

2015

Notice of Annual General Meeting

VEDA GROUP LIMITED

25 September 2015

Dear Shareholders,

On behalf of the Board of Directors, I invite you to attend the 2015 Annual General Meeting (AGM) of Veda Group Limited (Veda) to be held on Wednesday, 28 October 2015 at 10.30am at the Museum of Sydney.

The following information is enclosed:

- Notice of Annual General Meeting and Explanatory Memorandum
- 2015 Annual Report (incorporating the 2015 Financial Report), if you have elected to receive a printed copy
- A Proxy Form, and
- A reply-paid envelope for lodging your Proxy Form and/or sending any written questions to Veda before the AGM.

The business of the AGM is set out in the Notice of Annual General Meeting (the Notice). The Notice and Explanatory Memorandum set out important information relating to the matters to be considered by shareholders at the meeting. I encourage you to read these materials carefully.

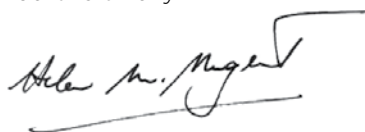
If you are attending the AGM, please bring your personalised Proxy Form to allow the Share Registry to promptly register your attendance at the meeting. The registration desk will be open from 9.30am.

If you are unable to attend in person, you may wish to appoint a proxy to attend and vote at the meeting on your behalf. You may appoint a proxy using the enclosed proxy form or by completing an electronic proxy form through Veda's share registry at www.linkmarketservices.com.au. Please refer to the Notice and Proxy Form for further information regarding appointment of a proxy.

Following the conclusion of the AGM, you are welcome to join the Board and management team for light refreshments.

Thank you for your continued support of Veda and I look forward to your attendance and the opportunity to meet you.

Yours faithfully

A handwritten signature in black ink, appearing to read 'Helen Nugent', with a horizontal line underneath.

Dr Helen Nugent AO
Chairman

Veda Group Limited

VEDA GROUP LIMITED
ABN 26 124 306 958

Notice of Annual General Meeting

Notice is given that the Annual General Meeting (AGM or Meeting) of shareholders of Veda Group Limited (Veda or the Company) will be held:

Date: Wednesday, 28 October 2015

Time: 10.30am AEDT

Venue: Museum of Sydney
Corner of Phillip and Bridge Streets
Sydney NSW 2000

The Explanatory Memorandum accompanying this Notice of Meeting provides additional information on matters to be considered at the AGM. The Explanatory Memorandum and Proxy Form are part of this Notice of Meeting.

Business of the meeting

ITEM 1 – FINANCIAL REPORT, DIRECTORS' REPORT AND AUDITOR'S REPORT

To receive and consider the Financial Report, the Directors' Report and the Auditor's Report of the Company for the financial year ended 30 June 2015.

ITEM 2 – REMUNERATION REPORT

To consider and, if thought fit, pass the following resolution as an advisory resolution of the Company:

"That the Company's Remuneration Report for the financial year ended 30 June 2015 be adopted."

The Remuneration Report is contained in the 2015 Annual Report (available at www.veda.com.au) and a summary of the Remuneration Report is contained in the Appendix to the Explanatory Memorandum accompanying this Notice of Meeting.

Voting exclusion statement

A vote on Item 2 must not be cast (in any capacity) by or on behalf of:

- a. A member of Key Management Personnel (KMP) whose remuneration is included in the 2015 Remuneration Report, and
- b. A closely related party (such as close family members and any controlled companies) of such a member of KMP.

However, such a person may cast a vote on Item 2 as a proxy for a person who is entitled to vote if:

- a. The proxy appointment is in writing and specifies how the proxy is to vote (for, against, abstain) or
- b. The vote is cast by the Chairman of the AGM and:
 - i. The appointment does not specify how the proxy is to vote, and
 - ii. The appointment expressly authorises the Chairman of the AGM to exercise the proxy even if the resolution is connected directly or indirectly with the remuneration of a member of KMP.

ITEM 3 – ELECTION OF STEVEN SARGENT

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

"That Steven Sargent be elected as a Director of the Company in accordance with rule 4.7 of the Company's Constitution."

Details of the qualifications and experience of Mr Sargent and the recommendation of the Board relating to his election are set out in the accompanying Explanatory Memorandum.

ITEM 4 - RE-ELECTION OF BRUCE BEEREN

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

"That Bruce Beeren, who retires in accordance with rule 4.7 of the Company's Constitution, and being eligible, is re-elected as a Director of the Company in accordance with rule 4.7 of the Company's Constitution."

Details of the qualifications and experience of Mr Beeren and the recommendation of the Board relating to his re-election are set out in the accompanying Explanatory Memorandum.

ITEM 5 - RE-ELECTION OF PETER SHERGOLD AC

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

"That Peter Shergold, who retires in accordance with rule 4.7 of the Company's Constitution, and being eligible, is re-elected as a Director of the Company in accordance with rule 4.7 of the Company's Constitution."

Details of the qualifications and experience of Dr Shergold and the recommendation of the Board relating to his re-election are set out in the accompanying Explanatory Memorandum.

ITEM 6 - EQUITY GRANTS TO NERIDA CAESAR

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

"That the grant of Deferred Share Rights and Options under the Company's equity incentive plan to Nerida Caesar, the Chief Executive Officer and Managing Director of the Company, in the manner set out in the Explanatory Notes to this Notice of Meeting, be approved, and that this approval be for all purposes, including for the purpose of ASX Listing Rule 10.14."

Voting Exclusion Statement

In accordance with the ASX Listing Rules, the Company will disregard any votes cast on Item 6 by or on behalf of any Director who is eligible to participate in the Company's Equity Incentive Plan or any of their associates. The Company need not disregard a vote if it is cast:

- a. By a person as proxy for another person who is permitted to vote, in accordance with the directions on the proxy form, or
- b. By the Chairman of the meeting as proxy for a person who is permitted to vote, in accordance with a direction on the proxy form to vote as the proxy decides.

In addition, pursuant to the Corporations Act, the Company's KMP and their closely related parties are not permitted to cast a vote as a proxy for another person who is permitted to vote, unless the appointment of the proxy either:

- c. Specifies the way the proxy is to vote on the resolution, or
- d. Expressly authorises the Chairman of the meeting to exercise the undirected proxies even if the resolution is connected with the remuneration of a member of KMP.

BY ORDER OF THE BOARD



Tim Woodforde
Company Secretary
25 September 2015

Entitlement to attend and vote

In accordance with Reg 7.11.37 of the *Corporations Regulations 2001* (Cth), the Board has determined that persons who are registered holders of ordinary shares in the capital of the Company as at 7.00pm AEDT on Monday 26 October 2015 will be entitled to attend and vote at the AGM as a shareholder.

If more than one joint holder of shares is present at the AGM (whether personally, by proxy or by attorney or by representative) and tenders a vote, only the vote of the joint holder whose name appears first on the register will be counted.

Voting by Proxy

If you are a shareholder entitled to attend and vote, you may appoint an individual or a body corporate as a proxy. If a body corporate is appointed as a proxy, that body corporate must ensure that it appoints a corporate representative in accordance with section 250D of the *Corporations Act 2001* (Cth) to exercise its powers as a proxy at the AGM.

A proxy need not be a shareholder of the Company.

A shareholder may appoint up to two proxies and specify the proportion or number of votes each proxy may exercise. If the shareholder does not specify the proportion or number of votes to be exercised, each proxy may exercise half of the shareholder's votes.

To be effective, the proxy must be received at the Share Registry of the Company no later than 10.30am AEDT on Monday 26 October 2015. Proxies must be received before that time by one of the following methods:

BY POST:

Veda Group Limited
C/- Link Market Services Limited
Locked Bag A14
Sydney South NSW 1235
Australia

BY FACSIMILE:

+61 2 9287 0309

BY DELIVERY IN PERSON:

Link Market Services Limited
1A Homebush Bay Drive
Rhodes NSW 2138

ONLINE:

www.linkmarketservices.com.au

To be valid, a proxy must be received by the Company in the manner stipulated above. The Company reserves the right to declare invalid any proxy not received in this manner.

Voting by Attorney

A proxy form and the original power of attorney (if any) under which the proxy form is signed (or a certified copy of that power of attorney or other authority) must be received by the Company no later than 10.30am AEDT on Tuesday 26 October 2015, being 48 hours before the AGM.

Corporate Representatives

A body corporate which is a shareholder, or which has been appointed as a proxy, is entitled to appoint any person to act as its corporate representative at the AGM. The appointment of the corporate representative must comply with the requirements under section 250D of the *Corporations Act 2001* (Cth). The corporate representative should bring to the AGM a properly executed letter or other document confirming its authority to act as the company's representative.

Proxy Voting by Chairman

The Chairman of the AGM will vote undirected proxies in favour of all items. The voting exclusions on KMP in Item 2 do not apply to the Chairman of the AGM acting as proxy if their appointment expressly authorises the Chairman of the AGM to exercise the proxy even if that item is connected directly or indirectly with the remuneration of a member of KMP.

Voting at the AGM

It is intended that voting on each of the proposed resolutions at the AGM will be conducted by a poll, rather than on a show of hands.

Annual Report

You can access the 2015 Annual Report on Veda's website at www.veda.com.au.

Written Questions to the Company or Auditor

Following consideration of the Financial Report, the Directors' Report and the Auditor's Report, the Chairman will give shareholders a reasonable opportunity to ask questions or comment about the management of the Company.

The Chairman will also give shareholders an opportunity to ask the Auditor questions relevant to:

- 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 the financial statements, and
- The independence of the Auditor in relation to the conduct of the audit.

The Chairman will also give the Auditor a reasonable opportunity to answer written questions submitted by shareholders that are relevant to the content of the Auditor's Report or the conduct of the audit. A list of written questions, if any, submitted by shareholders will be made available at the start of the AGM and any written answer tabled by the Auditor at the AGM will be made available as soon as practicable after the AGM.

The questions must be received by the Company's share registrar, Link Market Services Limited by 5.00pm on Wednesday, 21 October 2015.

Explanatory Memorandum

This Explanatory Memorandum has been prepared for the information of shareholders of the Company in relation to the business to be conducted at the Company's AGM to be held on Wednesday, 28 October 2015.

The purpose of this Explanatory Memorandum is to provide shareholders with information that is reasonably required by shareholders to decide how to vote on the resolutions.

All Resolutions are to be voted on as ordinary resolutions. An ordinary resolution requires a simple majority of votes cast by shareholders entitled to vote on the resolution.

ITEM 1 – FINANCIAL REPORT, DIRECTORS' REPORT AND AUDITOR'S REPORT

As required by section 317 of the *Corporations Act 2001* (Cth), the Financial Report, Directors' Report and Auditor's Report of Veda Group Limited (Veda) and its subsidiaries for the most recent financial year will be laid before the meeting.

The reports are available on Veda's website at <http://investors.veda.com.au/Investor-Relations>.

Shareholders will be provided with the opportunity to ask questions about, or make comments on, the reports, management or about Veda generally, but there will be no formal resolution put to the meeting. KPMG, Veda's external auditor, will attend the AGM and there will be a reasonable opportunity for members as a whole to ask questions relevant to the audit.

ITEM 2 – REMUNERATION REPORT

Section 250R(2) of the *Corporations Act 2001* (Cth) requires that the section of the Directors' Report dealing with the remuneration of Directors and key management personnel (KMP) of the Company (Remuneration Report) be put to the vote of shareholders for adoption by way of a non-binding vote.

If there is a vote of 25 per cent or more against the adoption of the Remuneration Report at two consecutive AGMs, shareholders will be required to vote at the second of those AGMs on a resolution that another meeting be held within 90 days at which all Directors (other than the Managing Director) who are Directors at the time the Remuneration Report that received the second strike will retire and may resubmit themselves for re-election.

The Remuneration Report details the remuneration policy for the Company and:

- Reports on the remuneration arrangements for KMP of the Company
- Explains Board policies in relation to the nature and value of remuneration paid to KMP of the Company, and
- Discusses the relationship between those policies and Company performance.

A copy of the Remuneration Report, which sets out the Company's remuneration arrangements, can be found in the 2015 Annual Report or on Veda's website, www.veda.com.au.

A summary of the Remuneration Report is contained in the Appendix to this Explanatory Statement.

The Chairman will give shareholders a reasonable opportunity to ask questions about, or make comments on, the Remuneration Report.

Recommendation

Noting that each Voting Director has a personal interest in their own remuneration at Veda, as described in the Remuneration Report, the Board unanimously recommends that shareholders vote in favour of adopting the Remuneration Report.

ITEM 3 – ELECTION OF STEVEN SARGENT

In accordance with rule 4.7 of the Company's Constitution, Steven Sargent offers himself for election as a Non-Executive Director of Veda.

Mr Sargent was appointed an Independent Non-Executive Director of Veda in March 2015. He is a member of the Audit and Risk Committee.

Mr Sargent had a career spanning nearly a quarter of a century at General Electric, becoming a member of GE's 45-member Corporate Executive Council (CEC) and one of its 180 Officers. He was the first Australian to be made an Officer or be a member of the CEC in GE's 130-year history.

Mr Sargent has led GE businesses in the USA, Europe, Asia Pacific and Australia & New Zealand. Most recently he was President and Chief Executive Officer of GE Mining, GE's global mining technology and services business. Prior to this he was responsible for all of GE's operations across Australia & New Zealand, GE's third largest sales region in the world.

Mr Sargent has extensive experience in driving a culture of innovation and technology development. He has deep commercial experience with organic growth (start-ups, new product introduction), inorganic (acquisitions and integrations) as well as turnaround situations and divestitures.

Mr Sargent is currently a Non-Executive Director of Origin Energy Limited (since May 2015), The Great Barrier Reef Foundation and Bond University Limited. He is a Fellow of the Australian Academy of Technological Sciences and Engineering and a Graduate of the Australian Institute of Company Directors.

Over recent years Mr Sargent has been a Non-Executive Director of the Business Council of Australia, American Chamber of Commerce and a member of the Federal Government's Financial Services Advisory Council.

The Board considered, as part of the formal appraisal process, whether they would recommend Mr Sargent to shareholders for election. The Board determined that Mr Sargent should be recommended to shareholders for election.

Recommendation

The Board, with Mr Sargent abstaining, unanimously recommends shareholders vote in favour of Mr Sargent's election as a Non-Executive Director of Veda.

ITEM 4 – RE-ELECTION OF BRUCE BEEREN

In accordance with rule 4.7 of the Company's Constitution, Bruce Beeren retires and, being eligible, offers himself for re-election as a Non-Executive Director of Veda.

Mr Beeren was appointed a Non-Executive Director of the Company in September 2013. He is Chairman of the Audit and Risk Committee and a member of the Disclosure Committee.

Mr Beeren is currently a Director of Contact Energy, Equisuper and The Hunger Project Australia. Until October 2014, he was also a Director of Origin Energy (March 2000 to October 2014), initially as Finance Director and then from January 2005 as a Non-Executive Director.

Mr Beeren was formerly a Non-Executive Director of Veda Advantage Limited, ConnectEast Group, Coal & Allied Industries Limited and Envestra Limited. He has also held senior executive roles in major listed companies. He was previously the Chief Financial Officer of AGL, General Manager of AGL Pipelines and Chief Executive Officer of VENCORP.

Prior to submitting himself for re-election, Mr Beeren confirmed to Veda that he would continue to have sufficient time to properly fulfil his responsibilities to Veda.

The Board conducted a formal performance appraisal of Mr Beeren to determine whether to recommend to shareholders his re-election. The review considered Mr Beeren's expertise, skills and experience, understanding of Veda's business, preparation for meetings, relationships with other Directors and management, awareness of ethical and governance matters and overall contribution as a Director. The Board determined that Mr Beeren is providing a valuable contribution to the Board and should be recommended to shareholders for re-election.

Recommendation

The Board, with Mr Beeren abstaining, unanimously recommends shareholders vote in favour of Mr Beeren's re-election as a Non-Executive Director of Veda.

ITEM 5 - RE-ELECTION OF PETER SHERGOLD AC

In accordance with rule 4.7 of the Company's Constitution, Dr Peter Shergold retires and, being eligible, offers himself for re-election as a Non-Executive Director of Veda.

Dr Shergold was appointed a Non-Executive Director of the Company in October 2013. He is a member of the Remuneration and Nomination Committee.

Dr Shergold is currently a Director of AMP Limited (since May 2008), AMP Life Limited and Corrs Chambers Westgarth. He is also Chairman of Opal Aged Care.

Dr Shergold has had a distinguished career in the public service, including having served as Secretary of the Department of Prime Minister and Cabinet; Secretary of the Department of Education, Science and Training; and Secretary of the Department of Employment, Workplace Relations and Small Business.

In 2011, Dr Shergold was appointed the Chancellor of the University of Western Sydney. He also serves as Chairman of the NSW Public Service Commission Advisory Board and is Chair of the National Centre for Vocational Education Research.

Dr Shergold was made a Companion of the Order of Australia for his services to the community in 2007.

Prior to submitting himself for re-election, Dr Shergold confirmed to Veda that he would continue to have sufficient time to properly fulfil his responsibilities to Veda.

The Board conducted a formal performance appraisal of Dr Shergold to determine whether to recommend to shareholders his re-election. The review considered Dr Shergold's expertise, skills and experience, understanding of Veda's business, preparation for meetings, relationships with other Directors and management, awareness of ethical and governance matters and overall contribution as a Director. The Board determined that Dr Shergold is providing a valuable contribution to the Board and should be recommended to shareholders for re-election.

Recommendation

The Board, with Dr Shergold abstaining, unanimously recommends shareholders vote in favour of Dr Shergold's re-election as a Non-Executive Director of Veda.

ITEM 6 - EQUITY GRANTS TO NERIDA CAESAR

Under ASX Listing Rule 10.14, a listed company must not permit a Director to acquire securities under an employee incentive scheme without the approval of shareholders by ordinary resolution. The Company's Non-Executive Directors receive fixed fees and are not eligible to participate in any incentive scheme; consequently Ms Caesar is the only Director (and person referred to in ASX Listing Rule 10.14) entitled to participate under the Company's equity incentive plan.

The Company's equity incentive plan represents key elements of its remuneration and retention strategies for executives, including Executive Directors. The deferred component of the Short-Term Incentive (Deferred STI) and the Long-Term Incentive (LTI) arrangements are key to aligning the interests of senior executives with those of shareholders.

Together, the Deferred STI and the LTI arrangements provide recipients with a deferred equity interest in Veda, the value of which depends on the Company's share price and return performance over the deferral period.

Deferred STI

As discussed in the 2014 Remuneration Report, commencing from FY15, a revised Short-Term Incentive (STI) scheme has been introduced to complement the previous system of cash awards. The scheme has the following key features:

- A participant's STI is set 'At Target' as a percentage (85 per cent for Ms Caesar) of fixed remuneration
- A pre-determined percentage (70 per cent for Ms Caesar) is paid in cash, with the balance paid as Deferred Share Rights (DSRs)
- The cash component only can be accelerated by up to 175 per cent for stretch performance targets
- Performance (to determine the STI awarded to a participant) is assessed against a variety of measures, including revenue, EBITDA, NPAT and Cash Flow from Operations and Investment, and
- DSRs will vest, in the case of Ms Caesar, in three equal tranches one, two and three years after the date of grant, so long as she is still employed at the point of vesting, with Directors having discretion to waive this condition in the case of death, disability, genuine retirement, redundancy or in other exceptional circumstances. Vesting may also occur earlier in some other very limited circumstances.

This resolution seeks shareholders' approval for the grant of equity incentives to Ms Caesar with respect to FY15 of DSRs to the value of \$280,500, being 30 per cent of her award under the STI scheme for FY15.

The maximum number of DSRs granted for that value is calculated by dividing that value by the volume weighted average price of Veda's shares traded on the ASX in the 30 trading day period prior to the date of grant, discounted to fair value to reflect the fact that DSRs do not attract dividends.

LTI

Grants under LTI arrangements are in the form of Options, which entitle the recipient to receive a fully paid ordinary share in the Company on the vesting date (equal tranches three and four years after award), subject to the satisfaction of performance conditions. The performance conditions require Total Shareholder Return (TSR) over the vesting period to exceed certain targets (described below) relative to the S&P/ASX 200 group of companies as comprised at the date of grant (Comparator Group).

Options have no value to the recipient unless the hurdle is met and the Company's share price appreciates over the vesting period.

Vesting (i.e. the entitlement to convert an LTI award into a share) occurs only if the relative TSR is at or above the 50th percentile of the Comparator Group: 50 per cent of the award vests above the 50th percentile, and 100 per cent of the award vests at the 75th percentile, and proportionately on a straight-line basis between the 50th and 75th percentiles. Options that do not vest according to the vesting schedule lapse immediately. There is no re-testing of any Options. If Ms Caesar ceases employment before her Options vest, the unvested awards will lapse, with Directors having discretion to waive this condition in the case of death, disability, genuine retirement, redundancy or in other exceptional circumstances. Vesting may also occur earlier in some other very limited circumstances.

Upon vesting of an Option, the holder may exercise it by paying an applicable exercise price. No loan from the Company is available for this purpose. On valid exercise of an Option and receipt by the Company of the applicable exercise price, one fully paid share will be allotted to the executive.

This resolution seeks shareholders' approval for the grant of equity incentives to Ms Caesar with respect to FY15 of Options to the value of \$550,000, which represents the award of LTI to her for FY15.

The maximum number of Options granted for that value is calculated by dividing that value by the independently-determined fair market value of the Options at the date of grant. The fair market value is calculated by using the Black-Scholes methodology with a Monte Carlo simulation model that takes into account market conditions, that no dividends are paid on options, there are performance hurdles and that an exercise price needs to be paid by the holder. This is the same methodology that is recognised under accounting standards for expensing the LTI awards. An explanation of why this valuation methodology is used is provided in section 2.4 of the Remuneration Report. The fair market value can only be determined after the exercise price for the Options is known.

The exercise price for the Options is the volume weighted average market price of Veda shares traded on the ASX in the 30 trading days prior to the date of grant.

Calculation

The precise number of DSRs and Options granted to Ms Caesar will not be known until after the exercise price for the Options is known, around mid to late September, by which time the Notice of AGM will have been printed and, possibly, despatched to shareholders within the legislated timeframe. As a result, the resolutions contained in the Notice of Meeting can only be drafted in terms of the dollar values awarded, with the explanatory notes setting out the formula to calculate the number of securities granted.

The Company considers that its chosen timeframe to calculate the exercise price and fair market value aligns the interests of shareholders and participants in the Company's Equity Incentive Plan. The alternative, of selecting prices and values prior to finalisation of the Notice and the grant date, could produce anomalous outcomes, particularly given the volatility of share prices and markets generally over the recent past.

The Company will issue an ASX announcement confirming the number of DSRs and Options, and the exercise price of the Options, as soon as practicable after that calculation is made (prior to the close of voting on the AGM resolutions).

DSRs and Options are being granted to Ms Caesar conditional on shareholder approval but otherwise at the same time and on the same terms as those granted to other eligible executives under the Company's executive incentive plan. Subject to shareholder approval being obtained, it is intended that the grant of DSRs and Options to Ms Caesar will be finalised shortly after the 2015 AGM¹. The approval will be for all purposes including any allotment and issue of shares on vesting or exercise of the DSRs and Options, subject to the payment of the exercise price, if any. If shareholder approval is given for this resolution under Listing Rule 10.14, separate approval is not required under Listing Rule 7.1.

Dividend, Trading and Hedging

Dividends are not paid on DSRs or Options. Dividends are only paid (and voting rights only attach) to shares issued on vesting (in the case of DSRs) or exercise (in the case of Options).

The DSRs and Options granted under the Company's incentive plans are not transferable without the consent of the Board. Holders are prohibited from entering into hedging arrangements in respect of the unvested DSRs and Options.

Further information about the Company's incentive plans and policies, their objectives and structure as well as the performance hurdles that apply to awards under them are set out in the Remuneration Report.

Other information relating to the potential grants of DSRs and Options

In accordance with ASX Listing Rules 10.14 and 10.15, the following additional information is provided for shareholders:

- No Director has received DSRs or Options under the Company's equity incentive plan to date, and
- No loan will be provided by the Company in relation to the grant or exercise of the Options proposed to be provided to Ms Caesar.

No consideration is payable on the grant of these DSRs and Options to Ms Caesar.

Recommendation

The Board, with Ms Caesar abstaining, unanimously recommends shareholders vote in favour of the grant of Deferred Share Rights, to the value of \$280,500, and Options, to the value of \$550,000, under the Company's equity incentive plan to Ms Caesar.

¹ To satisfy Listing Rule 10.14, the Company confirms that the securities will be issued within 12 months of the date of the 2015 AGM or any adjournment of it.

Appendix: Summary of Remuneration Report

Following Veda's listing as a public company, in last year's Remuneration Report, Directors indicated the changes they planned to make in FY15 to Veda's executive remuneration. Those changes were designed to align the interests of shareholders and executives in a publicly listed environment.

In the past year, Directors have reviewed investor feedback in relation to remuneration. The Board also noted positively the 99.94 per cent vote of support for the Remuneration Report received from investors at last year's Annual General Meeting. The Board also considered recent legislative changes and an internal review of benchmarked remuneration data for companies of relatively similar size and those in similar sectors.

As a result of that review, Directors have concluded that Veda's remuneration approach and structure remain appropriate. More specifically, the key features of that structure are as follows:

Fixed Remuneration

- Takes into account the size and complexity of an employee's role and the skills required to succeed in such a position
- Should reflect the median of benchmark companies of a similar size and/or in related industries, with benchmark data this year being sourced from Annual Reports and the Hay Group.

Short-Term Incentives (STI)

- STI is designed to drive superior performance, attract staff to Veda and act as a strong retention mechanism
- Key features of the STI approach are as follows:
 - Potential payments for all members of the Senior Leadership Team (SLT) are related to corporate performance as determined by revenue, EBITDA, NPAT and cash flow from operations and investment, all measures that are designed to drive returns to shareholders. The use of the same metric for all SLT members fosters strong cross-selling opportunities and the optimal allocation of resources
 - 30 per cent of At Target STI for SLT is deferred and invested in Deferred Share Rights (DSRs). DSRs vest in equal tranches over three years, thereby encouraging a longer-term view
 - The cash component of the STI can accelerate by up to 175 per cent, thereby encouraging superior performance.

Long-Term Incentives (LTI)

- LTI aims to align the interests of staff and shareholders over the long term and to encourage senior staff to take value accreting initiatives to drive total return to shareholders
- Key features of the LTI approach are as follows:
 - Allocation is made in the form of options, which are allocated on a fair value basis
 - Options are subject to the performance hurdle of TSR relative to the ASX 200 group of companies as comprised at the date of grant. The Company's total TSR has to be at or above the 50th percentile before any options vest and at or above the 75th percentile of the ASX 200 for 100 per cent to vest
 - Relative TSR is measured at the end of the third and fourth year, with there being no retesting
 - Vested options may be exercised on payment of the exercise price, which is the weighted average market price of Veda shares traded on ASX in the 30 trading days prior to the date of grant
 - Employees cannot enter into any arrangement which limits the economic risk of any securities
 - LTI (and deferred STI) is subject to malus and clawback.

Veda has delivered strong financial results in FY15. Revenue increased by 12.2 per cent; EBITDA by 12 per cent and NPAT by 13.8 per cent versus 2014 pro forma results. Veda's cash performance was also strong. Veda's TSR for the past year was 14 per cent, versus 5.7 per cent for the All Ords.

Directors consider that Veda's remuneration outcomes for executives were aligned with this performance:

- Fixed remuneration was paid in accordance with stated intentions
- The STI outcome for SLT was 105 per cent
- LTI has been allocated at 100 per cent for all ongoing members of the SLT.

For FY16, only minor adjustments will be made to Veda's remuneration arrangements. They are as follows:

- Fixed remuneration will be increased for SLT to more closely align them with benchmark
- An STI increase will be made for one member of the SLT (from 65 to 70 per cent for Mr Courtright)
- An LTI adjustment will be made for the CEO and CFO (from 50 to 60 per cent of fixed remuneration for the CEO; and from 30 to 40 per cent for the CFO).

In addition, the following changes will be made:

- The weightings of the STI performance measures will be changed, with NPAT increasing by 10 per cent to 35 per cent, with 5 per cent being taken from each of the other two measures
- The vesting period for options has been increased from 7 to 10 years following recent government reforms.

In overseeing remuneration policy and outcomes, Veda's Non-Executive Directors have exercised effective governance. They have a deep understanding of remuneration practice and manage conflicts of interest assiduously.

Directors recommend that Shareholders consider and support this year's Remuneration Report. Shareholders are urged to read the entire report in detail.

Meeting Venue: Museum of Sydney

Corner of Phillip and Bridge Streets, Sydney NSW 2000



Public Transport, Parking and Accessibility Information

BUS

The nearest bus stop is on Phillip Street near Bridge Street, from which it is a two minute walk to the Museum. For information about bus routes and timetables, please call 131 500 or go to www.transportnsw.info

TRAIN

The nearest train station is Circular Quay. For information about trains, please call 131 500 or go to www.transportnsw.info

PARKING

Parking is available at Governor Phillip Tower. Entry is via Young and Phillip Streets.

ACCESSIBILITY

There is level entry into the Museum from the street and forecourt (and lift access to all floors).

LODGE YOUR VOTE



ONLINE

www.linkmarketservices.com.au



BY MAIL

Veda Group 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



ALL ENQUIRIES TO

Telephone: +61 1800 628 703 (free call within Australia)

PROXY FORM

I/We being a member(s) of Veda Group 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 **10:30am (AEDT) on Wednesday, 28 October 2015 at the Museum of Sydney, Corner of Phillip and Bridge Streets, Sydney NSW 2000** (the Meeting) and at any postponement or adjournment of the Meeting.

Important for Items 2 and 6: 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 Items 2 and 6, even though the Items 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 ☒.

Items

For Against Abstain*

For Against Abstain*

2 Remuneration Report

☐ ☐ ☐

6 Equity Grants to Nerida Caesar

☐ ☐ ☐

3 Election of Steven Sargent

☐ ☐ ☐

4 Re-Election of Bruce Beeren

☐ ☐ ☐

5 Re-Election of Peter Shergold AC

☐ ☐ ☐


* 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)

Joint Shareholder 2 (Individual)

Joint Shareholder 3 (Individual)

Sole Director and Sole Company Secretary

Director/Company Secretary (Delete one)

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).

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 Items 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.

LODGEMENT OF A PROXY FORM

This Proxy Form (and any Power of Attorney under which it is signed) must be received at an address given below by **10:30am (AEDT) on Monday, 26 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).



BY MOBILE DEVICE

Our voting website is designed specifically for voting online. You can now lodge your proxy by scanning the QR code adjacent or enter the voting link www.linkmarketservices.com.au into your mobile device. Log in using the Holder Identifier and postcode for your shareholding.

QR Code



To scan the code you will need a QR code reader application which can be downloaded for free on your mobile device.



BY MAIL

Veda Group Limited
C/- Link Market Services Limited
Locked Bag A14
Sydney South NSW 1235
Australia



BY FAX

+61 2 9287 0309



BY HAND

delivering it to Link Market Services Limited*
1A Homebush Bay Drive
Rhodes NSW 2138

* During business hours (Monday to Friday, 9:00am–5:00pm)

**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.**