 50% or more of eligible votes cast are in favour of the spill resolution, the Company must convene a general meeting (a 'spill meeting') within 90 days of the AGM. All

of the Directors who were in office when the Directors' Report was approved, other than the Managing Director will need to stand for re-election at the spill meeting.

At the Company's 2021 annual general meeting less than 25% of votes were cast against the resolution that the Remuneration Report be adopted. Accordingly, there is no requirement to allow for a possible spill resolution at this year's AGM.

Resolution 2 — Re-election of Mr. Grahame Evans

Board recommendation: The Board recommends that Shareholders vote in **FAVOUR** of Resolution 2.

Undirected proxies: The Chairman intends to vote undirected proxies in **FAVOUR** of Resolution 2.

In accordance with rule 7.1(g) of the Constitution, Mr. Evans retires at this year's AGM and, being eligible, stands for re-election.

Mr Evans has been extensively involved with the financial services industry for over 30 years. He has held a variety of board positions including Chairman of Australian, Canadian, Singaporean & Chinese investment & advice businesses and also as a director of Malaysian and New Zealand companies. He is a regular speaker at conferences both in Australia and overseas and holds an MBA from the prestigious Australian Graduate School of Management. Grahame's executive roles have included CEO Investments for Tower Australia, Managing Director, AMP Consulting and Group Managing Director of Centrepoint Wealth.

Resolution 3 — Election of Mr. Peter Brook

Board recommendation: The Board recommends that Shareholders vote in **FAVOUR** of Resolution 3.

Undirected proxies: The Chairman intends to vote undirected proxies in **FAVOUR** of Resolution 3.

In accordance with rule 7.1(e) of the Constitution, Mr. Brook retires at this year's AGM and, being eligible, stands for election. Mr. Brook was appointed as a Non-executive Director on 20 December 2021 and was appointed Chairman of the Board on 17 March 2022.

Mr Brook has over 40 years' experience with senior management roles across diverse and complex organisations within financial services. Peter was a Senior Partner in Grant Thornton and became the National Chairman of the Insolvency and Recovery practice. He later moved into senior executive roles working for MLC and Challenger in Asset Management and Life Insurance and as an executive director of 4 ASX listed asset management funds. Peter moved onto ASX listed Alinta Energy where he was an Executive Director and Chief Financial Officer working on the separation from the Babcock and Brown stable and its ultimate privatisation.

Peter was the Managing Director of Pillar Administration for 4 years until it was sold by the New South Wales Government. Over that time, he shepherded the organisation through the changes needed by frequent and significant changes to the superannuation laws and regulations, the rationalisation of multiple operating member platforms to drive greater efficiency and quality, to respond to the digitisation of regulatory reporting, data and funds transfers and member self service. Pillar administered around \$120 billion of superannuation for clients such as Aware Super, State Super and Commonwealth Super. Most recently Peter was the Chair of ASX listed Xplore Wealth Limited before its sale to HUB24.

Resolutions 4 and 5 – Approval of issue of Performance Rights to Mr. Nathan Jacobsen and Mr. Peter Brook

Board recommendation. The Board (excluding Mr. Nathan Jacobsen and Mr. Peter Brook, who abstain from making a recommendation in respect of Resolution 4 and 5, respectively, due to their personal interest in Resolution) recommends that Shareholders vote in **FAVOUR** of Resolutions 4 and 5.

Undirected proxies: The Chairman intends to vote all available undirected proxies in **FAVOUR** of Resolutions 4 and 5.

ASX Listing Rule 10.14 provides that a company may not issue securities to a director under an employee incentive scheme without the approval of its Shareholders by way of an ordinary resolution. Accordingly, Shareholder approval is sought for the grant of the following Plan Securities:

- 357,521 Performance Rights to Mr. Nathan Jacobsen, the Managing Director; and
- 150,000 Performance Rights to Mr. Peter Brook, a Non-executive Director and Chair of the Board.

(collectively, the **Issues** and each an **Issue**).

The Issue to which Resolution 4 relates is to be made to Mr. Nathan Jacobsen (the Managing Director) in accordance with his remuneration package, which was recently revised following an independent, third-party benchmarking of Mr. Jacobsen's total remuneration package against market comparators. The proposed Issue to Mr. Jacobsen reflects the long-term incentive (**LTI**) remuneration to which he is entitled under his revised remuneration package, and is the subject of Resolution 4.

The Issue to which Resolution 5 relates is to be made to Mr. Peter Brook (Non-executive Director) to align his remuneration structure with that of the other Non-executive Directors. At the Company's AGM on Thursday, 18 November 2021, Shareholders approved the issue of Performance Rights to Mr Carl Scarcella and Mr Anthony McDonald in their capacity as Non-executive Directors. Mr. Brook was appointed to the Board after the 2021 AGM.

As set out in the Explanatory Memorandum to the Notice of Meeting for the 2021 AGM, the Performance Rights were issued to the Non-executive Directors, once approved, on an 'at

risk' basis and in recognition of abnormal work and time commitment over the next two to three years (given the Company's then renewed strategy to explore a change in scale and capability). That strategy continues in 2022 and beyond. Accordingly, it is proposed that Mr Brook's compensation as a Non-executive Director be aligned with the other Non-executive Directors, while recognising the additional responsibilities of a Chairman in pursuing the Company's stated strategy to explore a change in scale and capability.

As with the approved 2021 awards to the Non-executive Directors, the Issue under Resolution 5 seeks to reward Mr. Brook on an 'at risk' basis, achieving a strong alignment with the Company's strategic aspirations and intent to grow and deliver enhanced Shareholder value. The hurdle rate and vesting period attached to the Performance Rights proposed to be issued to Mr Brook are:

- identical to the hurdle rate and vesting period attached to the 2021 Performance Rights issued to the other Non-executive Directors,
- reflect the conditions prevailing in 2021 and therefore have a higher 'at risk' hurdle compared to the 2022 annual grant to the Managing Director, and
- align equally with the Performance Rights previously issued to the other Non-executive Directors in the pursuit of a change in scale and capability.

The Board is, therefore, recommending that Shareholders approve the Issues under:

- (a) Resolution 4 in accordance with Mr Jacobsen's remuneration package and contractual arrangements relating to LTI entitlements, and in the context of the 2022 independent, third-party benchmarking of Mr Jacobsen's total remuneration package against market comparators; and
- (b) Resolution 5 as a special, one-off grant of Performance Rights to the Chairman to align with performance rights previously issued to the other Non-executive Directors.

Listing Rule 10.14

ASX Listing Rule 10.14 provides that a listed company must not permit any of the following persons to acquire equity securities under an employee incentive scheme:

- 10.14.1 a director of the company;
- 10.14.2 an associate of a director of the company; or
- 10.14.3 a person whose relationship with the company or a person referred to in Listing Rule 10.14.1 or 10.14.2 is such that, in ASX's opinion, the acquisition should be approved by its shareholders,

unless it obtains the approval of its shareholders.

Mr. Jacobsen and Mr. Brook as directors of the Company are therefore each a related party of the Company for the purposes of ASX Listing Rule 10.14.1. Accordingly, ASX Listing Rule 10.14 requires shareholders to approve the grant of the Performance Rights to Mr. Jacobsen and Mr. Brook.

Resolutions 4 and 5 seek the required shareholder approval to the Issue under and for the purpose of Listing Rule 10.14.

If Resolutions 4 and 5 are passed, the Company will be able to proceed with the Issue of 357,521 Performance Rights to Mr. Jacobsen and 150,000 Performance Rights to Mr. Brook.

If Resolutions 4 and 5 are not passed, the Company will not be able to proceed with the Issues and may seek alternative arrangements, including potentially awarding additional cash remuneration (subject to applicable limits on director fees in the Constitution, and the Corporations Act).

In accordance with the requirements of ASX Listing Rule 10.15, the below information is provided in respect of the proposed Issues which are the subjects of Resolutions 4 and 5.

Name	Mr. Nathan Jacobsen	Mr. Peter Brook
Which category in rules 10.14.1 -10.14.3 the person fall within and why	Mr. Jacobsen, being the Managing Director of the Company falls within ASX Listing Rule 10.14.1.	Mr Brook, being a Director of the Company falls within ASX Listing Rule 10.14.1
The number and class of securities proposed to be issued to the person under the scheme for which approval is being sought	It is proposed that 357,521 Performance Rights be issued to Mr. Nathan Jacobsen.	It is proposed that 150,000 Performance Rights be issued to Mr. Brook.
<p>If the person is:</p> <ul style="list-style-type: none"> • A director under rule 10.14.1; or • An associate of, or person connected with, a director under rules 10.14.2 or 10.14.3, <p>Details (including the amount) of the director's current total remuneration package</p>	<p>Mr. Jacobsen's cash remuneration package for the 2023 financial year is \$675,000 per annum comprising fixed base remuneration of \$450,000 plus \$225,000 as the maximum that he can earn as variable, short term incentive remuneration (both inclusive of superannuation).</p> <p>Mr. Jacobsen is also entitled to LTI remuneration comprising the Performance Rights which were approved and issued to Mr. Jacobsen following the 2021 AGM and the proposed issue of Performance Rights which are the subject of Resolution 4.</p> <p>(Shareholders are referred to the Company's Remuneration Report for details of Mr. Jacobsen's remuneration for the 2022 financial year)</p>	<p>Mr. Brook's cash package with effect from 1 September 2022 is \$122,400 per annum comprising a base directors fee of \$82,400 plus committee and specific special duties fees of \$40,000 (both inclusive of superannuation).</p> <p>Mr. Brook is also entitled to the LTI remuneration which is the subject of Resolution 5.</p> <p>(Shareholders are referred to the Company's Remuneration Report for details of Mr. Brook's remuneration for the 2022 financial year)</p>
The number of securities that have previously been issued to the person under the scheme and the average acquisition price (if any) paid	360,066 Performance Rights were approved and issued to Mr. Jacobsen following the 2021 AGM.	No Plan Securities under the Plan have previously been granted to Mr. Brook.

Name	Mr. Nathan Jacobsen	Mr. Peter Brook
by the person for those securities	No money was paid by Mr. Jacobsen for the Performance Rights.	
If the securities are not fully paid ordinary securities: <ul style="list-style-type: none"> • A summary of the material terms of the securities • An explanation of why that type of security is being used; and • The value the entity attributes to that security and its basis. 	<p>A summary of the material terms of the Performance Rights are set out in the table further below.</p> <p>Mr. Jacobsen’s remuneration is determined by the Nomination and Remuneration Committee, having regard to relevant market practices and circumstances of the Company on an annual basis.</p> <p>The proposed issue of Performance Rights is to be used as an incentive mechanism, to link remuneration to performance, and to provide cost effective remuneration. The Board believes Performance Rights provide greater alignment with shareholders’ interests by enabling Mr. Jacobsen to acquire Shares, whilst preserving the Company’s cash reserves.</p> <p>Value of Performance Rights: \$165,622</p>	<p>A summary of the material terms of the Performance Rights are set out in the table further below.</p> <p>Mr. Brook’s remuneration is determined by the Nomination and Remuneration Committee, having regard to relevant market practices and circumstances of the Company on an annual basis.</p> <p>The proposed issue of Performance Rights is to be used as an incentive mechanism, to link remuneration to performance, and to provide cost effective remuneration. The Board believes Performance Rights provide greater alignment with shareholders’ interests by enabling Mr. Brook to acquire Shares, whilst preserving the Company’s cash reserves.</p> <p>Value of Performance Rights: \$45,300</p>
The date or dates on or by which the entity will issue the securities to the person under the scheme. This must be no later than 3 years after the date of the meeting	Provided Shareholder approval is obtained, the issues of Performance Rights will occur within 30 days of Shareholder approval.	Provided Shareholder approval is obtained, the issues of Performance Rights will occur within 30 days of Shareholder approval.
The price at which the entity will issue the securities to the person under the scheme	Nil consideration will be payable for the Issue, on issue and vesting.	Nil consideration will be payable for the Issue, on issue and vesting.
A summary of the material terms of the scheme	A summary of the material terms of the Performance Rights are set out in the table further below.	A summary of the material terms of the Performance Rights are set out in the table further below.
A summary of the material terms of any loan that will be made to the person in relation to the acquisition	No loan will be provided to Mr. Jacobsen in connection with the Issue.	No loan will be provided to Mr. Brook in connection with the Issue.
Voting exclusion statement	This can be located under the “Voting Exclusion Statements” section of this Notice.	This can be located under the “Voting Exclusion Statements” section of this Notice.

A summary of the material terms of the Plan was set out in the Explanatory Statement to the Notice of Meeting for the 2021 Annual General Meeting.

Performance Rights are being issued under the Issues in order to align the LTI remuneration of Mr. Jacobsen and the Director's remuneration of Mr. Brook to the performance of the Company. Linking their remuneration directly to the performance of the Company serves to ensure that Shareholder interests are protected.

The Company values the Performance Rights to be granted to Mr. Jacobsen and to Mr. Brook at \$0.463 and \$0.302 per Performance Right respectively, because each Performance Right is a right to receive one Share (or to be paid a cash payment in lieu of one Share) subject to the satisfaction of any vesting conditions. The ultimate value of the Performance Right may vary and is contingent on the satisfaction of any vesting conditions. The value of the Performance Rights are expensed over the 3 year vesting period for Mr. Jacobsen, and over the remaining 2 year vesting period for Mr. Brook, in accordance with Accounting Standard AASB2 – Share-based Payment.

The details of any securities issued under the Plan will be published in the annual report of the Company relating to a period in which Plan Securities have been issued, along with a statement that approval for the issue of securities was obtained under ASX Listing Rule 10.14.

Any additional persons covered by Listing Rule 10.14 who become entitled to participate in an issue of Plan Securities under the Plan after Resolutions 4 and 5 are approved and who were not named in the Notice will not participate until approval is obtained under ASX Listing Rule 10.14.

Key terms of the grant of Performance Rights

A summary of the material terms of the Performance Rights is set out below.

Term	Description
What is a Performance Right under the Plan?	The right to acquire one Share (or to be paid a cash payment in lieu of one Share), subject to the satisfaction of any vesting conditions.
No dividends	Prior to vesting, Performance Rights do not carry any dividend rights.
No voting rights	Prior to vesting, Performance Rights do not carry any voting rights.
Vesting conditions	In accordance with the Plan Rules, the Board may, in its sole and absolute discretion, waive or alter the vesting conditions attaching to Performance Rights. Vesting conditions may differ between members of the Plan. A summary of the vesting conditions for the Issues under Resolutions 4 and 5 is set out below.
What happens following vesting?	The Board has the sole and absolute discretion to deliver either Shares or cash or a combination of both on vesting of Performance Rights. To the

Term	Description
	extent that an issue comprises any cash settlement, the issue must be made pursuant to applicable law.
Restrictions on transfers of Performance Rights	<p>Performance Rights are transferable, only with the Board's prior written consent and in its sole and absolute discretion, and then only to a Board-approved related party of the holder.</p> <p>The disposal of any Performance Right is also otherwise subject to the Company's Securities Dealing Policy and trading windows.</p>
Restriction on trading of Shares following vesting of Performance Rights	<p>Shares acquired through the vesting of a Performance Right will be restricted during the period of 12 months from the date of vesting of the Performance Right, unless the proposed sale of Shares is for the purpose of meeting tax obligations arising from the Performance Right or Shares.</p> <p>The disposal of any Share is also subject to the Company's Securities Dealing Policy and trading windows.</p>
Treatment of Performance Rights on termination or resignation	<p>Subject to compliance with all laws (including the Corporations Act), the Board may exercise a discretion in relation to unvested Performance Rights in the following circumstances on cessation of employment or engagement, as the case may be:</p> <ul style="list-style-type: none"> (a) where the Company has terminated the employment (in the case of Executive Directors) or engagement (in the case of Non-executive Directors) in circumstances other than in For Cause Circumstances, as described below; (b) where the Company has made the Director redundant; (c) death of a Director; or (d) resignation by the Director due to terminal illness or incapacity. <p>In exercising its discretion, the Board may (amongst other things) determine that:</p> <ul style="list-style-type: none"> (a) all or some of the Performance Rights may be retained (subject to the terms and conditions on which they were held prior to cessation of employment or engagement or such other terms and conditions as the Board determines in its sole and absolute discretion); (b) all or some of the Performance Rights vest on an accelerated basis on specified dates; or (c) all or some of the Performance Rights will be forfeited. <p>In determining the number of Performance Rights which may be retained or vest in accordance with the above, the Board may make reference to the period of continuous employment or engagement, as the case may be, during the three year period from 1 July 2022 to 30 June 2025 in the case of Mr Jacobsen (NJ Testing Period) and the three year period from 1</p>

Term	Description
	<p>July 2021 to 30 June 2024 in the case of Mr Brook, (PB Testing Period and collectively Testing Periods) so that the number of Performance Rights retained or vested is pro-rated to the period of employment or engagement during the Testing Periods.</p> <p>In all other circumstances in which employment or engagement ceases, the Performance Rights will be forfeited unless the Board determines otherwise.</p> <p>For Cause Circumstances is defined in the Plan Rules to mean where the employment (in the case of Executive Directors) or engagement (in the case of Non-executive Directors) with the Company has been terminated due to:</p> <ul style="list-style-type: none"> (a) serious or wilful misconduct (including, without limitation, fraud); (b) a material breach of his terms of employment or engagement with the Company; (c) gross negligence in the performance of his duties; or (d) other conduct justifying termination of his terms of employment or engagement with the Company without notice, or at common law.
<p>Treatment of Performance Rights on a change in control of the Company (CIC)</p>	<p>CIC is defined to mean where:</p> <ul style="list-style-type: none"> (a) any takeover bid being made for Shares; (b) a court orders a meeting to be convened in relation to a compromise or arrangement in connection with: <ul style="list-style-type: none"> (i) a scheme which would, if it becomes effective, result in any person (either alone or together with its related bodies corporate) owning all of the Shares; or (ii) a scheme for the reconstruction of the Company or its amalgamation with any other company or companies; (c) any other transaction or event that the Board determined, in its sole and absolute discretion, is a CIC of the Company. <p>If a CIC occurs or is likely to occur, the Board may determine in its sole and absolute discretion that:</p> <ul style="list-style-type: none"> (a) all or some of the Performance Rights may be retained (subject to the terms and conditions on which they were held prior to cessation of employment or engagement or such other terms and conditions as the Board determines in its sole and absolute discretion);

Term	Description
	<p>(b) all or some of the Performance Rights vest on an accelerated basis on specified dates;</p> <p>(c) all or some of the Performance Rights will be forfeited;</p> <p>(d) any restrictions on disposal or any other terms set out in an invitation to participate in the Plan cease to apply;</p> <p>(e) any disposal restrictions which apply to Shares after vesting of Performance Rights cease to apply; and/or</p> <p>(f) in the case of an employee trustee set up by the Company to hold Performance Rights or Shares on behalf the members of the Plan, the Company on behalf of the members will direct the trustee to transfer Performance Rights or Shares into members’ names.</p>
<p>Clawbacks and forfeiture</p>	<p>The Board has a sole and absolute discretion to reduce, cancel or recover (ie Clawback) any and all unvested Performance Rights issued to a Proposed Participant under the Plan in the following circumstances:</p> <p>(a) fraud or dishonesty of the Proposed Participant;</p> <p>(b) actions by the Proposed Participant to the detriment of the Company’s reputation or standing in the industry or the community, or which has brought the Company into disrepute;</p> <p>(c) material misstatement or omission in relation to the Company’s financial statements or an event or circumstance occurs which will require the financial statements of the Company or one of its subsidiaries (Group, and each a Group Company) to be restated;</p> <p>(d) the financial soundness and sustainability of the Group is at risk;</p> <p>(e) a breach of duties or obligations to the Company by the Proposed Participant; and/or</p> <p>(f) the Company is required by or entitled under law or a policy of a Group Company to clawback remuneration of the Proposed Participant.</p> <p>Further, where a Performance Right vests as a result of fraud, dishonesty or breach of duties or obligations of any person (i.e. not necessarily a member of the Plan) to any Group Company and the Performance Rights may not have otherwise vested, then the Board in its sole and absolute discretion may determine how to treat those vested Performance Rights.</p>

Vesting conditions on Issues

Mr. Nathan Jacobsen

Each Performance Right to be granted to Mr. Jacobsen is a right for Mr. Jacobsen to be issued one Share upon satisfaction of the below vesting conditions. The first performance condition and the second performance condition (referred to as **PC1** and **PC2**, respectively) will be applied separately to the Performance Rights over the NJ Testing Period as follows:

PC1 – Adjusted Earnings per Share (Adjusted EPS) – weighting: 50%

For the purposes of PC1:

The Company is focused on growing scale and capability whilst maximising returns to shareholders. Accordingly, the Board considers that a performance condition measuring Adjusted EPS, as described below, over the next three years ending 30 June 2025 is an effective way to incentivise Mr. Jacobsen to manage the Company in a manner which is aligned to and consistent with shareholder expectations and interests.

In order to achieve the Company's growth targets, the strategy includes pursuing appropriate inorganic acquisitions which are subject to prescribed accounting treatments that, at a statutory accounting level through non-cash amortisation and other fair-value adjustments, can negatively affect Statutory Earnings Per Share, notwithstanding being accretive on a cash and an underlying basis. Accordingly, the Board considers adopting an Adjusted EPS measure is consistent with the Company's stated Capital Management Policy and better aligned to shareholder expectations and interests.

Adjusted EPS is measured by calculating the audited Net Profit After Tax (**NPAT**) attributable to shareholders, adjusted for amortisation, impairment and other fair-value adjustments, divided by the weighted average number of ordinary shares outstanding during the financial year.

The Adjusted EPS hurdle so described is based on a compound annual growth rate (**CAGR**) in the range of 13.5% to 18.0% over the three year NJ Testing Period from a baseline Adjusted EPS at 30 June 2022 of 12.25 cents. This will assist in ensuring that vesting of Performance Rights under PC1 is directly linked to superior returns achieved for Shareholders.

The Board has calibrated the vesting of PC1 Performance Rights to the CAGR of Adjusted EPS as follows:

- zero vesting will occur if the CAGR of Adjusted EPS is below a minimum threshold vesting level of 13.5% over the NJ Testing Period;
- 100% vesting will occur if the CAGR of Adjusted EPS reaches or exceeds a maximum threshold vesting level of 18.0% over the NJ Testing Period; and

- vesting between these two levels will be on a straight-line basis, with 25% vesting upon the CAGR of Adjusted EPS reaching 13.5% and 100% vesting if it reaches 18.0%.

PC2 – Absolute Total Shareholder Return (NJ ATSR) – weighting 50%

The Board, with advice from a specialist remuneration adviser, believes that an ‘Absolute Total Shareholder Return’ (**ATSR**) rather than a ‘Relative Total Shareholder Return’ is the most appropriate way to measure the success in implementing the Company’s long term strategic objectives.

The decision to use ATSR is based on the Company’s intent to pursue high growth through the execution of its strategy, including both organic and inorganic growth. There are also currently insufficient comparable listed companies to provide a meaningful performance measure relative to peers.

The NJ ATSR hurdles measure the total return to Shareholders by calculating the increase (or decrease) between a baseline VWAP for Shares measured over the period 1 May 2022 to 30 July 2022 and a closing VWAP for Shares measured over the 20 trading day period immediately prior to 30 June 2025 (**NJ Test Date**), plus any dividends paid to Shareholders during this period. The Board considers that the three-month baseline VWAP is appropriate having regard to the volume of trading in the Company’s shares and their liquidity conditions over the relevant period.

The NJ ATSR hurdles are based on CAGR in the range of 12.5% to 20% over three years. This CAGR range is significantly above the 30 June 2022, 20-year returns on Australian shares of 8.2% per annum reported in the 2022 Vanguard Index Chart Report. The NJ ATSR hurdles are considered challenging and are intended to align vesting with superior Shareholder returns.

For the NJ Testing Period, the Board has calibrated the vesting of the PC2 Performance Rights to the growth in ATSR as follows:

- zero vesting will occur if the CAGR of ATSR is below a minimum threshold vesting level of 12.5% over the NJ Testing Period;
- 100% vesting will occur if the CAGR of ATSR reaches or exceeds a maximum threshold vesting level of 20% over the NJ Testing Period; and
- vesting between these two levels will be on a straight-line basis, with 25% vesting upon the CAGR of ATSR reaching 12.5% and 100% vesting if it reaches 20.0%.

The three-month VWAP for Shares up to 31 July 2022 was \$0.944. Therefore (in the absence of any dividends) the 12.5% threshold (being the minimum threshold vesting level) equates to a share price of \$1.34 and the 20% threshold equates to a share price of \$1.63 when tested over the NJ Testing Period.

The Board, in its sole and absolute discretion, may determine that an ‘**Abnormal Event**’ has occurred in circumstances where, in the final year of the NJ Testing Period only, there is:

- a general ASX share market correction of at least 10%; or
- an unusual or abnormal event outside of management's control,

which results in a temporary reduction in the Company's Share price but which does not reflect the actual performance of the Company or its underlying value.

Following an Abnormal Event, the Board may determine that the PC2 hurdle will be retested and measured over a four-year period ending 30 June 2026 (**Last NJ Test Date**), with correspondingly higher CAGR ATSR hurdles over that four-year period (i.e. in order to satisfy PC2, the Share price must be in the range of \$1.51 to \$1.96, in the absence of any dividends).

Any PC2 Performance Rights that have not vested after the NJ Test Date or the Last Test Date, as the case maybe, will lapse and be forfeited.

Mr. Peter Brook

Each Performance Right to be granted to Mr. Brook is a right for Mr. Brook to be issued one Share upon satisfaction of an ATSR hurdle over the PB Testing Period. The Performance Rights proposed to be issued to Mr Brook, and the vesting hurdles attaching to them, are to align equally with the Performance Rights granted to the Non-executive Directors in 2021 following approval by Shareholders at the 2021 AGM. This alignment is to ensure consistency in the pursuit of a change in the Company's scale and capability.

The Directors note that the ATSR vesting hurdle rates attaching to the 2021 Performance Rights were set in the conditions prevailing in 2021 and are at higher levels than the vesting hurdle rates attaching to the proposed 2022 grant to the Managing Director.

The ATSR hurdle for Mr Brook is based on a CAGR in the range of 15% to 25% over the PB Testing Period (**PB ATSR**).

For the PB Testing Period, the Board has calibrated the vesting of the PB ATSR Performance Rights to the growth in ATSR as follows:

- zero vesting will occur if the CAGR of ATSR is below a minimum threshold vesting level of 15% over the PB Testing Period;
- 100% vesting will occur if the CAGR of ATSR reaches or exceeds a maximum threshold vesting level of 25% over the PB Testing Period; and
- vesting between these two levels will be on a straight-line basis, with 0% vesting upon the CAGR of ATSR reaching 15% and 100% vesting if it reaches 25%.

The baseline VWAP applying to the proposed Issue to Mr. Brook is \$1.03 which is the 20-trading day VWAP for Shares up to 1 July 2021, consistent with the 2021 Performance Rights grant to the other Non-executive Directors. Therefore (in the absence of any dividends) the 15% threshold (being the minimum threshold vesting level) equates to a share price of \$1.57

and the 25% threshold equates to a share price of \$2.01 when tested over the PB Testing Period.

The Board, in its sole and absolute discretion, may determine that an '**Abnormal Event**' has occurred in circumstances where, in the final year of the PB Testing Period only, there is:

- a general ASX share market correction of at least 10%; or
- an unusual or abnormal event outside of management's control,

which results in a temporary reduction in the Company's Share price but which does not reflect the actual performance of the Company or its underlying value.

Following an Abnormal Event, the Board may determine that the PB ATSR hurdle will be retested and measured over a four-year period ending 30 June 2025 (**Last PB Test Date**), with correspondingly higher CAGR-ATSR hurdles over that four-year period (i.e. in order to satisfy PB ATSR, the Share price must be in the range of \$1.80 to \$2.51, in the absence of any dividends).

Any PB ATSR Performance Rights that have not vested after the PB Test Date or the Last PB Test Date, as the case maybe, will lapse and be forfeited.

Resolution 6 – Amendments to the Constitution

Board recommendation. The Board recommends that Shareholders vote in **FAVOUR** of Resolution 6.

Undirected proxies: The Chairman intends to vote all available undirected proxies in **FAVOUR** of Resolution 6.

Under section 136(2) of the Corporations Act, the Company can amend the Constitution by the Shareholders passing a special resolution (being a resolution passed by at least 75% of the votes cast by members entitled to vote on the resolution).

Resolution 6 is a special resolution proposing to amend the Company's existing Constitution, in order to more closely align with the current provisions of the Listing Rules, and to make other cost-saving and administrative improvements.

The Directors believe that it is more efficient in the circumstances to amend the existing Constitution than to replace it in its entirety.

The Directors also believe all of the proposed amendments whilst appropriate are not relevantly material nor will they have any inappropriate significant impact on shareholders.

A copy of the Constitution showing the precise proposed amendments is available for review by Shareholders at the Company's website www.diverger.com.au. Shareholders may also obtain a copy by request to the Company Secretary at info@mertons.com.au. Shareholders are invited to contact the Company if they have any queries or concerns.

Summary of proposed amendments

Virtual or hybrid General Meetings

The recent passing of the *Corporations Amendment (Meetings and Documents) Bill 2021* provides for companies to use technology to hold meetings, including hybrid meetings, on a permanent basis and wholly virtual meetings if this is expressly permitted or required by the constitution.

The Company's Constitution does not expressly permit wholly virtual meetings. Resolution 6 proposes to amend the Company's Constitution to allow for wholly virtual meetings and hybrid meetings in the future, which provides the Company flexibility in the conduct of its General Meetings and encourages greater shareholder participation.

The changes will enable the Company to hold general meetings physically, virtually or using a hybrid structure. Where the Company holds a virtual or hybrid general meeting using virtual meeting technology, the amendments require that the shareholders as a whole are allowed a reasonable opportunity to participate in the meeting, both orally and in writing. The amendments permit the Chair of the meeting to adjourn the meeting in the event that a technical difficulty prevents the shareholders as a whole from participating in the meeting.

Voting at meetings by poll

The changes will require certain resolutions at general meeting to be decided always by poll rather than a show of hands. That will apply where a resolution has been proposed in a notice of meeting; if the company has given notice of a shareholders' resolution in accordance with section 2490 of the *Corporations Act* or if a poll is demanded and the demand is not withdrawn. If the Company has ceased to be listed or if these circumstances do not apply (e.g. procedural resolutions), voting must be conducted by a show of hands.

Electronic sending of notices and other documents

The changes will enable the Company to send a document to shareholders by sending shareholders sufficient information in electronic form to allow them to access the document electronically. For example, the Company will be able to send emails to shareholders containing an electronic link to the document, rather than attaching the document directly to an email. This will benefit the Company when the Company does not wish to send the document by post and the file size of the document is large.

CHESS Replacement

The proposed resolution further seeks to update the Company's Constitution to address the changes to the ASX CHESS System which was due to be replaced in April 2023 (**CHESS Replacement**) although the ASX announced on 3 August 2022 that the replacement is potentially delayed now until late 2024. CHESS Replacement is an ASX project to modernize and update CHESS.

The amendments include appropriate updated references to ASX Settlement and CHESS Approved Securities. As part of the CHESS Replacement, the new system will permit

companies to register up to four joint holders per share (currently only three). The proposed amendments will also permit the Company to accept the recording of up to four joint holders once the CHESS Replacement has occurred.

Changes of an operational or compliance nature

The Company's existing Constitution has not been updated for a number of years and also is silent on some matters routinely addressed in the Constitution of listed company. In that context and for the sake of good order the proposed amendments also include:

(i) explicit appropriate definitions for and references to holding locks, the Company's ASX Home Branch, and Securities issued by the Company and related matters; (ii) further acknowledgement of the requirements for the Company to comply with the Listing Rules; (iii) appropriate explicit further provisions in relation to non-recognition of unregistered interests, and also in relation to share, and share option, certificates; (iv) the right of the Company to pay commission in relation to share issues subject to the Listing Rules; (v) appropriate explicit further provisions in relation to dealing with uncertified holdings and regulating electronic transfers of securities; (vi) provisions for amendment, suspension or termination by notification by market announcement or by notice to participating security holders, of any dividend reinvestment plan or dividend selection plan, that the directors may implement; (vii) provision for the Company to recognise shareholder elections received via CHESS in relation to any dividend reinvestment plan or dividend selection plan; (viii) appropriate explicit further provisions in relation to entitlements to notice of meetings; (ix) explicit acknowledgement of the requirement for the Company to notify its Home Branch of various matters; (x) explicit statement of director obligations in relation to disclosures of interests and of shareholdings and of the Company's obligations to notify; (xi) provision, as contemplated by the Listing Rules, for arrangements for nominees to dispose of the entitlements of overseas shareholders to any issue of shares or share options; (xii) provision for a shareholder not to have the right to require discovery of Company matters of a trade secret nature; (xiii) acknowledgement of the obligations arising under legislation in relation to the provision of financial benefits to related parties; and (xiv) provision excusing inadvertent omissions by the Company not directly prejudicing any shareholder financially and subject always to the provisions of legislation.

Provision for rolled up Board meetings

Finally, the proposed amendments include provisions authorising and facilitating rolled up or combined meetings of boards of both the Company and, where otherwise judged to be appropriate, the board or boards of wholly-owned subsidiaries of the Company – explicitly noting that the provisions are merely for convenience of administration and not for the purpose of directly, indirectly or implicitly in any way affecting the exclusive powers of the directors of this Company or the exercise of those powers exclusively by the directors of this Company.

Resolution 7 – Approval of the additional 10% Placement Capacity

Board recommendation. The Board recommends that Shareholders vote in **FAVOUR** of Resolution 7.

Undirected proxies: The Chairman intends to vote all available undirected proxies in **FAVOUR** of Resolution 7.

ASX Listing Rule 7.1A provides that an eligible entity may seek shareholder approval by special resolution at its Annual General Meeting to issue equity securities equivalent to an additional 10% of the number of ordinary securities on issue over a period of 12 months after the Annual General Meeting (10% Placement Capacity). This is in addition to the existing 15% placement capacity permitted by ASX Listing Rule 7.1.

If Shareholders approve Resolution 7, the number of equity securities the Company may issue under the 10% Placement Capacity will be determined in accordance with the formula prescribed in ASX Listing Rule 7.1A.2 (as set out below).

An eligible entity is one that, as at the date of the relevant Annual General Meeting:

- (a) is not included in the S&P/ASX 300 Index; and
- (b) has a maximum market capitalisation (excluding restricted securities and securities quoted on a deferred settlement basis) of \$300,000,000.

The Company is an eligible entity as it is not included in the S&P/ASX 300 Index and has a current market capitalisation of less than \$300,000,000. If the Company does not meet the eligibility criteria on the date of the Meeting, this Resolution will be withdrawn and Shareholders will not be required to vote on this Resolution.

Any equity securities issued must be in the same class as an existing class of quoted equity securities. The Company currently has one class of quoted equity securities on issue, being Shares (ASX Code: DVR).

The number of equity securities that the Company may issue under the approval sought by Resolution 7 will be calculated in accordance with the following formula as set out in ASX Listing Rule 7.1A:

(A x D) – E

Where:

A = the number of fully paid ordinary securities on issue at the commencement of the relevant period,

plus the number of fully paid ordinary securities issued in the relevant period under an exception in rule 7.2 other than exception 9, 16 or 17.

- plus the number of fully paid ordinary securities issued in the relevant period on the conversion of convertible securities within rule 7.2 exception 9 where:
 - the convertible securities were issued or agreed to be issued before the commencement of the relevant period; or

-the issue of, or agreement to issue, the convertible securities was approved, or taken under these rules to have been approved, under rule 7.1 or rule 7.4.

- plus the number of fully paid ordinary securities issued in the relevant period under an agreement to issue +securities within rule 7.2 exception 16 where:

-the agreement was entered into before the commencement of the relevant period;
or

-the agreement or issue was approved, or taken under these rules to have been approved, under rule 7.1 or rule 7.4.

- plus the number of any other fully paid ordinary securities issued in the relevant period with approval under rule 7.1 or rule 7.4, Note: This may include fully paid ordinary securities issued in the relevant period under an agreement to issue securities within rule 7.2 exception 17 where the issue is subsequently approved under rule 7.1.
- plus the number of partly paid ordinary securities that became fully paid in the relevant period.
- less the number of fully paid ordinary securities cancelled in the relevant period.

D = 10%.

E = 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 Shareholders under ASX Listing Rule 7.4.

Technical information required by ASX Listing Rule 7.1A

While the Company does not have any immediate plans to issue shares, purposes for which shares may be issued pursuant to Resolution 7 may include the raising of capital to facilitate further investment opportunities.

Pursuant to and in accordance with ASX Listing Rule 7.3A, the information below is provided in relation to Resolution 7:

Minimum Price: Under the ASX Listing Rules, 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; or
- (ii) if the equity securities are not issued within 10 ASX trading days of the date in paragraph (i) above, the date on which the equity securities are issued.

Risk of voting dilution: Shareholders should be aware there is a risk of economic and voting dilution that may result from an issue of equity securities under the 10% Placement Capacity, including the risk that:

- the market price for equity securities in that class may be significantly lower on the issue date than on the date of the Meeting where approval is being sought; and
- 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.

Any issue of equity securities under the 10% Placement Capacity will dilute the interests of Shareholders who do not receive any equity securities under the issue.

If Resolution 7 is approved by Shareholders and the Company issues the maximum number of equity securities available under the 10% Placement Capacity, the economic and voting dilution of existing Shares would be as shown in the table below.

The table below shows the potential dilution of existing Shareholders calculated in accordance with the formula outlined in ASX Listing Rule 7.1A.2, on the basis of the current market price of the Shares and the current number of Shares on issue as at the date of this notice of Meeting.

The table also shows the voting dilution impact where the number of Shares on issue (variable A in the formula set out above) changes and the economic dilution where there are changes in the issue price of Shares issued under the 10% Placement Capacity.

Variable "A" in Listing Rule 7.1A.2		Dilution		
		\$0.490 50% decrease in Issue Price	\$0.980 Issue Price	\$1.960 100% increase in Issue Price
Current Variable A 37,674,103	10% Voting dilution	3,767,410	3,767,410	3,767,410
	Funds raised	\$1,846,031	\$3,692,062	\$7,384,124
50% increase in current Variable A 56,511,155	10% Voting dilution	5,651,115	5,651,115	5,651,115
	Funds raised	\$2,769,047	\$5,538,093	\$11,076,186
100% increase in current Variable A 75,348,206	10% Voting dilution	7,534,821	7,534,821	7,534,821
	Funds raised	\$3,692,062	\$7,384,124	\$14,768,248

The table has been prepared on the following assumptions:

- (i) The Company issues the maximum number of shares available under ASX Listing Rule 7.1A;
- (ii) The table shows only the effect of shares issues under ASX Listing Rule 7.1A and does not factor in the Company's ability to issue up to 15% of its issued capital under ASX Listing Rule 7.1;
- (iii) The current issue price is \$0.980, being the closing price of the shares on ASX on 27 September 2022.
- (iv) The current number of shares on issue is the Shares on issue as at 27 September 2022.

The table shows:

- two examples where variable "A" has increased, by 50% and 100%. Variable "A" is based on the number of shares the Company has on issue. The number of shares on issue may increase as a result of issues of shares that do not require approval (for example, a pro rata entitlements issue) or future specific placements under ASX Listing Rule 7.1 that are approved at a future Shareholders' meeting; and
- two examples of where the issue price of shares has decreased by 50% and increased by 100% as against the current market price.

If Shareholder approval is granted for Resolution 7, then that approval will expire on the earlier of:

- (i) 11 November 2023, being 12 months from the date of the Meeting;
- (ii) the time and date of the next Annual General Meeting; or
- (iii) the date Shareholder approval is granted to a transaction under ASX Listing Rule 11.1.2 (proposed change to nature and scale of activities) or ASX Listing Rule 11.2 (change involving main undertaking).

Purpose of Issue under 10% Placement Capacity: The Company may issue equity securities under the 10% Placement Capacity for various purposes including to raise cash, in which case the Company intends to use funds raised for investment purposes in line with the Company's investment policy outlined in the Company's prospectus or to fund expenditure on existing assets or for general working capital.

Allocation under the 10% Placement Capacity: The allottees of the equity securities to be issued under the 10% Placement Capacity have not yet been determined. However, the allottees 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 allottees 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).

Shareholder Approval: The ability to issue equity securities equivalent to an additional 10% of the number of ordinary securities on issue under the 10% Placement Capacity is conditional upon and subject to the Company obtaining Shareholder approval by way of a Special Resolution at the AGM. Pursuant to Listing Rule 14.1A. If Shareholder approval is not obtained, no Shares will be issued in reliance on Listing Rule 7.1A.

Previous Approval under ASX Listing Rule 7.1A: The Company last obtained shareholder approval under ASX Listing Rule 7.1A. at the 2012 Annual General Meeting.

Information under Listing Rule 7.3A.6: No equity securities were issued under Listing Rule 7.1A in the previous 12 months.

Glossary of Terms

In this Notice and Explanatory Statement, the following terms have the following meanings, unless context otherwise requires:

TERM	MEANING
2022 Annual Report	The Company's financial report for the year ended 30 June 2022.
AGM or Meeting	The annual general meeting of the Company to be held on 11 November 2022.
ASIC	Australian Securities and Investments Commission.
ASX	ASX Limited (ACN 008 624 691) or the Australian Securities Exchange operated by it, as the context requires.
ATSR	Absolute Total Shareholder Return.
Board	The Directors of the Company.
CAGR	Compound Annual Growth Rate.

TERM	MEANING
Company or Diverger	Diverger Limited ACN 111 695 357.
Company Secretary	Company secretary of the Company.
Corporations Act	<i>Corporations Act 2001 (Cth)</i> .
Director	A director of the Company.
Group	Company or one of its subsidiaries (and each a Group Company).
EBITA	Earnings before Interest, Tax and Amortisation.
Eligible Person	Any person who is in full-time or part-time employment of a Group Company (including a Director employed in an executive capacity); a Non-executive Director engaged by a Group Company; or any other person who the Board determines is eligible to receive a grant of Plan Securities under the Plan.
Explanatory Statement	This statement, which accompanies the Notice.
HUB24	HUB24 Limited (ACN 124 891 685).
KMP	Key Management Personnel.
Last NJ Test Date	30 June 2026.
Last PB Test Date	30 June 2025.
LTI	Long-term incentive.
NJ Testing Period	The three year performance period from 1 July 2022 to 30 June 2025.
Notice	The Notice of Annual General Meeting which this Explanatory Statement accompanies.
Option	Option to acquire a Share and if pursuant to the Plan, being a right to acquire one Share (or to be paid a cash payment in lieu of one Share).
Participant	A Participant under the Plan.

TERM	MEANING
PB Testing Period	The three year performance period from 1 July 2021 to 30 June 2024.
Performance Right	Performance Rights pursuant to the Plan, being a right to acquire one Share (or to be paid a cash payment in lieu of one Share)
Plan	The Company's Incentive Plan.
Plan Rules	Rules of the Plan.
Plan Securities	Any of securities issued from time to time under the Plan.
Proposed Participant	A person who may become a Participant.
Proxy Form	The proxy form which accompanies the Notice.
Resolution(s)	Each of the resolutions and any one of them that Shareholders are to vote upon as set out in the Notice and referenced in the Explanatory Statement.
Share	A fully paid ordinary share in the share capital of the Company.
Shareholder	Shareholder of the Company.
Test Date	30 June 2024.
VWAP	Volume Weighted Average Price.



ABN 48 111 695 357

LODGE YOUR VOTE

ONLINE
<https://investorcentre.linkgroup.com>

BY MAIL
Diverger 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
Parramatta Square, Level 22, Tower 6,
10 Darcy Street, Parramatta NSW 2150; or
Level 12, 680 George Street, Sydney NSW 2000

ALL ENQUIRIES TO
Telephone: +61 1300 554 474



X99999999999

STEP 1

PROXY FORM

I/We being a member(s) of Diverger 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

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 **11:30am on Friday, 11 November 2022** (the **Meeting**) and at any postponement or adjournment of the Meeting.

The Meeting will be conducted as a hybrid event. You can participate by attending in person at **BDO Australia, Rooms 5-8, Level 11 / 1 Margaret Street, Sydney, NSW, 2000** or logging in online at https://us02web.zoom.us/webinar/register/WN_An4i0U1qRiqmAkx03AlwJA.

Important for Resolutions 1, 4 and 5: 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 1, 4 and 5, even though the Resolutions are connected directly or indirectly with the remuneration of a member of the Company's Key Management Personnel (**KMP**).

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

STEP 1

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

Resolutions

	For	Against	Abstain*		For	Against	Abstain*
1 Adoption of Remuneration Report	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	5 Approval of issue of 150,000 performance rights pursuant to the Plan (Performance Rights) to Peter Brook, Non-Executive Director and Chair of the Board	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
2 Re-election of Mr. Grahame Evans	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	6 Amendments to the Constitution	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
3 Election of Mr. Peter Brook	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	7 Approval of the Additional 10% Placement Capacity	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
4 Approval of issue of 357,521 performance rights pursuant to the Plan (Performance Rights) to Managing Director, Nathan Jacobsen	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>				

i * 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.

STEP 2

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

DVR PRX2201N



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 virtually the appropriate "Certificate of Appointment of Corporate Representative" must be received at registrars@linkmarketservices.com.au prior to admission in accordance with the Notice of Annual General Meeting. A form of the certificate may be obtained from the Company's share registry or online at 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 **11:30am on Wednesday, 9 November 2022**, 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

<https://investorcentre.linkgroup.com>

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).



BY MAIL

Diverger 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*
Parramatta Square
Level 22, Tower 6
10 Darcy Street
Parramatta NSW 2150
or
Level 12
680 George Street
Sydney NSW 2000

*during business hours Monday to Friday (9:00am - 5:00pm) and subject to public health orders and restrictions