



Lion Selection Group

ACN 077 729 572

NOTICE OF EXTRAORDINARY GENERAL MEETING AND EXPLANATORY STATEMENT

Extraordinary General Meeting to be held at
Level 2, 175 Flinders Lane, Melbourne
on **Wednesday 26 June 2024 at 10.00am** (AEST)

NOTICE OF EXTRAORDINARY GENERAL MEETING AND EXPLANATORY STATEMENT

Notice is hereby given that a general meeting of members of Lion Selection Group Limited (**Lion or the Company**); will be held at **Level 2, 175 Flinders Lane, Melbourne on Wednesday 26 June 2024 at 10.00am** (Melbourne time).

Meeting Agenda

The Explanatory Statement forms part of this Notice of Meeting and describes the matters to be considered at the Meeting.

ORDINARY BUSINESS

RESOLUTION 1

Approval of Employee 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 13(b) and for all other purposes, approval is given for the Company to adopt an employee incentive plan titled the Lion Selection Group Limited Employee Incentive Plan, and for the issue of securities under that Plan, on the terms and conditions set out in the Explanatory Statement.

RESOLUTION 2

Issue of Long Term Incentive Performance Rights to Related Party – Hedley Widdup

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

That for the purposes of ASX Listing Rule 10.11 and for all other purposes, approval is given for the Company to issue up to 1,238,000 long term incentive Performance Rights under the Lion Selection Group Limited Employee Incentive Plan to Mr Hedley Widdup (and/or his nominee) on the terms and conditions set out in the Explanatory Statement.

Voting Entitlement and Attending Meeting

Shareholders recorded on the Company's register of members at 10.00am (AEST) on 24 June 2024 will be entitled to vote on items at this Extraordinary General Meeting (**Meeting**) and attend the Meeting.

Voting Procedure

Voting on all proposed resolutions at the Meeting will be conducted by poll. Under the Company's Constitution (**Constitution**), any poll will be conducted as directed by the Chair of the Meeting (the **Chair**).

Shareholders can vote in one of two ways:

- By attending the Meeting and voting; or
- By appointing a proxy to attend and vote on their behalf.

Voting Restrictions

The voting exclusions for each resolution are set out in the Explanatory Statement to this Notice.

PROXY FORMS

Proxy Form

Enclosed with this Notice is a personalised proxy form (**Proxy Form**). The Proxy Form allows shareholders who are not attending the Meeting to appoint a proxy to vote on their behalf.

If you hold fully paid ordinary shares in the capital of the Company (**Shares**) in more than one capacity, please complete the Proxy Form that is relevant to each holding.

Appointing Proxies

Shareholders, who are entitled to attend and vote at the Meeting, may appoint a proxy to act generally at the Meeting and to vote on their behalf.

A proxy need not be a shareholder of the Company.

A shareholder entitled to attend and vote can appoint up to two proxies, and should specify the proportion or number of votes each proxy is appointed to exercise. If no proportion or number is specified, each proxy may exercise half of the shareholder's vote. If you wish to appoint two proxies please call 1300 850 505 (within Australia) or +61 3 9415 4000 (outside Australia) and request an additional Proxy Form.

A corporate shareholder or proxy must appoint a person as its corporate representative.

Power of Attorney and Corporate Representatives

If the Proxy Form is signed by an attorney, the power of attorney or a certified copy of it must be sent with the Proxy Form.

A body corporate member may elect to appoint a representative, rather than appoint a proxy. Where a body corporate appoints a representative, written proof of the representative's appointment must be lodged with, or presented to the Company before the Meeting.

A body corporate appointed as a proxy must also lodge a certificate of appointment of a corporate representative.

Undirected Proxies

Any proxy given to:

- a member of the Company's key management personnel (being those persons having authority and responsibility for planning, directing and controlling the activities of the Company, directly or indirectly, and including Directors, either executive or non-executive) (**KMP**); or
- their closely related parties (including a spouse, dependent or other close family member as well as any companies they control) (**Closely Related Parties**),

for Resolutions 1 and 2 will not be counted unless shareholders specify how the proxy is to vote.

Any undirected proxy given to the Chair for Resolutions 1 and 2 by a shareholder entitled to vote on Resolutions 1 and 2 will be voted by the Chair in favour of the item, and that shareholder will be taken to have expressly authorised the Chair to exercise your proxy on Resolutions 1 and 2, in accordance with the express authorisation on the Proxy Form. The Chair intends to vote all valid undirected proxies for the resolutions in favour of those items.

Shareholders are therefore encouraged to closely review the instructions on the Proxy Form and to direct their proxy as to how to vote on all items.

LODGMET OF PROXY DOCUMENTS

For an appointment of a proxy for the meeting to be effective:

- the proxy's appointment; and
- if the appointment is signed by the appointor's attorney – the authority under which the appointment was signed (eg a power of attorney) or a certified copy of it, must be received by the Company at least 48 hours before the meeting.

The following addresses are specified for the purposes of receipt of proxies:

- Online** Visit www.investorvote.com.au and login using your Securityholder Reference Number (SRN) or Holder Identification Number (HIN) and the Control Number as shown on your proxy form.
- By Mail** Computershare Investor Services Pty Limited, GPO Box 242, Melbourne Vic 3001
- By Fax** 1800 783 447 (within Australia) or +61 3 9473 2555 (from outside Australia)

Intermediary Online Subscribers (such as custodians and nominees)

Visit www.intermediaryonline.com to submit your voting intentions.

BY ORDER OF THE BOARD



Jane Rose

Company Secretary

24 May 2024

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EXPLANATORY STATEMENT

This Explanatory Statement has been prepared to provide information which the Directors believe to be material to Shareholders in deciding whether or not to pass the resolutions.

RESOLUTION 1

Approval of Employee Incentive Plan

Background

The Company is seeking shareholder approval to adopt an Employee Incentive Plan (**the Plan**), and the issue of securities under the Plan.

In light of the proposed restructure of the Company's management (as announced to the ASX on 30 April 2024), the Board has elected to adopt an appropriate employee incentive plan aimed at driving long term performance for shareholders, a culture of employee share ownership in the Company and retention of executives.

The proposed Plan allows the Board to grant performance rights as well as other equity instruments to eligible employees.

The Board believes it is appropriate to seek shareholder approval for:

- (a) the adoption of the Plan, in accordance with Recommendation 8.2 of the ASX Corporate Governance Principles and Recommendations (4th Edition); and
- (b) the issue of securities under the Plan, in accordance with ASX Listing Rule 7.2, Exception 13(b) (as further detailed below).

Listing Rule 7.1 and Listing Rule 7.2 Exception 13(b)

Broadly speaking, and subject to a number of exceptions set out in Listing Rule 7.2, Listing Rule 7.1 limits the amount of equity securities that a listed company can issue without the approval of its shareholders over any 12 month period to 15% of the fully paid ordinary shares it had on issue at the start of that period (**15% Placement Capacity**).

Listing Rule 7.2 (Exception 13(b)) provides that Listing Rule 7.1 does not apply to an issue of securities under an employee incentive scheme if, within three years before the date of issue of the securities, the holders of the entity's ordinary securities have approved the issue of equity securities under the scheme as exception to Listing Rule 7.1.

Exception 13(b) is only available if and to the extent that the number of equity securities issued under the scheme does not exceed the maximum number set out in the entity's notice of meeting dispatched to shareholders in respect of the meeting at which shareholder approval was obtained pursuant to Listing Rule 7.2 (Exception 13(b)). Exception 13(b) also ceases to be available if there is a material change to the terms of the scheme from those set out in the notice of meeting.

If Resolution 1 is approved / not approved by shareholders

If Resolution 1 is passed, any securities issued under the Plan to eligible participants over a period of 3 years from the date of the Meeting (up to the maximum number of securities stated in below) will be excluded from the calculation of the number of equity securities that the Company can issue without Shareholder approval under Listing Rule 7.1 (that is, the Company's 15% Placement Capacity will not be depleted).

If Resolution 1 is not passed, the Company will still be able to proceed with the issue of securities under the Plan to eligible participants, but any issues of securities will reduce, to that extent, the Company's capacity to issue equity securities without shareholder approval under Listing Rule 7.1 for the 12 month period following the issue of those securities (unless another exception in Listing Rule 7.2 applies to the issue).

Technical information required by Listing Rule 7.2 (Exception 13)

Pursuant to and in accordance with Listing Rule 7.2 (Exception 13), the following information is provided in relation to Resolution 1:

- (a) a summary of the key terms and conditions of the Plan is set out in **Schedule 1**;
- (b) the Company has not issued any securities under the Plan as the Plan has not yet been implemented; and
- (c) the maximum number of equity securities proposed to be issued under the Plan is 7,057,539 (representing 5% of the Company's issued capital at the date of this Notice). This maximum is not intended to be a prediction of the actual number of equity securities to be issued under the Plan, but is specified for the purposes of setting a ceiling on the number of equity securities approved to be issued for the purposes of Listing Rule 7.2 Exception 13. Once that number is reached, any additional issues of equity securities under the Plan will not have the benefit of Exception 13 without a fresh shareholder approval, and will only be able to be made without shareholder approval under Listing Rule 7.1 if the Company has sufficient 15% Placement Capacity available at the time under ASX Listing Rule 7.1.

Board recommendation

As the Directors are eligible to participate in the Plan, the Directors do not make any recommendation to shareholders in relation to Resolution 1.

Voting Exclusion Statement

The Company will disregard any votes cast:

- (a) in favour of Resolution 1 by or on behalf of any person who is eligible to participate in the Plan, and any of their associates; and
- (b) on Resolution 1 as a proxy by a member of the Company's KMP at the date of the Meeting, or that KMP's closely related party.

However, the Company need not disregard a vote on Resolution 1 if:

- (c) it is cast by a person as 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;
- (d) it is cast by the person chairing the meeting as proxy or attorney for a person who is entitled to vote on the resolution, in accordance with a direction given to the chair on the proxy form to vote as the chair decides; or
- (e) it is cast by 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.

Chairman's available proxies

The Chair of the Meeting intends to vote all available proxies in favour of Resolution 1.

RESOLUTION 2

Grant Long Term Incentive Performance Rights to Related Party – Hedley Widdup

Background

The Company and Lion Manager Pty Ltd (**Lion Manager**) are party to a Management Agreement dated 5 December 2012, under which Lion Manager provides management and investment services to the Company in exchange for a fee (**Management Agreement**).

As announced by the Company on 30 April 2024, the Company and Lion Manager have signed an agreement under which (among other things) the Management Agreement will terminate, and the investment team of Lion Manager will, subject to completion of the agreement (which is conditional on the satisfaction of certain conditions), be employed directly by the Company (**New Agreement**).

Hedley Widdup is currently an employee of Lion Manager, and is the proposed Chief Executive Officer of the Company following completion of the New Agreement.

Directly employing the investment team creates alignment between each of the key management individuals and the Company, and simplifies the corporate structure. The Company will also have better control of costs as it seeks to grow, as under the previous investment management contract fees would increase proportionately with invested capital under management. Eliminating the external management fees, and maintaining an internal management team, facilitates better alignment between Lion and its management; particularly in relation to recruitment, retention and remuneration. The new arrangements are expected to generate a modest cost saving for Lion once implemented and result in a transparent cost structure.

Completion of the New Agreement is subject to:

- Lion Manager employees entering into new employment agreements with the Company; and
- shareholders approving the issue of performance rights to Hedley Widdup (and/or his nominee) as part of his new CEO remuneration package under this Resolution 2, for the purposes of Listing Rule 10.11.

The Board is seeking shareholder approval to grant long term incentive performance rights (**LTI Performance Rights**) in accordance with the terms and conditions of the Plan (the subject of Resolution 1) as follows:

Name	LTI Performance Rights (2024-2027)
Hedley Widdup (or nominee)	1,238,000

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Each LTI Performance Right is exercisable into one fully paid ordinary share in the Company, upon satisfaction of the relevant vesting conditions.

Performance rights do not have an exercise price and therefore allow an employee to benefit by exercising their performance rights upon satisfaction of their vesting conditions without needing to provide any cash consideration. The inclusion of the flexibility to grant performance rights under employee incentive plans is a common trend among the Company's ASX listed peer group.

2024-2027 Long Term Incentive Program

The Board proposes to grant the LTI Performance Rights as part of Hedley Widdup's long term incentive portion of his CEO remuneration package. Vesting of the LTI Performance Rights is dependent upon achieving future Company hurdles. Set out below are the performance hurdles ('Vesting Conditions') used to determine the percentage of the LTI Performance Rights that vest.

The Company's remuneration policy for long term incentives is to ensure executive remuneration is competitive in retaining and motivating key executives. The granting of these LTI Performance Rights, which may only vest in three years' time, will provide a long term incentive for continued outstanding performance and the opportunity for share ownership.

The proposed grant of LTI Performance Rights seeks to further align Hedley Widdup's interests with those of shareholders by linking his remuneration with the long term performance of the Company.

In addition to the performance hurdles, the other key vesting condition is that Hedley Widdup must remain employed with the Company up and until the applicable test date of 31 July 2027.

The calculation framework used to determine the LTI Performance Rights to be granted is set out below:

Name	Base Package including Superannuation	LTI	LTI \$ Value	No. of Performance Rights
Hedley Widdup	\$350,000	104%	\$365,569	1,238,000

Details of the LTI Performance Rights to be granted to Hedley Widdup are set out below:

Grant Date	On or around 30 June 2024
Total number of LTI Performance Rights	1,238,000
Issue Price	Nil
Measurement Period	Grant date to 31 July 2027
Exercise Price	Nil
Vesting Date	<p>Performance will be measured at the end of each 'Performance Year' during the Measurement Period, being 31 July 2025, 31 July 2026 and 31 July 2027.</p> <p>Assessment for each Performance Year will be reduced to the extent that shares have been issued in previous Performance Years under the same LTI Performance Rights tranche.</p> <p>LTI Performance Rights will vest upon the date upon which the relevant Vesting Condition has been satisfied, as determined by the Board, provided this occurs prior to the Expiry Date.</p>
Vesting Conditions	<p>TRANCHE 1</p> <p>Up to 500,000 LTI Performance Rights vest based on share price performance measured based on the Company's highest 30-day volume weighted average price (VWAP) in the Performance Year.</p> <ul style="list-style-type: none"> ■ VWAP less than 56c – Nil LTI Performance Rights vest ■ VWAP equals 56c – 250,000 LTI Performance Rights vest ■ VWAP between 56c and 76c – pro rata LTI Performance Rights vest between 250,000 and 500,000 LTI Performance Rights. ■ VWAP equals 76c or more – 500,000 LTI Performance Rights Vest <p>Any dividends paid during the Performance Year will added to the current VWAP from the point that the Company trades ex-dividend.</p> <p>TRANCHE 2</p> <p>Up to 500,000 Rights vest based on the Company's portfolio value per share measured based on the Company's highest month-end fair value in accordance with Australian Accounting Standards (currently referred to as Net Tangible Assets) (Portfolio Value) in the Performance Year.</p> <ul style="list-style-type: none"> ■ Portfolio Value less than 71c – Nil LTI Performance Rights vest ■ Portfolio Value equals 71c – 250,000 LTI Performance Rights vest ■ Portfolio Value between 71c and 83c – pro rata LTI Performance Rights vest between 250,000 and 500,000 LTI Performance Rights. ■ Portfolio Value equals 83c or more – 500,000 LTI Performance Rights vest <p>Any dividends paid during the Performance Year will added to the current Portfolio Value from the point that the Company trades ex-dividend.</p> <p>The Board retains discretion to issue incremental LTI Performance Rights (subject to shareholder approval) in the event of outstanding performance where the VWAP exceeds 76c and/or the Portfolio Value exceeds 83c in a Performance Year.</p> <p>RETENTION TRANCHE</p> <p>Up to 238,000 LTI Performance Rights vest based on continuous service with the Company measured at each Performance Year:</p> <ul style="list-style-type: none"> ■ 47,600 LTI Performance Rights Vest on 31 July 2025 ■ 47,600 Rights LTI Performance Rights on 31 July 2026 ■ 142,800 LTI Performance Rights on 31 July 2027
Disposal restrictions on Shares issued or transferred on exercise of Rights	Shares received upon exercise of any vested LTI Performance Rights will be subject to a two-year escrow period from the date of exercise. Hedley Widdup is also restricted from trading in Shares issued or transferred on the exercise of LTI Performance Rights by the Company's securities trading policy or by any applicable laws (such as the insider trading laws).

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Valuation

Tranche	Valuation ¹
TRANCHE 1: Market based – Lion's 30-day VWAP of at least \$0.56 over a 3-year period	Monte carlo valuation of 0.2521 per right
TRANCHE 2: Market based – Lion's Portfolio Value of at least \$0.71 over a 3-year period	Monte carlo valuation of 0.3074 per right
RETENTION TRANCHE: Non-market based – continuing employment of the employee during the vesting period	Binomial valuation of between 0.3517 to 0.3812 per right

Other Assumptions¹

Underlying Company share price	43 cents per share
Volatility	45.91%
Risk free rate	4.102%

¹ Value calculated on 3 May 2024 by SLM Corporate Pty Ltd.

ASX Listing Rule 10.11

Listing Rule 10.11 states that, unless an exception applies, an entity must not issue or agree to issue equity securities (which includes the LTI Performance Rights) to any of the following persons without the approval of holders of its ordinary securities:

- 10.11.1 A related party.
- 10.11.2 A person who is, or was at any time in the 6 months before the issue or agreement, a substantial (30%+) holder in the entity.
- 10.11.3 A person who is, or was at any time in the 6 months before the issue or agreement, a substantial (10%+) holder in the entity and who has nominated a director to the board of the entity.
- 10.11.4 An associate of a person referred to in rules 10.11.1 to 10.11.3.
- 10.11.5 A person whose relationship with the entity or a person referred to in rules 10.11.1 to 10.11.4 is such that, in ASX's opinion, the issue or agreement should be approved by security holders.

A related party of an entity includes, among other things, the child of a director of the entity. Given Hedley Widdup is the child of Robin Widdup, the Executive Chairman of the Company, he is considered a related party for the purposes of ASX Listing Rule 10.11.1. Accordingly, Resolution 2 seeks the shareholder approval required by ASX Listing Rule 10.11. to allow the issue of LTI Performance Rights to Hedley Widdup.

Chapter 2E of the Corporations Act

Under Chapter 2E of the *Corporations Act 2001* (Cth) (**Corporations Act**), a public company seeking to give a 'financial benefit' to a 'related party' of the company must obtain shareholder approval prior to giving such a benefit (unless an exception applies). Hedley Widdup is a related party of the Company, and as such, the giving of a financial benefit to him by the Company (by way of the issue of LTI Performance Rights) would ordinarily be prohibited by Chapter 2E of the Corporations Act, unless the benefit is given with shareholder approval or an exception applies.

One of the exceptions to the shareholder approval requirement in Chapter 2E is where the financial benefit constitutes 'reasonable remuneration' in respect of the duties and responsibilities of the related party in the management of the public company.

The Directors consider that the granting of LTI Performance Rights to Hedley Widdup constitutes reasonable remuneration, given both the Company's circumstances and the responsibilities that will be involved in Hedley's proposed role as Chief Executive Officer of the Company. On this basis, as the provision of such a benefit is expressly permitted by section 211(1) of the Corporations Act, the Directors do not consider that the Company is required to seek shareholder approval for the purposes of Chapter 2E of the Corporations Act in order to give Hedley the financial benefit that is inherent in the issue of LTI Performance Rights.

If Resolution 2 is approved / not approved by shareholders

If Resolution 2 is not approved by shareholders, the LTI Performance Rights will not be issued, the New Agreement will be terminated and Lion Manager will continue to provide management and investment services to the Company under the existing Management Agreement.

If Resolution 2 is approved by shareholders, the New Agreement will proceed to completion (subject to satisfaction of the other condition precedent, as detailed above). Further details of the New Agreement, and consequences of completion, are set out in the Company's ASX announcement dated 30 April 2024.

Technical information required by ASX Listing Rule 10.13

Pursuant to and in accordance with ASX Listing Rule 10.13, the following information is provided in relation to Resolution 2:

- (a) The intended recipient of the LTI Performance Rights is Hedley Widdup (and/or his nominee).
- (b) Hedley Widdup, as a child of Executive Chairman Robin Widdup, is a related party of the Company under Listing Rule 10.11.1.
- (c) The Company proposes to issue 1,238,000 Performance Rights to Hedley Widdup.
- (d) The material terms of the LTI Performance Rights are set out above (under the headings 'Background' and '2024-2027 Long Term Incentive Program').
- (e) The Company intends to issue the LTI Performance Rights to Hedley Widdup on or around 30 June 2024 (subject to completion of the New Agreement), but in any event, no later than 1 month after the date of the Meeting.
- (f) The Company will receive nil cash consideration for the issue of LTI Performance Rights to Hedley Widdup, as the performance rights will be issued as part of Hedley's CEO remuneration package.
- (g) Details of the proposed terms of Hedley Widdup's CEO appointment (including his remuneration package), as announced by the Company on 30 April 2024, are set out in Schedule 2 of this Notice.

Independent Directors' Recommendation

The Company's independent Directors (Barry Sullivan, Chris Melloy and Peter Maloney) recommend that shareholders vote in favour of this resolution.

Voting Exclusion Statement

The Company will disregard any votes cast:

- (a) in favour of Resolution 2 by or on behalf of Hedley Widdup and any other person who will obtain a material benefit as a result of the issue of the securities (except a benefit solely by reason of being a holder of ordinary securities in the Company), and any of their associates; and
- (b) on Resolution 2 as a proxy by a member of the Company's KMP at the date of the Meeting, or that KMP's closely related party.

However, the Company need not disregard a vote on Resolution 2 if:

- (c) it is cast by a person as 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;
- (d) it is cast by the person chairing the meeting as proxy or attorney for a person who is entitled to vote on the resolution, in accordance with a the direction given to the chair on the proxy form to vote as the chair decides; or
- (e) it is cast by 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.

Chairman's available proxies

The Chair of the Meeting intends to vote all available proxies in favour of Resolution 2.

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SCHEDULE 1 – TERMS AND CONDITIONS OF THE COMPANY’S EMPLOYEE INCENTIVE PLAN

Term	Summary
Purpose	The purpose of the Plan is to: <ol style="list-style-type: none"> assist in the reward, retention and motivation of Eligible Employees; link the reward of Eligible Employees to shareholder value creation; align the interests of Eligible Employees with shareholders by providing an opportunity to Eligible Employees to receive an equity interest in the Company in the form of shares, options and/or performance rights.
Eligible Employee	Eligible Employee means an employee of the Company whom the 'Plan Committee' determines is to be issued (or transferred) shares, options or performance rights (each an Incentive) under the Plan. The Plan is targeted at the Company’s senior management. There are no proposals to issue Incentives to Directors under the Plan at this time (and in any event, any such issues would require prior shareholder approval to be obtained pursuant to the related party provisions of the ASX Listing Rules).
Plan administration	The Plan will be administered by the Plan Committee which has been delegated power by the Board to administer the Plan or, if there has been no delegation, the Plan will be administered by the Board. The Plan Committee may exercise any power or discretion conferred on it by the Plan rules in its sole and absolute discretion.
Eligibility, invitation and application	The Plan Committee may from time to time determine that an Eligible Employee may participate in the Plan and make an invitation to that Eligible Employee to apply for any (or any combination of) the securities provided under the Plan on such terms and conditions as the Plan Committee decides. On receipt of an invitation, the Eligible Employee may apply for the securities the subject of the invitation by sending a completed application form to the Company. The Plan Committee may accept an application from an Eligible Employee in whole or in part. If an Eligible Employee is permitted in the invitation, the Eligible Employee may, by notice in writing to the Plan Committee, nominate a party in whose favour the Eligible Employee wishes to renounce the invitation.
Grant of securities	The Company will, to the extent that it has accepted a duly completed application, grant the Participant the relevant number and type of securities, subject to the terms and conditions set out in the invitation, the Plan rules and any ancillary documentation required.
Rights attaching to options and performance rights	An option or performance right represents a right to acquire a share in the Company, in accordance with the Plan. Prior to an option or performance right being exercised, the holder: <ol style="list-style-type: none"> does not have any interest (legal, equitable or otherwise) in any share the subject of the option or performance right other than as expressly set out in the Plan; is not entitled to receive notice of, vote at or attend a meeting of the shareholders of the Company; is not entitled to receive any dividends declared by the Company; and is not entitled to participate in any new issue of Shares.
Vesting Conditions	The vesting terms or performance hurdles for grants of Incentives under the Plan will be decided by the Board (Vesting Conditions). Where appropriate, the Board may impose appropriate performance hurdles to encourage employees to focus on performance of the Company over the long term. The Plan Committee may reduce or waive Vesting Conditions in whole or in part at any time. Upon satisfaction of the Vesting Conditions, the Company may issue a vesting notice. An incentive will vest when that vesting notice is given or deemed to have been given to the Participant.
Timing of issue of Shares and quotation of Shares on exercise	As soon as practicable after the valid exercise of an option or performance right by a participant (and in accordance with any timing requirements specified by the ASX Listing Rules), the Company will issue or cause to be transferred to that participant the number of Shares to which the participant is entitled under the Plan rules and issue a substitute certificate for any remaining unexercised options or performance rights held by the participant.
Restrictions on dealing Incentives	A holder may not sell, assign, transfer, grant a security interest over or otherwise deal with an Incentive that has been granted to them unless permitted by the Plan or otherwise determined by the Board.
Listing of Incentives	An option or performance right granted under the Plan will not be quoted on the ASX or any other recognised exchange. The Company must to the extent required by ASX Listing Rule 2.4 apply to ASX for quotation of Shares issued: <ol style="list-style-type: none"> following the acceptance of an offer of Shares; or on exercise of options or performance rights, if Shares of the Company are officially quoted by ASX at that time.
Ranking of Shares	Any Shares delivered to an Participant on exercise of an Incentive will rank equally with all other issued Shares.

SCHEDULE 1 – TERMS AND CONDITIONS OF THE COMPANY’S EMPLOYEE INCENTIVE PLAN (continued)

Term	Summary
Takeover Bid and Change of Control	All unvested Incentives will vest in the event of a change of control of the Company, including where a takeover bid is made for the Company and the bidder acquires more than 50% of the Company, shareholders approve a scheme of arrangement, or a transaction, event or state of affairs that (in the Plan Committee’s opinion) is likely to result in, or should be treated as, a change in control.
Clawback	<p>If the Plan Committee becomes aware of a material misstatement in the Company’s financial statements relating to a vesting period, or some other event occurs which means that the Vesting Conditions in respect of certain vested Incentives were not satisfied, then the participant will cease to be entitled to those vested Incentives and the Plan Committee may:</p> <ul style="list-style-type: none"> (a) cancel the relevant affected Incentives; (b) require the participant to pay to the Company the after tax value of the affected Incentives which have been converted into Shares; or (c) adjust fixed remuneration, incentives or participation in the Plan of the relevant Participant to take account of the after tax value of the affected
Capital Reconstructions	In the event of a capital reconstruction, subject to any provision in the ASX Listing Rules, the Plan Committee may adjust any or all of the number of Shares issued pursuant to an offer to a participant as the Plan Committee deems appropriate.
Cessation of Employment	<p>In circumstances where an Participant:</p> <ul style="list-style-type: none"> ■ resigns; ■ is dismissed for cause or poor performance; or ■ ceases to be employed by the Company for any other reason other than redundancy, total and permanent disablement, or death, <p>unvested Shares will be forfeited and unvested options and performance Rights will lapse. Vested options and performance rights must be exercised within 60 days subject to the Company’s Securities Trading Policy and the Plan.</p> <p>In circumstances where a Participant ceases to be employed by the Company due to redundancy, total and permanent disablement or death, the Participant is entitled to retain pro-rata amount of unvested Incentives in accordance with the Plan.</p>
Maximum number of Securities (offers for monetary consideration)	The Company will not make an invitation under the Plan which involves monetary consideration if the number of Plan Shares that may be issued, or acquired upon exercise of convertible securities offered under an invitation, when aggregated with the number of shares issued or that may be issued as a result of all invitations under the Plan during the 3 year period ending on the day of the invitation, will exceed 5% of the total number of issued Shares at the date of the invitation (unless the Constitution specifies a different percentage and subject to any limits approved by shareholders under Listing Rule 7.2 Exception 13(b)).
Exercise Price	Performance rights do not require the employee to pay an amount to the Company upon vesting or exercise. The Plan Committee may grant options under the Plan. If it chooses to do so, the exercise price of any options granted under the Plan is at the absolute discretion of the Plan Committee and the Plan Committee will determine the exercise price from time to time. Typically, any options granted would have an exercise price calculated by reference to a volume weighted average price of the Company’s shares for a period prior to the date of grant.
Disposal Restrictions	<p>Shares delivered to a Participant on exercise of an Incentive may be subject to restriction on disposal for a specified period.</p> <p>The Plan Committee may, at its discretion, reduce or waive the period which Shares are subject to restriction on disposal in circumstances of severe hardship, permanent disability or to a Participant’s legal representative in the event of the Participant’s legal incapacity.</p>
Transferability	Options and performance rights granted under the Plan are generally not transferable. An Incentive invitation may contain disposal restrictions for a specified period of time.
Dividends and Voting Rights	<p>Options and performance rights granted under the Plan do not carry any dividend or voting rights.</p> <p>The Plan Committee may determine whether a participant is entitled to all dividends declared or paid on unvested Shares (including whether any such dividends are to be held in escrow until the Shares are fully vested or applied in repayment of any outstanding loan in respect of the Shares).</p>
Copies of the Incentive Plan	A copy of the full terms of the Plan can be obtained by contacting the Company Secretary on +61 9614 8008 or via email at jrose@lsg.com.au .

Notice of Extraordinary General Meeting

SCHEDULE 2 – PROPOSED TERMS OF HEDLEY WIDDUP'S CEO APPOINTMENT

A summary of the proposed key terms of Hedley Widdup's appointment (following completion of the New Agreement) is set out below:

Position	Chief Executive Officer
Commencement date	Around 1 July 2024, subject to shareholder approval of participation in the Company's Employee Incentive Plan.
Term	Ongoing
Fixed annual remuneration	\$350,000 (inclusive of guaranteed superannuation contributions)
Short term incentive (STI)	<p>Hedley will be eligible to participate annually in an STI plan. The 2024 STI bonus pool will reflect three key elements:</p> <ul style="list-style-type: none">■ The extent by which Lion's discount to Net Tangible Asset backing reduces;■ Remuneration realised (including incentive benefits) from Lion investee company directorships and executive roles; and■ In exceptional circumstances at the sole discretion of the board, investment outperformance.
Long-term incentive (LTI)	<p>Subject to shareholder approval, Hedley will be eligible to participate annually in an LTI Plan.</p> <p>The 2024 LTI award will comprise a mix of performance rights that only vest upon meeting specified criteria for shareholder returns (500,000 rights) and investment portfolio performance (500,000 rights). There will be a one-off award of 238,000 performance rights that vest subject to meeting continuous service conditions. For further detail on the 2024 LTI award, see Resolution 2 of this Notice.</p>
Notice period and termination provisions	<p>Hedley may resign at any time by giving 3 months' notice.</p> <p>Lion may terminate Hedley's employment by giving 12 months' notice, or in some circumstances, such as serious misconduct, without notice.</p> <p>If Lion terminates Hedley's employment, Lion may, at its discretion, elect to pay him an amount in lieu of notice for any portion of the relevant notice period not worked.</p>

Lion Selection Group Limited

ABN 26 077 729 572

Level 2, 175 Flinders Lane, Melbourne Vic 3000

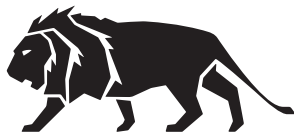
Tel: +61 3 9614 8008

www.lionselection.com.au

Enquiries: Jane Rose – jrose@lsg.com.au



Lion Selection Group



Lion Selection Group

ABN 26 077 729 572



LSX

MR SAM SAMPLE
FLAT 123
123 SAMPLE STREET
THE SAMPLE HILL
SAMPLE ESTATE
SAMPLEVILLE VIC 3030

Need assistance?



Phone:

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



Online:

www.investorcentre.com/contact



YOUR VOTE IS IMPORTANT

For your proxy appointment to be effective it must be received by **10:00am (AEST) on Monday, 24 June 2024.**

Proxy Form

How to Vote on Items of Business

All your securities will be voted in accordance with your directions.

APPOINTMENT OF PROXY

Voting 100% of your holding: Direct your proxy how to vote by marking one of the boxes opposite each item of business. If you do not mark a box your proxy may vote or abstain as they choose (to the extent permitted by law). If you mark more than one box on an item your vote will be invalid on that item.

Voting a portion of your holding: Indicate a portion of your voting rights by inserting the percentage or number of securities you wish to vote in the For, Against or Abstain box or boxes. The sum of the votes cast must not exceed your voting entitlement or 100%.

Appointing a second proxy: You are entitled to appoint up to two proxies to attend the meeting and vote on a poll. If you appoint two proxies you must specify the percentage of votes or number of securities for each proxy, otherwise each proxy may exercise half of the votes. When appointing a second proxy write both names and the percentage of votes or number of securities for each in Step 1 overleaf.

A proxy need not be a securityholder of the Company.

SIGNING INSTRUCTIONS FOR POSTAL FORMS

Individual: Where the holding is in one name, the securityholder must sign.

Joint Holding: Where the holding is in more than one name, all of the securityholders should sign.

Power of Attorney: If you have not already lodged the Power of Attorney with the registry, please attach a certified photocopy of the Power of Attorney to this form when you return it.

Companies: Where the company has a Sole Director who is also the Sole Company Secretary, this form must be signed by that person. If the company (pursuant to section 204A of the Corporations Act 2001) does not have a Company Secretary, a Sole Director can also sign alone. Otherwise this form must be signed by a Director jointly with either another Director or a Company Secretary. Please sign in the appropriate place to indicate the office held. Delete titles as applicable.

PARTICIPATING IN THE MEETING

Corporate Representative

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

Lodge your Proxy Form:

XX

Online:

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

Your secure access information is



Control Number: 999999

SRN/HIN: I999999999

PIN: 99999

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

By Mail:

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

By Fax:

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



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

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

MR SAM SAMPLE
FLAT 123
123 SAMPLE STREET
THE SAMPLE HILL
SAMPLE ESTATE
SAMPLEVILLE VIC 3030

Change of address. If incorrect, mark this box and make the correction in the space to the left. Securityholders sponsored by a broker (reference number commences with 'X') should advise your broker of any changes.



I 9999999999

I ND

Proxy Form

Please mark to indicate your directions

Step 1 Appoint a Proxy to Vote on Your Behalf

XX

I/We being a member/s of Lion Selection Group Limited hereby appoint

the Chairman of the Meeting **OR**

PLEASE NOTE: Leave this box blank if you have selected the Chairman of the Meeting. Do not insert your own name(s).

or failing the individual or body corporate named, or if no individual or body corporate is named, the Chairman of the Meeting, as my/our proxy to act generally at the meeting on my/our behalf and to vote in accordance with the following directions (or if no directions have been given, and to the extent permitted by law, as the proxy sees fit) at the Extraordinary General Meeting of Lion Selection Group Limited to be held at Level 2, 175 Flinders Lane, Melbourne, VIC 3000 on Wednesday, 26 June 2024 at 10:00am (AEST) and at any adjournment or postponement of that meeting.

Chairman authorised to exercise undirected proxies on remuneration related resolutions: Where I/we have appointed the Chairman of the Meeting as my/our proxy (or the Chairman becomes my/our proxy by default), I/we expressly authorise the Chairman to exercise my/our proxy on Resolutions 1 and 2 (except where I/we have indicated a different voting intention in step 2) even though Resolutions 1 and 2 are connected directly or indirectly with the remuneration of a member of key management personnel, which includes the Chairman.

Important Note: If the Chairman of the Meeting is (or becomes) your proxy you can direct the Chairman to vote for or against or abstain from voting on Resolutions 1 and 2 by marking the appropriate box in step 2.

Step 2 Items of Business

PLEASE NOTE: If you mark the **Abstain** box for an item, you are directing your proxy not to vote on your behalf on a show of hands or a poll and your votes will not be counted in computing the required majority.

		For	Against	Abstain
Resolution 1	Approval of Employee Incentive Plan	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Resolution 2	Issue of Long Term Incentive Performance Rights to Related Party – Hedley Widdup	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

The Chairman of the Meeting intends to vote undirected proxies in favour of each item of business. In exceptional circumstances, the Chairman of the Meeting may change his/her voting intention on any resolution, in which case an ASX announcement will be made.

Step 3 Signature of Securityholder(s) *This section must be completed.*

<input type="text"/>	<input type="text"/>	<input type="text"/>	/ /
Sole Director & Sole Company Secretary	Director	Director/Company Secretary	Date

Update your communication details *(Optional)*

<input type="text"/>	<input type="text"/>
Mobile Number	Email Address

By providing your email address, you consent to receive future Notice of Meeting & Proxy communications electronically

