

Australian Careers Network Limited

ACN 168 592 434

Notice of Annual General Meeting to be held on 26 October 2015

and

Explanatory Memorandum for the Notice of Annual General Meeting

**THIS DOCUMENT IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION.
IF YOU ARE IN ANY DOUBT ABOUT THE ACTION YOU SHOULD TAKE,
PLEASE CONSULT YOUR STOCKBROKER, SOLICITOR, ACCOUNTANT
OR OTHER PROFESSIONAL ADVISER.**

**NOTICE OF THE GENERAL MEETING TO BE HELD
AT
6th FLOOR, 446 COLLINS STREET, MELBOURNE VIC 3000**

AT 11.00AM MELBOURNE TIME ON MONDAY, 26 OCTOBER 2015

TO BE VALID, FORMS OF PROXY FOR USE AT THE GENERAL MEETING MUST BE
COMPLETED AND RECEIVED BY THE COMPANY OR LINK MARKET SERVICES LIMITED
NO LATER THAN 11:00AM MELBOURNE TIME ON SATURDAY, 24 OCTOBER 2015

Notice of Annual General Meeting

NOTICE IS HEREBY GIVEN that the Annual General Meeting of the Shareholders of Australian Careers Network Limited ACN 168 592 434 (the **Company**) will be held at 6th Floor, 446 Collins Street, Melbourne VIC 3000 on Monday, 26 October 2015 at 11:00 am (Melbourne time).

The Explanatory Memorandum which accompanies and forms part of this Notice of Annual General Meeting should be considered prior to Shareholders voting on the matters to be considered at the Annual General Meeting.

If you are unable to attend the Annual General Meeting, please complete and return the enclosed proxy form in accordance with the specified directions in this Notice of Annual General Meeting and on the proxy form.

Defined terms used in this Notice of Annual General Meeting and Explanatory Memorandum have the meanings given to them in the Glossary set out at the end of the Explanatory Memorandum.

1. Ordinary business

1.1 Financial Reports

To receive and consider the Financial Report of the Company and the reports of the Directors and auditors for the financial year ended 30 June 2015.

1.2 Resolution 1: Adoption of Remuneration Report

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

***"THAT** the Remuneration Report for the year ended 30 June 2015 be adopted by the Company."*

Note: The Remuneration Report is set out from page 19 of the Financial Statements contained in the 2015 Annual Report. In accordance with section 250R(3) of the Corporations Act, the votes cast in respect of this Resolution are advisory only and do not bind the Directors or the Company.

1.3 Resolution 2: Re-election of Raymond Griffiths

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

***"THAT** Raymond Griffiths, having retired from his office as a Director in accordance with Rule 3.6 of the constitution of the Company and, being eligible, having offered himself for re-election, be re-elected as a Director."*

1.4 **Resolution 3: Re-election of Craig Chapman**

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

*"**THAT** Craig Chapman, having retired from his office as a Director in accordance with Rule 3.6 of the constitution of the Company and, being eligible, having offered himself for re-election, be re-elected as a Director."*

1.5 **Resolution 4: Re-election of Samantha Martin-Williams**

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

*"**THAT** Samantha Martin-Williams, having been elected by the Board and having retired from her office as a Director in accordance with Rule 3.3(a) of the constitution of the Company and, being eligible, having offered herself for re-election, be re-elected as a Director."*

1.6 **Resolution 5: Re-election of Stephen Williams**

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

*"**THAT** Stephen Williams, having retired from his office as a Director in accordance with Rule 3.6 of the constitution of the Company and, being eligible, having offered himself for re-election, be re-elected as a Director."*

2. **Special business**

2.1 **Resolution 6: Issue of Performance Rights to Ivan Brown, Managing Director and Chief Executive Officer**

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

*"**THAT** the issue to Ivan Brown, the Company's Managing Director and Chief Executive Officer, of 112,860 Performance Rights under the Company's Performance Rights Plan on the terms described in the Explanatory Memorandum accompanying this Notice be approved for all purposes, including for the purposes of ASX Listing Rule 10.14."*

2.2 **Resolution 7: Issue of Performance Rights to Stephen Williams, Chairman and Non-Executive Director**

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

*"**THAT** the issue to Stephen Williams, the Chairman and a Non-Executive Director of the Company, of 67,713 Performance Rights under the Company's Performance Rights Plan on the terms described*

in the Explanatory Memorandum accompanying this Notice be approved for all purposes, including for the purposes of ASX Listing Rule 10.14."

2.3 Resolution 8: Issue of Performance Rights to Craig Chapman, Non-Executive Director

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

*"**THAT** the issue to Craig Chapman, a Non-Executive Director of the Company, of 39,498 Performance Rights under the Company's Performance Rights Plan on the terms described in the Explanatory Memorandum accompanying this Notice be approved for all purposes, including for the purposes of ASX Listing Rule 10.14."*

2.4 Resolution 9: Issue of Performance Rights to Raymond Griffiths, Non-Executive Director

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

*"**THAT** the issue to Raymond Griffiths, a Non-Executive Director of the Company, of 39,498 Performance Rights under the Company's Performance Rights Plan on the terms described in the Explanatory Memorandum accompanying this Notice be approved for all purposes, including for the purposes of ASX Listing Rule 10.14."*

2.5 Resolution 10: Issue of Performance Rights to Samantha Martin-Williams, Non-Executive Director

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

*"**THAT** the issue to Samantha Martin-Williams, a Non-Executive Director of the Company, of 39,498 Performance Rights under the Company's Performance Rights Plan on the terms described in the Explanatory Memorandum accompanying this Notice be approved for all purposes, including for the purposes of ASX Listing Rule 10.14."*

3. Voting exclusion statements

3.1 Resolution 1 (Remuneration Report)

The Company will disregard any votes cast on Resolution 1 by, or on behalf of:

- a member of the KMP of the Company details of whose remuneration are included in the Remuneration Report (and their closely related parties) in any capacity; and
- a member of the KMP of the Company or the Group at the date of the meeting (and their closely related parties) acting as proxy,

unless the vote is cast:

- as proxy for a person entitled to vote in accordance with a direction on the proxy form, or
- by the Chair of the Meeting as proxy for a person entitled to vote and the Chair has received express authority to vote undirected proxies as the Chair sees fit even though Resolution 1 is connected directly or indirectly with the remuneration of a member of the KMP of the Company or the Group.

3.2 Resolutions 6 - 10 (Issues of Performance Rights to Managing Director and Non-Executive Directors)

The Company will disregard any votes cast on Resolutions 6 - 10 (inclusive) by, or on behalf of:

- the person named in the relevant Resolution and any other Director of the Company;
- any associate of any of those persons; and
- any other member of the KMP of the Company or the Group at the date of the meeting (and their closely related parties) acting as proxy.

However, the Company will not disregard a vote if:

- it is cast by a person as proxy for a person entitled to vote in accordance with a direction on the proxy form, or
- it is cast by the Chair of the Meeting as proxy for a person entitled to vote and the Chair has received express authority to vote undirected proxies as the Chair sees fit even though the Resolution is connected directly or indirectly with the remuneration of a member of the KMP of the Company.

4. Chair's voting intentions

Subject to any applicable voting exclusions, the Chair of the Meeting intends to vote all available undirected proxies in favour of each Resolution.

5. Determination of membership and voting entitlement

For the purpose of determining a person's entitlement to vote at the Annual General Meeting, a person will be recognised as a member of the Company and the holder of Shares if that person is registered as a holder of those Shares at 11:00 am (Melbourne time) on Saturday, 24 October 2015.

6. Votes of members

On a show of hands, each member present in person or by proxy (or, in the case of a body corporate, by a representative) at the Annual General Meeting who is entitled to vote shall have one vote.

On a poll, every member present in person or by attorney or by proxy (or, in the case of a body corporate, by a representative) who is entitled to vote shall have one vote for each Share held by him, her or it.

7. Proxies

Please note that:

- (a) a Shareholder entitled to attend and vote at the Annual General Meeting is entitled to appoint no more than two proxies;
- (b) a personalised proxy form accompanies this Notice;
- (c) a proxy may be a Shareholder of the Company;
- (d) a proxy need not be a Shareholder of the Company;
- (e) where a Shareholder appoints two proxies, the following rules apply:
 - (i) each proxy may exercise half of the Shareholder's voting rights if the appointment does not specify a proportion or number of the Shareholder's voting rights the proxy may exercise;
 - (ii) on a show of hands, neither proxy may vote; and
 - (iii) on a poll, each proxy may only exercise the voting rights the proxy represents;
- (f) a proxy has the authority to vote on the Shareholder's behalf as he or she thinks fit, on any motion to adjourn the Annual General Meeting, or any other procedural motion, unless the Shareholder gives a direction to the contrary;
- (g) a valid proxy form will be deemed to confer authority to demand or join in demanding a poll;
- (h) to be valid, a proxy form must be signed by the Shareholder or the Shareholder's attorney or, if the Shareholder is a corporation, executed in accordance with the corporation's constitution and the Corporations Act (and may be signed on behalf of the corporation by its attorney); and
- (i) to be valid, a proxy form and the power of attorney or other authority (if any) under which it is signed (or an attested copy of it) must be received at the registered office of the Company or at an address given below by **no later than 11:00am (Melbourne time) on Saturday, 24 October 2015:**

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

By hand: Link Market Services Limited
1A Homebush Bay Drive
Rhodes. NSW 2138; **or**

Level 12, 680 George Street
Sydney NSW 2000

By 02 9287 0309 (within Australia)
facsimile: +61 2 9287 0309 (outside Australia)

online at www.linkmarketservices.com.au in accordance with the instructions provided on the website. To lodge your proxy online, you will need your Security Reference Number (SRN) or Holder Identification Number (HIN) as shown on the front of your proxy form.

By order of the Board:

Mr Ivan Robert Brown
Chief Executive Officer
Australian Careers Network Limited

Dated: 24 September 2015

Explanatory Memorandum

1. Introduction

This Explanatory Memorandum contains the information needed for Shareholders to assess Resolutions 1 to 10 to be put to them at the Annual General Meeting of the Company on Monday, 26 October 2015. A Notice of Annual General Meeting accompanies this Explanatory Memorandum.

This Explanatory Memorandum, as well as the Notice of Annual General Meeting, should be read carefully and in their entirety.

2. Accounts and reports

The Financial Report, Directors' Report and Auditor's Report for the Company for the year ended 30 June 2015 will be laid before the meeting. There is no requirement for Shareholders to approve those reports. However, Shareholders will be given an opportunity to ask questions about, or make comments on, these reports at the Annual General Meeting. The Company's auditors will also be available to take Shareholders' questions about the conduct of the audit, the Auditor's Report, the Company's accounting policies and the independence of the auditors in relation to the conduct of their audit.

Shareholders who are unable to attend the meeting or who prefer to register their questions in advance are invited to use the question form included with this Notice. The question form must be lodged in accordance with the instructions and before the date specified on the form.

A copy of the Company's 2015 Annual Report (which includes the Financial Report, Directors' Report and Auditor's Report) is available on the Company's website at www.australiancareersnetwork.com.au/investor-centre/annual-reports or on the ASX company announcements platform using the ASX code: ACO.

3. Resolution 1 – Adoption of Remuneration Report

Resolution 1 is proposed for the adoption of the Remuneration Report contained in the Directors' Report referred to in the second item of the agenda set out in the Notice of Meeting. Under the Corporations Act, the Company is required to present its Remuneration Report to Shareholders for adoption at its Annual General Meeting.

The Remuneration Report of the Company for the financial year ended 30 June 2015 is set out in the Directors' Report, commencing on page 19 of the Financial Statements contained in the 2015 Annual Report.

Shareholders will be given ample opportunity to raise questions of the Directors on the Remuneration Report prior to the Resolution being put to Shareholders. The Resolution

to adopt the Remuneration Report is a non-binding Resolution on the Company and its Directors.

However, if at least 25% of the votes cast are against the adoption of the Remuneration Report, the Company's next Remuneration Report must explain the Board's proposed action in response or explain why no action has been taken.

In the following year, if at least 25% of the votes cast on the resolution that the Remuneration Report be adopted are against adoption, Shareholders will then vote to determine whether the Directors will need to stand for re-election. If more than 50% of the votes cast on the resolution are in favour, a separate re-election meeting must be held within 90 days.

The Board recommends that Shareholders vote in favour of adopting the Remuneration Report.

4. Resolutions 2, 3 and 5 generally

Resolutions 2, 3 and 5 relate to the re-election of each of Raymond Griffiths, Craig Chapman and Stephen Williams as Directors pursuant to Rule 3.6 of the constitution of the Company. Under Rule 3.6, one-third of the Company's Directors must resign and, if eligible, may be re-elected.

The Company was admitted to the official list of the ASX on 15 December 2014. As the non-executive Directors have not been elected by the Shareholders, the Board has determined that all of the non-executive Directors of the Company should resign with effect from the first Annual General Meeting of the Company after its listing and be eligible to be re-elected at that Annual General Meeting pursuant to Rule 3.6, so that each non-executive Director will have been appointed by the Shareholders.

5. Resolution 2 – Re-election of Raymond Griffiths

Resolution 2 relates to the re-election of Raymond Griffiths as a Director of the Company. Mr Griffiths has been a Director of the Company since 27 August 2014. Mr Griffiths has also been the chair of the Nomination and Remuneration Committee since 20 October 2014.

Mr Griffiths is currently also a director of Midweek Consulting Pty Ltd (a professional services business primarily offering analysis and advice around matters of governance, leadership and management of complex educational enterprises), VET Development Centre Pty Ltd (a Victorian Government-owned entity offering professional development programs to registered training organisations operating in Victoria) and his self-management superannuation fund, Griffinx Pty Ltd.

Mr Griffiths is also the former chief executive officer of Kangan Institute.

Mr Griffiths holds a Diploma from the Australian Institute of Company Directors (**AICD**), Master of Education (Leadership and Management), Diploma of Frontline Management, Diploma of Education and Bachelor of Economics.

Mr Griffiths is a member of the AICD and has published several articles of relevance to the vocational education and training sector.

Mr Griffiths has vacated his office as Director in accordance with Rule 3.6 and, being eligible, offers himself for re-election.

The Directors (other than Mr Griffiths) recommend that Shareholders vote in favour of this Resolution.

6. Resolution 3 – Re-election of Craig Chapman

Resolution 3 relates to the re-election of Craig Chapman as a Director of the Company.

Mr Chapman has been a Director of the Company since 27 August 2014. Mr Chapman has also been the chair of the Audit and Risk Committee and a member of the Nomination and Remuneration Committee since 20 October 2014.

Mr Chapman has over 25 years experience in service industries, including holding senior management roles with hotels, travel companies, theme parks and the property industry with particular emphasis on consolidations over the last 14 years.

Mr Chapman has held senior finance and operational roles with well established organisations, including Ramada Hotels & Resorts, Stamford Hotels & Resorts, Jones Lang LaSalle, S8 Limited, Greencross Limited and G8 Education Limited.

Mr Chapman has held senior management, company secretarial and director positions with 4 ASX listed companies. Mr Chapman is currently a non-executive director of Agenix Limited.

He holds a Bachelor of Commerce and Graduate Diploma in Company Secretarial Practice, is a CPA and a member of the Institute of Chartered Secretaries and Administrators. Mr Chapman has vacated his office as Director in accordance with Rule 3.6 and, being eligible, offers himself for re-election.

The Directors (other than Mr Chapman) recommend that Shareholders vote in favour of this Resolution.

7. Resolution 4 – Re-election of Samantha Martin-Williams

Resolution 4 relates to the re-election of Samantha Martin-Williams as a Director of the Company. Samantha Martin-Williams was appointed as a Director on 27 August 2015.

Ms Martin-Williams has over 15 years of board and applied governance experience. Samantha's specialist skills and qualifications are in industrial relations, human

resource management and commercial Law. Samantha has actively expanded her involvement in board committees with specific experience and skills including risk management.

Ms Martin-Williams is a Fellow of the Australian Institute of Company Directors (**AICD**), a member of the NSW Hunter committee for the AICD and a member of the Governance Institute of Australia.

Ms Martin-Williams is also a conjoint lecturer at the University of Newcastle Business and Law School.

Under Rule 3.3 of the constitution of the Company, the Board may appoint a person to be a Director at any time except during a general meeting. Any Director so appointed:

- (a) automatically retires at the next annual general meeting and is eligible for re election by that annual general meeting; and
- (b) is not taken into account in deciding the rotation or retirement of Directors or the number of them to retire under Rule 3.6 at that annual general meeting.

Ms Martin-Williams has vacated her office as Director in accordance with Rule 3.3(a) and, being eligible, offers herself for election.

The Directors (other than Ms Martin-Williams) recommend that Shareholders vote in favour of this Resolution.

8. Resolution 5 – Re-election of Stephen Williams

Resolution 5 relates to the re-election of Stephen Williams as a Director of the Company.

Mr Williams has been a Director and the chair of the Company since 27 August 2014. Mr Williams has also been a member of the Audit and Risk Committee and Nomination and Remuneration Committee since 20 October 2014.

Mr Williams is a retired partner of Kemp Strang Lawyers in Sydney and is a company director with over 35 years' experience in corporate and business transactions, including IPOs and advising ASX listed companies and experience in the education sector.

Mr Williams is also the former chairman and non executive director of Coffey International Limited (for 16 years) and non executive director of PrimeAg Australia Limited.

Mr Williams is the current chairman and non-executive director of ASX listed, Axiom Mining Limited and the current chairman of Sydney Church of England Grammar School (Shore), Sydney.

Mr Williams has vacated his office as Director in accordance with Rule 3.6 and, being eligible, offers himself for re-election.

The Directors (other than Mr Williams) recommend that Shareholders vote in favour of this Resolution.

9 Resolution 6 – Issue of Performance Rights to Ivan Brown, Managing Director and Chief Executive Officer

9.1 Performance Rights Plan

Prior to the Company's IPO and the listing of the Company on the ASX on 15 December 2014, the Board adopted a Performance Rights Plan (**Plan**). Employees of a Group Company and the Directors (both Executive and Non-Executive) (or their associates) as determined by the Board are eligible to participate in the Plan. No Performance Rights have been issued under the Plan to date.

The Plan is designed to:

- provide an incentive for Directors, senior management and other participants to focus on the medium and long term performance outcomes of the Company;
- align the financial interests of participants with those of the Company's shareholders;
- attract, motivate and retain experienced and capable Directors, senior managers and key personnel; and
- reward Directors, senior managers and other participants for improvement in the Company's performance and underlying Shareholder value.

9.2 Performance Right

Subject to adjustment for any bonus issues or capital reconstruction in accordance with the rules of the Plan, each Performance Right is a right to be allocated one Share at nil cost to the participant, subject to meeting the applicable performance conditions. Performance Rights are issued at no cost to the participant. Shares allocated on the exercise of vested Performance Rights will rank equally in all respects with all other Shares then on issue.

A summary of the terms of the Plan was set out in section 10.4 of the Company's IPO Prospectus dated 26 November 2014, a copy of which may be accessed at www.australiancarriersnetwork.com.au/investor-centre/prospectus.

9.3 Why are Performance Rights proposed to be issued to Mr Brown?

Under his employment contract with the Company, Mr Brown's remuneration package consists of a fixed annual base salary (plus a compulsory superannuation contribution) and an entitlement to participate in the Plan at the Company's discretion.

Subject to Shareholder approval, it is proposed that Performance Rights be issued to Mr Brown by way of a long term incentive component of his remuneration package. In June 2015, the Remuneration Committee sought advice from Egan Associates, independent remuneration consultants, as to the basis on which Mr Brown, the Company's Managing Director and Chief Executive Officer (**CEO**), and the Non-Executive Directors should participate in the Plan.

In the light of that advice and the recommendations of the Remuneration Committee, which were adopted by the Board, it is now proposed that, subject to Shareholder approval, a total of

112,860 Performance Rights be issued to Mr Brown. The number of Performance Rights proposed to be issued is approximately equal to the number determined by dividing \$200,000, being 40% of Mr Brown's fixed annual base salary for the financial year commencing 1 July 2015 (excluding the compulsory superannuation contribution), by \$1.77, being the volume weighted average price at which the Company's Shares were sold on the ASX over the 5 day trading period immediately prior to 1 July 2015.

Subject to the applicable performance conditions described below being met, these Performance Rights will vest in 3 equal tranches over 3 years.

9.4 Why is Shareholder approval being sought?

ASX Listing Rule 10.14 requires the Company to obtain the approval of shareholders to the acquisition of securities (which includes performance rights) by a director (or any associate of a director) under an employee incentive scheme. The Plan is an employee incentive scheme within the meaning of this Listing Rule.

Accordingly, under Resolution 6, the Company is seeking the approval of Shareholders to the issue to Mr Brown of 112,860 Performance Rights under the Plan.

9.5 Performance Conditions and Vesting of Performance Rights

The Performance Rights proposed to be granted to Mr Brown will be divided into two equal tranches that will be tested independently from each other:

- the first tranche of 56,430 Performance Rights (**TSR Tranche**) will be subject to a relative total shareholder return (**TSR**) Performance Condition; and
- the second tranche of 56,430 Performance Rights (**KPIs Tranche**) will be subject to a specified individual key performance indicators (**KPIs**) Performance Condition.

Vesting

Subject to satisfaction of the applicable Performance Conditions, up to one third of the TSR Tranche and up to one third of the KPIs Tranche (each a **Tranche**) will vest following the end of the applicable performance periods, namely the financial years ending 30 June 2016, 30 June 2017 and 30 June 2018 respectively (each a **performance period**).

The Performance Rights in each Tranche eligible for vesting in each performance period will lapse if the Performance Condition applicable to that Tranche (or part thereof) for that measurement period is not met. There will be no re-testing.

TSR Tranche Performance Condition

The Performance Condition applicable to the TSR Tranche compares the Company's TSR performance over the relevant performance period against the TSR performance over the same period of the group of comparator companies comprising the S&P/ASX 200 Consumer Discretionary Index as at the commencement of each performance period (**Comparator Group**).

Broadly, TSR measures the return received by shareholders from holding shares in a company over a particular period. TSR is the growth in share price over the relevant measurement period plus the value of dividends paid on the shares (and assumed to be reinvested on the ex-dividend date) during that period.

The following table shows the percentage of Performance Rights in the TSR Tranche eligible for vesting in each performance period which will vest at various percentile outcomes measured against the TSR performance of the Comparator Group.

Percentile ranking of the Company's TSR at the end of each performance period	Percentage of Performance Rights which will vest
Below 50th percentile	None vest
Between 50th percentile and 75th percentile (inclusive)	50% plus 2% for every one percentile increase above the 50th percentile
Above 75th percentile	100%

KPIs Tranche Performance Condition

The Performance Condition applicable to the KPIs Tranche is that Mr Brown achieves or exceeds the specific individual KPIs relating to the operational activities of the Group for the relevant performance period as set annually by the Board (other than Mr Brown). The Board (other than Mr Brown) will determine the appropriate weighting to be given to each specified KPI for each performance period, whether the KPIs have been achieved and the resulting number of Performance Rights for that performance period (not exceeding one third of the KPIs Tranche) which will vest.

9.6 Additional information

Price on issue or vesting

No amount will be payable by Mr Brown in respect of the issue or on vesting of the Performance Rights.

Exercise period

Any Performance Rights which vest may not be exercised by Mr Brown until the expiry of 3 years from the date on which they vested or until after the date on which his employment by a Group Company terminates, whichever first occurs.

Any vested Performance Rights which become exercisable must be exercised by Mr Brown within 6 months after the date on which they became exercisable, failing which they will lapse (unless they lapse earlier under the Plan).

Termination of employment

If Mr Brown ceases to be employed by a Group Company during a performance period because of resignation, dismissal arising from misconduct or for any other reason as determined by the Board, all his unexercised Performance Rights (whether or not they have vested) will lapse unless the Board in its absolute discretion determines otherwise.

If Mr Brown dies before the end of a performance period, all of his unvested Performance Rights will vest immediately unless otherwise determined by the Board.

If Mr Brown ceases to be employed by a Group Company during a performance period for any reason other than as set out above (for example, retirement, redundancy, total or permanent

disablement), his Performance Rights will not lapse and will remain eligible for vesting upon the TSR Performance Condition being met.

Restrictions on disposal of Shares

The proportion of each parcel of Shares allocated upon the exercise of any vested Performance Rights (**Plan Shares**) set out in the table below must not be transferred, sold or otherwise disposed of by Mr Brown during the period (if applicable) set out opposite that proportion in the table below (**Restriction Period**):

Proportion of Plan Shares	Restriction Period
25%	Not applicable
15%	3 months after the allocation date
15%	6 months after the allocation date
45%	Whilst Mr Brown remains as Managing Director and CEO of the Company

In addition, all Plan Shares will be subject to the restrictions on sale and other dealings set out in the Company's Share Trading Policy (a copy of which may be accessed at www.australiancareersnetwork.com.au/investor-centre/corporate-governance).

9.7 ASX Listing Rules information

In accordance with ASX Listing Rule 10.15, the following additional information in relation to the proposed issue of Performance Rights to Mr Brown is provided:

- **(maximum number of securities)**: the maximum number of Performance Rights to be issued is 112,860. If all the Performance Rights vest and are exercised, the maximum number of Shares that Mr Brown would receive is 112,860 (subject to adjustment for any bonus issues or capital reconstruction in accordance with the rules of the Plan).
- **(issue price)**: the Performance Rights will be issued for nil cash consideration. On vesting and exercise of the Performance Rights, Shares may be issued or acquired on market at no cost to Mr Brown.
- **(prior issues)**: no Performance Rights have previously been issued under the Plan.
- **(eligible participants)**: all Directors (both Executive and Non-Executive) and their associates are eligible to participate in the Plan.
- **(loan)**: no loan will be made by the Company in connection with the acquisition of the Performance Rights or Shares acquired by Mr Brown upon exercise of any Performance Rights which vest.
- **(issue date)**: the Performance Rights will be issued to Mr Brown as soon as practicable following Shareholder approval and, in any event, no later than 12 months after the date of the Annual General Meeting.

9.8 Board Recommendation

The Directors (with Mr Brown abstaining) recommend that Shareholders vote in favour of Resolution 6.

10. Resolutions 7 - 10 - Issue of Performance Rights to Chairman and Non-Executive Directors

10.1 Background

Under Resolutions 7, 8, 9 and 10, Shareholder approval is sought to the issue to the Non-Executive Directors of the number of Performance Rights under the Plan set out opposite their names in the table below:

Resolution	Non-Executive Director	Number of Performance Rights
7	Stephen Williams (Chairman)	67,713
8	Craig Chapman	39,498
9	Raymond Griffiths	39,498
10	Samantha Martin-Williams	39,498
Total		186,207

Further details of the Plan and of a Performance Right are set out in sections 9.1 and 9.2 above.

Based on advice from Egan Associates, independent remuneration consultants, the fees (inclusive of superannuation contributions) payable to the Chairman and each of the other Non-Executive Directors for their ordinary services as Directors for the financial year which commenced on 1 July 2015 (**current annual director fees**) are \$120,000 per annum and \$70,000 per annum. These fees include any additional fees payable to the chair of a Board Committee.

In the light of the advice from Egan Associates and the recommendations of the Remuneration Committee, which were adopted by the Board, it is now proposed that, subject to Shareholder approval, each Non-Executive Director be issued with the number of Performance Rights set out opposite their names in the table above. In each case, the number of Performance Rights proposed to be issued is approximately equal to the number determined by dividing the amount equal to 100% of their current annual director fees (as noted above) by \$1.77, being the volume weighted average price at which the Company's Shares were sold on the ASX over the 5 day trading period immediately prior to 1 July 2015.

Subject to the applicable Performance Condition described below being met, each parcel of Performance Shares will vest in 3 equal tranches over 3 years.

If Shareholders approve the issue of the Performance Rights to the Non-Executive Directors under Resolutions 6 - 10 (inclusive), the current annual director fees payable to each of these Non-Executive Directors will not be reviewed or increased for a period of 3 years - that is, until the financial year commencing 1 July 2018.

10.2 Why is Shareholder approval being sought?

As noted in section 9.4, ASX Listing Rule 10.14 requires the Company to obtain the approval of shareholders to the acquisition of securities (which includes performance rights) by a director (or any associate of a director) under an employee incentive scheme. The Plan is an employee incentive scheme within the meaning of this Listing Rule.

Accordingly, under Resolutions 7, 8, 9 and 10, the Company is seeking the approval of Shareholders to the issue to each Non-Executive Director of the number of Performance Rights set out opposite his or her name in the table in section 10.1 above.

10.3 Performance Condition and Vesting of Performance Rights

The Performance Rights proposed to be granted to each Non-Executive Director (each a **Parcel**) will be subject to a relative total shareholder return (**TSR**) Performance Condition.

Vesting

Subject to satisfaction of the Performance Condition, up to one third of each Parcel will vest following the end of the applicable performance periods, namely the financial years ending 30 June 2016, 30 June 2017 and 30 June 2018 respectively (each a **performance period**).

The Performance Rights eligible for vesting in each performance period will lapse if the TSR Performance Condition for that measurement period is not met. There will be no re-testing.

TSR Performance Condition

The TSR Performance Condition compares the Company's TSR performance over the relevant performance period against the TSR performance over the same period of the group of comparator companies comprising the S&P/ASX 200 Consumer Discretionary Index as at the commencement of each performance period (**Comparator Group**).

Broadly, TSR measures the return received by shareholders from holding shares in a company over a particular period. TSR is the growth in share price over the relevant measurement period plus the value of dividends paid on the shares (and assumed to be reinvested on the ex-dividend date) during that period.

The following table shows the percentage of Performance Rights in each Parcel eligible for vesting in each performance period which will vest at various percentile outcomes measured against the TSR performance of the Comparator Group.

Percentile ranking of the Company's TSR at the end of each performance period	Percentage of Performance Rights which will vest
Below 50th percentile	None vest
Between 50th percentile and 75th percentile (inclusive)	50% plus 2% for every one percentile increase above the 50th percentile
Above 75th percentile	100%

10.4 Additional information

Price on issue or vesting

No amount will be payable by a Non-Executive Director in respect of the issue or on vesting of the Performance Rights.

Exercise period

Any Performance Rights which vest may not be exercised by the Non-Executive Director until the expiry of 3 years from the date on which they vested or until after the date on which he or she ceases to be a Director, whichever first occurs.

Any vested Performance Rights which become exercisable must be exercised by the Non-Executive Director within 6 months after the date on which they became exercisable, failing which they will lapse (unless they lapse earlier under the Plan).

Cessation as Director

If a Non-Executive Director ceases to be a Director during a performance period because of resignation or for any other reason as determined by the Board, all his or her unexercised Performance Rights (whether or not they have vested) will lapse unless the Board in its absolute discretion determines otherwise.

If a Non-Executive Director dies before the end of a performance period, all of his or her unvested Performance Rights will vest immediately unless otherwise determined by the Board.

If a Non-Executive Director ceases to be a Director during a performance period for any reason other than as set out above (for example, retirement or total or permanent disablement), his or her Performance Rights will not lapse and will remain eligible for vesting upon the TSR Performance Condition being met.

Restrictions on disposal of Shares

The proportion of each parcel of Shares allocated upon the exercise of any vested Performance Rights (**Plan Shares**) set out in the table below must not be transferred, sold or otherwise disposed of by the Non-Executive Director during the period (if applicable) set out opposite that proportion in the table below (**Restriction Period**):

Proportion of Plan Shares	Restriction Period
25%	Not applicable
15%	3 months after the allocation date
15%	6 months after the allocation date
45%	Whilst the Non-Executive Director remains a Non-Executive Director

In addition, all Plan Shares will be subject to the restrictions on sale and other dealings set out in the Company's Share Trading Policy (a copy of which may be accessed at www.australiancareersnetwork.com.au/investor-centre/corporate-governance).

10.5 ASX Listing Rules information

In accordance with ASX Listing Rule 10.15, the following additional information in relation to the proposed issue of Performance Rights under each of Resolutions 7 - 10 (inclusive) is provided:

- **(maximum number of securities):** the maximum number of Performance Rights to be issued is the number set out in column 3 of the table in section 10.1 above. If all the Performance Rights vest and are exercised, the maximum number of Shares that the

relevant Non-Executive Director would receive is the number set out in column 3 of the table in section 10.1 above (subject to adjustment for any bonus issues or capital reconstruction in accordance with the rules of the Plan).

- **(issue price)**: the Performance Rights will be issued for nil cash consideration. On vesting and exercise of the Performance Rights, Shares may be issued or acquired on market at no cost to the Non-Executive Director.
- **(prior issues)**: no Performance Rights have previously been issued under the Plan.
- **(eligible participants)**: all Directors (both Executive and Non-Executive) and their associates are eligible to participate in the Plan.
- **(loan)**: no loan will be made by the Company in connection with the acquisition of the Performance Rights or Shares acquired by the Non-Executive Director upon exercise of any Performance Rights which vest.
- **(issue date)**: the Performance Rights will be issued to the Non-Executive Director as soon as practicable following Shareholder approval and, in any event, no later than 12 months after the date of the Annual General Meeting.

10.6 Board Recommendations

The Directors (with each Non-Executive Director abstaining in relation to the proposed issue of Performance Rights to himself or herself) recommend that Shareholders vote in favour of Resolutions 7 - 10 (inclusive).

Glossary

In this Notice of Annual General Meeting and Explanatory Memorandum:

ASX means ASX Limited ACN 008 624 691 or the securities market operated by the ASX, as the case may be.

ASX Listing Rules means the official listing rules of the ASX as from time to time amended or waived in their application to the Company.

Board means the board of Directors.

closely related party has the same meaning as in section 9 of the Corporations Act. It includes a member of the KMP's spouse, dependants and certain other close family members, as well as companies controlled by a member of the KMP.

Company means Australian Careers Network Limited ACN 168 592 434.

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

Director means a director of the Company.

Group means the Company and its controlled entities.

Group Company means the Company, its subsidiaries (within the meaning of the Corporations Act) and any entity declared by the Board to be a Group Company for the purposes of the Plan.

KMP means key management personnel. Members of the KMP include the Directors (both Executive and Non-Executive) and senior executives who have authority and responsibility for planning, directing and controlling the activities of the Group, whether directly or indirectly.

Notice of Annual General Meeting or **Notice** means the notice of Annual General Meeting which accompanies this Explanatory Memorandum.

Plan means the Performance Rights Plan operated by the Company.

Share means a fully paid ordinary share in the capital of the Company and **Shares** means any two or more of them.

Shareholder means a holder of a Share.

LODGE YOUR VOTE



ONLINE

www.linkmarketservices.com.au



BY MAIL

Australian Careers Network Limited
C/- Link Market Services Limited
Locked Bag A14
Sydney South NSW 1235 Australia



BY FAX

+61 2 9287 0309



BY HAND

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



ALL ENQUIRIES TO

Telephone: +61 1300 554 474

LODGE A PROXY FORM

This Proxy Form (and any Power of Attorney under which it is signed) must be received at an address given above by **11:00am on Saturday, 24 October 2015**, 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, shareholders will need their "Holder Identifier" (Securityholder Reference Number (SRN) or Holder Identification Number (HIN) as shown on the front of the Proxy Form).

HOW TO COMPLETE THIS SHAREHOLDER PROXY FORM

YOUR NAME AND ADDRESS

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

APPOINTMENT OF PROXY

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

DEFAULT TO CHAIRMAN OF THE MEETING

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

VOTES ON ITEMS OF BUSINESS – PROXY APPOINTMENT

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

APPOINTMENT OF A SECOND PROXY

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

To appoint a second proxy you must:

- on each of the first Proxy Form and the second Proxy Form state the percentage of your voting rights or number of shares applicable to that form. If the appointments do not specify the percentage or number of votes that each proxy may exercise, each proxy may exercise half your votes. Fractions of votes will be disregarded; and
- return both forms together.

SIGNING INSTRUCTIONS

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

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

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

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

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

CORPORATE REPRESENTATIVES

If a representative of the corporation is to attend the Meeting the appropriate "Certificate of Appointment of Corporate Representative" 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 share registry or online at www.linkmarketservices.com.au.

**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.**

NAME SURNAME
ADDRESS LINE 1
ADDRESS LINE 2
ADDRESS LINE 3
ADDRESS LINE 4
ADDRESS LINE 5
ADDRESS LINE 6



X99999999999

PROXY FORM

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

APPOINT A PROXY

☐ the Chairman of the Meeting (mark box)

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

or failing the person or body corporate named, or if no person or body corporate is named, the Chairman of the Meeting, as my/our proxy to act on my/our behalf (including to vote in accordance with the following directions or, if no directions have been given and to the extent permitted by the law, as the proxy sees fit) at the Annual General Meeting of the Company to be held at **11:00am on Monday, 26 October 2015 at 6th Floor, 446 Collins Street, Melbourne VIC 3000** (the **Meeting**) and at any postponement or adjournment of the Meeting.

Important for Resolutions 1, 6, 7, 8, 9 and 10: If the Chairman of the Meeting is your proxy, either by appointment or by default, and you have not indicated your voting intention below, you expressly authorise the Chairman of the Meeting to exercise the proxy in respect of Resolutions 1, 6, 7, 8, 9 and 10 even though the Resolutions are connected directly or indirectly with the remuneration of a member of the Company's Key Management Personnel (**KMP**).

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

VOTING DIRECTIONS

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

Resolutions

	For	Against	Abstain*		For	Against	Abstain*
1 Adoption of Remuneration Report	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	9 Issue of Performance Rights to Raymond Griffiths, Non-Executive Director	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
2 Re-election of Raymond Griffiths as a Director	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	10 Issue of Performance Rights to Samantha Martin-Williams, Non-Executive Director	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
3 Re-election of Craig Chapman as a Director	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>				
4 Re-election of Samantha Martin-Williams as a Director	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>				
5 Re-election of Stephen Williams as a Director	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>				
6 Issue of Performance Rights to Ivan Brown, Managing Director and Chief Executive Officer	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>				
7 Issue of Performance Rights to Stephen Williams, Chairman and Non-Executive Director	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>				
8 Issue of Performance Rights to Craig Chapman, Non-Executive Director	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>				



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

SIGNATURE OF SHAREHOLDERS – THIS MUST BE COMPLETED

Shareholder 1 (Individual)

Sole Director and Sole Company Secretary

Joint Shareholder 2 (Individual)

Director/Company Secretary (Delete one)

Joint Shareholder 3 (Individual)

Director

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

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