

CLARIUS GROUP LIMITED

ABN 43 002 724 334

NOTICE OF ANNUAL GENERAL MEETING

to be held at 10:00am on
Tuesday 22 November 2016 at
The Portside Centre
Level 5, 207 Kent Street
Sydney, NSW 2000

Shareholders who have elected not to receive a printed copy of the Company's 2016 Annual Report may obtain a copy from the Company's website www.clarius.com.au under "Investors".

Clarius Group Limited

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Notice is hereby given that the Annual General Meeting ("the Meeting") of Clarius Group Limited ("the Company") will be held at 10:00am on Tuesday 22 November 2016 at The Portside Centre, Level 5, 207 Kent Street, Sydney, NSW 2000.

ORDINARY BUSINESS

Consideration of Financial Report

To consider the Financial Report and the reports of the Directors and Auditors for the year ended 30 June 2016.

Neither the Corporations Act 2001 nor the Company's Constitution requires a vote of shareholders on the reports or statements. However, shareholders will be given the opportunity to ask questions or make comments on the reports and statements at the meeting.

Resolution 1 Adoption of Remuneration Report

To consider and, if thought fit, pass the following non-binding resolution:

"That the Remuneration Report required by section 300A of the Corporations Act, as contained in the Directors' Report of the Company for the year ended 30 June 2016, be adopted, details of which are set out in the explanatory notes to resolution 1 in the notice of meeting."

- *This resolution is advisory only and does not bind the Company or the directors.*
- *When reviewing the Company's remuneration policies the directors will consider the outcome of the vote and comments made by shareholders on the remuneration report at the meeting.*
- *If 25% or more of votes that are cast are voted 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 (a "spill resolution") that another meeting be held within 90 days at which all of the Company's directors (other than the Managing Director / CEO) must stand for re-election.*

Resolution 2 Election of Ms Gabrielle Trainor as a Director

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

"That Ms Gabrielle Trainor, who was appointed a Director of the Company during the year, retires in accordance with the Constitution and, being eligible, offers herself for election, be elected as a Director of the Company, details of which are set out in the explanatory notes to resolution 2 in the notice of meeting."

Resolution 3 Re-election of Ms Jennifer Elliott as a Director

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

"That Ms Jennifer Elliott, being a Director of the Company, retires by rotation in accordance with the Constitution and, being eligible, offers herself for re-election, be re-elected as a Director of the Company, details of which are set out in the explanatory notes to resolution 3 in the notice of meeting."

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Resolution 4 Approval to Exempt from Listing Rule 7.1 Options Issued Under the Equity Incentive Plan in Accordance with Exception 9 of Listing Rule 7.2

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

"That, pursuant to and in accordance with Listing Rule 7.2, Exception 9 and for all other purposes, shareholders approve the issue of securities under the Equity Incentive Plan for employees and Directors, the rules of which are set out in the explanatory notes to resolution 4 in the notice of meeting, as an exception to Listing Rule 7.1."

BY ORDER OF THE BOARD

A handwritten signature in dark ink, appearing to read 'A Watt', is positioned above the printed name of the Company Secretary.

A Watt
Company Secretary

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VOTING EXCLUSION

In accordance with the Corporations Act 2001, the Company makes the following statement:

The Company will disregard any votes cast on:

Resolution 1: Adoption of Remuneration Report:

By:

- a) A member of the Key Management Personnel, details of whose remuneration are included in the Remuneration Report; or
- b) A closely related party of such a member.

However, a person described above may cast a vote on the resolution if:

- The person does so as a proxy for a person who is permitted to vote, in accordance with a direction on the Proxy Form to vote as the proxy decides;
- The vote is not cast on behalf of a person described in subparagraphs (a) or (b) above; and
- The vote is cast by the Chairman, as the nominated proxy for a person who is permitted to vote, with express authorisation given to the Chair to exercise the proxy even if the resolution is connected directly or indirectly with remuneration of a member of the key management personnel of the Company.

Resolution 4: Approval to Exempt from Listing Rule 7.1 Options Issued Under the Equity Incentive Plan in Accordance with Exception 9 of Listing Rule 7.2:

By:

A Director of the Company and any person who is an Associate of a Director of the Company.

However, a person described above may cast a vote on the resolution if:

- The person does so as a proxy for a person who is permitted to vote, in accordance with a direction on the Proxy Form to vote as the proxy decides; and
- The vote is cast by the Chairman, as the nominated proxy for a person who is permitted to vote, in accordance with a direction on the Proxy Form to vote as the proxy decides.

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EXPLANATORY NOTES

This Explanatory Memorandum has been prepared for the shareholders of Clarius Group Limited to provide information about the items of business to be considered at the Annual General Meeting of shareholders to be held on Tuesday 22 November 2016. Shareholders are encouraged to read this document in full.

With the exception of Resolution 1, all of the resolutions to be voted on are ordinary resolutions. An ordinary resolution requires a simple majority of votes cast by shareholders entitled to vote on the resolution in order for it to be carried.

If appropriate and if time permits, the Chairman will discuss significant issues raised by shareholders prior to the Meeting and will invite questions and comments from shareholders on these key issues and any other appropriate and relevant matters that shareholders would like to raise at the Meeting.

In addition, a reasonable opportunity will be given to members present at the Meeting to ask the Company's auditor, Deloitte Touche Tohmatsu, 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. If you would like to submit a written question to Deloitte Touche Tohmatsu before the Meeting on any of the foregoing matters, please send your question to the Company Secretary, Andy Watt, at awatt@clarius.com.au before 14 November 2016.

If you have a more general issue or question that you would like discussed at the Meeting, please write to the Company Secretary at the above address.

How will the Chairman vote as proxy if the Shareholder has not directed the Chairman to vote?

The Chairman intends to vote in favour of all Resolutions. If a Shareholder appoints the Chairman of the Annual General Meeting as proxy and does not direct the Chairman how to vote on a Resolution then, if that Shareholder is entitled to vote on that Resolution, the Chairman will vote in favour of that Resolution.

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Resolution 1 - Adoption of the Remuneration Report

Consistent with section 250R of the Corporations Act, the Company submits to shareholders for consideration and adoption, by way of a non-binding resolution, its Remuneration Report for the year ended 30 June 2016.

The Remuneration Report is a distinct section of the annual Directors' Report which deals with the remuneration of Directors and executives (which includes senior management) of the Company. The Remuneration Report can be located in the Company's Annual Report on pages 10-16. The annual report is available online at www.clarius.com.au under the Investor & Media section.

The resolution is advisory only and does not bind the Company or its directors. However, the Board will consider the outcome of the vote and comments made by shareholders at the meeting on the remuneration report 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 AGMs, shareholders will be required to vote at the second of those AGMs on a resolution (a "spill resolution") that another meeting be held within 90 days at which all of the Company's directors (other than the Managing Director / CEO) must stand for re-election. The Company encourages all shareholders to vote on Resolution 1 (Adoption of Remuneration Report).

The Chairman intends to exercise all undirected proxies in favour of Resolution 1. If the Chairman of the meeting is appointed as your proxy and you have not directed the Chairman how to vote on Resolution 1 by signing and returning the Proxy Form, the Shareholder is considered to have provided an express authorisation for the Chairman to vote the proxy in accordance with the Chairman's intention.

Resolution 2 – Election of Ms Gabrielle Trainor as a Director

Pursuant to the Clause 6.3(e)(i) of the Constitution and the ASX Listing Rules, Ms Gabrielle Trainor will retire and seeks election.

Ms Trainor was appointed to the Board as a Non-Executive Director on 1 December 2015.

Ms Trainor's experience covers over twenty years on boards in the public and private sectors ranging from infrastructure, urban development, public transport, tourism, construction and mining contracting, hospitality, sports, arts and culture, indigenous advancement and welfare.

Ms Trainor is a member of the board of One Path General and One Path Life Insurance (subsidiaries of ANZ Banking Group), Infrastructure Australia and the Barangaroo Delivery Authority. Her other appointments include as a member of the Central Sydney Planning Committee, a member of the Board of Trustees of Western Sydney University, a Director of Business Events Sydney and agenda-setting indigenous organisation, Cape York Partnership. She is a Commissioner of the AFL and she chairs Barnardos Australia. She holds a Bachelor of Law (Melb.), an M.A. (WSU), and she is a Fellow of the Australian Institute of Company Directors.

Ms Trainor is a member of the Board Audit, Risk and Compliance Committee and a member of the Board Remuneration and Nomination Committee.

The Board supports the election of Ms Trainor.

Resolution 3 – Re-election of Ms Jennifer Elliott as a Director

Pursuant to the Clause 6.3(e)(ii) of the Constitution and the ASX Listing Rules, Ms Jennifer Elliott will retire by rotation and seeks re-election.

Ms Elliott has extensive experience in high-level executive roles in financial services, with a particular focus on strategic planning, business relationships, joint ventures in Asia and global human resources. Ms Elliott has previously held the roles of Regional Managing Director, Head of Moody's Asia Pacific and Chief Human Resources Officer, Moody's Corporation. Ms Elliott holds an MA, Asian Business Studies – School of Oriental and Asian Studies, London University and a BA (Hons), LLB (Hons) – University of Sydney.

Ms Elliott is a Public Member of the Australian Press Council, a Non-Executive Director of Melanoma Institute Australia and a volunteer ethics teacher with Primary Ethics.

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Ms Elliott is Chairman of the Board Audit, Risk and Compliance Committee and a member of the Board Remuneration and Nomination Committee.

The Board supports the re-election of Ms Elliott.

Resolution 4 – Approval to Exempt from Listing Rule 7.1 Options Issued Under the Equity Incentive Plan in Accordance with Exception 9 of Listing Rule 7.2:

ASX Listing Rule 7.1 prohibits a listed company from issuing or agreeing to issue new securities representing more than 15% of its total ordinary shares during the following 12 month period without shareholder approval.

Exception 9, Listing Rule 7.2, provides that securities issued under an employee incentive scheme (e.g. the Equity Incentive Plan) are excluded from this restriction provided that, within three years before the date of issue, the scheme and specifically issues of securities under it has been approved by shareholders in general meeting.

The Company seeks to have securities issued under the current Equity Incentive Plan (“EIP”) excluded from the 15% limit.

This exception allows the Board flexibility to issue further ordinary shares (or options) up to the full 15% limit and without regard to shares (or options) issued under a properly exempted plan, but remains subject to other exceptions to the limit, such as bonus or rights issues.

Provided that the Company’s shareholders approve this Resolution 4, any shares or options issued under the EIP for three years after the 2016 Annual General Meeting (i.e. to 22 November 2019), will be outside the 15% restriction contained in Rule 7.1.

From time to time the Board examines businesses and companies that may be acquired, at the time of preparing this document, the Board has no plans to issue ordinary shares. Shareholder approval to Resolution 4 will simply give the Board the flexibility afforded by the exception to the 15% rule available under the ASX Listing Rules. The Board can then use this flexibility and use up to 15% of the issued capital excluding options issued under the EIP for future capital raising or to fund acquisitions.

If Resolution 4 is not passed, the Board will continue to use the EIP however securities issued under this plan will count towards the 15% restriction.

Summary of the terms of the Clarius Group Limited EIP:

The following is a summary of the principal features of the EIP. For full details of the operation of the EIP, shareholders should read the Rules of the EIP. Copies of the Rules of the EIP are available upon request to the Company Secretary. Words beginning with capital letters as set out in the following summary are defined terms in the Rules of the EIP.

Equity Incentive Plan

The EIP is an amended version of the Employee Share Option Plan (“ESOP”) which first came into existence prior to the Company becoming listed. A summary of the ESOP terms was contained in the prospectus issued by the Company on 19 November 1996. The ESOP was primarily introduced as a performance incentive to executives and senior staff. The Board resolved to approve the amended EIP on 21 June 2016.

Previous Issue of Options

The Company plans to periodically issue Options or Performance Rights to Eligible Employees under the EIP. A previous resolution was passed at the 2009 AGM to exempt from Listing Rule 7.1 options issued under the ESOP in accordance with Exception 9 of Listing Rule 7.2. No securities were issued pursuant to the ESOP since the resolution was passed. No Options or Performance Rights have been issued pursuant to the EIP since its adoption by the Board in June 2016.

Principal Features of the EIP

- a) The Company may issue a Plan Invitation to Eligible Employees. A Plan Invitation is subject to such restrictions and conditions as the Board determines in its absolute discretion, but such restrictions and conditions must be in accordance with any applicable requirements of the official listing rules of the ASX and the Corporations Act.

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- b) Pursuant to the Plan, the Board may determine to invite Eligible Employees to apply for either or a combination of Options or Performance Rights.
- c) An Eligible Employee may accept an invitation by completing a Plan Application by the closing application date. The Company shall then grant the number of Awards specified in the relevant Plan Invitations to those Eligible Employees.
- d) A Performance Right is a right to acquire one Share on the terms of the Invitation and the Rules, and subject to set Performance Criteria being satisfied. An Option is a right to acquire one Share on the terms of the Invitation and the Rules, and subject to the payment of the Exercise Price and set Performance Criteria being satisfied. Performance Rights and Options lapse upon the occurrence of certain events including:

- if they have not vested by the Expiry Date;
- if the Eligible Employee ceases to be employed by the Group for any reason other than death, or if they are deemed to be an Eligible Ex-Employee;
- if the Eligible Employee purports to dispose of, or grant any Security Interest over, a Performance Right/ Option other than the transmission of a Performance Right/ Option to their legal representative upon death or legal incapacity;
- if the Eligible Employee hedges the value of, or enters into a derivative arrangement in respect of their Performance Rights/ Options;
- if, in the opinion of the Board, the Eligible Employee has acted fraudulently or dishonestly, engaged in gross misconduct or made a material mis-statement on behalf of any Group Company; or
- if, in the opinion of the Board, the Eligible Employee is in material breach of their obligations to the Group, including the failure to comply with a Company policy that they are required to comply with.

- e) For Performance Rights, once the Performance Criteria are satisfied, the Eligible Employee will be given the opportunity to exercise their Performance Rights at any time prior to the Expiry Date, at which time the Performance Rights will vest.

Upon vesting, the Eligible Employee will be entitled to receive, at the election of the Company, either:

- one Share for each vested Performance Right; or
- for each Performance Right a cash amount equal for each Performance Right equal to the Market Value of one Share calculated on the date the Performance Criteria applicable to the Performance Right were applied and satisfied or waived.

- f) For Options, once the Performance Criteria are satisfied, the Eligible Employee will be given the opportunity to exercise their Options.

Upon exercise and payment of the Exercise Price, the Eligible Employee will be entitled to receive, at the election of the Company, either:

- one Share for each Vested Option; or
- for each Vested Option a cash amount equal to the Market Value of one Share calculated on the date the Performance Criteria applicable to the Vested Option were applied and satisfied or waived.

- g) The Board will administer the Plan subject to the Rules.

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NOTES

1. A member entitled to attend and vote at the Meeting is entitled to appoint a proxy to attend and vote on the member's behalf. If the member is entitled to cast two or more votes at the Meeting, the member may appoint not more than two proxies to attend and vote on the member's behalf.
2. If a member appoints two proxies, each proxy should be appointed to represent a specified proportion or number of the member's votes. In the absence of such a specification, each proxy will be entitled to exercise half the votes.
3. A proxy need not be a member of the Company.
4. To appoint a proxy (or two proxies), a proxy form must be signed by the member or the member's attorney duly authorised in writing. If the member is a corporation, the proxy form must be signed either under the corporation's common seal (if any) or under the hand of its attorney or officer duly authorised.
5. To be effective, a proxy form (and, if it is signed by an attorney, the authority under which it is signed or a certified copy of the authority) must be received by the Company not later than 48 hours prior to the Meeting. Proxy forms and authorities may be sent to the Company by post, personal delivery or fax:

Computershare Investor Services Pty Limited

Street address: Level 4, 60 Carrington Street, Sydney NSW 2000

Mailing address: GPO Box 242, Melbourne VIC 3001

Fax: (within Australia) 1800 783 447

(outside Australia) +61 3 9473 2555

Web: www.investorvote.com.au and follow the instruction provided

provided that members who forward their proxy forms by fax are required to make available the original executed form of the proxy for production, if called upon so to do at the Meeting.

For custodians – who are subscribers of Intermediary Online, please submit your votes electronically via www.intermediaryonline.com

6. A corporate shareholder entitled to attend and vote at the meeting may appoint a body corporate representative to attend and vote for the shareholder. Also, as noted previously, a body corporate may be appointed as a proxy.

Clarius Group Limited will accept the original appointment, a certified copy of the appointment or a certificate from the company giving notice of the appointment as satisfactory evidence of the appointment.

You can lodge your body corporate representative appointment document before the AGM or present the document at the registration desk at the Meeting.

7. For the purposes of the Annual General Meeting, persons on the register of members as at 7:00pm on Friday, 18 November 2016 will be treated as members. This means that if you are not the registered holder of a relevant share at that time you will not be entitled to vote in respect of that share.



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Lodge your vote:



Online:
www.investorvote.com.au



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

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

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

For all enquiries call:
(within Australia) 1300 850 505
(outside Australia) +61 3 9415 4000

Proxy Form

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Vote and view the annual report online

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

Your access information that you will need to vote:

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

For your vote to be effective it must be received by 10:00am (AEDT) on Sunday, 20 November 2016

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.

Attending the Meeting

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

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

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

☐

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.

Proxy Form

Please mark ☒ to indicate your directions

STEP 1 Appoint a Proxy to Vote on Your Behalf

I/We being a member/s of Clarius Group 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 Clarius Group Limited to be held at The Portside Centre, Level 5, 207 Kent Street, Sydney NSW 2000 on Tuesday, 22 November 2016 at 10:00am (AEDT) 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 Item 1 (except where I/we have indicated a different voting intention below) even though Item 1 is 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 Item 1 by marking the appropriate box in step 2 below.

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
Resolution 1	Adoption of Remuneration Report	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Resolution 2	Election of Ms Gabrielle Trainor as a Director	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Resolution 3	Re-election of Ms Jennifer Elliott as a Director	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Resolution 4	Approval to Exempt from Listing Rule 7.1 Options Issued Under the Equity Incentive Plan in Accordance with Exception 9 of Listing Rule 7.2	<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.

SIGN

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

Individual or Securityholder 1

Sole Director and Sole Company Secretary

Securityholder 2

Director

Securityholder 3

Director/Company Secretary

Contact
Name

Contact
Daytime
Telephone

Date

____/____/____