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Address  
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7 October 2020

## **Empired Limited 2020 Annual General Meeting**

Dear Shareholder

Empired Limited's 2020 Annual General Meeting (AGM) will be held on Monday, 23 November 2020 at 11.00am (Perth time).

The AGM will be held virtually, using technology to facilitate shareholder engagement and participation.

The Notice of 2020 AGM is available on our website at [empired.com/investor](https://empired.com/investor) in the dedicated AGM section. Shareholders will also find on the site instructions for how to join and view the meeting online, submit questions and cast your vote during the meeting.

To participate online live on the day of the meeting, you will need to go to:

<https://web.lumiagm.com/334648065>

Any holders wishing to lodge a proxy vote or lodge questions ahead of the meeting can do this by logging onto [www.investorvote.com.au](https://www.investorvote.com.au) and entering the Control Number and your holder number (SRN/HIN) located at the top of this letter. Lodging questions or casting your proxy vote ahead of the meeting will not prevent you from attending online.

The business of the meeting set out in the Notice of 2020 AGM is to:

1. consider the statutory reports for the financial year ended 30 June 2020;
2. adopt the 2020 Remuneration Report;
3. re-elect Thomas Stianos and John Bardwell as non-executive directors; and
4. approve a proposed grant of performance rights to the CEO and Managing Director under the Company's Long Term Incentive (LTI) Plan.

Each Director (where permitted to do so) recommends that Shareholders vote in favour of each of the above items of business.

I hope you can take advantage of the new technology we are using this year to hold the Company's AGM.

Yours sincerely

Thomas Stianos  
Chairman

## Notice of 2020 Annual General Meeting

### Virtual AGM

This year, Empired's 2020 Annual General Meeting will be held virtually as a result of the COVID-19 pandemic. In addition, Empired's Notice of Annual General Meeting is being distributed electronically and is available to view and download at **[empired.com/investor](https://empired.com/investor)**.

Your participation in the Meeting is important to us. The Meeting will be webcast live via the Lumi online platform. You will be able to listen to the proceedings, view the presentations, ask questions and vote.

Further information on how to participate in the Meeting is provided in this Notice of Annual General Meeting, and in the online meeting guide, which you can access at <https://www.empired.com/Investor-Centre/>.

If you are not be able to attend the Meeting online at the scheduled time, you can participate in the Meeting by appointing a proxy to attend and vote on your behalf. Details on how to appoint a proxy are contained in this Notice of Annual General Meeting.

A copy the Managing Director's presentation will be available on the ASX website at [asx.com.au](https://asx.com.au) prior to the meeting commencing.

### Participation at the AGM

#### Watch and participate live online

Shareholders are invited to participate in Empired's 2020 Annual General Meeting by watching and participating in the AGM virtually via the online platform by using:

1. **computer:** enter the following URL in your browser: <https://web.lumiagm.com/334648065>; or
2. **mobile device:** use the Lumi AGM app, which is available for download from the Apple App Store or the Google Play Store.

To participate in the Meeting you will be required to enter the unique 9 digit meeting ID: **334-648-065**. Your username is your SRN/HIN. Your password is your postcode registered on your holding if you are an Australian shareholder. Overseas shareholders should refer to the online meeting guide.

Participating in the meeting online enables Shareholders to view the Meeting live, ask questions and cast votes at the appropriate times during the Meeting. All shareholders will have an equal opportunity to participate in the online meeting regardless of their physical location.

Shareholders, once verified, will be taken to be present at the Meeting for all purposes, until either the Meeting ends or the Shareholder exits the online platform. It is important that you are connected to the internet at all times during the Meeting in order to vote when balloting commences.

### Voting options

Voting on all resolutions at the Meeting will be conducted by a poll. Shareholders have two options to cast votes at the Meeting:

- appointing a proxy to vote on your behalf; or
- voting online during the Meeting.

### Questions

At the Meeting, Shareholders may ask questions online once they have been verified. It may not be possible to respond to all questions. However, Shareholders as a whole will have a reasonable opportunity to ask questions or make comments on the management of the Company.

Shareholders are encouraged to lodge questions prior to the Meeting by submitting your questions online at [investorvote.com.au](https://investorvote.com.au). To use this facility, you will need your six-digit Control Number and SRN or HIN, which are located on the front of the letter sent to shareholders advising you of the arrangements for the 2020 Annual General Meeting.

# Business

## Financial statements and report

To receive and consider the annual financial report of the Company for the financial year ended 30 June 2020 together with the Directors' report and the independent auditor's report.

### Resolution 1 – Adoption of Remuneration Report

To consider and, if thought fit, to pass, with or without amendment, the following resolution as an **ordinary resolution**:

*That for the purposes of section 250R(2) of the Corporations Act and for all other purposes, the Remuneration Report contained in the Company's annual financial report for the year ended 30 June 2020 be adopted by the Company.*

Note: Section 250R of the Corporations Act provides that the vote on this Resolution is advisory only and does not bind the Directors or the Company.

### Resolution 2 – Re-election of Director - Mr John Bardwell

To consider and, if thought fit, to pass, with or without amendment, the following resolution as an **ordinary resolution**:

*That Mr John Bardwell, a Director who retires by rotation in accordance with article 6.3(b) of the Constitution and Listing Rule 14.4, and being eligible offers himself for re-election, is re-elected as a Director.*

### Resolution 3 – Re-election of Director - Mr Thomas Stianos

To consider and, if thought fit, to pass, with or without amendment, the following resolution as an **ordinary resolution**:

*That Mr Thomas Stianos, a Director who retires by rotation in accordance with article 6.3(b) of the Constitution and Listing Rule 14.4, and being eligible offers himself for re-election, is re-elected as a Director.*

### Resolution 4– Approval to grant Performance Rights to Managing Director - Russell Baskerville

To consider and, if thought fit, to pass, with or without amendment, the following resolution as an **ordinary resolution**:

*That for the purposes of Listing Rule 10.14 and for all other purposes, Shareholders approve the grant of up to 1,285,000 Performance Rights to Mr Russell Baskerville (or his nominee) under the Empired Long Term Incentive Plan on the terms and conditions set out in the Explanatory Statement.*

## Voting Exclusions

For the purposes of the Corporations Act and Listing Rule 14.11, the following voting exclusion statements apply to the Resolutions. The Company will disregard any votes on the following Resolutions as follows:

Resolution	Excluded Parties
Resolution 1	Any votes in favour of the Resolution cast by or on behalf of members of Key Management Personnel whose remuneration is detailed in the Remuneration Report and their Closely Related Parties (which includes any spouse, child, dependent, other family member and controlled company).
Resolution 4	Any votes cast in favour of the Resolution by or on behalf of any person who is eligible to participate in the Company's LTI Plan (including Mr Russell Baskerville) or any Associates of those persons (regardless of the capacity in which the vote is cast).

However, the Company need not disregard a vote on Resolutions 1 and 4 if it is cast by:

- the person as a proxy or attorney for a person who is entitled to vote on the Resolution, in accordance with the directions given to on the proxy or attorney on the proxy form to vote on the Resolution in that way;
- the Chairman of the Meeting as proxy or attorney for a person who is entitled to vote on the Resolution, in accordance with a direction given to the Chairman on the proxy form to vote as the Chairman decides even though the Resolution is connected directly or indirectly with the remuneration of a member of Key Management Personnel; or
- by a holder acting solely in a nominee, trustee, custodial or other fiduciary capacity on behalf of a beneficiary provided the following conditions are met:
  - the beneficiary provides written confirmation to the holder that the beneficiary is not excluded from voting, and is not an Associate of a person excluded from voting, on the Resolution; and
  - the holder votes on the Resolution in accordance with directions given by the beneficiary to the holder to vote in that way.

In relation to Resolutions 1 and 4, members of Key Management Personnel and their Closely Related Parties (other than the Chairman of the Meeting) may not vote as proxy if the appointment does not specify how the proxy is to vote.

### Chairman's voting intention for undirected proxies

The Chairman of the Meeting intends to vote undirected proxies (where he has been appropriately authorised, having regard to the Voting Restrictions above) in favour of each item of business.

### Voting eligibility – snapshot date

The Directors have determined that the persons eligible to attend and vote at the Annual General Meeting are those persons who are registered Shareholders at 4.00pm (AWST) on Wednesday, 18 November 2020. Transactions registered after that time will be disregarded in determining entitlements to attend and vote at the Meeting.

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**Voting by proxy**

A Shareholder entitled to attend and vote at the Meeting is entitled to appoint a proxy. The proxy may, but need not be, a Shareholder.

Please write the name of the person you wish to appoint as your proxy in the Proxy Form. If you leave this section blank, or your named proxy does not attend the Meeting, the Chairman will be appointed as your proxy.

If you are entitled to cast two or more votes at the Meeting, 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 on 1300 729 589 (within Australia) or +61 3 9415 4607 (outside Australia) or you may photocopy the Proxy Form.

To appoint a second proxy, you must state on each Proxy Form (in the appropriate box) the percentage of your voting rights which are the subject of the relevant proxy. If both Proxy Forms do not specify that percentage, each proxy may exercise half your votes. Fractions of votes will be disregarded.

**Voting by attorney**

A Shareholder may appoint an attorney to vote on their behalf. For an appointment to be effective for the Meeting, the instrument effecting the appointment (or a certified copy of it) must be received by the Company at its registered office or the address listed above for the receipt of proxy appointments at least 48 hours before the commencement of the Meeting.

**Corporate representatives**

A body corporate which is a Shareholder, or which has been appointed as a proxy, may appoint an individual to act as its representative at the Meeting. The appointment must comply with the requirements of section 250D of the Corporations Act. The representative should ensure that a copy of their appointment, including any authority under which it is signed, has been provided to the Company's share registrar in sufficient time before the Meeting.

**Auditor attendance**

Mr Lorenzo Stella, Partner at Grant Thornton, as the auditor responsible for preparing the auditor's report for the year ended 30 June 2020 (or his representative) will attend the Meeting. The Chairman will also allow a reasonable opportunity for Shareholders to ask the auditor questions about:

- the conduct of the audit;
- the preparation and content of the auditor's report;
- the accounting policies adopted by the Company in relation to the preparation of financial report; and
- the independence of the auditor in relation to the conduct of the audit.

By order of the Board of Directors

David Hinton  
Company Secretary  
7 October 2020

## Explanatory Statement

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This Explanatory Statement has been prepared to provide information to Shareholders about the business to be conducted at the Meeting.

### Annual Financial Report

The Directors' report, independent auditor's report and the financial statements of the Company for the year ended 30 June 2020 will be tabled at the Meeting.

There is no requirement for Shareholders to approve these reports. However, the Chairman will allow a reasonable opportunity for Shareholders to ask questions about, or make comments on, the reports and the management of the Company.

### 1. Resolution 1 – Adoption of Remuneration Report

#### 1.1 Background

The Remuneration Report of the Company for the financial year ended 30 June 2020 is set out in the Company's Annual Report, which is available at [www.empired.com](http://www.empired.com). The Remuneration Report sets out the remuneration arrangements for Directors and Key Management Personnel of the Company. The Chairman will allow a reasonable opportunity for Shareholders to ask questions about, or make comments on, the Remuneration Report.

Shareholders will be asked to vote for the adoption of the Remuneration Report at the Meeting. The vote on this Resolution is advisory only and does not bind the Directors or the Company. The Board will consider the outcome of the vote and comments made by Shareholders at the Meeting when reviewing the Company's remuneration policies.

If 25% or more of votes that are cast are voted against the adoption of the Remuneration Report at two consecutive annual general meetings, Shareholders will be required to vote at the second of those annual general meetings on a resolution (a "spill resolution") to determine whether another meeting be held within 90 days at which all of the Directors (other than the managing director) must go up for re-election.

At the Company's previous annual general meeting the votes against the remuneration report were less than 25% of the votes cast on the resolution. As such, Shareholders will not need to consider a spill resolution at the Meeting.

The Company encourages all Shareholders to cast their votes on Resolution 1 (Adoption of Remuneration Report).

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

### 2. Resolution 2 – Re-election of Director – Mr John Bardwell

Under Listing Rule 14.4 and article 6.3 (b) of the Constitution a director must not hold office without re-election past the third annual general meeting or three years following the director's last election or appointment, whichever is longer. A director who retires in accordance with these requirements is eligible for re-election. Accordingly, Mr Bardwell retires by rotation at the Meeting and, being eligible, offers himself for re-election.

Mr Bardwell joined the board as a Non-Executive director on 26 November 2011 and is Chairman of the Audit and Risk Committee.

Mr Bardwell has had a long career in the IT sector in various senior leadership roles. He was also previously the General Manager of Delivery Services at Empired.

#### Directors' recommendation

The Directors (other than Mr Bardwell) unanimously recommend the re-election of Mr Bardwell.

### **3. Resolutions 3 – Re-election of Director – Mr Thomas Stianos**

Under Listing Rule 14.4 and article 6.3 (b) of the Constitution a director must not hold office without re-election past the third annual general meeting or three years following the director's last election or appointment, whichever is longer. A director who retires in accordance with these requirements is eligible for re-election. Accordingly, Mr Stianos retires by rotation at the Meeting and, being eligible, offers himself for re-election.

Mr Stianos joined the board as a Non-Executive director on 29 November 2016 and became Chairman on 1 July 2018. He is also a member of the Remuneration and Nomination Committee.

Mr Stianos was previously the Managing Director of ASX listed SMS Management & Technology Limited and has held senior positions in the public sector. He is also a Non-Executive Director of ASX listed Gale Pacific Limited.

#### **Directors' recommendation**

The Directors (other than Mr Stianos) unanimously recommend the re-election of Mr Stianos.

### **4. Resolution 4 – Approval to grant Performance Rights to Managing Director – Mr Russell Baskerville**

#### **Background**

The Company seeks Shareholder approval for the grant of 1,285,000 Performance Rights to Mr Russell Baskerville, the Company's Managing Director and CEO (or his nominee), under the Company's LTI Plan.

The proposed grant of Performance Rights forms part of the remuneration package for Mr Baskerville and is intended to:

- provide an appropriate and adequate incentive for Mr Baskerville;
- ensure the Company retains the services of Mr Baskerville; and
- reinforce the commitment of Mr Baskerville as a Director.

#### **4.1 Regulatory requirements**

##### ***Listing Rules***

The Company is seeking Shareholder approval for the proposed grant of the Performance Rights under the Company's LTI Plan for the purposes of Listing Rule 10.14. Listing Rule 10.14 provides that the approval of Shareholders is required before a director of a company can acquire securities issued under an employee incentive scheme. Accordingly, in order for Mr Baskerville to acquire a beneficial interest in the Performance Rights and any Shares which may be issued on the vesting of Performance Rights, the Company must first obtain Shareholder approval pursuant to Listing Rule 10.14.

If Shareholder approval is obtained, it is intended that the Performance Rights will be granted to Mr Baskerville as soon as practicable after the Meeting, and in any event within 12 months of the Meeting.

If Shareholder approval is not obtained for the granting of Performance Rights to Mr Baskerville, then the Performance Rights will not be granted. Should this occur, the Board would need to consider alternative remuneration arrangements to appropriately remunerate Mr Baskerville, including providing an equivalent cash based long term incentive subject to the same risk of forfeiture, Performance Measures and the other terms as described above for the grant of the Performance Rights.

Listing Rule 10.15 sets out a number of matters which must be included in a notice of meeting requesting Shareholder approval under Listing Rule 10.14. In accordance with Listing Rule 10.15, the information in Sections 4.2 and 4.3 below is provided to Shareholders in relation to Resolution 4.

## **Corporations Act**

The grant of the Performance Rights will confer a financial benefit on Mr Baskerville. However, Shareholder approval is not being sought for the purposes of the related party benefit provisions of the Corporations Act (particularly section 208 of the Corporations Act) on the basis that the benefit is considered to constitute reasonable remuneration and, therefore, the exception in section 211 of the Corporations Act applies. Section 211 provides that Shareholder approval is not required for the purposes of section 208 in circumstances where the benefit constitutes remuneration which would be reasonable given the company's and the related party's circumstances.

Having considered the Company's circumstances and Mr Baskerville's position as Managing Director, and CEO the Board (other than Mr Baskerville) considers that the financial benefit conferred by the grant of the Performance Rights to Mr Baskerville is reasonable and therefore, the exception in section 211 applies.

### **4.2 Material Terms of Performance Rights offered to Mr Russell Baskerville**

The terms of the Performance Rights proposed to be granted to Mr Baskerville, including the conditions on which the Performance Rights may vest, are set out below with further details in Annexure A. The Performance Rights will otherwise be subject to the rules of the LTI Plan.

In summary, the material terms of the Performance Rights proposed to be granted to Mr Baskerville are as follows:

- a) The Performance Rights will be granted in 3 tranches, with vesting subject to the satisfaction of the applicable Performance Hurdle of Threshold, Target or Stretch:

Tranche	Number of Performance Rights	Performance Measure	The number of Shares applicable upon vesting at each Performance Hurdle		
			Threshold (50%)	Target (100%)	Stretch (150%)
1	514,000	FY23 Basic EPS	257,000	514,000	771,000
2	257,000	FY23 Return on Equity	128,500	257,000	385,500
3	514,000	Absolute TSR	257,000	514,000	771,000

- b) For each of the above Tranches the following terms apply:
- (i) the Vesting Date is 30 September 2023;
  - (ii) the Expiry Date is 1 September 2025;
  - (iii) should the Threshold not be achieved then the Performance Rights for that Tranche will lapse, unless varied otherwise by the Board;
  - (iv) the Conversion Ratio of 50%, 100% or 150% will apply to the Threshold, Target and Stretch respectively; and
  - (v) should the actual Performance Measure be between the Performance Hurdles of Threshold and Stretch then pro-rata vesting will apply.



- c) The following Performance Hurdles have been set by the Directors:

Performance Measure	Threshold	Target	Stretch
FY23 Return on Equity	12%	15%	18%
Absolute TSR	115%	175%	240%

In respect to the FY23 Basic EPS the Target has been set based upon the FY21 Budgeted Basic EPS plus a further two years 10% per annum increase with the Stretch set at 15% per annum increase for the two years above the FY21 Budgeted Basic EPS.

The Directors consider that specific disclosure of the FY23 Basic EPS Performance Hurdle to be commercially sensitive and will be disclosed in the Remuneration Report subsequent to the vesting should vesting occur.

- d) Achievement of Tranche 1 is calculated on the Company's Basic Earnings per Share (calculated in accordance with AASB 133 "Earnings per share" (EPS) and adjusted for any abnormal costs or transaction costs) in respect of the financial year ending 30 June 2023.
- e) Achievement of Tranche 2 Return on Equity % is calculated as the Net profit after tax attributable to Shareholders for the financial year ended 30 June 2023 divided by Total Equity as at 30 June 2023.
- f) Achievement of Tranche 3 is calculated as the Absolute Total Shareholder Return of the Company (Empired TSR) measured over the period of 30 June 2020 to the Closing Share Price. The Closing Share Price is calculated as the 20 day VWAP achieved at any time during 1 April 2023 to 30 September 2023 (inclusive) (the Period). During the Period, the highest Closing Share Price will be used for the calculation of Absolute TSR. In all cases the highest Closing Share Price as calculated, and the corresponding Conversion Ratio will apply.
- g) If a Change of Control Event has occurred or is likely to occur, or an event occurs that in the opinion of the Board is likely to lead to the Company being removed from the official list of ASX, then any Performance Rights on issue pertaining to this issuance (that have not lapsed or been forfeited) will:
- (i) be extinguished and replaced where possible with Performance Rights of the acquiring entity under certain merger scenarios; or
  - (ii) automatically vest and convert into one Share each with the Board in its absolute discretion may determine that any or all of the Performance Rights convert into up to 1.5 Shares each.
- h) Mr Baskerville will forfeit the Performance Rights, unless provided otherwise at the Board's discretion should his employment with the company cease. Performance Rights will not be forfeited if his engagement is taken up with a Related Body Corporate of the Company. Performance Rights will be forfeited if he is dismissed for a material breach of his contract of engagement, negligence or other conduct justifying termination.
- i) Clawback provisions apply to unvested Performance Rights whereby Performance Rights are cancelled if an event that existed at the time of grant or the satisfaction of a Performance Hurdle that, if known would reasonably have led the Directors to not grant the Performance Rights or not confirm satisfaction of a Performance Hurdle.
- j) Should any Performance Rights vest then they must be exercised by Mr Baskerville by the Expiry Date of 1 September 2025, otherwise they will lapse. No consideration is required to be paid to exercise the Performance Rights.

- k) The Performance Rights are unquoted and non-transferable. The Performance Rights do not have any entitlement to dividends or any voting rights.
- l) The Performance Rights do not provide a right to participate in new issues of shares without the prior exercising of the Performance Right.

#### **4.3 Other information required by the Listing Rules**

The following further information is provided in accordance with Listing Rule 10.15:

- (a) The Performance Rights will be granted to Mr Russell Baskerville, the Managing Director and CEO of the Company, or his nominee.
- (b) Mr Baskerville falls within the category of Listing Rule 10.14.1 as he is the Managing Director and CEO of the Company.
- (c) The maximum number of Performance Rights that may be acquired by Mr Baskerville is 1,285,000 Performance Rights which may then convert into up to 1,927,500 Shares if the Target Performance Hurdle is exceeded and Mr Baskerville exercises the Performance Rights or if a Change of Control Event occurs (and provided that the Board, in its absolute discretion, determines that all of the Performance Rights convert into up to 1.5 Shares each) then Mr Baskerville will become entitled to up to 1,927,500 Shares.
- (d) Details of Mr Baskerville's current total remuneration package are provided in Section 4.4 below.
- (e) Shareholders last approved the grant of Performance Rights under Listing Rule 10.14 at the Company's 2019 AGM. In accordance with that approval and as at the date of this Notice, 1,000,000 Performance Rights have been issued under the LTI Plan to Mr Baskerville for nil cash consideration.
- (f) The persons entitled to participate in the LTI Plan are the executive Directors and employees of the Company and its Related Bodies Corporate. Non-executive Directors are not entitled to participate in the LTI Plan. Mr Baskerville is the only person referred to in ASX Listing Rule 10.14 presently entitled to participate in the LTI Plan.
- (g) A summary of the material terms of the Performance Rights is provided in Section 4.2 above.
- (h) The proposed grant of Performance Rights forms part of the remuneration package for Mr Baskerville and is intended to provide an appropriate and adequate incentive for Mr Baskerville, ensure the Company retains the services of Mr Baskerville and his remuneration is competitive and aligned with market remuneration for similar roles, and reinforce the commitment of Mr Baskerville as a Director.
- (i) The Directors have formed the view that Performance Rights provided on these terms and conditions with the appropriate vesting conditions are the most appropriate type of security to provide an incentive aligned with Shareholders.
- (j) The Performance Rights will be granted as soon as practicable after the Meeting and in any event within 12 months of the Meeting.
- (k) The Performance Rights will be granted for nil cash consideration.
- (l) The material terms of the LTI Plan as approved by Shareholders at the 2018 AGM are summarised and included at Appendix B.
- (m) There are no loans proposed to be granted to Mr Baskerville for the grant of the Performance Rights to him.
- (n) Details of the proposed grant of Performance Rights to Mr Baskerville under the LTI Plan will be published in the Company's FY21 Annual Report, along with a statement that approval for the grant was obtained under Listing Rule 10.14. Any additional persons to whom Listing Rule

10.14 applies and who become entitled to participate in the LTI Plan after Resolution 4 is approved will not participate until approval is obtained under Listing Rule 10.14.

- (o) A voting exclusion statement is provided on page 4.

#### 4.4 Interests of Mr Russell Baskerville

Mr Baskerville has a material personal interest in the outcome of Resolution 4. In addition to the Performance Rights to be granted to Mr Baskerville pursuant to Resolution 4, Mr Baskerville has been engaged under an engagement agreement to provide services to the Company as Managing Director and CEO.

Under the terms of his engagement agreement, Mr Baskerville is presently entitled to an annual fixed remuneration of \$600,000 plus some non-cash benefits together with a short term and long term incentive to be determined by the Board. These arrangements are subject to review on an annual basis.

Set out below is a breakdown of Mr Baskerville's total remuneration package for the last two financial years and the total remuneration opportunity for the current financial year:

Financial year	Fixed Remuneration	Non Cash	Short term incentive (cash)	Long term incentive (Performance Rights)	Total Remuneration
2019	\$600,000	\$9,168	nil	\$450,000	\$1,059,168
2020	\$591,331	\$11,976	nil	\$450,000	\$1,053,307
2021	\$600,000	\$11,976	\$300,000 <sup>1</sup>	\$450,000 <sup>2</sup>	\$1,361,976

1) FY21 short term incentive is dependent upon the Company achieving certain profitability and operational targets.

2) The number of Performance Rights was based upon an opportunity of \$450,000 divided by the share price of an Empired Ordinary share at the start of the financial year.

Mr Baskerville currently has an interest in 9,259,383 Shares and 1,880,000 Performance Rights, held prior to the date of this Notice.

If all of the Performance Rights granted to Mr Baskerville pursuant to this Resolution are subsequently converted to Shares, Mr Baskerville will hold 11,186,883 Shares, being 7.0% of the Share capital presently on issue in the Company. This calculation does not take into account the potential vesting of the existing 1,880,000 Performance Rights currently held by Mr Baskerville.

#### 4.5 Directors' recommendation

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

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

## Glossary of terms

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

<b>Annual General Meeting or Meeting</b>	The annual general meeting of Shareholders or any adjournment thereof, convened by this Notice.
<b>Associate</b>	Has the meaning set out in the Listing Rules.
<b>ASX</b>	ASX Limited ACN 008 624 691.
<b>AWST</b>	Australian Western Standard Time, being the time in Perth, Western Australia.
<b>Board</b>	Board of Directors of the Company.
<b>Chairman</b>	The chairman of the Meeting.
<b>Change of Control Event</b>	<p>A Change of Control event occurs where:</p> <ul style="list-style-type: none"><li>(a) an offer is made for Shares pursuant to a takeover bid under Chapter 6 of the Corporations Act and:<ul style="list-style-type: none"><li>i. the offeror has received acceptances to the offer representing more than 50% of the Shares which the offeror has offered to acquire; and</li><li>ii. the offer is, or is declared, unconditional; or</li></ul></li><li>(b) Shareholders in a general meeting convened under Part 5.1 of the Corporations Act approve a compromise or arrangement relating to the Company or a compromise or arrangement proposed for the purposes of or in connection with a scheme for the reconstruction of the Company or its amalgamation with any other company or companies; or</li><li>(c) any other merger, consolidation or amalgamation involving the Company occurs which results in the holders of Shares immediately prior to the merger, consolidation or amalgamation being entitled to 50 per cent or less of the voting shares in the body corporate resulting from the merger, consolidation or amalgamation; or</li><li>(d) any group company or group companies enter into agreements to sell in aggregate a majority in value of the businesses or assets (whether or not in the form of shares in a group company) of the group to a person, or a number of persons, none of which are group companies; or</li><li>(e) the Board determines in its reasonable opinion, control of the Company has or is likely to change or pass to one or more persons, none of which are group companies.</li></ul>
<b>Closely Related Parties</b>	Has the meaning set out in the Corporations Act.
<b>Conversion Ratio</b>	Is the ratio of the number of Shares that will be provided upon the vesting of a Performance Right and is applied as the number of Shares to be provided upon the vesting of a Performance Right.

<b>Corporations Act</b>	<i>Corporations Act 2001</i> (Cth) as amended from time to time.
<b>Director</b>	A director of the Company.
<b>Explanatory Statement</b>	This explanatory statement which accompanies and forms part of the Notice.
<b>FY</b>	Financial Year ending 30 June.
<b>Key Management Personnel</b>	Those persons having authority and responsibility for planning, directing and controlling the activities of the Company, directly or indirectly, including any Director (whether executive or otherwise).
<b>Listing Rules</b>	The listing rules of ASX, as amended from time to time.
<b>LTI Plan</b>	The long-term incentive plan for employees adopted by the Company.
<b>LTI Plan Rules</b>	The rules of the LTI Plan.
<b>Notice or Notice of Annual General Meeting</b>	The notice of Annual General Meeting which accompanies the Explanatory Statement.
<b>Performance Hurdle</b>	A performance hurdle in respect of a tranche of Performance Rights.
<b>Performance Right</b>	A right to subscribe for a Share.
<b>Proxy Form</b>	The proxy form accompanying the Notice.
<b>Related Body Corporate</b>	Has the meaning given to that term in the Corporations Act.
<b>Remuneration Report</b>	The remuneration report contained in the Directors' report for the year ended 30 June 2020.
<b>Resolution</b>	A resolution set out in the Notice.
<b>Share</b>	A fully paid ordinary share in the Company.
<b>VWAP</b>	The volume-weighted average price of Shares traded on ASX.

## Annexure A

### Terms of Performance Rights for Mr Russell Baskerville

1. Mr Russell Baskerville has been offered of 1,285,000 Performance Rights pursuant to the LTI Plan (Offer).
2. The Offer is made pursuant to the terms and conditions of Mr Baskerville's engagement agreement with the Company and the rules of the LTI Plan (**LTI Plan Rules**) and the terms of the Offer must be read in conjunction with the LTI Plan Rules. The Performance Rights will be governed by the LTI Plan Rules and the terms of the Offer.
3. Each Performance Right entitles Mr Baskerville to acquire Shares, by way of issue of new Shares or transfer of existing Shares. The Performance Rights will convert into up to 1,927,500 Shares, subject to satisfaction of the Performance Hurdles and described in paragraph 4.2 of the explanatory statement and otherwise in accordance with the LTI Plan Rules.
4. The Performance Rights are offered in 3 tranches with the Performance Hurdles and Vesting dates detailed in paragraph 4.2 of the explanatory statement.
5. If a Change of Control Event has occurred or is likely to occur, or an event occurs that in the opinion of the Board is likely to lead to the Company being removed from the official list of ASX, then any Performance Rights on issue pertaining to this issuance (that have not lapsed or been forfeited) will:
  - (i) be extinguished and replaced where possible with Performance Rights of the acquiring entity under certain merger scenarios; or
  - (ii) automatically vest and convert into one Share each with the Board in its absolute discretion may determine that any or all of the Performance Rights convert into up to 1.5 Shares each.
6. At or near the Vesting Date the Company will determine if the Performance Hurdle has been achieved and will issue Mr Baskerville with a Vesting notice advising the number of Performance Rights that have vested and the number of resulting Shares Mr Baskerville is entitled. Mr Baskerville then has until 1 September 2025 to issue an Exercise Notice to be issued or transferred the Shares.
7. Performance Rights will not be forfeited if his engagement is taken up with a Related Body Corporate of the Company. Performance Rights will be forfeited if he is dismissed for a material breach of his contract of employment, negligence or other conduct justifying termination.
8. Clawback provisions apply to unvested Performance Rights whereby, Performance Rights are cancelled if an event that existed at the time of grant or the satisfaction of a Performance Hurdle that if known would reasonably have led the Directors to not grant the Performance Rights or not confirm satisfaction of a Performance Hurdle.
9. Performance Rights are unquoted and non-transferable. The Performance Rights will not entitle Mr Baskerville to receive dividends on Shares before vesting and do not carry any voting rights.
10. The Vesting Date in respect of a tranche of Performance Rights is the earlier of:
  - a. the date specified in paragraph 4.2 of the explanatory statement; and
  - b. the date a "Change in Control Event" (as defined in the LTI Plan Rules) occurs.
11. If the Performance Hurdle for Performance Rights is satisfied during the period of Mr Baskerville's engagement with the Company or any Related Body Corporate, those Performance Rights will vest and will not be subject to forfeiture.
12. Any Shares that are acquired on vesting of Performance Rights in accordance with the Offer will be issued or transferred to Mr Baskerville free of any holding lock or other restriction on dealing.
13. The grant of the Performance Rights is subject to the approval of shareholders of the Company at the Company's AGM.
14. The Performance Rights do not provide a right to participate in new issues of shares without the prior exercising of the Performance Right.
15. In the event of a reorganisation (including a consolidation, subdivision, reduction or return) of the issued capital of the Company, the number of Performance Rights will be changed in the manner required by the Listing Rules.

## Annexure B

### Summary of the Terms of the Empired Limited Long Term Incentive Plan (LTI Plan),

The terms and conditions on which any Performance Rights and Options are granted to employees, including any vesting and performance criteria, will be governed by the terms set out in an offer or invitation to participate in the LTI Plan made to employees from time to time.

a) *Eligible Persons*

The LTI Plan is open to full time and part time employees of the Company and Related Bodies Corporate of the Company (and certain contractors) (**Eligible Persons**).

Performance Rights and Options may not be offered to a Director or his or her Associates except where approval is given by the Shareholders in general meeting in accordance with the requirements of the Listing Rules.

b) *Purpose of the Long Term Incentive Plan*

The purpose of the LTI Plan is to:

- (i) establish a method by which Eligible Persons can participate in the future growth and profitability of the Company;
- (ii) provide an incentive and reward for Eligible Persons for their contributions to the Company;
- (iii) attract and retain a high standard of managerial and technical personnel for the benefit of the Company; and
- (iv) align the interests of Eligible Persons more closely with the interests of Shareholders, by providing an opportunity for Eligible Persons to hold an equity interest in the Company

c) *Board discretions*

The Board has broad discretions under the LTI Plan, including (without limitation) as to:

- (i) the timing of making an offer to participate in the LTI Plan;
- (ii) the terms of issue of Performance Rights and Options;
- (iii) subject to the requirements of the Listing Rules, particularly Listing Rule 6.23.2, the cancellation of Performance Rights or Options for no consideration, subject to agreement with the participant;
- (iv) the periods during which Performance Rights and Options may be exercised or vest; and
- (v) the exercise price (if any) of Options.

d) *Performance Rights and Options not to be quoted*

Performance Rights and Options granted under the LTI Plan will not be quoted on ASX. However, application will be made to ASX for official quotation of Shares issued or transferred on the exercise of an Option or vesting of a Performance Right provided the Shares are listed on ASX at that time.

e) *Shares issued on exercise of Options and Performance Rights*

Subject to the terms of the Options or Performance Rights, each Option or Performance Right entitles its holder to subscribe for and be issued with one Share in the Company. Shares issued pursuant to the exercise of Options and Performance Rights will in all respects rank equally and carry the same rights and entitlements as other Shares on issue in the Company. Holders of Options and Performance Rights will not be entitled to notice of, or to vote or attend at meetings of the Company or receive dividends until Shares are allotted on the exercise of the Options or vesting of the Performance Rights.

f) *Lapse of Options and Performance Rights*

Subject to certain exceptions (which may result in only a pro-rata portion of the Options and/or Performance Rights lapsing), Options and/or Performance Rights shall lapse:

- (i) if not exercised or vested prior to their expiry date;
- (ii) if any Performance Hurdles, Vesting Conditions or Exercise Conditions are not satisfied;
- (iii) if the holder voluntarily resigns otherwise than to take up employment with a Related Body Corporate of the Company or is dismissed from employment or is removed from his or her position with the Company for certain reasons, including for a material breach of contract of employment, negligence or other conduct justifying termination of employment without notice; or
- (iv) if, in the opinion of the Board, the holder has acted fraudulently or dishonestly or is in material breach of his or her obligations to the Company or any of its Related Bodies Corporate, and the Board determines (at its sole and absolute discretion) the Options or Performance Rights held by that holder to have lapsed.

g) *Restrictions on transfer*

Performance Rights and Options granted under the LTI Plan may not be assigned, transferred, novated, encumbered with a security interest in or over them, or otherwise dispose of by a participant without the prior consent of the Board or where such assignment or transfer occurs by force of law upon the death of a participant.

h) *Participation rights of Performance Rights and Option holders*

Holders of Options and Performance Rights will only be permitted to participate in a pro rata issue of Shares by the Company if they exercise their Options or if their Performance Rights vest before the record date for the relevant issue. The Company must ensure that it notifies holders of Options of the proposed issue at least 7 business days before the record date to determine entitlements to the pro rata issue.

i) *Bonus issues*

If the Company makes an issue of any class of shares to Shareholders on a pro rata basis by way of capitalisation of profits or reserves (other than an issue in lieu of dividends), then on exercise of the Option or Performance Right, the holder is entitled to receive the number of bonus shares which would have been issued if the Performance Right or Option had been exercised before the record date.

In the event of a reorganisation (including a consolidation, subdivision, reduction or return) of the issued capital of the Company, the number of Options and Performance Rights to which each Option and Performance Right holder is entitled or the exercise price or both will be changed in the manner required by the Listing Rules and, in any case, in a manner which will not result in any benefits being conferred on holders of Performance Rights and Options which are not conferred on Shareholders.

j) *Takeovers and Change of Control Events*



Options can be exercised during a Takeover Period (as defined in the LTI Plan), at any time after a Change of Control Event has occurred or following the occurrence and announcement by the Company of an event that in the option of the Board is likely to lead to the Company being removed from the official list of the ASX.

Performance Rights will automatically vest and convert to Shares during a Takeover Period (as defined in the LTI Plan), at any time after a Change of Control Event has occurred or following the occurrence and announcement by the Company of an event that in the option of the Board is likely to lead to the Company being removed from the official list of the ASX.

k) *Amending the LTI Plan*

Subject to any applicable Listing Rules or laws, the LTI Plan may be suspended, terminated or amended at any time by resolution of the Board.



Empired Ltd ABN 81 090 503 843



EPD

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

## Need assistance?



### Phone:

1300 729 589 (within Australia)  
+61 (03) 9415 4607 (outside Australia)



### Online:

[www.investorcentre.com/contact](http://www.investorcentre.com/contact)



## YOUR VOTE IS IMPORTANT

For your proxy appointment to be effective it must be received by **11:00am (Perth time) Saturday 21 November 2020**.

# Proxy Form

## How to Vote on Items of Business

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

### APPOINTMENT OF PROXY

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

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

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

**A proxy need not be a securityholder of the Company.**

## SIGNING INSTRUCTIONS FOR POSTAL FORMS

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

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

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

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

## PARTICIPATING IN THE MEETING

### Corporate Representative

If a representative of a corporate securityholder or proxy is to participate in the meeting you will need to provide the appropriate "Appointment of Corporate Representative". A form may be obtained from Computershare or online at [www.investorcentre.com](http://www.investorcentre.com) under the help tab, "Printable Forms".

## Lodge your Proxy Form:

XX

### Online:

Lodge your vote online at [www.investorvote.com.au](http://www.investorvote.com.au) using your secure access information or use your mobile device to scan the personalised QR code.

Your secure access information is



**Control Number: 999999**

**SRN/HIN: I9999999999**

**PIN: 99999**

For Intermediary Online subscribers (custodians) go to [www.intermediaryonline.com](http://www.intermediaryonline.com)

### By Mail:

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

### By Fax:

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



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

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 Empired 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 Annual General Meeting of Empired Limited to be held virtually on Monday, 23 November 2020 at 11:00am (Perth time) and at any adjournment or postponement of that meeting.

**Chairman authorised to exercise undirected proxies on remuneration related resolutions:** Where I/we have appointed the Chairman of the Meeting as my/our proxy (or the Chairman becomes my/our proxy by default), I/we expressly authorise the Chairman to exercise my/our proxy on Resolutions 1 and 4 (except where I/we have indicated a different voting intention in step 2) even though Resolutions 1 and 4 are connected directly or indirectly with the remuneration of a member of key management personnel, which includes the Chairman.

**Important Note:** If the Chairman of the Meeting is (or becomes) your proxy you can direct the Chairman to vote for or against or abstain from voting on Resolutions 1 and 4 by marking the appropriate box in step 2.

### Step 2 Items of Business

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

	For	Against	Abstain
1 Adoption of Remuneration Report	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
2 Re-election of Director - Mr John Bardwell	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
3 Re-election of Director - Mr Thomas Stianos	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
4 Approval to grant Performance Rights to Managing Director - Mr Russell Baskerville	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

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

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

Individual or Securityholder 1

Sole Director & Sole Company Secretary

Securityholder 2

Director

Securityholder 3

Director/Company Secretary

/ /

Date

**Update your communication details** (Optional)

Mobile Number

Email Address

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

EPD

999999A



Computershare

