

iSelect Limited

ABN 48 124 302 932

Registered Office: 294 Bay Road, Cheltenham, Victoria, 3192

NOTICE OF GENERAL MEETING AND EXPLANATORY MEMORANDUM TO SHAREHOLDERS

Date of Meeting

16 March 2016

Time of Meeting

2.00 p.m.

Place of Meeting

Computershare Conference Centre Yarra Falls, 452 Johnston Street, Abbotsford, Victoria, Australia

A Proxy Form is enclosed

This Notice of General Meeting, Explanatory Memorandum and Proxy Form should be read in their entirety. If you are in doubt as to how you should vote, you should seek advice from your professional advisers.

If you are unable to attend the General Meeting please complete and return the enclosed Proxy Form in accordance with the directions.

NOTICE OF GENERAL MEETING

Notice is given that the General Meeting of Shareholders of iSelect Limited ABN 48 124 302 932 (Company) will be held at Computershare Conference Calls, Yarra Falls, 452 Johnston Street, Abbotsford on Wednesday, 16 March 2016 at 2.00 p.m. for the purpose of transacting the following business referred to in this Notice of General Meeting.

BUSINESS OF MEETING

Resolution – Approval of On-Market Buy-Backs over limit of 10% of the Company's issued capital within 12 months

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

"That for the purposes of section 257C of the Corporations Act and for all other purposes approval is hereby given to on-market buy-backs of up to 25.5 million fully paid ordinary shares in iSelect Ltd for the period of 12 months following this approval until (and including) 16 March 2017 on the terms and conditions set out in the Explanatory Memorandum.

This authorisation and approval is in addition to any Shares that have been (or may in the future be) bought back by the Company under the on-market buy-back announced to ASX on 7 December 2015 in circumstances where Shareholder approval is not required in accordance with the Corporations Act.

The Chair of the Meeting intends to vote all available proxies FOR this resolution.

By order of the Board

A handwritten signature in dark ink, appearing to read 'D Christie', with a stylized flourish at the end.

David Christie
Company Secretary

Dated: 12 February 2016

How to vote

Shareholders can vote by either:

- attending the Meeting and voting in person or by attorney or, in the case of corporate Shareholders, by appointing a corporate representative to attend and vote; or
- appointing a proxy to attend and vote on their behalf using the Proxy Form accompanying this Notice of Meeting and by submitting their proxy appointment and voting instructions in person, by post, online using www.investorvote.com.au or by facsimile.

Voting in person (or by attorney)

Shareholders, or their attorneys, who plan to attend the Meeting are asked to arrive at the venue 15 minutes prior to the time designated for the Meeting, if possible, so that their holding may be checked against the Company's share register and their attendance recorded. To be effective a certified copy of the Power of Attorney, or the power itself, must be received by Computershare in the same manner, and by the same time as outlined for Proxy Forms below.

Voting by a Corporation

A Shareholder that is a corporation may appoint an individual to act as its representative and vote in person at the Meeting. The appointment must comply with the requirements of section 250D of the Corporations Act. The representative should bring to the Meeting evidence of his or her appointment, including any authority under which it is signed.

Voting by proxy

- A Shareholder entitled to attend and vote at the Meeting is entitled to appoint not more than two proxies. Each proxy will have the right to vote on a poll and also to speak at the Meeting.
- A Shareholder appointing two proxies may specify the proportion or the number of votes that each proxy may exercise. Where two proxies are appointed and the appointment does not specify the proportion or number of the Shareholder's votes each proxy may exercise, the votes will be divided equally among the proxies (i.e. each proxy may exercise half of the votes).
- A proxy need not be a Shareholder.
- The proxy can be either an individual or a body corporate.
- Should any resolution, other than the Resolution specified in this Notice, be proposed at the Meeting, a proxy may vote on that resolution as they think fit.
- If a proxy is instructed to abstain from voting on an item of business, they are directed not to vote on the Shareholder's behalf on the poll and the Shares that are the subject of the proxy appointment will not be counted in calculating the required majority.

- Shareholders who return their Proxy Forms with a direction how to vote, but who do not nominate the identity of their proxy, will be taken to have appointed the Chair of the Meeting as their proxy to vote on their behalf. If a Proxy Form is returned but the nominated proxy does not attend the Meeting, the Chair of the Meeting will act in place of the nominated proxy and vote in accordance with any instructions. Proxy appointments in favour of the Chair of the Meeting, the secretary or any Director that do not contain a direction how to vote will be used, where possible, to support the Resolution proposed in this Notice. These rules are explained in this Explanatory Memorandum.
- To be effective, proxies must be lodged by 2.00 p.m. (Melbourne time) on Monday, 14 March 2016. Proxies lodged after this time will be invalid.
- Proxies may be lodged using any of the following methods:
 - online by visiting www.investorvote.com.au
 - by returning a completed Proxy Form in person or by post using the pre-addressed envelope provided with this Notice to:
 - Computershare Investor Services, P.O. Box 242, Melbourne, Victoria, 3001
 - by faxing a completed Proxy Form to 1800 783 447 (within Australia) +613 9473 2555 (outside Australia);
 - for intermediary online subscribers only (custodians), submit your voting intentions via www.intermediaryonline.com.

The Proxy Form must be signed by the Shareholder or the Shareholder's attorney. Proxies given by corporations must be executed in accordance with the Corporations Act. Where the appointment of a proxy is signed by the appointer's attorney, a certified copy of the Power of Attorney, or the power itself, must be received by Computershare at the above address, or by facsimile by 2.00 pm. (Melbourne time) on Monday, 14 March 2016. If facsimile transmission is used, the Power of Attorney must be certified.

Shareholders who are entitled to vote

In accordance with Regulations 7.11.37 and 7.11.38 of the Corporations Regulations 2001 (Cth), the Board has determined that a person's entitlement to vote at the Meeting will be the entitlement of that person set out in the Register of Shareholders as at 7.00 pm (Melbourne time) on Monday, 14 March 2016.

iSelect Limited
ABN 48 124 302 932

EXPLANATORY MEMORANDUM

This Explanatory Memorandum is intended to provide Shareholders with sufficient information to assess the merits of the Resolution contained in the accompanying Notice of General Meeting of the Company.

Capitalised terms used in this Explanatory Memorandum are defined in the Glossary appearing at the end of this Explanatory Memorandum, unless otherwise defined in this Explanatory Memorandum.

The Directors of the Company recommend Shareholders read this Explanatory Memorandum in full before making any decision in relation to the Resolution.

RESOLUTION – APPROVAL OF ON-MARKET BUY-BACKS OVER LIMIT OF 10% OF THE COMPANY’S ISSUED CAPITAL WITHIN 12 MONTHS

Capital Management Programme

On 7 December 2015, the Company announced an on-market buy-back of up to 10% of the Company's issued capital within 12 months subject to market conditions, the price and volume of the Company's Shares (**Current On-Market Buy-Back**). The Board also announced that it believes that it is in the best interests of Shareholders to return up to \$50 million of surplus capital.

The Board has since considered different ways in which the Company may return excess capital to Shareholders in the most efficient and effective manner, and decided that On-Market Buy-Backs (in addition to the Current On-Market Buy-Back) are in the best interests of Shareholders.

As at the date of this Explanatory Memorandum, the Company is actively buying back Shares under the Current On-Market Buy-Back and the Resolution provides the Company with the flexibility to conduct further on-market share buy-backs above the 10/12 Limit (defined below). The Company believes that a capital management programme comprising the Current On-Market Buy-Back and On-Market Buy-Backs (over the 10/12 Limit) is the most efficient way of returning excess capital to Shareholders.

Under the Corporations Act, the Company must obtain the approval of its Shareholders in order to buy back more than 10% of the smallest number of Shares that the Company had on issue at any time during the last 12 months (**10/12 Limit**). Given the Current On-Market Buy Back, any On-Market Buy-Back would exceed the 10/12 Limit. The Board is therefore seeking Shareholder approval to buy-back up to a further 25.5 million Shares in addition to the Company's authority to undertake buy-backs under the Corporations Act where Shareholder approval is not required.

The Resolution will be approved if more than 50% of votes cast at the Meeting on the Resolution are in favour of the Resolution.

The price, extent, manner and timing of such purchases will be determined by, among other things, prevailing market conditions. The Board will only buy back Shares where they believe it is in the best interests of Shareholders and the Company to do so.

On-Market Buy-Back authorities

The Board is seeking Shareholder approval to make one or more On-Market Buy-Backs, but subject to the cap discussed below. Such authority is in addition to the Company's ability to undertake the Current On-Market Buy-Back under the Corporations Act where Shareholder approval is not required.

If any On-Market Buy-Back proceeds, the Company would make all required announcements to ASX when the On-Market Buy-Back commences and when Shares are bought back, in accordance with the Listing Rules. Any On-Market Buy Backs undertaken pursuant to the Resolution must be undertaken during the period of 12 months following the date the Resolution is passed, being until (and including) 16 March 2017.

At this stage, no decision has been made as to whether any On-Market Buy-Back will proceed (and if so, the timing of any such buy-back), aside from the Current On-Market Buy-Back which is current and on-going.

The general advantages of on-market buy-backs include:

- they allow the Company to buy back Shares over time, having regard to prevailing market conditions and prices;
- they afford flexibility to the Company to adjust the volume of Shares bought back; and
- they are simple and cost effective to implement.

Any such On-Market Buy-Backs would occur in accordance with the Listing Rules from time to time. At present, the Listing Rules state that the price at which the Company buys back Shares on-market must not be more than five per cent above the volume weighted average market price (as that term is defined in the Listing Rules) of Shares calculated over the last five days on which sales in the Shares were recorded on the ASX before the day on which Shares are to be bought back.

Should the Board decide to proceed with On-Market Buy-Backs authorised under this Resolution, such buy-backs would only occur if the Board believes that they could be undertaken without prejudicing the Company's ability to commence paying its maiden dividend and outline its on-going dividend policy.

The Directors recommend that Shareholders vote in favour of the Resolution and the Board does not consider that such On-Market Buy-Backs would pose any significant disadvantage to Shareholders or that there would be any material impact on the control of the Company or the relative voting power of Shareholders. However, in making their decision, Shareholders should be aware that:

- buy-backs by the Company would result in a reduction in the number of Shares on issue but, given the number of Shares that might be bought back under the requested authority, the Board does not expect that there would be any material change in the index weighting or liquidity of the Shares;
- there would be a reduction in available cash levels and therefore the Company's ability to use that cash; and
- Shareholders who successfully participate in any buy-back would not benefit from any future increase in the market price of the Shares or be entitled to receive future distributions on those Shares which are bought back.

Size of any On-Market Buy-Backs

The authority sought by this Resolution permits the Company to buy back Shares under the On-Market Buy-Backs up to a limit of 25.5 million Shares. This number represents approximately 10% per cent of the 255,357,080 Shares on issue in the capital of the Company as at 5 February 2016. However, the Company is actively buying back Shares under the Current On-Market Buy-Back. Accordingly, depending on the number of Shares bought back under the Current On-Market Buy-Back between the date of the Notice and the Meeting, 25.5 million Shares may represent a higher percentage of the total issued share capital of the Company as at the date of the Meeting. Subject to this 25.5 million Shares limit, the number of Shares to be bought back (if any) will be determined by the Directors.

Effect on the Company

Financial impact

The consideration paid under any On-Market Buy-Backs undertaken pursuant to this Resolution would be cash and all Shares bought back by the Company would be cancelled. The buy-backs would be funded by the Company's existing cash reserves.

If they proceed, the precise impact of any buy-backs will not be known until they are completed as this will depend on the buy-back price paid (determined by reference to the prevailing market price of the Shares at the time of the buy-back), the number of Shares repurchased and the timing of the repurchases. As noted above, such buy-backs would only occur if the Board believes that they could be undertaken without prejudicing the Company's ability to commence paying its maiden dividend and outline its on-going dividend policy.

The On-Market Buy-Backs are not expected to result in a reduction in the Company's franking account.

By way of illustration only, if the Company bought back its full capacity under the On-Market Buy-Backs of 25.5 million Shares at an average price of \$0.93408 per Share (being a 5% premium to the volume weighted average price of the Shares in the five trading days prior to 1 February 2016), the cost of the On-Market Buy-Backs would be \$23,819,040.

Other information

Share price information

As noted above, the Listing Rules prescribe that the buy-back price must not be more than 5% above the volume weighted average market price of the Shares calculated over the last 5 days on which sales in the Shares were recorded on the ASX before the day on which Shares are to be bought back. The closing price of the Company's Shares on the ASX on 1 February 2016 was \$0.89. The highest and lowest closing sale prices and the volume weighted average market prices for the Shares on the ASX during each of the preceding four months were as follows:

Month	Low \$	High \$	Volume weighted average market price*\$
January 2016	\$0.64	\$1.20	\$0.91
December 2015	\$1.06	\$1.35	\$1.16
November 2015	\$1.27	\$1.51	\$1.39
October 2015	\$1.47	\$1.80	\$1.64

* Calculated as the total value of Shares divided by the total volume of Shares traded on the ASX over the specified month.

Directors' interests

The Directors have the following relevant interests in Shares at the date of this Explanatory Memorandum:

Name	Number of Shares held	Voting Interest
Chris Knoblanche	170,836	170,836
Brodie Arnhold	-	-
Shaun Bonett	2,500,000	2,500,000
Bridget Fair	65,828	65,828
Damien Waller	31,512,660	31,512,660

The Directors may participate in any On-Market Buy-Backs, however the precise impact on their voting interest would not be known until the Company decides to proceed with an On-Market Buy-Back (if any).

Audited Accounts

Shareholders should also refer to the Company's most recent audited financial statements, in respect of the financial year ended 30 June 2015, as lodged with ASX on 16 October 2015.

Australian Tax Considerations

For Australian capital gains tax purposes, the total sale consideration received by iSelect Limited's shareholders is treated as consideration in respect of shares.

iSelect Limited should not have any tax implications in respect of the On-Market Buy Back, including any reductions to its franking account, as the on-market buy-back will be debited from the company's share capital account.

Approval of the Resolution will not result in any tax implications for Shareholders if they do not sell their Shares pursuant to any On-Market Buy-Back. However if a Shareholder chooses to participate in any On-Market Buy-Back by selling their Shares, then that Shareholder should obtain specific tax advice on the treatment of the sale of their Shares taking into account their particular circumstances.

GLOSSARY

In this Explanatory Memorandum, the following terms have the following meaning unless the content otherwise requires:

\$ means Australian dollars.

ASX means ASX Limited ABN 98 008 624 691 and, where the context permits, the Australian Securities Exchange operated by ASX Limited.

Board means the board of Directors of the Company.

Chair means the individual elected to chair any meeting of the Company from time to time.

Company means iSelect Limited ABN 48 124 302 932.

Constitution means the Company's constitution, as amended from time to time.

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

Current On-Market Buy-Back means the current on-market buy-back of up to 10% of the Company's issued capital within 12 months, announced by the Company on 7 December 2015.

Directors means the directors of the Company.

Explanatory Memorandum means the explanatory memorandum accompanying this Notice.

Listing Rules means the ASX Listing Rules.

Meeting or General Meeting means the General Meeting convened by the Notice.

Notice means this Notice of General Meeting.

On-Market Buy-Back means an on-market buy-back undertaken in accordance with the terms described in this Notice.

Proxy Form means the proxy form accompanying the Notice.

Resolution means the resolution contained in the Notice.

Shareholder means the holder of a Share in the capital of the Company.

Share means a fully paid ordinary share in the capital of the Company.

Lodge your vote:



Online:

www.investorvote.com.au



By Mail:

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

Alternatively you can fax your form to
(within Australia) 1800 783 447
(outside Australia) +61 3 9473 2555

For Intermediary Online subscribers only
(custodians) www.intermediaryonline.com

For all enquiries call:

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

000001 000 ISU
MR SAM SAMPLE
FLAT 123
123 SAMPLE STREET
THE SAMPLE HILL
SAMPLE ESTATE
SAMPLEVILLE VIC 3030

Proxy Form

XX



Vote online

- Go to www.investorvote.com.au or scan the QR Code with your mobile device.
- Follow the instructions on the secure website to vote.

Your access information that you will need to vote:

Control Number: 999999

SRN/HIN: I9999999999 PIN: 99999

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



For your vote to be effective it must be received by 2.00 p.m (Melbourne time) Monday 14 March 2016

How to Vote on the Item of Business

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

Appointment of Proxy

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

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

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

A proxy need not be a securityholder of the Company.

Signing Instructions for Postal Forms

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

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

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

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

Attending the Meeting

Bring this form to assist registration. If a representative of a corporate securityholder or proxy is to attend the meeting you will need to provide the appropriate "Certificate of Appointment of Corporate Representative" prior to admission. A form of the certificate may be obtained from Computershare or online at www.investorcentre.com under the help tab, "Printable Forms".

Comments & Questions: If you have any comments or questions for the company, please write them on a separate sheet of paper and return with this form.

**GO ONLINE TO VOTE,
or turn over to complete the form →**

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

☐

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



I 9999999999

I ND

Proxy Form

Please mark ☒ to indicate your directions

STEP 1 Appoint a Proxy to Vote on Your Behalf

XX

I/We being a member/s of iSelect Limited hereby appoint

☐

the Chairman
of the Meeting **OR**



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

or failing the individual or body corporate named, or if no individual or body corporate is named, the Chairman of the Meeting, as my/our proxy to act generally at the meeting on my/our behalf and to vote in accordance with the following directions (or if no directions have been given, and to the extent permitted by law, as the proxy sees fit) at the General Meeting of iSelect Limited to be held at Computershare Conference Centre, Yarra Falls, 452 Johnston Street, Abbotsford, Melbourne, Victoria on Wednesday, 16 March 2016 at 2.00 p.m (Melbourne time) and at any adjournment or postponement of that meeting.

STEP 2 Item of Business



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

Chairman's voting intention: FOR

For

Against

Abstain

Item 1 Approval of On-Market Buy-Backs over limit of 10% of the Company's issued capital within 12 months

☐☐☐

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

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

Individual or Securityholder 1

Sole Director and Sole Company Secretary

Securityholder 2

Director

Securityholder 3

Director/Company Secretary

Contact
Name

Contact
Daytime
Telephone

Date / /

I S U

9 9 9 9 9 9 A

Computershare +