



Australian Securities Exchange
Company Announcements Platform
26 September 2014

UXC Limited
ABN 65 067 682 928

MARKET ANNOUNCEMENT

Notice of 2014 Annual General Meeting and Proxy Form

UXC Limited hereby releases the Notice of the 2014 Annual General Meeting and Explanatory Memorandum, as well as proxy form.

Shareholders who have elected to receive communications electronically will receive an email link to the report.

If you requested a printed copy of the report, this will be sent to you in a separate mailing.

The meeting will be held at 4:00pm on Thursday, 30 October 2014 at UXC Limited, Level 19/360 Collins Street, Melbourne, VIC, 3000.

For more information please contact:

Mr Cris Nicolli
Managing Director
UXC Limited
(613) 9224 5777

Mr Mark Grodzicky
General Counsel and Company
Secretary
UXC Limited
(613) 9224 5777

Toll free shareholder
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1800 092 092
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ABOUT UXC LIMITED

UXC Limited is an S&P/ASX 300 listed Australian business solutions company, and the largest Australian owned ICT consultancy firm. UXC services medium to large entities in the private and public sectors across Australia and New Zealand and has operations in Asia and the United States.

UXC provides a range of unique, unmatched and formidable ICT Solutions in Consulting, Business Applications and Infrastructure that support our customers to plan & design, implement & enhance, and operate & manage their ICT requirements.

UXC strives to create simplicity and meaning in a complex world through the power of people and technology, by being the leading Tier 1 Australian IT Services and Solutions Company, delivering value, innovation and responsive business outcomes with excellent people.



Notice of Annual General Meeting of Shareholders

The 2014 Annual General Meeting of UXC Limited will be held as follows:

Date: Thursday 30 October 2014

Time: 4.00pm (Melbourne time)

Venue: UXC Limited, Level 19/360 Collins Street, Melbourne, VIC 3000

Ordinary Business

1. Adoption of accounts

To receive and consider the financial report of the Company for the year ended 30 June 2014 and the reports of the directors and auditors.

2. Remuneration Report

To adopt the Remuneration Report for the year ended 30 June 2014.

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

3. Approval of re-election of directors

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

- 3.1 "That Mr Jean-Marie Simart, a director retiring in accordance with the Company's Constitution, and being eligible for re-election, be re-elected as a director of the Company."
- 3.2 "That Ms Gail Pemberton, a director retiring in accordance with the Company's Constitution, and being eligible for re-election, be re-elected as a director of the Company."

Special Business

4. Approval of Managing Director's Long Term Incentive for FY2015 – FY2017

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

"That approval is given for the purposes of Listing Rule 10.14 and all other purposes, for the grant of 1,848,340 Performance Rights to Mr Cris Nicolli to subscribe for fully paid ordinary shares in the Company, pursuant upon the achievement of certain incentive targets and exercise conditions and in accordance with the terms of which are summarised in the Explanatory Notes accompanying this Notice of Meeting."

5. Shareholder approval of Financial Assistance

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

"That for the purpose of section 260B(2) of the *Corporations Act 2001 (Cth)* and for all other purposes, approval is given for financial assistance as detailed in the Explanatory Note Item 5 to be provided by:

- (a) UXC Keystone Pty Ltd ACN 124 654 520;
- (b) MEAC Group Pty Ltd ACN 084 595 291;
- (c) Stream Holdings Australia Pty Ltd ACN 141 213 925;
- (d) Stream Consulting Services Pty Ltd ACN 141 663 283;
- (e) Stream Technologies Pty Ltd ACN 110 069 488;
- (f) White Labelled Pty Ltd ACN 129 979 737; and
- (g) Any other subsidiary of any of the **Target Group Companies** (as defined in the Explanatory Notes Item 5) if required in the future.

By Order of the Board

Mark Grodzicky
Company Secretary

26 September 2014

Voting Exclusion Statement

Item 2 – Remuneration Report

Pursuant to Section 250R of the *Corporations Act 2001*, the Company will disregard any votes cast on Resolution 2 by or on behalf of:

- (a) a member of the Key Management Personnel of the Company, details of whose remuneration is disclosed in the Remuneration Report for the year ended 30 June 2014; or
- (b) a closely related party of a member of the Key Management Personnel,

unless the vote is cast by a person as proxy for a person entitled to vote, in accordance with a direction on the proxy form or by the Chairman of the meeting pursuant to an express authorisation on the proxy form.

Key Management Personnel and closely related parties should be aware that Section 250R of the *Corporations Act 2001* **prohibits** them from casting a vote that will be disregarded in accordance with the statement above.

Key Management Personnel are those persons that have authority and responsibility for planning, directing and controlling the activities of the Company, whether directly or indirectly. Members of Key Management Personnel include directors and certain senior executives.

A closely related party of a member of Key Management Personnel includes any of the following:

- A spouse, child or dependent of the member;
- A child or dependant of the member's spouse;
- Anyone else who is one of the member's family and may be expected to influence, or be influenced by, the member in the member's dealings with the Company;
- A company the member controls; and
- A person described by the regulations.

The proxy form accompanying this notice of meeting contains detailed instructions regarding how to complete the proxy form if a shareholder wishes to appoint the Chairman or other Key Management Personnel as proxy.

You should read those instructions carefully to ensure your vote is not disregarded where it otherwise would be valid. The Key Management Personnel of the Company and their closely related parties will not be able to vote your proxy on Resolution 2 unless you direct them how to vote on the proxy form. If you appoint the Chairman of the meeting as your proxy, or if the Chairman of the meeting is appointed as your proxy by default, but you do not direct him how to vote on Resolution 2, you will be taken to have expressly authorised the Chairman to exercise your proxy as he decides (in which case, the Chairman of the meeting intends to vote in favour of Resolution 2).

Item 4 - Approval of Managing Director's Long Term Incentive for FY2015 – FY2017

The Company will disregard any votes cast on Item 4:

- by or on behalf of Mr Cris Nicolli or any associate of Mr Cris Nicolli; or
- as a proxy by a member of Key Management Personnel or any of their closely related parties,

unless the vote is cast as proxy for a person entitled to vote, in accordance with a direction of the proxy form.

Voting in Person or by Proxy

- 1 The venue will open at 3:00 pm to facilitate registration for the Annual General Meeting.
- 2 If you are a shareholder entitled to attend and vote, you are entitled to appoint one or two proxies. If you attend in person, all proxies are suspended.
- 3 A proxy need not be a shareholder of the Company and may be either an individual or a body corporate. Should you appoint a body corporate as your proxy, that body corporate will need to ensure that it appoints an individual as its corporate representative to exercise its powers at meetings, in accordance with section 250D of the *Corporations Act 2001* (Cth) and provides satisfactory evidence of the appointment of its corporate representative prior to commencement of the meeting. If such evidence is not received before the meeting, then the body corporate (through its representative) will not be permitted to act as your proxy.
- 4 On a poll, shareholders have one vote for each fully paid ordinary share held.
- 5 If you wish to appoint one proxy, please use the Proxy Form provided.
- 6 If you wish to appoint two proxies, an additional Proxy Form may be obtained by telephoning the share registry or you may copy the Proxy Form provided. Where two proxies are appointed, you may specify the number or proportion of votes that each may exercise, failing which each may exercise half the votes. Neither proxy is entitled to vote on a show of hands if more than one proxy attends.
- 7 Proxy Forms must be signed by a member or the member's attorney or, if a corporation, executed under seal or in accordance with section 127 of the *Corporations Act 2001* or signed by an authorised officer or agent.
- 8 The Company has arranged for the Proxy Forms (and if the appointment is signed by the appointor's attorney, the original authority under which the appointment was signed or a certified copy of the authority) to be collected and collated by a shareholder proxy agent ("**the Agent**"). Proxy Forms can be returned to the Agent by **mail to Link Market Services**, Locked Bag A14, Sydney South NSW 1235 or by **fax on (02) 9287 0309**. To be effective, the Agent must receive Proxy Forms not later than 4.00pm (AEST) on Tuesday 28 October 2014.

Proxies can also be lodged online at Link's website (www.linkmarketservices.com.au) by following the steps below:

- Step 1 – Select Investor Login through the Investor Centre from the top right.
- Step 2 – Enter UXC Limited as the Issuer.
- Step 3 – Enter your Holder Identifier (which appears under the barcode on the front of your proxy form), your postcode, Type the Security code.
- Step 4 – Read and agree to the terms and conditions by selecting the tick box.
- Step 5 – Select the orange '>Login' box.
- Step 6 – Select Vote under the heading Action and follow the prompts.

You will be taken to have signed your proxy form if you lodge it in accordance with the instructions given on the Link website.

The Board has determined, in accordance with the Company's Constitution and Corporations Regulations that any shareholder registered at 7.00pm (Melbourne time) on 28 October 2014 is entitled to attend and vote at the Annual General Meeting.

Explanatory Notes to Shareholders

Ordinary Business

Item 1: Adoption of accounts

Pursuant to section 317 of the *Corporations Act 2001*, the Financial Report, Directors' Report and Auditor's Report of UXC Limited for the financial year to 30 June 2014 will be laid before the meeting. The *Corporations Act 2001* does not require a vote of the shareholders on the reports or the statements. The Annual Report is available on the UXC website, at www.UXC.com.au.

Item 2: Remuneration Report

2.1 Introduction

Pursuant to section 250R of the *Corporations Act 2001*, a resolution must be put to members that the Remuneration Report be adopted. The vote on this resolution is advisory only and does not bind the Directors or the Company. However, the Directors of the Company will take into account the discussion on this item and the outcome of this vote when considering future remuneration arrangements of the Company.

2.2 The Remuneration Report is in the Company's 2014 Financial report which explains the Board's policies in relation to the:

- nature and scope of remuneration paid to directors, the company secretary and group executives;
- inter-relationship with the Company's performance and performance conditions chosen and short and long term incentive measurements;
- remuneration details for each director and group executive; and
- differences between remunerating non-executive directors as discrete from the basis upon which group executives are remunerated.

2.3 A reasonable opportunity will be provided to the members for discussion of the Remuneration Report at the meeting.

2.4 Directors' Recommendation and Voting

A voting exclusion statement applies to this Resolution as set out in the Notice of Meeting.

The Directors recommend that shareholders vote in favour of the adoption of the Remuneration Report.

The Chairman of the Meeting intends to vote all available proxies in favour of Item 2.

Item 3.1: Approval of re-election of a Director

Mr Jean-Marie Simart

Mr Simart, Non-executive Director, retires by rotation in accordance with Listing Rule 14.4 and Article 8.1(d) of the Constitution of the Company and being eligible under Article 8.1(k)(1) offers himself for re-election.

Mr Simart was first appointed as a Non-executive Director of UXC Limited on 10 August 2001 and most recently re-elected on 24 October 2012. Mr Simart is currently a Member of the Audit & Risk Committee, Nomination Committee and HR & Remuneration Committee.

Mr Simart does not have any material relationship with the Company, is not a recent former employee or auditor and is not associated with executive management of the Company through any family connection. Therefore Mr Simart satisfies all the criteria for independence in his role as Director of the Company, as set out in the Corporate Governance Statement of the Company's Annual Report.

Mr Simart has substantial experience in directorship. He is Executive Chairman of Crown Commercial Group and is also a Director of Vintec Australia. Mr Simart was former Senior Country Officer with

Banque Indosuez in Saudi Arabia, South Korea, Japan and Australia from 1980 to 1996, and a former Chairman of the French Advisors Association to the French Government in South Korea, Japan and Australia. He was also the Regional Head of Private Banking in Asia, and a member of the Banks Regional Management Board from 1996 to 1998.

His skill, experience and expertise complement the existing skill set of the Board of Directors of the Company and he has made a valuable contribution to the Board.

Mr Simart has stated his intention to step down at the 2015 Annual General Meeting and the Board will undertake a candidate search designed to continue to refresh the Board and attract new Directors able to support and contribute to the Company's strategic direction.

Directors' Recommendation and Voting

The Directors (other than Mr Jean-Marie Simart) recommend shareholders vote in favour of this resolution.

The Chairman of the Meeting intends to vote all available proxies in favour of this item 3.1.

Item 3.2: Approval of re-election of a Director

Ms Gail Pemberton

Ms Pemberton, Non-executive Director, retires by rotation in accordance with Listing Rule 14.4 and Article 8.1(d) of the Constitution of the Company and being eligible under Article 8.1(k)(1) offers herself for re-election.

Ms Pemberton was appointed Non-executive Director of UXC Limited on 1 November 2011 and is currently Chairperson of the HR & Remuneration Committee and Member of the Nomination Committee.

Ms Pemberton does not have any material relationship with the Company, is not a recent former employee or auditor and is not associated with executive management of the Company through any family connection. Therefore Ms Pemberton satisfies all the criteria for independence in her role as Director of the Company, as set out in the Corporate Governance Statement of the Company's Annual Report.

Ms Pemberton holds over 30 years experience in the financial services and technology sector in CIO, COO and CEO roles at companies including Macquarie Bank and BNP Paribas. Ms Pemberton is Chairman of OneVue, SIRCA and Onthehouse and is also a director of QIC and Paypal Australia. She previously served on the boards of Alleron Funds Management, Air Services Australia, the Sydney Opera House Trust, Harvey World Travel and Baycorp.

Her skill, experience and expertise complement the existing skill set of the Board of Directors of the Company and she has made a valuable contribution to the Board.

Directors' Recommendation and Voting

The Directors (other than Ms Gail Pemberton) recommend shareholders vote in favour of this resolution.

The Chairman of the Meeting intends to vote all available proxies in favour of this item 3.2.

Item 4 - Approval of Managing Director's Long Term Incentive (LTI) for FY2015 – FY2017

4.1 Introduction.

The Company is proposing to seek shareholder approval for the issue of securities to Mr Nicolli as part of the performance incentive component of his total remuneration package in respect of the 2015 to 2017 financial years in accordance with ASX Listing Rule 10.14, on the terms set out in this notice.

4.2 Why is shareholder approval being sought?

Explanatory Notes to Shareholders

ASX Listing Rule 10.14 requires that shareholders approve awards of securities issued to directors. Shareholder approval is required only if new securities are issued to a director and not if securities are purchased on market. The intention of the requirement is to protect shareholders from dilution in the value of securities that may occur as a result of securities issued under employee incentive plans. No such dilution occurs if securities are purchased on market.

The Board may determine whether the shares allotted upon the future exercise of the Performance Rights will be purchased on market or issued. Approval is being sought to allow the Company to either issue new shares or to purchase shares on market for allocation to Mr Nicolli upon vesting and exercise of the Performance Rights.

UXC will issue the performance rights described in this Explanatory Note on approval by shareholders and in any event, no later than 3 years after the AGM.

Details of any securities issued under the employee incentive scheme will be published in each annual report relating to the period in which securities have been issued, and that approval for the issue of securities was obtained under listing rule 10.14.

If shareholder approval is not obtained, Mr Nicolli will continue to be entitled to the cash equivalent of Long Term Incentives in accordance with their terms. There is no incremental cost to the Company for the equity based compensation components of Mr Nicolli's remuneration as compared to cash.

4.3 Overview of Mr Nicolli's remuneration package

The granting of Performance Rights forms an important part of the Company's executive remuneration policy, details of which are set out in the Company's Remuneration Report.

UXC Limited's HR and Remuneration Committee advises the Board on remuneration practices and policies which are fair and responsible and recognise the correlation between executive performance targets and reward, to provide the best value to shareholders. An independent consultant reviews the Committee's recommendations from time to time

The KPIs for the LTIs relating to FY15-FY17 are as follows:

LTI KPI	Composition
Targeted Relative Total Shareholder Return (TSR) (Tranche 1)	25%
Targeted Relative Earnings per Share (EPS) (Tranche 2)	25%
Targeted Core Earnings Growth (CEG) (Tranche 3)	50%
TOTAL	100%

The Performance Rights will be granted to Mr Nicolli at no cost. The details of the proposed issue of securities to Mr Nicolli are set out below:

Director	Role	Number of Equity Securities	Deemed Issue Price	Exercise Price	Vesting Date	Expiry Date	Value of Financial Benefit
Cris Nicolli	Managing Director	1,848,340 Unlisted Options over Ordinary Shares (FY15-FY17 LTI Performance Rights)	The Performance Rights that vest will be exercised into shares at the exercise price upon exercise.	Nil	Upon achievement of key performance indicators by 30 June 2017.	August 2017	Up to \$1,350,000 (based on achievement of key performance indicators)

- (1) These Performance Rights will only be available for exercise upon achievement of the relevant individual key performance indicators as outlined above.
- (2) Up to a maximum of 1,848,340 Performance Rights will be issued to Mr Cris Nicolli or associates of Mr Nicolli (for example his superannuation fund), vesting over a period of up to three years (as outlined above) upon Mr Nicolli's achievement of key performance indicators and further exercise conditions as relevant.
- (3) Subject to the discretion of the Board, any entitlement to Performance Rights which have not vested will lapse if Mr Nicolli resigns from employment with the Company or ceases employment for any reason. In the event of a takeover of the Company or other change of control, Performance Rights may, at the discretion of the Board, vest and become exercisable in their entirety.
- (4) Mr Nicolli currently holds 5,462,181 fully paid ordinary shares in the Company. Further details are set out in the Company's Annual Report in the Directors' Report and the Remuneration Report.
- (5) The Board may in its discretion vary the vesting that would otherwise apply in relation to some or all of the tranches if it forms the view that the vesting that would otherwise apply is inappropriate in the circumstances of the Company.

in relation to the remuneration components available to the Executive Management team, including the Managing Director, Cris Nicolli.

Mr Nicolli receives remuneration comprising cash, equity entitlements and benefits in recognition of his role and responsibilities as the Company's Managing Director. The HR and Remuneration Committee and the Board are satisfied that Mr Nicolli's remuneration is (i) an appropriate reward in relation to the marketplace and his ongoing contribution to the Company's development and performance, and (ii) structured in such a manner as to continue to motivate his ongoing performance and valued contribution to the business. The Board is also satisfied the remuneration is reasonable for the purposes of section 211(1)(b) of the *Corporations Act 2001 (Cth)*.

Mr Nicolli was appointed Managing Director on 28 October 2010. Further details of Mr Nicolli's remuneration package for the financial year ending 30th June 2014 are set out in the Remuneration Report contained in UXC's FY 2014 Annual Report.

4.4 Long Term Incentive (LTI) Plan FY2015-FY2017 - Details of Performance Rights to be granted to Mr Nicolli

The Board of Directors has approved and is proposing Mr Nicolli's revised FY15-FY17 LTI with key performance indicators, Targeted Relative Total Shareholder Return, Targeted Relative Earnings per Share and Targeted Core Earnings Growth for shareholder approval. For the vested portion of his LTI entitlement, Mr Nicolli will receive equity based compensation, payable in the form of performance rights, to a maximum of \$1,350,000 over three years subject to the achievement of key performance indicators, as detailed in the following LTI FY15-FY17 table. This is represented by a maximum number of performance rights of 1,848,340, which is calculated based on a share price of 0.7303 cents (being the 20 trading days VWAP for the period up to and including 30 June 2014). These will be exercisable at the end of the three year performance period (i.e. subsequent to 30 June 2017) upon ratification by the HR & Remuneration Committee and recommended to the Board of Directors for approval.

4.5 LTI FY 2015-FY 2017 Performance Rights Plan Summary of Vesting Conditions

4.5.1 Tranche 1 – TSR vesting condition

The vesting condition applicable to Tranche 1, comprising 25% of the LTI Performance Rights, is based on the relative TSR of the Company. TSR is the return to shareholders provided by share price appreciation, plus dividends, expressed as a percentage of investment.

The relative TSR vesting condition compares the TSR performance of the Company with the TSR performance of entities in a comparator group of entities over the performance condition measurement period. At the end of the performance period, the comparator group comprises selected companies which are included in the ASX Listed GICS IT Industry Participants (**ASX Technology Index**). In the event that any of these companies are not listed in the ASX Technology Index on 30 June 2017 they will be omitted from the calculations.

The level of TSR achieved by the Company over the relevant vesting period will be given a percentile ranking having regard to the Company's performance compared with the performance of other companies in the comparator group.

The percentage of Performance Rights in Tranche 1 which vest at particular percentile rankings is as follows:

UXC TSR Ranking	% of Performance Rights which vest
Below the 50th percentile	0% vest
At the 50th percentile	66.67% vest
Between 51st and 74th percentile	Between 66.67% and 100% vest (on a linear basis)
At or above 75th percentile	100% vest

Vesting is contingent on the Company's TSR over the period being positive.

4.5.2 Tranche 2 – EPS vesting condition

The vesting condition applicable to Tranche 2, which comprises 25% of the LTI Performance Rights, is based on the Company's earnings per share (EPS).

EPS means net profit after tax divided by the average number of shares on issue.

The relative EPS vesting condition compares the EPS growth of the Company with the EPS growth of entities in the same comparator group as the TSR KPI. At the end of the performance period, the selected comparator group will be ranked by an independent firm based on their EPS growth for that period. In the event that any of the comparator companies are not listed in the ASX Technology Index on 30 June 2017 they will be omitted from the calculations.

The Company's relative ranking relative to the comparator group will determine how many Performance Rights will vest as follows:

UXC EPS Growth Ranking	% of Performance Rights which vest
Below the 50th percentile	0% vest
At the 50th percentile	66.67% vest
Between 51st and 74th percentile	Between 66.67% and 100% vest (on a linear basis)
At or above 75th percentile	100% vest

Vesting is contingent on the Company's EPS growth over the period being positive.

4.5.3 Tranche 3 – CEG vesting condition

The vesting condition applicable to Tranche 3, which comprises 50% of the LTI Performance Rights, is based on the Company's core earnings growth (CEG).

Core earnings growth for the purpose of this plan, is defined as earnings from current operations less earnings from businesses divested or acquired during the performance period being 1 July 2014 to 30 June 2017. Earnings would be defined as EBITDA.

The Board has set a Compound Annual Growth Rate (CAGR) target of 11.4% per annum and the vesting scale used to determine how many Performance Rights will vest as follows:

UXC Core earnings growth	% of Performance Rights which vest
Below CAGR of 11.4%	0% vest
Equal to target CAGR of 11.4%	66.67% vest
Between CAGR of 11.4% and 15.5%	Between 66.67% and 100% vest (on a linear basis)
At or above CAGR of 15.5%	100% vest

4.6 Other information

- Mr Nicolli is the only director entitled to participate in the LTI schemes.
- No securities have been issued to Mr Nicolli or persons under the scheme requiring approval under ASX Listing Rule 10.14 since the last approval.
- Details of securities issued pursuant to previous approvals are contained in the Company's Remuneration Report.
- No loans will be made in relation to the acquisition of securities under this approval.

4.7 Directors' Recommendation and Voting

A voting exclusion statement applies to this Resolution as set out in the Notice of Meeting.

Mr Nicolli declines to make a voting recommendation in relation Item 4 due to his material personal interest in the outcome, and his votes will be excluded in accordance with the voting exclusion statement set out in the notice of meeting.

To the extent that the Company's other Directors do not have a material personal interest, each Director recommends that shareholders vote in favour of the resolution Item 4 as they believe that the issue of securities to Mr Nicolli is an appropriate form of remuneration and provides him with an incentive to maximise returns to shareholders.

The Chairman of the Meeting intends to vote all available proxies in favour of the resolution in Item 4.

Item 5: Shareholder approval of Financial Assistance

5.1 Introduction

This explanatory statement is given to shareholders of the Company for the purpose of section 260B(4) of the Corporations Act and contains information known to the Company that is material to deciding how to vote on the special resolution.

The special resolution may involve the giving of financial assistance by companies that are subsidiaries of the Company.

5.2 Defined terms and interpretation

Corporations Act means the Corporations Act 2001 (Cth).

Facilities Agreement means the facilities agreement referred to in section 5.5.

Explanatory Notes to Shareholders

Finance Documents means the Facilities Agreement and each document referred in section 5.5.

Finance Party means each financier, arranger, agent, hedging leader, trustee or security trustee under the Finance Documents and Finance Parties means one or more of them.

Target Group Company means each company listed in section 5.3.

In this explanatory statement, except where the context requires otherwise:

- (a) the singular includes the plural and vice versa, and a gender includes other genders;
- (b) another grammatical form of a defined word or expression has a corresponding meaning; and
- (c) a reference to a document or instrument includes the document or instrument as novated, altered, supplemented or replaced from time to time.

5.3 Background

Between September 2012 and November 2013 in relation to the following wholly owned subsidiaries (together the **Purchasers**) of UXC Limited ABN 65 067 682 928 (**Company**), together acquired interests in the following companies (together the **Target Companies**):

- a) Oxygen Business Solutions Pty Ltd ACN 117 187 738 acquired the entire issued ordinary share capital of Stream Holdings Australia Pty Ltd ACN 141 213 925 and White Labelled Pty Ltd ACN 129 979 737;
- b) Red Rock Consulting Pty Ltd ACN 081 356 425 acquired the entire issued ordinary share capital of MEAC Group Pty Ltd ACN 084 595 291;
- c) UXC BSG Holdings Pty Ltd ACN 143 122 007 acquired the entire issued ordinary share capital of Keystone Management Solutions Pty Ltd ACN 124 654 520 (now UXC Keystone Pty Ltd).

After completion of the Acquisitions, the Target Companies and their subsidiaries (each company listed below together the **Target Group Companies**) became wholly-owned subsidiaries of the Company.

The Company's financier, National Australia Bank Limited ACN 004 044 937 (**NAB**) requires the Target Group Companies, subject to approval of shareholders as required under the Corporations Act, to enter into and provide security in relation to the Facilities Agreement.

The companies listed in the following table are required to provide security in favour of NAB:

Company	ABN
UXC Keystone Pty Ltd	ACN 124 654 520
MEAC Group Pty Ltd	ACN 084 595 291
Stream Holdings Australia Pty Ltd	ACN 141 213 925
Stream Consulting Services Pty Ltd	ACN 141 663 283
Stream Technologies Pty Ltd	ACN 110 069 488
White Labelled Pty Ltd	ACN 129 979 737

5.4 Why shareholder approval is required

Under section 260A(1) of the Corporations Act, a company may financially assist a person to acquire shares (or units of shares) in it or its holding company only if:

- a. giving the assistance does not materially prejudice:
 - i. the interests of the company or its shareholders, or
 - ii. the company's ability to pay its creditors; or
- b. the assistance is approved by shareholders under section 260B; or
- c. the assistance is exempted under section 260C.

Under section 260B(1) of the Corporations Act, Shareholder approval for financial assistance by a company must be given by:

- (a) a special resolution passed at a general meeting of the company, with no votes being cast in favour of the resolution by the person acquiring the shares (or units of shares) or by their associates; or
- (b) a resolution agreed to, at a general meeting, by all ordinary shareholders.

In addition, because the Acquired Companies became subsidiaries of a listed holding corporation (being the Company) immediately after the Acquisition, the financial assistance must also be approved by a special resolution passed at a general meeting of the Company (being UXC Limited) under section 260B(2) of the Corporations Act.

A company may be regarded as giving financial assistance if it furnishes something needed in order that a transaction be carried out or something in the nature of aid or help. Common examples of financial assistance include issuing a debenture, giving security over the company's assets, and giving a guarantee or indemnity in respect of another person's liability.

The giving of the Financial Assistance has been, or will be, approved by a unanimous resolution of each of the Acquired Companies in accordance with section 260B(1) of the Corporations Act. Accordingly, it is proposed that the Financial Assistance now be approved by special resolution of the shareholders of the Company.

5.5 The financial assistance

The Company has arranged a multi-option facilities agreement between the Company, NAB and others (**Facilities Agreement**).

In order to secure (and regulate) the obligations of the Company and any applicable subsidiary or related entity of it in relation to the finance facilities, each of the Target Group Companies may:

- (a) execute, or accede to, the Facilities Agreement as an obligor;
- (b) to secure its obligations under the Facilities Agreement (including the guarantee and indemnity contained in it) and any related document:
 - (i) grant NAB a security interest over its assets and undertaking;
 - (ii) if required under the terms of the Facilities Agreement, execute a registrable real property mortgage or mortgages over all of its real property interests (if any); and
 - (iii) if required under the terms of the Facilities Agreement, execute a share mortgage or mortgages over shares and associated rights held by it in certain subsidiaries; and
- (c) execute, or accede to, any document ancillary to, or in connection with, the Facilities Agreement or guarantee (including an intra group cross guarantee), indemnity or security interest given in connection with the Facilities Agreement and any related document.

The Company has also arranged, and may arrange, refinancing and additional financing facilities (including working capital facilities) of an amount to be determined in the future from time to time. In order to secure (and regulate) the obligations of the Company and any applicable subsidiary or related entity of it in relation to new financing facilities, each Target Group Company may, from time to time (among other things):

- (a) execute, or accede to, a new facilities agreement as an obligor:
 - (i) on substantially the same terms as the Facilities Agreement; or
 - (ii) on terms approved by the board or members (or both) at the relevant time;
- (b) give one or more of a guarantee (including an intra group cross guarantee), indemnity or security interest over its assets (whether by way of mortgage or fixed or floating (or both) charge) to secure each obligor's obligations under any new facilities agreement and any related document; and
- (c) execute, or accede to, any document ancillary to, or in connection with, any new facilities agreement or guarantee, indemnity or security interest given in connection with any new facilities agreement and any related document.

Each of the Target Group Companies may also execute, or accede to:

- (a) an intercreditor deed to (among others things) regulate the rights of those parties under, or deriving rights in connection with, the Finance Documents; and
- (b) a subordination deed to (among other things) regulate the rights of those parties under, or deriving rights in connection with, the Finance Documents.

Each Target Group Company's obligations under each Finance Document are significant. Those obligations could include:

- (a) unconditionally and irrevocably guaranteeing the performance of the obligations (including payment obligations) of the Company and any applicable subsidiary or related entity of it under the Finance Documents from time to time;
- (b) indemnifying each Finance Party and other parties against any liability or loss or cost incurred by them under the Finance Documents; and
- (c) giving security interests over its assets to secure the obligations of the Company and any applicable subsidiary or related entity of it under the Finance Documents from time to time.

Entering into, and the performance of obligations under, the Finance Documents will constitute financial assistance for the purposes of the Corporations Act and requires the prior approval of members.

5.6 Reasons for the financial assistance

The Company requires finance under the Facilities Agreement to provide working capital for the business of the Company, Target Group Companies and related companies.

5.7 Effects of the financial assistance

The giving of the guarantee and indemnity (contained in the Facilities Agreement) and any security in connection with the finance facilities, may impact on each Target Group Company's ability to borrow money in the future, and it is possible that this could materially prejudice the interests of each Target Group Company and its shareholders. This is because a lender may be deterred by the existence of the Finance Documents from making finance facilities available to each Target Group Company. However, the directors of the Company participated in negotiations relating to the acquisition of the shares, including in relation to the Company (and the other related companies) entering into the Finance Documents, and have agreed to those arrangements because they believe them to be in their best interests.

The assessment of material prejudice, including each Target Group Company's ability to pay its creditors, embraces the whole transaction and so brings into account its immediate consequences in terms of determining whether there is a material prejudice. The assessment of material prejudice has quantitative and qualitative elements.

The quantitative element involves an assessment of the impact of the Finance Documents on each Target Group Company's balance sheet, future profits and future cash flows. The prejudice to each Target Group Company's ability to pay its creditors relates to the guarantees and indemnities and security interests to be provided by each Target Group Company under the Finance Documents. If the Company or any applicable subsidiary or related entity of it defaults under the Finance Documents, any one or more of the Finance Parties may decide to make a demand under the Finance Documents (including by a call on a guarantee and indemnity or enforcement of security given by the Company (or both)). Accordingly, each Target Group Company will be liable for the default of the Company or any applicable subsidiary or related entity of it under the Finance Documents.

The qualitative aspect requires an assessment of all the interlocking elements of the commercial transaction as a whole to determine where the net balance of financial advantage lies. The directors of the Company consider that the obtaining of Funding under the Finance Agreements is to the benefit of each Target Group Company and promote the interests of each Target Group Company. This is on the basis that the Target Group Companies now have a committed shareholder who is focussed on the performance of the Target Group Companies and their business and is able to provide sufficient working capital.

The directors of the Company do not currently have any reason to believe that the Company or any applicable subsidiary or related entity of it would be likely to default in its obligations under the Finance Documents.

However, if a Finance Party becomes entitled to enforce any of its rights under any Finance Document because the Company or any applicable subsidiary or related entity of it defaults, the enforcement may materially prejudice the interests of each Target Group Company or its shareholders. On enforcement, among other rights, a Finance Party may become entitled to procure the sale of the assets of each Target Group Company. The sale of assets on enforcement may yield a return to each Target Group Company (and ultimately its shareholders) significantly lower than could have been achieved by each Target Group Company had those assets been otherwise sold. This may materially prejudice the interests of each Target Group Company and its shareholders.

Accordingly, the directors have decided to refer the proposal to shareholders for approval under section 260B of the Corporations Act in light of the guarantee, indemnity and security that is to be provided by the Target Group Companies under the Finance Documents.

5.8 Approval of financial assistance

Under section 260B(2) of the Corporations Act, shareholder approval for the proposed financial assistance by the Target Group Companies must be approved by special resolution passed at a general meeting of the Company.

Accordingly, to approve the proposed financial assistance, at least 75% of the votes cast by the members entitled to vote at the annual general meeting must be in favour of the resolution accompanying this explanatory statement.

5.9 Notice to ASIC

As required by section 260B(5) of the Corporations Act, a copy of this Notice of Meeting was lodged with ASIC before being sent to the shareholders of the Company.

5.10 Disclosure of Information

The Directors consider that this explanatory statement contains all material information known to the Company that could reasonably be required by members in deciding how to vote on the proposed resolution, other than information that it would be unreasonable to require the Company to disclose because the Company has previously disclosed the information to its members.

5.11 Directors' Recommendation and Voting

The Director's recommend that shareholders vote in favour of the special resolution in Item 5.

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





By mail:
UXC Limited
C/- Link Market Services Limited
Locked Bag A14
Sydney South NSW 1235 Australia



By fax: +61 2 9287 0309



All enquiries to: Telephone: +61 1300 554 474



X99999999999

PROXY FORM

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

STEP 1

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 (excluding the registered securityholder) you are appointing as your proxy.

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 vote on my/our behalf (including in accordance with the directions set out below or, if no directions have been given, to vote as the proxy sees fit, to the extent permitted by the law) at the Annual General Meeting of the Company to be held at **4:00pm on Thursday, 30 October 2014 at UXC Limited, Level 19/360 Collins Street, Melbourne, VIC 3000** (the Meeting) and at any postponement or adjournment of the Meeting.

I/we expressly authorise the Chairman of the Meeting to exercise my/our proxy even if the resolution is connected directly or indirectly with the remuneration of a member of the key management personnel.

The Chairman of the Meeting intends to vote undirected proxies in favour of all items of business.

Proxies will only be valid and accepted by the Company if they are signed and received no later than 48 hours before the Meeting.

Please read the voting instructions overleaf before marking any boxes with an ☒.

STEP 2

VOTING DIRECTIONS

Item 2

To adopt the Remuneration Report (non-binding, advisory resolution)

For Against Abstain*

☐ ☐ ☐

Item 3.1

Re-election of Director - Mr Jean-Marie Simart

☐ ☐ ☐

Item 3.2

Re-election of Director - Ms Gail Pemberton

☐ ☐ ☐

Item 4

Approval of Managing Director's Long Term Incentive for 2015 - 2017

For Against Abstain*

☐ ☐ ☐

Item 5

Shareholder approval of Financial Assistance

☐ ☐ ☐

* 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 3

SIGNATURE OF SECURITYHOLDERS - THIS MUST BE COMPLETED

Securityholder 1 (Individual)

Sole Director and Sole Company Secretary

Joint Securityholder 2 (Individual)

Director/Company Secretary (Delete one)

Joint Securityholder 3 (Individual)

Director

This form should be signed by the securityholder. If a joint holding, either securityholder may sign. If signed by the securityholder'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).

UXC PRX401R



HOW TO COMPLETE THIS PROXY FORM

Your Name and Address

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

Appointment of a Proxy

If you wish to appoint the Chairman of the Meeting as your proxy, mark the box in Step 1. If the person you wish to appoint as your proxy is someone other than the Chairman of the Meeting please write the name of that person in Step 1. If you appoint someone other than the Chairman of the Meeting as your proxy, you will also be appointing the Chairman of the Meeting as your alternate proxy to act as your proxy in the event the named proxy does not attend the Meeting.

Proxy voting by Key Management Personnel (other than the Chairman of the Meeting)

The key management personnel of the Company (which includes each of the directors, executives named in the 2014 Remuneration Report and any other persons who are Key Management Personnel at the date of the Meeting) and their closely related parties will not be able to vote as your proxy on item 2 unless you direct them how to vote (except in the case of the Chairman of the Meeting, where you may expressly authorise him or her to vote your undirected proxy on item 2 - see Step 1 overleaf). Therefore, if you intend to appoint a member of the Key Management Personnel (other than the Chairman of the Meeting) or one of their closely related parties as your proxy, please ensure that you direct them how to vote on item 2 by marking the 'for', 'against' or 'abstain' box for item 2.

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 security 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 securities applicable to that form. If the appointments do not specify the percentage or number of votes that each proxy may exercise, each proxy may exercise half your votes. Fractions of votes will be disregarded; 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 securityholder may sign.

Power of Attorney: to sign under Power of Attorney, you must lodge the Power of Attorney with the registry. If you have not previously lodged this document for notation, please attach a certified photocopy of the Power of Attorney to this form when you return it.

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

Corporate Representatives

If a representative of the corporation is to attend the Meeting the appropriate "Certificate of Appointment of Corporate Representative" should be produced prior to admission in accordance with the Notice of Meeting. A form of the certificate may be obtained from the Company's security 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 **4:00pm on Tuesday, 28 October 2014**, being not later than 48 hours before the commencement of the Meeting. Any Proxy Form received after that time will not be valid for the scheduled Meeting.

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



ONLINE > www.linkmarketservices.com.au

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, securityholders will need their "Holder Identifier" (Securityholder Reference Number (SRN) or Holder Identification Number (HIN) as shown on the front of the Proxy Form).



by mail:

UXC 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, Level 12, 680 George Street, Sydney NSW 2000.

**If you would like to attend and vote at the Annual General Meeting, please bring this form with you.
This will assist in registering your attendance.**