



14 October 2016

Dear Shareholder,

RE: Invitation to attend SRG's FY16 Annual General Meeting and Notice of Meeting

I am pleased to invite you to SRG's FY16 Annual General Meeting which will be held in the River Room at the Royal Perth Yacht Club on the 16th of November at 10:30am.

We made significant progress in FY16 implementing our strategic objectives of securing profitable growth, executing on our projects in a disciplined manner, building brand recognition and positioning SRG for international growth.

These efforts have seen us grow our Net Profit Before Tax by 53% on FY15, and declare a final fully franked dividend of 4 cents per share, bringing our full year fully franked dividend to 6 cents per share. In FY16, our share price increased 61%, and in the FY17 period to date, we have recorded a further 70% increase. The combination of these metrics has enabled SRG to deliver the best returns to shareholders for many years.

Whilst the FY16 result and improved shareholder returns are solid, I feel that we are at the start of our journey. We are progressing through the Development phase of our strategy and are positioning the Company to move towards the Market Leadership phase, both of which are summarised in our recent investor presentations.

To this end, it is important we retain the leadership team that has been pivotal to the successful inception and implementation of the SRG transformation strategy. At the AGM, we will be voting for further Performance Rights to be awarded to David Macgeorge, Managing Director in the financial years of FY19, FY20 and FY21. In order for all the Performance Rights to vest, significant EPS hurdles must be achieved before they can vest and for David to remain in the company.

We will also be voting on re-electing Robert Freedman. Bob's in depth knowledge of the Company's history and capability has proven to be invaluable as we continue to build on our strong track record.

Finally, we are taking the opportunity to refresh our SRG Option and Performance Rights Incentive Plans which reflect the changes in the law and ASIC policy since the implementation of the prior plans.

I look forward to welcoming you at the AGM on the 16th of November 2016. Please RSVP to alex.strudwick@srglimited.com.au should you be able to attend and in the meantime, would encourage shareholders to vote to adopt the resolutions outlined in the attached Notice of Meeting.

Yours sincerely,



Peter McMorro
Chairman

PERTH
Level 1, 338 Barker Rd
Subiaco WA 6008

SYDNEY
S3/L1, 75 Carnarvon St
Silverwater NSW 2128

BRISBANE
1/12 Commerce Cct
Yatala QLD 4207

MELBOURNE
112 Munro St
Sth Melbourne VIC 3205

MIDDLE EAST
Office M-03, Bu Shaqar Building
Garhoud, Dubai, UAE

HONG KONG
Office 606, 6/F, Shun Feng International Centre
182 Queen's Road East, Wan Chai, Hong Kong

CALL
1300 775 477
+61 8 9267 5400

**MAKING
THE
COMPLEX
SIMPLE**



SRG Limited
ABN 57 006 413 574

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

Lodge your vote:



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www.investorvote.com.au



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

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(outside Australia) +61 3 9473 2555

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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:

Control Number: 999999

SRN/HIN: I9999999999 PIN: 99999

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



For your vote to be effective it must be received by 10:30am (WST) Monday, 14 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 →**

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

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I/We being a member/s of SRG 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 SRG Limited to be held at the River Room, Royal Perth Yacht Club, Australia II Drive, Crawley, Western Australia on Wednesday, 16 November 2016 at 10:30am (WST) 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 - 4 (except where I/we have indicated a different voting intention below) even though Resolutions 1 - 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 - 4 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	Approval for the Company to issue Performance Rights to Mr David Macgeorge under the SRG Incentive Performance Rights Plan	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Resolution 3	Enable the issue of Options under an Employee Incentive Scheme	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Resolution 4	Enable the issue of Performance Rights under an Employee Incentive Scheme	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Resolution 5	Re-election of Director – Mr Robert Freedman	<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 / /

SRG

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Computershare +



SRG LIMITED

ACN 006 413 574

NOTICE OF ANNUAL GENERAL MEETING

Notice is given that the Meeting will be held at:

TIME: 10:30am (WST)

DATE: 16 November 2016

PLACE: River Room, Royal Perth Yacht Club
Australia II Drive, Crawley, Western Australia

The business of the Meeting affects your shareholding and your vote is important.

This Notice of Meeting should be read in its entirety. If Shareholders are in doubt as to how they should vote, they should seek advice from their professional advisers prior to voting.

The Directors have determined pursuant to Regulation 7.11.37 of the Corporations Regulations 2001 (Cth) that the persons eligible to vote at the Meeting are those who are registered Shareholders at 4:00pm (WST) on 14 November 2016.

BUSINESS OF THE MEETING

AGENDA

1. FINANCIAL STATEMENTS AND REPORTS

To receive and consider the annual financial report of the Company for the financial year ended 30 June 2016 together with the declaration of the directors, the director's report, the Remuneration Report and the auditor's report.

2. RESOLUTION 1 – ADOPTION OF REMUNERATION REPORT

To consider and, if thought fit, to pass, with or without amendment, the following resolution as a **non-binding resolution**:

"That, for the purposes of section 250R(2) of the Corporations Act and for all other purposes, approval is given for the adoption of the Remuneration Report as contained in the Company's annual financial report for the financial year ended 30 June 2016."

Note: the vote on this Resolution is advisory only and does not bind the Directors or the Company.

Voting Prohibition Statement:

A vote on this Resolution must not be cast (in any capacity) by or on behalf of either of the following persons:

- (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 (the **voter**) described above may cast a vote on this Resolution as a proxy if the vote is not cast on behalf of a person described above and either:

- (a) the voter is appointed as a proxy by writing that specifies the way the proxy is to vote on this Resolution; or
- (b) the voter is the Chair and the appointment of the Chair as proxy:
 - (i) does not specify the way the proxy is to vote on this Resolution; and
 - (ii) expressly authorises the Chair to exercise the proxy even though this Resolution is connected directly or indirectly with the remuneration of a member of the Key Management Personnel.

3. RESOLUTION 2 – APPROVAL FOR THE COMPANY TO ISSUE PERFORMANCE RIGHTS TO MR DAVID MACGEORGE UNDER THE SRG INCENTIVE PERFORMANCE RIGHTS PLAN

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

"That for the purposes of ASX Listing Rule 10.14, sections 200B and 200E of the Corporations Act and for all other purposes, Shareholders approve the issue of 2,050,000 Performance Rights to the Company's Managing Director, Mr David Macgeorge (and/or his nominee) under the SRG Incentive Performance Rights Plan on the terms and conditions set out in the Explanatory Statement."

Voting exclusion: The Company will disregard any votes cast on this resolution by any Director (except a Director who is ineligible to participate in the SRG Incentive Performance Rights Plan) and their associates. However, the Company need not disregard a vote if it is cast by a person as a proxy for a person who is entitled to vote, in accordance with the directions on the Proxy Form or it is cast by the person chairing the meeting as proxy for a person who is

entitled to vote, in accordance with a direction on the Proxy Form to vote as the proxy decides.

Voting Prohibition Statement:

A person appointed as a proxy must not vote, on the basis of that appointment, on this Resolution if:

- (a) the proxy is either:
 - (i) a member of the Key Management Personnel; or
 - (ii) a Closely Related Party of such a member; and
- (b) the appointment does not specify the way the proxy is to vote on this Resolution.

However, the above prohibition does not apply if:

- (a) the proxy is the Chair; and
- (b) the appointment expressly authorises the Chair to exercise the proxy even though this Resolution is connected directly or indirectly with remuneration of a member of the Key Management Personnel.

4. RESOLUTION 3 – ENABLE THE ISSUE OF OPTIONS UNDER AN EMPLOYEE INCENTIVE SCHEME

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

"That, for the purposes of ASX Listing Rule 7.2 (Exception 9(b)), sections 200B and 200E of the Corporations Act and for all other purposes, approval is given to enable the Company to issue Options under the employee incentive scheme titled "SRG Incentive Option Plan" on the terms and conditions set out in the Explanatory Statement."

Voting Exclusion: The Company will disregard any votes cast on this Resolution by any Director, other than any Directors who are ineligible to participate in any employee incentive scheme in relation to the Company, and any associates of those Directors. However, the Company need not disregard a vote if it is cast by a person as a proxy for a person who is entitled to vote, in accordance with the directions on the Proxy Form, or, it is cast by the person chairing the meeting as proxy for a person who is entitled to vote, in accordance with a direction on the Proxy Form to vote as the proxy decides.

Voting Prohibition Statement:

A person appointed as a proxy must not vote, on the basis of that appointment, on this Resolution if:

- (a) the proxy is either:
 - (i) a member of the Key Management Personnel; or
 - (ii) a Closely Related Party of such a member; and
- (b) the appointment does not specify the way the proxy is to vote on this Resolution.

However, the above prohibition does not apply if:

- (a) the proxy is the Chair; and
- (b) the appointment expressly authorises the Chair to exercise the proxy even though this Resolution is connected directly or indirectly with remuneration of a member of the Key Management Personnel.

5. RESOLUTION 4 – ENABLE THE ISSUE OF PERFORMANCE RIGHTS UNDER AN EMPLOYEE INCENTIVE SCHEME

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

"That, for the purpose of ASX Listing Rule 7.2 (Exception 9(b)), sections 200B and 200E of the Corporations Act and for all other purposes, approval is given to enable the Company to issue Performance Rights under the employee incentive scheme titled "SRG Incentive Performance Rights Plan" on the terms and conditions set out in the Explanatory Statement."

Voting Exclusion: The Company will disregard any votes cast on this Resolution by any Director, other than any Directors who are ineligible to participate in any employee incentive scheme in relation to the Company, and any associates of those Directors. However, the Company need not disregard a vote if it is cast by a person as a proxy for a person who is entitled to vote, in accordance with the directions on the Proxy Form or it is cast by the person chairing the meeting as proxy for a person who is entitled to vote, in accordance with a direction on the Proxy Form to vote as the proxy decides.

Voting Prohibition Statement:

A person appointed as a proxy must not vote, on the basis of that appointment, on this Resolution if:

- (a) the proxy is either:
 - (i) a member of the Key Management Personnel; or
 - (ii) a Closely Related Party of such a member; and
 - (b) the appointment does not specify the way the proxy is to vote on this Resolution.
- However, the above prohibition does not apply if:
- (a) the proxy is the Chair; and
 - (b) the appointment expressly authorises the Chair to exercise the proxy even though this Resolution is connected directly or indirectly with remuneration of a member of the Key Management Personnel.

6. RESOLUTION 5 – RE-ELECTION OF DIRECTOR – MR ROBERT FREEDMAN

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

“That, for the purpose of clause 13.3(a) of the Constitution, ASX Listing Rule 14.4 and for all other purposes, Mr Robert Freedman, a Director, retires by rotation, and being eligible, is re-elected as a Director.”

Dated: 10 October 2016

By order of the Board

Roger Lee
Company Secretary

HOW TO VOTE

Voting in person

A Shareholder that is an individual may attend and vote in person at the Meeting. If you wish to attend the Meeting, please bring the enclosed Proxy Form to the Meeting to assist in registering your attendance and number of votes. Please arrive 20 minutes prior to the start of the Meeting to facilitate this registration process.

Voting by corporate representative

A Shareholder that is a corporation may appoint an individual to act as its representative to vote at the Meeting in accordance with section 250D of the Corporations Act. The representative should bring to the Meeting evidence of his or her appointment, including any authority under which the appointment is signed. The appropriate “Appointment of Corporate Representative” form should be completed and produced prior to admission to the Meeting. This form may be obtained from the Company’s share registry.

Voting by proxy

If you do not wish to attend the Meeting, you may appoint a proxy to attend and vote on your behalf. A body corporate may also appoint a proxy. A proxy need not be a Shareholder. If a representative of a corporate proxy is to attend the Meeting, you must ensure that the appointment of the representative is in accordance with section 250D of the Corporations Act. The corporate representative should bring to the Meeting evidence of his or her appointment, including any authority under which the appointment is signed. A form of the certificate may be obtained from the Company's share registry.

You are entitled to appoint up to 2 proxies to attend the Meeting and vote on your behalf and may specify the proportion or number of votes that each proxy is entitled to exercise. If you do not specify the proportion or number of votes that each proxy is entitled to exercise, each proxy may exercise half of the votes. 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 the enclosed proxy form. To appoint a second proxy, you must follow the instructions on the proxy form.

Sections 250BB and 250BC of the Corporations Act took effect on 1 August 2011 and apply to voting by proxy. Shareholders and their proxies should be aware of these changes to the Corporations Act, as they will apply to this Meeting. Broadly, the changes mean that:

- if proxy holders vote, they must cast all directed proxies as directed; and
- any directed proxies which are not voted will automatically default to the Chair, who must vote the proxies as directed.

If the proxy has two or more appointments that specify different ways to vote on a Resolution, the proxy must not vote on that Resolution on a show of hands.

To be valid, your proxy form (and any power of attorney under which it is signed) must be received at an address given below by **10:30am (WST) on 14 November 2016**. Any proxy form received after that time will not be valid for the scheduled meeting.

Online At www.investorvote.com.au

By mail Share Registry – Computershare Investor Services Pty Limited, GPO Box 242, Melbourne Victoria 3001, Australia

By fax 1800 783 447 (within Australia)
+61 3 9473 2555 (outside Australia)

By mobile Scan the QR Code on your proxy form and follow the prompts

Custodian voting For Intermediary Online subscribers only (custodians) please visit www.intermediaryonline.com to submit your voting intentions

Should you wish to discuss the matters in this Notice of Meeting please do not hesitate to contact the Company Secretary on +61 8 9267 5400.

EXPLANATORY STATEMENT

This Explanatory Statement has been prepared to provide information which the Directors believe to be material to Shareholders in deciding whether or not to pass the Resolutions.

1. FINANCIAL STATEMENTS AND REPORTS

In accordance with the Constitution, the business of the Meeting will include receipt and consideration of the annual financial report of the Company for the financial year ended 30 June 2016 together with the declaration of the directors, the directors' report, the Remuneration Report and the auditor's report.

The Company will not provide a hard copy of the Company's annual financial report to Shareholders unless specifically requested to do so. The Company's annual financial report is available on its website at <http://www.srglimited.com.au/>.

2. RESOLUTION 1 – ADOPTION OF REMUNERATION REPORT

2.1 General

The Corporations Act requires that at a listed company's annual general meeting, a resolution that the remuneration report be adopted must be put to the shareholders. However, such a resolution is advisory only and does not bind the company or the directors of the company.

The remuneration report sets out the company's remuneration arrangements for the directors and senior management of the company. The remuneration report is part of the directors' report contained in the annual financial report of the company for a financial year.

The chair of the meeting must allow a reasonable opportunity for its shareholders to ask questions about or make comments on the remuneration report at the annual general meeting.

2.2 Voting consequences

A company is required to put to its shareholders a resolution proposing the calling of another meeting of shareholders to consider the appointment of directors of the company (**Spill Resolution**) if, at consecutive annual general meetings, at least 25% of the votes cast on a remuneration report resolution are voted against adoption of the remuneration report and at the first of those annual general meetings a Spill Resolution was not put to vote. If required, the Spill Resolution must be put to vote at the second of those annual general meetings.

If more than 50% of votes cast are in favour of the Spill Resolution, the company must convene a shareholder meeting (**Spill Meeting**) within 90 days of the second annual general meeting.

All of the directors of the company who were in office when the directors' report (as included in the company's annual financial report for the most recent financial year) was approved, other than the managing director of the company, will cease to hold office immediately before the end of the Spill Meeting but may stand for re-election at the Spill Meeting.

Following the Spill Meeting those persons whose election or re-election as directors of the company is approved will be the directors of the company.

2.3 Previous voting results

At the Company's previous annual general meeting the votes cast against the remuneration report considered at that annual general meeting were less than 25%. Accordingly, the Spill Resolution is not relevant for this Annual General Meeting.

3. RESOLUTION 2 – APPROVAL FOR THE COMPANY TO ISSUE PERFORMANCE RIGHTS TO MR DAVID MACGEORGE UNDER THE SRG INCENTIVE PERFORMANCE RIGHTS PLAN

3.1 General

The Company has agreed, subject to obtaining Shareholder approval, that Mr David Macgeorge (and/or his nominee), the Managing Director of the Company, be issued 2,050,000 Performance Rights pursuant to the SRG Incentive Performance Rights Plan (**Performance Rights Plan**).

The Performance Rights Plan forms part of the Company's remuneration strategy and is designed to align the interests of eligible persons (primarily executives and senior management) and shareholders and to assist in the attraction, motivation and retention of executives. In particular, the Performance Rights Plan provides participants with an incentive for future performance, thereby encouraging those participants to remain with the Company and contribute to the Company's future performance. It also provides the Company a means of remunerating management whilst conserving cash.

The purpose of the issue of the Performance Rights to Mr Macgeorge (and/or his nominee) is to further motivate and reward Mr Macgeorge's performance in achieving specified performance milestones within a specified performance period which align with the interests of Shareholders and also to provide him with an incentive to remain in the Company.

The Non-Executive Directors believe that it is appropriate to provide Mr Macgeorge with a long term incentive element in his remuneration package. The Non-Executive Directors also believe that Performance Rights are the best means to remunerate senior executives who are tasked with achieving certain specific strategic outcomes.

3.2 Performance Criteria

The Company proposes to issue the following Performance Rights to David Macgeorge (and/or his nominee):

- (a) 350,000 Performance Rights for the performance period 1 July 2018 to 30 June 2019 (**2019 Performance Rights**);
- (b) 350,000 Performance Rights for the performance period 1 July 2019 to 30 June 2020 (**2020 Performance Rights**);
- (c) 350,000 Performance Rights for the performance period 1 July 2020 to 30 June 2021 (**2021 Performance Rights**);
- (d) 500,000 Performance Rights vesting 1 July 2019 subject to continuous employment with the Company; and

- (e) 500,000 Performance Rights vesting 1 July 2021 subject to continuous employment with the Company.

The Performance Rights will not vest and the underlying Shares will not be issued unless the relevant performance condition has been satisfied.

The number of Performance Rights specified in paragraphs (a), (b) and (c) that vest at the end of the relevant performance period will be determined having regard to an earnings per Share growth hurdle.

Earnings per Share (**EPS**) measures the portion of a company's profit allocated to each outstanding ordinary share and serves as an indicator of a company's profitability. The Company's EPS performance will be determined on an underlying earnings per Share basis and will exclude any contingent and other liabilities disclosed in the audited financial statements for the financial year relevant to the performance period.

An EPS threshold target and an EPS stretch target will be used to determine the vesting of the 2019 Performance Rights, 2020 Performance Rights and 2021 Performance Rights proposed to be issued to David Macgeorge (and/or his nominee).

The EPS threshold target for the 2019 Performance Rights is equal to the EPS stretch target for the Performance Rights previously issued to David Macgeorge that relate to the financial year ending 30 June 2018. The EPS stretch target for the 2019 Performance Rights is a 15% uplift on the EPS threshold target for the performance period 1 July 2018 to 30 June 2019 and the 2019 Performance Rights will only start vesting if there is a 7.5% uplift on that EPS threshold target.

For the 2020 Performance Rights and 2021 Performance Rights, the applicable EPS threshold target will also be equal to the EPS stretch target for the previous performance period, the applicable EPS stretch target will also be a 15% uplift on the EPS threshold target for that same performance period and vesting will only start if there is a 7.5% uplift on that EPS threshold target.

The 2019 Performance Rights, 2020 Performance Rights and 2021 Performance Rights will vest in the following manner:

The Company's EPS performance for the relevant performance period	2019 Performance Rights	2020 Performance Rights	2021 Performance Rights	Performance Rights vesting
Between the threshold target and the mid-point* (in cents per Share)	15.39 16.54	17.69 19.01	20.34 21.87	0%
Between the mid-point* and the stretch target (in cents per Share)	16.55 17.69	19.02 20.34	21.88 23.39	Straight-line pro-rated vesting between 50% and 100%
Above the stretch target (in cents per Share)	17.70 or higher	20.35 or higher	23.40 or higher	100%

* Mid-point being the EPS amount between the threshold target and the stretch target

3.3 Chapter 2E of the Corporations Act

For a public company, or an entity that the public company controls, to give a financial benefit to a related party of the public company, the public company or entity must:

- (a) obtain the approval of the public company's members in the manner set out in sections 217 to 227 of the Corporations Act; and
- (b) give the benefit within 15 months following such approval,

unless the giving of the financial benefit falls within an exception set out in sections 210 to 216 of the Corporations Act.

The issue of the Performance Rights constitutes giving a financial benefit and Mr David Macgeorge is a related party of the Company by virtue of being a Director.

The Directors (other than Mr Macgeorge who abstained from considering this matter due to his material personal interest in the matter) consider that the issue of the Performance Rights to Mr Macgeorge is reasonable remuneration which falls within the exception in section 211 of the Corporations Act having regard to the circumstances of the Company, the duties and responsibilities of Mr Macgeorge and market levels of remuneration for managing directors of similar companies, and accordingly, Shareholder approval is not required for the purpose of section 208 of the Corporations Act.

3.4 ASX Listing Rule 10.14

ASX Listing Rule 10.14 also requires shareholder approval to be obtained where an entity issues, or agrees to issue, securities under an employee incentive scheme to a director of the entity, an associate of the director, or a person whose relationship with the entity, director or associate of the director is, in ASX's opinion, such that approval should be obtained.

3.5 Sections 200B and 200E of the Corporations Act

The Corporations Act provides that the Company may only give a person a benefit in connection with their ceasing to hold a "managerial or executive office" in the Company or its related bodies corporate if that benefit is approved by shareholders or an exemption applies. This restriction will apply to Mr David Macgeorge.

The term "benefit" is open to a wide operation and may include the early or accelerated vesting of Performance Rights under the Performance Rights Plan.

As outlined in the summary of the terms of the Performance Rights Plan in Schedule 1, the Board has the discretion to determine that some or all of the Performance Rights held by Mr Macgeorge may become entitled to early or accelerated vesting in certain circumstances.

Shareholder approval is sought such that the grant of the Performance Rights the subject of Resolution 2 and any resulting issue of Shares does not count towards such maximum termination amounts to the extent that the benefits are deliverable on the cessation of Mr Macgeorge's employment.

The value of any consequent termination benefit that may be received as a result of early or accelerated vesting of the Performance Rights issued pursuant

to Resolution 3 upon cessation of Mr Macgeorge's employment cannot be ascertained at the present time. Apart from the future Share price being unknown, the following are matters which will or are likely to affect the value of the benefit:

- (a) the number of unvested Performance Rights held by Mr Macgeorge prior to cessation of employment;
- (b) the reasons for cessation of employment; and
- (c) the exercise of the Directors discretion at the relevant time.

3.6 Information required pursuant to ASX Listing Rule 10.15

The following information is provided to satisfy the requirements of ASX Listing Rule 10.15 (being the information required to be disclosed for the purposes of ASX Listing Rule 10.14):

- (a) the maximum number of Performance Rights (being the nature of the financial benefit being provided) to be issued to Mr Macgeorge (and/or his nominee) is 2,050,000 Performance Rights.
- (b) the Performance Rights will be issued to Mr Macgeorge (and/or his nominee) for nil consideration and no consideration will be payable upon the vesting and exercise of the Performance Rights. Accordingly, no loans will be made in relation to, and no funds will be raised from, the issue or vesting of the Performance Rights;
- (c) the Performance Rights Plan and issue of Performance Rights under the Performance Rights Plan has not previously been approved. Accordingly, no Performance Rights have been issued under the Performance Rights Plan to persons referred to in ASX Listing Rule 10.14 (i.e. a Director, an associate of the Director, or a person whose relationship with the Company, Director or associate of the Director is, in ASX's opinion, such that approval should be obtained). However, it is noted the Company previously operated an employee incentive scheme for the issue of Performance Rights as approved by Shareholders on 17 November 2014 (**Prior Performance Rights Plan**). Since that date, a total of 750,000 Performance Rights have been issued under the Prior Performance Rights Plan to persons referred to in ASX Listing Rule 10.14 (i.e. a Director, an associate of the Director, or a person whose relationship with the Company, Director or associate of the Director is, in ASX's opinion, such that approval should be obtained) with each Performance Right issued for nil consideration. All such Performance Rights were issued to Mr Macgeorge. Of these Performance Rights, 250,000 Shares have been issued upon vesting and 500,000 Performance Rights remain subject to vesting conditions;
- (d) as at the date of this Notice, Mr Macgeorge is the only person covered by ASX Listing Rule 10.14 that the Board has declared to be eligible to be issued Performance Rights under the Performance Rights Plan (i.e. a Director, an associate of the Director, or a person whose relationship with the Company, Director or associate of the Director is, in ASX's opinion, such that approval should be obtained). In addition, the Company notes non-executive directors of the Company are not covered by the definition of "Eligible Participant" and accordingly cannot become eligible to participate in the Performance Rights Plan; and

- (e) the Performance Rights will be issued to Mr Macgeorge (and/or his nominee) no later than 12 months after the Meeting.

Approval pursuant to ASX Listing Rule 7.1 is not required in order to issue the Performance Rights to Mr Macgeorge as approval is being obtained under ASX Listing Rule 10.14. Accordingly, the issue of Performance Rights will not be included in the 15% calculation of the Company's annual placement capacity pursuant to ASX Listing Rule 7.1.

3.7 Directors' Recommendation

The Directors (other than Mr Macgeorge) recommend that Shareholders vote in favour of Resolution 5.

4. RESOLUTIONS 3 AND 4 – ENABLE THE ISSUE OF SECURITIES UNDER EMPLOYEE INCENTIVE SCHEMES

4.1 Background

The Company presently operates two employee incentive schemes (one for options and another for performance rights) as approved by Shareholders on 17 November 2014 (**Prior Plans**).

The Company proposes to replace the Prior Plans with the employee incentive scheme titled 'SRG Incentive Option Plan' (**Option Plan**) and the employee incentive scheme titled 'SRG Incentive Performance Rights Plan' (**Performance Rights Plan**) which reflect changes in the law and ASIC policy since implementation of the Prior Plans and for consistency with other comparable companies. It is intended that future issues of Options and Performance Rights will be made pursuant to the Option Plan and Performance Rights Plan rather than the Prior Plans.

4.2 General

Resolution 3 seeks Shareholders approval to enable the Company to issue Options under the Option Plan in accordance with ASX Listing Rule 7.2 (Exception 9(b)).

Resolution 4 seeks Shareholders approval to enable the Company to issue Performance Rights under the Performance Rights Plan in accordance with ASX Listing Rule 7.2 (Exception 9(b)).

ASX Listing Rule 7.1 provides that a company must not, subject to specified exceptions, issue or agree to issue more equity securities during any 12 month period than that amount which represents 15% of the number of fully paid ordinary securities on issue at the commencement of that 12 month period.

ASX Listing Rule 7.2 (Exception 9(b)) sets out an exception to ASX Listing Rule 7.1 which provides that issues under an employee incentive scheme are exempt for a period of 3 years from the date on which shareholders approve the issue of securities under the scheme as an exception to ASX Listing Rule 7.1.

If Resolution 3 is passed, the Company will be able to issue Options under the Option Plan to Eligible Participants (as defined in Schedule 1) over a period of 3 years from the date of approval without impacting on the Company's ability to issue up to 15% of its total ordinary securities without prior Shareholder approval in any 12 month period.

If Resolution 4 is passed, the Company will be able to issue Performance Rights under the Performance Rights Plan to Eligible Participants (as defined in Schedule 1) over a period of 3 years from the date of approval without impacting on the Company's ability to issue up to 15% of its total ordinary securities without prior Shareholder approval in any 12 month period.

Any issues of Options under the Option Plan or Performance Rights under the Performance Rights Plan to a Director, an associate of the Director, or a person whose relationship with the Company, Director or associate of the Director is, in ASX's opinion, such that approval should be obtained will require additional Shareholder approval under ASX Listing Rule 10.14 at the relevant time.

4.3 Previous issues

Shareholders should note that no Options have previously been issued under the Option Plan and no Performance Rights have previously been issued under the Performance Rights Plan. However, the following Options and Performance Rights have been issued under the Prior Plans:

- (a) Options: 3,060,000 Options. Of these, 590,000 Shares have been issued upon exercise, 45,000 Options have lapsed in accordance with the terms of the plan and 2,425,000 Options remain on issue subject to the exercise prices and vesting conditions as previously disclosed.
- (b) Performance Rights: 2,100,000 Performance Rights. Of these, 600,000 Shares have been issued upon vesting, nil Performance Rights have lapsed in accordance with the terms of the plan and 1,500,000 Performance Rights remain on issue subject to the following vesting conditions as previously disclosed.

4.4 Key terms and conditions of the Option Plan and Performance Rights Plan

A summary of the key terms and conditions of the Option Plan and of the Performance Rights Plan is set out in Schedule 1.

A complete copy of the rules of the Option Plan and the Performance Rights Plan is available upon request from the Company Secretary.

4.5 Sections 200B and 200E of the Corporations Act

As noted in Section 3.5, the Corporations Act provides that the Company may only give a person a benefit in connection with their ceasing to hold a "managerial or executive office" in the Company or its related bodies corporate if that benefit is approved by shareholders or an exemption applies. This restriction will apply to all Key Management Personnel.

The term "benefit" is open to a wide operation and may include the early or accelerated vesting of Options or Performance Rights under the Option Plan or Performance Rights Plan as the context requires.

As outlined in the summary of the terms of the Option Plan and Performance Rights Plan contained in Schedule 1, the Board has the discretion to determine that some or all of the Options or Performance Rights held by participants may become entitled to early or accelerated vesting in certain circumstances.

Shareholder approval is sought such that the grant of Options and Performance Rights under the Option Plan and Performance Rights respectively and any resulting issue of Shares does not count towards such maximum termination amounts to

the extent that the benefits are deliverable on the cessation of a participant's employment.

If Resolutions 3 and 4 are not approved, participants who are Key Management Personnel may not be able to receive benefits that are available to all other participants unless Shareholder approval is obtained. Further, equity linked benefits such as the Options and Performance Rights align senior executives with Shareholders and the Directors believe granting approval is better for Shareholders than, for example, increasing cash awards in future in lieu of Share benefits.

The value of any benefits to be granted on cessation of a participant's employment as a result of early or accelerated vesting of the Options issued to a participant pursuant to the Option Plan or Performance Rights issued to a participant pursuant to the Performance Rights Plan cannot be ascertained at the present time. Apart from the future Share price being unknown, the following are matters which will or are likely to affect the value of the benefits:

- (a) the performance criteria determined to apply to the participant's Options or Performance Rights;
- (b) the participant's length of service and reasons for cessation of employment;
- (c) the number of Options or Performance Rights granted to the participant; and
- (d) the exercise of the Directors' discretion at the relevant time.

4.6 Directors' recommendation

The Directors recommend that Shareholders vote in favour of Resolutions 3 and 4.

5. RESOLUTION 5 – RE-ELECTION OF DIRECTOR – MR ROBERT FREEDMAN

5.1 General

ASX Listing Rule 14.4 provides that, other than a managing director, a director of an entity must not hold office (without re-election) past the third AGM following the director's appointment or 3 year, whichever is the longer.

The Constitution also sets out requirements for determining which Directors are to retire by rotation at an annual general meeting.

Mr Robert Freedman, who has served as a director since 31 July 1985 and was last re-elected on 26 November 2013, retires by rotation and seeks re-election.

5.2 Qualifications and other material directorships

Mr Robert Freedman has been involved with SRG since 1970 when he joined the business as Manager WA. He held the role of Managing Director from 1985 until 2009 and has been a Director since 1985, serving as Chairman of the Board between 2009 and 2014. He is also a member of the Audit Committee.

Bob has been involved in the construction industry since 1967 and has been involved with the construction of many iconic projects, including Sydney Tower, Stadium Australia and the Emirates Tower. He was responsible for establishing

SRG's overseas operations in Asia, the United Kingdom, the Middle East and South Africa.

Bob is a Member of the Institution of Engineers Australia, and holds a Post Graduate Diploma in Business Administration (W.A.I.T).

5.3 Independence

If elected the board considers Mr Robert Freedman to be an independent director.

5.4 Board recommendation

The Board supports the re-election of Mr Robert Freedman and recommends that Shareholders vote in favour of Resolution 5.

GLOSSARY

\$ means Australian dollars.

Annual General Meeting or **Meeting** means the meeting convened by the Notice.

ASIC means the Australian Securities & Investments Commission.

ASX means ASX Limited (ACN 008 624 691) or the financial market operated by ASX Limited, as the context requires.

ASX Listing Rules means the Listing Rules of ASX.

Board means the current board of directors of the Company.

Business Day means Monday to Friday inclusive, except New Year's Day, Good Friday, Easter Monday, Christmas Day, Boxing Day, and any other day that ASX declares is not a business day.

Chair means the chair of the Meeting.

Closely Related Party of a member of the Key Management Personnel means:

- (a) a spouse or child of the member;
- (b) a child of the member's spouse;
- (c) a dependent of the member or the member's spouse;
- (d) anyone else who is one of the member's family and may be expected to influence the member, or be influenced by the member, in the member's dealing with the entity;
- (e) a company the member controls; or
- (f) a person prescribed by the Corporations Regulations 2001 (Cth) for the purposes of the definition of 'closely related party' in the Corporations Act.

Company means SRG Limited (ACN 006 413 574).

Constitution means the Company's constitution.

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

Directors means the current directors of the Company.

Explanatory Statement means the explanatory statement accompanying the Notice.

Key Management Personnel has the same meaning as in the accounting standards issued by the Australian Accounting Standards Board and means those persons having authority and responsibility for planning, directing and controlling the activities of the Company, or if the Company is part of a consolidated entity, of the consolidated entity, directly or indirectly, including any director (whether executive or otherwise) of the Company, or if the Company is part of a consolidated entity, of an entity within the consolidated group.

Notice or **Notice of Meeting** means this notice of meeting including the Explanatory Statement and the Proxy Form.

Option means an option to acquire a Share.

Optionholder means a holder of an Option.

Performance Right means a right to acquire a Share on the terms set out in the Long Term Incentive Plan for the relevant performance period and subject to satisfaction of the relevant performance hurdle.

Proxy Form means the proxy form accompanying the Notice.

Remuneration Report means the remuneration report set out in the Director's report section of the Company's annual financial report for the year ended 30 June 2016.

Resolutions means the resolutions set out in the Notice, or any one of them, as the context requires.

Section means a section of the Explanatory Statement.

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

Shareholder means a registered holder of a Share.

WST means Western Standard Time as observed in Perth, Western Australia.

SCHEDULE 1 – KEY TERMS AND CONDITIONS OF THE INCENTIVE PLANS

Unless otherwise noted the terms summarised are the same for Option Plan or Performance Rights Plan and a reference to Plan is to the Option Plan or Performance Rights Plan as the context requires and a reference to Security is to an Option where the reference relates to the Option Plan and a Performance Right where the reference relates to the Performance Rights Plan.

(a) **Eligibility:** Participants in the:

(i) Option Plan may be:

- (A) a Director (whether executive or non-executive) of the Company and any Associated Body Corporate of the Company (each a **Group Company**);
- (B) a full or part time employee of any Group Company;
- (C) a casual employee or contractor of a Group Company to the extent permitted by ASIC Class Order 14/1000 as amended or replaced (**Class Order**); or
- (D) a prospective participant, being a person to whom the offer is made but who can only accept the offer if an arrangement has been entered into that will result in the person becoming a participant under subparagraphs (A), (B), or (C) above; or

who is declared by the Board to be eligible to receive grants of Options under the Option Plan; or

(ii) Performance Rights Plan may be:

- (A) an executive director of the Company and any Associated Body Corporate of the Company (each a **Group Company**);
- (B) a full or part time employee of any Group Company;
- (C) a casual employee or contractor of a Group Company to the extent permitted by ASIC Class Order 14/1000 as amended or replaced (**Class Order**); or
- (D) a prospective participant, being a person to whom the offer is made but who can only accept the offer if an arrangement has been entered into that will result in the person becoming a participant under subparagraphs (A), (B), or (C) above,

who is declared by the Board to be eligible to receive grants of Performance Rights under the Performance Rights Plan,

(Eligible Participants).

(b) **Offer:** The Board may, from time to time, in its absolute discretion, make a written offer to any Eligible Participant (including an Eligible Participant who has previously received an offer) to apply for up to a specified number of Securities, upon the terms set out in the Plan and upon such additional terms and conditions as the Board determines.

- (c) **Plan limit:** The Company must have reasonable grounds to believe, when making an offer, that the number of Shares to be received on exercise of Securities offered under an offer, when aggregated with the number of Shares issued or that may be issued as a result of offers made in reliance on the Class Order at any time during the previous 3 year period under an employee incentive scheme covered by the Class Order or an ASIC exempt arrangement of a similar kind to an employee incentive scheme, will not exceed 5% of the total number of Shares on issue at the date of the offer.
- (d) **Issue price:** Unless the Options are quoted on the ASX, Options issued under the Option Plan will be issued for no more than nominal cash consideration. Performance Rights issued under the Performance Rights Plan will be issued for nil cash consideration
- (e) **Vesting Conditions:** A Security issued under the Plan may be made subject to vesting conditions as determined by the Board in its discretion and as specified in the offer for the Security.
- (f) **Vesting:** The Board may in its absolute discretion (except in respect of a Change of Control occurring where Vesting Conditions are deemed to be automatically waived) by written notice to a Participant (being an Eligible Participant to whom Securities have been granted under the Plan or their nominee where the Securities have been granted to the nominee of the Eligible Participant (the **Relevant Person**)), resolve to waive any of the Vesting Conditions applying to Securities due to:
 - (i) Special Circumstances arising in relation to a Relevant Person in respect of those Securities, being the following circumstances:
 - (A) a Relevant Person ceasing to be an Eligible Participant due to:
 - (I) death or Total or Permanent Disability of a Relevant Person; or
 - (II) Retirement or Redundancy of a Relevant Person;
 - (B) a Relevant Person suffering Severe Financial Hardship;
 - (C) any other circumstance stated to constitute "Special Circumstances" in the terms of the relevant Offer made to and accepted by the Participant; or
 - (D) any other circumstances determined by the Board at any time (whether before or after the Offer) and notified to the relevant Participant which circumstances may relate to the Participant, a class of Participant, including the Participant or particular circumstances or class of circumstances applying to the Participant; or
 - (ii) a Change of Control occurring; or
 - (iii) the Company passing a resolution for voluntary winding up, or an order is made for the compulsory winding up of the Company.
- (g) **Lapse of a Security:** A Security will lapse upon the earlier to occur of:
 - (i) an unauthorised dealing in the Security;

- (ii) a Vesting Condition in relation to the Security is not satisfied by its due date, or becomes incapable of satisfaction, unless the Board exercises its discretion to waive the Vesting Conditions and vest the Security in the circumstances set out in paragraph (f) or the Board resolves, in its absolute discretion, to allow the unvested Securities to remain unvested after the Relevant Person ceases to be an Eligible Participant;
 - (iii) in respect of unvested Security only, an Eligible Participant ceases to be an Eligible Participant, unless the Board exercises its discretion to vest the Security in the circumstances set out in paragraph (f) or the Board resolves, in its absolute discretion, to allow the unvested Securities to remain unvested after the Relevant Person ceases to be an Eligible Participant;
 - (iv) in respect of vested Securities only, a relevant person ceases to be an Eligible Participant and the Security granted in respect of that person is not exercised within one (1) month (or such later date as the Board determines) of the date that person ceases to be an Eligible Participant;
 - (v) the Board deems that a Security lapses due to fraud, dishonesty or other improper behaviour of the Eligible Participant;
 - (vi) the Company undergoes a Change of Control or a winding up resolution or order is made and the Board does not exercise its discretion to vest the Security;
 - (vii) the expiry date of the Security.
- (h) **Shares:** Shares resulting from the exercise of the Securities shall, subject to any Sale Restrictions (refer paragraph (i)) from the date of issue, rank on equal terms with all other Shares on issue.
- (i) **Sale Restrictions:** The Board may, in its discretion, determine at any time up until exercise of Securities, that a restriction period will apply to some or all of the Shares issued to an Eligible Participant (or their eligible nominee) on exercise of those Securities up to a maximum of seven (7) years from the grant date of the Securities. In addition, the Board may, in its sole discretion, having regard to the circumstances at the time, waive any such restriction period determined.
- (j) **No Participation Rights:** There are no participating rights or entitlements inherent in the Securities and holders will not be entitled to participate in new issues of capital offered to Shareholders during the currency of the Securities.
- (k) **Change in exercise price of number of underlying securities:** Unless specified in the offer of the Securities and subject to compliance with the ASX Listing Rules, a Security does not confer the right to a change in exercise price or in the number of underlying Shares over which the Security can be exercised.
- (l) **Reorganisation:** If, at any time, the issued capital of the Company is reorganised (including consolidation, subdivision, reduction or return), all rights of a holder of a Security are to be changed in a manner consistent with the Corporations Act and the ASX Listing Rules at the time of the reorganisation.