

**GRAYS eCOMMERCE GROUP LIMITED**  
**ACN 125 736 914**

**NOTICE OF ANNUAL GENERAL MEETING**

Notice is hereby given that the Annual General Meeting of Shareholders of Grays eCommerce Group Limited (the **Company**) will be held at Level 40, Governor Phillip Tower, 1 Farrer Place, Sydney NSW 2000 on Monday, 28 November 2016 at 12.00pm (AEDT) (**Meeting**).

The Explanatory Notes to this Notice provides additional information on matters to be considered at the Meeting. The Explanatory Notes and the Proxy Form forms part of this notice.

Terms used in this Notice of Meeting will, unless the context otherwise requires, have the meaning given to them in the Glossary in the Explanatory Notes.

**BUSINESS OF THE MEETING**

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**Item 1: Financial Statements and Reports**

To receive and consider the Financial Report, the Directors' Report and the Auditor's Report for the year ended 30 June 2016.

**Item 2: Remuneration Report**

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

*"To adopt the Remuneration Report for the year ended 30 June 2016."*

Notes:

- (i) In accordance with section 250R of the Corporations Act 2001, the vote on this resolution will be advisory only and will not bind the Directors or the Company.
- (ii) A voting exclusion statement applies to this resolution (see Explanatory Notes for details).

**Item 3: Election of Director - Ms Nicolette Maury**

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

*"That Ms Nicolette Maury, being a Director who was appointed by the Directors on 10 October 2016 and whose appointment as a Director expires at the conclusion of the Annual General Meeting of the Company and, being eligible, offers herself for election, be elected as a Director of the Company."*

**Item 4: Re-election of Director – Mr Jonathan Pinshaw**

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

*"That Mr Jonathan Pinshaw, being a Director who is retiring in accordance with clause 13.5 of the Company's Constitution, and being eligible, offers himself for re-election, be re-elected as a Director of the Company."*

#### **Item 5: Issue of Performance Rights to Mr Mark Bayliss**

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

*“That for the purposes of Part 2D.2 of the Corporations Act, ASX Listing Rule 10.14 and for all other purposes, Shareholders approve the grant of 364,325 Performance Rights to Mr Mark Bayliss, the Chief Executive Officer and a Director of the Company, and the issue of Shares on the exercise of those Performance Rights, on the basis set out in the Explanatory Notes.”*

*Note: A voting exclusion statement applies to this resolution (see Explanatory Notes for details).*

#### **Item 6: Additional 10% Placement Capacity**

To consider and, if thought fit, pass the following as a special resolution of the Company:

*“That, for the purposes of Listing Rule 7.1A and for all other purposes, approval is given for the issue of Equity Securities totalling up to 10% of the issued capital of the Company at the time of issue, calculated in accordance with the formula prescribed in Listing Rule 7.1A.2 and on the terms and conditions set out in the Explanatory Notes.”*

*Note: A voting exclusion statement applies to this resolution (see Explanatory Notes for details).*

#### **Item 7: Adoption of New Constitution**

To consider and, if thought fit, pass the following as a special resolution of the Company:

*“That pursuant to, and in accordance with, section 136(2) of the Corporations Act, and for all other relevant purposes, approval is given for the Company to repeal its existing Constitution and adopt a new Constitution in its place in the form initialled by the Chairman for identification purposes, with effect from the close of the Meeting.” (the **Adoption of New Constitution**).*

## ENTITLEMENT TO VOTE

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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 of the Company as at 12.00pm (AEDT) on Saturday, 26 November 2016 (**Entitlement Time**).

This means that if you are not the registered holder of a Share in the Company at the Entitlement Time, you will not be entitled to attend and vote at the Meeting.

## VOTING OPTIONS AND PROXIES

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If you do not plan to attend the Meeting in person, you are encouraged to complete and return the Proxy Form, which accompanies this Notice of Meeting.

### Voting by Proxy

A Shareholder who is entitled to attend and vote at the Meeting is entitled to appoint not more than two proxies to attend and vote in place of the Shareholder.

If the Shareholder appoints two proxies, the Shareholder may specify the proportion or number of votes each proxy is entitled to exercise. If no proportion or number of votes is specified, each proxy may exercise half of the Shareholder's votes. If the specified proportion or number of votes exceeds that which the Shareholder is entitled to, each proxy may exercise half of the Shareholder's votes. Any fractions of votes brought about by the apportionment of votes to a proxy will be disregarded.

A proxy need not be a Shareholder of the Company. A body corporate appointed as a Shareholder's proxy may appoint a representative to exercise any of the powers the body may exercise as a proxy at the Meeting. The representative should bring to the Meeting evidence of his or her appointment, including any authority under which the appointment is signed, unless it has previously been given to the Company.

If a Shareholder has not directed their proxy how to vote, the proxy may vote as the proxy determines.

If a Shareholder appoints the Chairman of the Meeting as proxy and does not direct the Chairman how to vote on an item of business, the Chairman will vote in accordance with their voting intention as stated in this Notice of Meeting, namely in favour of each of the proposed resolutions set out in the Notice of Meeting.

### Proxy Voting by the Chairman

For Item 2 (Remuneration Report) and Item 5 (Issue of Performance Rights to Mr Mark Bayliss), where the Chairman is appointed as a Shareholder's proxy and that Shareholder has not specified the way in which the Chairman is to vote on Items 2 and 5, the Shareholder is directing the Chairman to vote in accordance with the Chairman's voting intentions for these items of business; even though Items 2 and 5 are connected with the remuneration of Key Management Personnel.

## **Chairman's Voting Intentions**

The Chairman intends to vote all undirected proxies in favour of the resolutions put in the Notice of Meeting, including Items 2 and 5.

## **Proxy Forms**

To be effective, the Proxy Form must be completed, signed and lodged (together with the relevant original power of attorney or a certified copy if the proxy is signed by an attorney) with the Company's Share Registry, as an original or by facsimile, no later than 12.00pm (AEDT) on Saturday, 26 November 2016 (**Proxy Deadline**).

Proxy forms may be submitted in one of the following ways:

- (i) By mail to Computershare Investor Services Pty Limited using the reply paid envelope or GPO Box 242, Melbourne VIC 3001. Please allow sufficient time so that it reaches Computershare Investor Services Pty Ltd by the Proxy Deadline;
- (ii) By fax to Computershare Investor Services Pty Limited on +1800 783 447 (within Australia) or +61 3 9473 2555 (outside Australia);
- (iii) Online via the Company's Share Registry website at [www.investorvote.com.au](http://www.investorvote.com.au). Please refer to the Proxy Form for more information; or
- (iv) By hand delivery to Computershare Investor Services Pty Limited at Level 4, 60 Carrington Street, Sydney NSW 2000.

Proxy Forms and Powers of Attorney must be received by the Proxy Deadline.

## **CORPORATE REPRESENTATIVES**

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Where a shareholding is registered in the name of a corporation, the corporate shareholder may appoint a person to act as its representative to attend the meeting by providing that person with:

- (i) a letter or certificate authorising him or her as the corporation's representative, executed in accordance with the corporation's constitution; or
- (ii) a copy of the resolution appointing the representative, certified by a secretary or director of the corporation.

BY ORDER OF THE BOARD

**Leanne Ralph**  
Company Secretary  
4 October 2016

## EXPLANATORY NOTES

### Notes on Business

#### ITEM 1 – Financial Statements

As required by section 317 of the *Corporations Act 2001* (Cth) (**Corporations Act**) the Financial Report, Directors' Report and Auditor's Report of the Company for the most recent financial year will be presented to the Meeting. The Financial Report contains the financial statements of Grays eCommerce Group Limited and its subsidiaries. As permitted by the Corporations Act, a printed copy of the Annual Report has been sent only to those shareholders who have elected to receive a printed copy.

There is no requirement for a formal resolution on this item.

The Chairman of the Meeting will allow a reasonable opportunity at the Meeting for Shareholders to ask questions about or make comments on the management of the Company. Shareholders will also be given a reasonable opportunity at the Meeting to ask the Company's auditor, Ernst and Young (**EY**), questions about the Auditor's Report, the conduct of its audit of the Company's Financial Report for the year ended 30 June 2016, the preparation and content of the Auditor's Report, the accounting policies adopted by the Company in its preparation of the financial statements and the independence of EY in relation to the conduct of the audit.

Shareholders may submit written questions to the Company in relation to the above matters. Written questions must be received no later than 5.00pm (AEDT) on Friday 18 November 2016. A form to facilitate the submission of questions is attached to this Notice and it includes details on the return of this form to the share registry.

#### ITEM 2 – Adoption of Remuneration Report

In accordance with section 300A of the Corporations Act the Company has proposed a Remuneration Report for the year ended 30 June 2016 for the consideration of Shareholders.

As provided by section 250R(3) of the Corporations Act, the resolution on this item of business is advisory only and does not bind the Board or the Company.

The Company has designed a remuneration framework to support both a high performance culture and a team focus on adhering to agreed business objectives and directions.

The objective of the Company's executive reward framework is to ensure reward for performance is competitive and appropriate for the results delivered. The framework aligns executive reward with achievement of strategic objectives and the creation of value for shareholders, and conforms with market practice for delivery of reward.

#### Voting Exclusion Statement

As required by the Corporations Act, the Company will disregard any votes cast on Item 2 by any member of the Company's Key Management Personnel (**Key Management Personnel** or **KMP**) or a Closely Related Party of any such KMP unless the person:

- (i) Votes as a proxy appointed by writing that specifies how the person is to vote on the resolutions; or
- (ii) Is the Chairman of the Meeting and votes as a proxy appointed by writing that authorises the Chairman to vote on the resolutions even though that resolution is connected with the remuneration of a member of the Company's KMP.

**What this means for Shareholders:** If you intend to appoint a member of the KMP (such as one of the Directors) as your proxy, please ensure that you direct them how to vote on the proposed resolution in Item 2. If you intend to appoint the Chair of the Meeting as your proxy, you can direct him how to vote by marking the boxes for Item 2 (for example, if you wish to vote for, against or abstain from voting), or you can choose not to mark any of the boxes for Item 2 and give the Chair your express authority to vote your undirected proxy (in which case the Chair will vote in favour of this item of business).

### **Directors' Recommendation**

The Board unanimously recommends that Shareholders vote in favour of this resolution.

### **ITEM 3 - Election of a Director**

In accordance with Clause 13.9 of the Company's Constitution and ASX Listing Rule 14.4 any Director appointed to fill a casual vacancy or as an additional Director, holds office until the next Annual General Meeting and is then eligible for election by Shareholders.

Ms Nicolette Maury was appointed to fill a casual vacancy as a Director of the Company on 10 October 2016. Ms Maury therefore retires at this Annual General Meeting in accordance with the Constitution and being eligible, offers herself for election.

Details of Ms Maury are outlined below.

Ms Maury is currently Vice President and Country Manager with Intuit Australia, responsible for leading Intuit's rapidly expanding presence in Australia through the flagship product QuickBooks Online. Previously, Ms Maury was with eBay Australia for eight years with her most recent role as Director, Buyer Experience and Strategy.

Ms Maury holds a Bachelor of Science and a Master of Business Administration from the University of NSW.

Having had regard to the ASX Corporate Governance Principles and Recommendations (3rd edition) (**ASX Principles**), the Board considers Ms Maury to be an independent Director.

### **Directors' Recommendation**

The Board unanimously (other than Ms Maury) supports the election of Ms Maury and recommends that Shareholders vote in favour of this resolution.

### **ITEM 4 – Re-election of Director**

In accordance with the Company's Constitution and ASX Listing Rule 14.5 an election of Directors must be held at each Annual General Meeting. Clause 13.5 of the Constitution states that at each Annual General Meeting one-third of all Directors must retire and offer themselves for re-election, excluding Directors appointed during the year by the Board. If no Directors are scheduled for election by virtue of the ASX Listing Rules or the Constitution, then one-third of Directors must still retire and be re-elected by the members of the Company. Normally, this would be the Director who has held office the longest since being appointed or last being elected.

Mr James Vicars and Mr Jonathan Pinshaw have served the longest on the Board without reappointment. They were appointed on the same day, 27 November 2014, therefore one has to resign and submit himself for re-election at this Meeting. Mr Pinshaw has agreed to resign by rotation and is eligible for re-election at this meeting.

Mr Pinshaw is the current Chairman and a member of both the Audit and Risk Committee and Remuneration and Nomination Committee.

Mr Pinshaw holds a Bachelor of Business Science (Hons) from the University of Cape Town and a Bachelor of Commerce (Hons) from the University of South Africa.

Mr Pinshaw is an experienced board director and business leader. He has held nonexecutive director roles in a number of public companies including Just Group (Chairman), Australia Consolidated Investments (Chairman), Fairfax Media (Deputy Chairman), James Hardie and Country Road. He has also chaired a number of private equity owned companies. Previous executive roles include Managing Director of public companies OPSM Group and Freedom Furniture, as well as Chief Executive Officer roles with Gestetner Asia-Pacific and Brierley Investments Australia.

Having had regard to the ASX Principles, the Board considers Mr Pinshaw to be an independent director.

## **Directors' Recommendation**

The Board unanimously (other than Mr Pinshaw) supports the re-election of Mr Pinshaw and recommends that Shareholders vote in favour of this resolution.

## **ITEM 5 - Issue of Performance Rights to Mr Mark Bayliss**

The terms of Mr Bayliss' employment contract with Grays allows him to participate in the Grays eCommerce Group Limited Performance Rights Plan (**PRP**). The Board has proposed that for the year ending 30 June 2017, Mr Bayliss be eligible for Performance Rights (**Rights**).

The intention of the PRP is to align shareholder returns of Grays eCommerce Group with the 'at-risk' compensation potentially payable to executive level employees and to reward executives who remain in employment and perform at the required levels of performance.

ASX Listing Rule 10.14 provides that the Company must not permit any Directors to acquire securities under an employee incentive scheme (such as the Performance Rights Plan) without the approval of Shareholders.

Accordingly, the resolution in Item 5 seeks the approval by Shareholders pursuant to ASX Listing Rule 10.14 to grant 364,325 Performance Rights to Mark Bayliss, the Chief Executive Officer and a Director of the Company, in accordance with the terms of the Performance Rights Plan, and to the issue of Shares on the exercise of those Performance Rights.

As the Performance Rights are to be issued under the Performance Rights Plan, the rules of the Performance Rights Plan govern the Performance Rights to be issued to Mr Bayliss. A full copy of the Performance Rights Plan rules is available on the Company's website.

For the year ending 30 June 2017, Mr Bayliss' remuneration comprises the following components:

- Fixed remuneration, including statutory superannuation of \$700,000 per annum;
- An at-risk short term incentive of up to \$230,000; and
- An at-risk long-term incentive to participate in the PRP.

If Shareholders approve the resolution in Item 5, the Company will offer Mr Bayliss the Rights under a letter of offer shortly following the Meeting. The date of that offer will be the date of the grant and the Rights will be issued shortly thereafter.

### **Vesting of Rights**

Mr Bayliss' Rights will vest, subject to Performance Conditions.

Vesting of the Rights will occur equally over three years as follows:

- 33.33% 1 July 2017
- 33.33% 1 July 2018
- 33.33% 1 July 2019

Vesting of the Rights is subject to two performance hurdles – total shareholder return (**TSR**) and earnings per share (**EPS**) – which are independently tested annually. These two measures have been adopted to link remuneration to the growth in Shareholder wealth and performance against objective benchmarks. Vesting of the Rights are also subject to continued service by Mr Bayliss over the relevant performance period or, upon cessation of employment, the vesting of Rights may be determined at the absolute discretion of the Board.

TSR is a measure of the return on investment in the Company's Shares, including dividends and all other returns to Shareholders notionally invested over the relevant performance period. The Company's TSR over the performance period is assessed against companies within the ASX300 (excluding metals, mining and energy companies and property trusts) at the start of the financial year in which the performance rights are awarded (1 July 2016). Upon the satisfaction of the vesting conditions, each Right will convert to one GEG Share.

The EPS base upon which growth in GEG Share price will be based is 6.84 cents. This is calculated on the Company's adjusted underlying Net Profit After Tax for the financial year ended 30 June 2016.

The percentage of Rights that vest, if any, will be determined by reference to the TSR and EPS vesting schedules, summarised as follows:

<b>TSR performance relative to ASX300</b>	<b>% of TSR performance rights that become exercisable</b>
Less than the 51st percentile	Nil
Greater than 51st percentile but less than 75th percentile	Straight-line pro-rata vesting between 50% and 100%
Greater than or equal to 75th percentile	100%

  

<b>CAGR* of EPS over the performance year</b>	<b>% of EPS options that become exercisable</b>
Less than 12%	Nil
Between 12% and 18%	Straight-line pro-rata vesting between 50% and 100%
Above 18%	100%

\* Compound Annual Growth Rate

#### **Shareholder approval – Corporations Act**

Under Part 2D.2 of the Corporations Act, subject to a number of exemptions, Shareholder approval must be obtained before the Company (or a Related Body Corporate or prescribed superannuation fund in relation to the Company) can give a person a "benefit" in connection with the person's retirement from a managerial or executive office.

Under the PRP, where a participant in that plan ceases to be an employee of Grays (other than in prescribed circumstances) all unvested Rights held by that participant will lapse. In circumstances where the reason for that participant ceasing employment is because of death, total and permanent disability, retirement or redundancy (as determined by the Board) or any other reason with the approval of the Board, the Board has discretion as to how unvested Rights are to be treated. In the context of exercising this discretion, providing Securities to the person may constitute a termination benefit regulated by Part 2D.2 of the Corporations Act.

For a person who holds a managerial or executive office with the Company (or a Related Body Corporate), if Rights vest because a person ceases to be employed due to death, disability or any other reason in the Board's discretion, the person will receive a benefit in connection with retirement from office, or position of employment regulated by Part 2D.2 of the Corporations Act. The value of the benefit received will be the market price of the share that is received following the exercise of the vested Rights.

#### **Shareholder approval – ASX Listing Rules**

ASX Listing Rule 10.14 requires Shareholder approval before a Director can acquire securities or rights to securities under an employee incentive scheme. Approval from Shareholders is being sought to grant rights to Mr Bayliss under the PRP in respect of the period immediately following this Meeting, with any Rights issued within 12 months after the date of this Meeting.

#### **Information required by ASX Listing Rule 10.15**

ASX Listing Rule 10.15 requires the following information to be disclosed in relation to the Rights to be granted to Mr Bayliss under the PRP:

##### **i. Maximum number of Rights and shares**

The maximum number of Rights that may be granted to Mr Bayliss within 12 months of this Meeting is 364,325.

There is no ability for the Company to provide any cash equivalent on vesting of the performance rights.

##### **ii. Price for each Right (and the price for each GEG Security that vests)**

No payment for the Rights or upon vesting of the Rights is required by Mr Bayliss.

##### **iii. Securities under the PRP received since the last approval**



Mr Bayliss was granted 1,117,318 Rights following Shareholder approval at the General Meeting held on 31 March 2015.

**iv. Persons who are entitled to participate in the PRP**

The eligible participants under the PRP are employees of the Group (including Executive Directors) who are determined by the Board to be eligible participants for the purposes of the PRP.

Current participants in the PRP are Mr Mark Bayliss (Managing Director and Chief Executive Officer) and senior executives in the business. The granting of the Rights to senior executives other than Mr Bayliss did not require Shareholder approval. The details of these grants are outlined in the Company's Remuneration Report contained in the 2016 Annual Report.

The Board may agree that other nominated members of the executive management team may participate in the PRP for the year ended 30 June 2017.

Mr Bayliss is the only person referred to in ASX Listing Rule 10.14 who is currently entitled to participate in the Rights Plan.

**v. Terms of any related loan**

There is no loan provided in relation to the acquisition of the Rights by Mr Bayliss.

**vi. Issue date of Rights**

The Rights will be granted to Mr Bayliss no earlier than immediately following this Meeting and no later than 12 months after this Meeting, on the conditions described in the Explanatory Notes.

**Voting exclusion**

The Company will disregard any votes cast on the proposed Item 5 by any Director of the Company (except one who is ineligible to participate in the Rights Plan), including Mr Bayliss and any associate of any such persons. However, the Company need not disregard a vote if:

- a) it is cast by a person as proxy for a person who is entitled to vote, in accordance with the directions on the Proxy Form; or
- b) it is cast by the Chairman as proxy for a person who is entitled to vote, in accordance with a direction on the Proxy Form to vote as the proxy does.

In addition, no KMP of the Company or a Closely Related Party or Associate of such a KMP may vote as a proxy on the proposed Item 5 unless:

- a) the person votes as a proxy appointed by writing that specifies how the person is to vote on the proposed Item 5; or
- b) the person is the Chairman and votes as a proxy appointed by writing that authorises the Chairman to vote on the proposed Item 5 even though the resolution is connected directly or indirectly with the remuneration of KMP of the Company.

**Directors' Recommendation**

The Board unanimously (other than Mr Bayliss) recommends that Shareholders vote in favour of the resolutions in item 5.

## **ITEM 6 - Additional 10% Placement Capacity**

**General**

ASX Listing Rule 7.1A provides that an Eligible Entity may seek Shareholder approval at its Annual General Meeting to allow it to issue Equity Securities up to 10% of its issued capital (**10% Placement Capacity**). If Shareholders approve the resolution in Item 6, the number of Equity Securities the Company may issue under the 10% Placement Capacity will be determined in accordance with the formula prescribed in ASX Listing Rule 7.1A.2 (as set out below).

The effect of the resolution in Item 6 will be to allow the Directors to issue Equity Securities up to 10% of the Company's fully paid ordinary securities on issue under the 10% Placement Capacity during the period up to 12 months after the meeting, without Shareholder approval and without using the Company's 15% annual placement capacity granted under Listing Rule 7.1.

The resolution in Item 6 is a special resolution. Accordingly, at least 75% of votes cast by Shareholders present and eligible to vote at the Meeting must be in favour of this resolution for it to be passed.

#### **10% Placement Capacity**

ASX Listing Rule 7.1A came into effect on 1 August 2012 and enables an Eligible Entity to seek Shareholder approval at its AGM to issue Equity Securities in addition to those under the Eligible Entity's 15% annual placement capacity.

An Eligible Entity is one that, as at the date of the relevant annual general meeting:

- (a) Is not included in the A&P/ASX 300 Index; and
- (b) Has a maximum market capitalisation (excluding restricted securities and securities quoted on a deferred settlement basis) of \$300,000,000.

The Company is an Eligible Entity as it is not included in the A&P/ASX 300 Index and has a current market capitalisation as at 17 October 2016 of \$181,017,782.

The Equity Securities must be in the same class as an existing class of quoted Equity Securities. The Company currently has three classes of Equity Securities on issue, being quoted ordinary shares, performance rights and unlisted options.

The exact number of Equity Securities that the Company may issue under an approval under Listing Rule 7.1A is outlined in Listing Rule 7.2A.2. This rule provides that Eligible Entities, which have obtained Shareholder approval at an AGM, may issue or agree to issue, during the 12-month period after the date of the AGM, a number of Equity Securities calculated according to the following formula:

$(A \times D) - E$
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Where:

- A is the number of Shares on issue 12 months before the date of issue or agreement:
- (a) plus the number of Shares issued in the previous 12 months under an exception in ASX Listing Rule 7.2;
  - (b) plus the number of partly paid shares that became fully paid in the previous 12 months;
  - (c) plus the number of Shares issued in the previous 12 months with approval of holders of Shares under Listing Rules 7.1 and 7.4. This does not include an issue of fully paid ordinary shares under the entity's 15% placement capacity without shareholder approval; and
  - (d) less the number of Shares cancelled in the previous 12 months.
- D is 10%
- E is the number of Equity Securities issued or agreed to be issued under ASX Listing Rule 7.1A.2 in the 12 months before the date of issue or agreement to issue that are not issued with the approval of holders of ordinary shares under ASX Listing Rule 7.1 or 7.4.

#### **Technical information required by ASX Listing Rule 7.1A**

Pursuant to and in accordance with ASX Listing Rule 7.3A, the information below is provided in relation to this resolution.

##### **(a) Minimum Price**

The minimum price at which the Equity Securities may be issued is 75% of the volume weighted average price of Equity Securities in that class, calculated over the 15 ASX trading days on which trades in that class were recorded immediately before:

- (i) the date on which the price at which the Equity Securities are to be issued is agreed; or
- (ii) if the Equity Securities are not issued within 5 (five) ASX trading days of the date in paragraph 6.3(a)(i), the date on which the Equity Securities are issued.

**(b) Date of Issue**

The Equity Securities may be issued under the 10% Placement Capacity commencing on the date of the Meeting and expiring on the first to occur of the following:

- (i) 12 months after the date of this Meeting; and
- (ii) the date of approval by Shareholders of any transaction under ASX Listing Rules 11.1.2 (a significant change to the nature or scale of the Company's activities) or 11.2 (disposal of the Company's main undertaking) (after which date, an approval under Listing Rule 7.1A ceases to be valid).

**(10% Placement Capacity Period).**

**(c) Risk of voting dilution**

Any issue of Equity Securities under the 10% Placement Capacity will dilute the interests of Shareholders who do not receive any Shares under the issue.

If the resolution in Item 6 is approved by Shareholders and the Company issues the maximum number of Equity Securities available under the 10% Placement Capacity, the economic and voting dilution of existing Shares would be as shown in the table below.

The table below shows the dilution of existing Shareholders calculated in accordance with the formula outlined in ASX Listing Rule 7.1A2, on the basis of the current market price of Shares and the current number of Equity Securities on issue as at the date of this Notice.

The table also shows the voting dilution impact where the number of Shares on issue (Variable A in the formula) changes and the economic dilution where there are changes in the issue price of Shares issued under the 10% Placement Capacity.

Number of Shares on Issue	Dilution			
	Issue Price (per Share)	\$0.710 (50% decrease in current market price)	\$1.420 (Current market price)	\$2.840 (100% increase in current market price)
127,160,447 (Current Variable A)	Shares issued – 10% voting dilution	12,716,044	12,716,044	12,716,044
	Funds raised	\$9,028,391	\$18,056,782	\$36,113,564
190,740,671 (50% increase in Variable A) *	Shares issued – 10% voting dilution	19,074,067	19,074,067	19,074,067
	Funds raised	\$13,542,587	\$27,085,175	\$54,170,350
254,320,894	Shares issued – 10% voting dilution	25,432,089	25,432,089	25,432,089

<b>(100% increase in Variable A)*</b>	<b>Funds raised</b>	\$18,056,783	\$36,113,566	\$72,227,132
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\* The number of shares on issue (Variable A in the formula) could increase as a result of the issue of shares that do not require Shareholder approval (such as under a pro-rata rights issue or scrip issue under a takeover offer) or that are issued with Shareholder approval under Listing Rule 7.1.

**The table above has been prepared on the following assumptions:**

1. Variable A is 127,160,447 which equates to the 127,477,311 Shares currently on issue, less 316,864 shares issued under available capacity of ASX Listing Rules 7.1.
2. The market price set out above is the closing price of the Shares on the ASX on 17 October 2016.
3. The Company issues the maximum possible number of shares under the 10% Placement Capacity.
4. The Company has issued shares in the previous 12 months. The Company has issued 316,864 relating to the acquisition of TopBuy Australia Pty Ltd (**Acquisition Shares**) under the 15% placement capacity. The Company has not issued any other Equity Securities in the 12 months prior to the Meeting that were not issued under an exception in ASX Listing Rule 7.2. Variable A excludes these 316,864 Acquisition Shares.
5. The issue of Equity Securities under the 10% Placement Capacity consists only of Shares.
6. The calculations above do not show the dilution that any one particular Shareholder will be subject to. All Shareholders should consider the dilution caused to their own shareholding depending on their specific circumstances.
7. This table does not set out any dilution pursuant to approvals under ASX Listing Rule 7.1.
8. The 10% voting dilution reflects the aggregate percentage dilution against the issued share capital at the time of issue. This is why the voting dilution is shown in each example as 10%.
9. The table does not show an example of dilution that may be caused to a particular Shareholder by reason of placements under the 10% Placement Capacity, based on that Shareholder's holding at the date of the Meeting.

Shareholders should note that there is a risk that:

- (i) the market price for the Company's Shares may be significantly lower on the issue date than on the date of the Meeting; and
- (ii) the Shares may be issued at a price that is at a discount to the market price for those Shares on the date of issue.

**(d) Purpose of issue under 10% Placement Capacity**

The Company may seek to issue Equity Securities under the 10% Placement Capacity for the following purposes:

- (i) as cash consideration in which case the Company intends to use funds raised for working capital purposes or potential acquisitions; or
- (ii) as non-cash consideration for services, equipment or product. In such circumstances the Company will provide a valuation of the non-cash consideration as required by Listing Rule 7.1A.3. The minimum issue price limitation as set out in Listing Rule 7.1A .3 applies to issues for non-cash consideration.

The Company will comply with the disclosure obligations under Listing Rules 7.1A4 and 3.10.5A upon issue of any Equity Securities.

**(e) Allocation under the 10% Placement Capacity**

The allottees of the Equity Securities to be issued under the 10% Placement Capacity have not yet been determined. However, the allottees of Equity Securities could consist of current Shareholders or new investors (or both) and there will be no related parties or associates of related parties of the Company as part of the allottees.

The Company will determine the allottees at the time of the issue under the 10% Placement Capacity, having regard to the following factors:

- (i) The purpose of the issue;
- (ii) Alternative methods for raising funds available to the Company at that time, including, but not limited to, an entitlement issue or other offer where existing Shareholders may participate;
- (iii) The effect of the issue of the Equity Securities on the control of the Company;
- (iv) The circumstances of the Company, including, but not limited to, the financial position and solvency of the Company;
- (v) Prevailing market conditions; and
- (vi) Advice from corporate, financial and broking advisers (if applicable).

**(f) Previous Approval under ASX Listing Rule 7.1A**

The Company has previously obtained approval under ASX Listing Rule 7.1A at the Annual General Meeting held on 25 November 2015. No shares have been issued under ASX Listing Rule 7.1A since the approval was obtained.

316,864 shares have been issued in the 12 months preceding this meeting and 1,384,436 Performance Rights have also been issued in this period, a total of 1,701,300 equity securities. This represents 1.34% of the equity securities on issue at the commencement of this period (127,160,447 securities).

The following represents details of the ordinary share issues:

Date	Number of Ordinary Shares	Reason for Issue	Consideration per share	Total Consideration	Allotted to
25 February 2016	316,864	Issued as part consideration for the acquisition of TopBuy Australia Pty Ltd announced to the ASX on the 22 April 2014.	\$1.69 (closing price on the date of issue was \$1.040) and thus these shares were not issued at a discount.	\$535,500	Peter Xie and Michael Xie the Vendors of TopBuy Australia Pty Ltd.

In 2014 GEG acquired 100% of TopBuy Australia Pty Ltd for \$2.25 million. Consideration was settled via \$0.325m cash with the balance to be settled in GEG shares at a share price of the 60-day VWAP at various dates. There was also a small earn out component.

The value of TopBuy Australia Pty Ltd acquired was tested for impairment at 30 June 2016 and no impairment was noted. The current value of TopBuy Australia Pty Ltd is at least equal to its value at acquisition of \$2.25 million.

In addition to ordinary shares on 9 September 2016, 1,384,436 Performance Rights were issued to executives of the company.

The Performance Rights are granted under the terms and conditions of the Company's Performance Rights Plan. The vesting of the Performance Rights is subject to performance hurdles, being Earnings per Share and Total Shareholder Return hurdles. The Performance Rights vest equally on each of the following dates, 1 July 2017, 1 July 2018 and 1 July 2019. Vesting of the Performance Rights are also subject to continued services by the relevant employee over the relevant performance period or upon cessation of employment, the vesting of rights may be determined at the absolute discretion of the Board. The Performance Rights were granted for nil consideration.

Upon satisfaction of any performance and vesting conditions, each Performance Right will, at the Company's election, convert to a Share on a one-for-one basis or entitle the participant to receive cash to the value of a Share.

Performance Rights do not carry any voting rights.

**(g) Compliance with ASX Listing Rules 7.1A.4 and 3.10.5A**

When the Company issues Equity Securities pursuant to the 10% Placement Capacity, it will give to ASX:

- (i)** A list of the allottees of the Equity Securities and the number of Equity Securities allotted to each (not for release to the market), in accordance with Listing Rule 7.1A.4; and
- (ii)** The information required by Listing Rule 3.10.5A for release to the market.

**Voting Exclusion Statement**

The Company will disregard any votes cast on Item 6 by any person who may participate in the issue of Equity Securities under this item and a person who might obtain a benefit, except a benefit solely in the capacity of a holder of ordinary securities, if the resolution is passed and any associates of those persons. However the Company will not disregard a vote if it is cast by 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.

As at the date of this Notice, the Company has not invited any existing Shareholder to participate in an issue of Equity Securities under ASX Listing Rule 7.1A. Therefore, no existing Shareholders will be excluded from voting on the resolution in Item 6.

**Directors' Recommendation**

The Board unanimously recommends that Shareholders vote in favour of this resolution.

## **ITEM 7 - Adoption of New Constitution**

**Background**

Pursuant to the Corporations Act, the Company's Constitution may only be amended or repealed by special resolution, i.e. by a resolution that has been passed by at least 75% of the votes cast by members entitled to vote on the resolution.

Item 7 is a special resolution to repeal the Company's existing Constitution (**Existing Constitution**) and adopt a new Constitution (**New Constitution**) which is of a type suitable for a listed public company limited by shares, updated to ensure that it reflects the current provisions of the Corporations Act and ASX Listing Rules. The Existing Constitution was adopted in June 2007. The New Constitution incorporates numerous amendments to reflect changes to the Corporations Act and ASX Listing Rules since that time, recent developments in corporate governance, as well as to generally update the Constitution in keeping with market standards.

The Board believes that it is preferable in the circumstances to replace the Existing Constitution with the New Constitution rather than to amend a multitude of specific provisions.

The New Constitution is broadly consistent with the provisions of the Existing Constitution. Many of the proposed changes are administrative or minor in nature. It is not practicable to list all of the differences in detail in this Explanatory Statement, however, a summary of the material differences between the Existing Constitution and the New Constitution are set out in the table below.

A copy of the New Constitution is available for review by Shareholders at the Company's website [www.graysecommercegroup.com.au](http://www.graysecommercegroup.com.au) and at the office of the Company. A copy of the New Constitution can also be sent to Shareholders upon request to the Company Secretary (+61 2 8263 0515). Shareholders are invited to contact the Company if they have any queries or concerns.

#### Summary of material differences between Existing Constitution and New Constitution

Subject matter	Existing constitution	ME template constitution
<b>Class meetings</b>		
<b>Class meetings</b>	Silent.	<p>Clause 10</p> <p>Provides guidance in respect of holding separate class meetings (including quorum requirements and methods by which the class members may vote).</p>
<b>Less than Marketable Parcels</b>		
<b>Procedure for members wishing to keep shares</b>	Silent.	<p>Clause 11.6</p> <p>Sets out the procedure to be followed by members wishing to keep the share subject to a notice of divestment.</p>
<b>Method of sale</b>	<p>Clause 27.5</p> <p>Shares to be sold only on-market.</p>	<p>Clause 11.8</p> <p>Affords the directors greater discretion in selling the shares (e.g. on-market, private treaty, through a share sale facility or otherwise).</p>
<b>Proceeds of sale</b>	Silent.	<p>Clause 11.11</p> <p>Stipulates that the proceeds of such sale are to be held by the company on trust for the relevant member.</p>
<b>Calls</b>		
<b>Calls to be paid by instalments</b>	Silent.	<p>Clause 13</p> <p>Where a call is to be paid by instalments, every instalment is payable as if it were a call duly made by the directors.</p>
<b>Interest and expenses</b>	<p>Clause 6.7</p> <p>Authorises claw-back of interest only in respect of unpaid calls.</p>	<p>Clause 14</p> <p>Allows the company to claw-back all expenses incurred by the company as a consequence of the non-payment, in addition to interest.</p>

Lien		
<b>When a lien applies</b>	<p>Clause 5</p> <p>Lien applies over securities for all money, which the Company is required by law to pay and which has been paid in respect of securities of a member.</p>	<p>Clause 18</p> <p>Widens scope of applicability to include the imposition of a <u>contingent</u> liability on the company by a revenue / government authority to require payment in respect of shares, dividends or other monies accruing due to a member.</p> <p>The company is also provided with the benefit of an indemnity from the member in respect of any immediate or contingent liability and the right of set off.</p>
Forfeiture		
<b>Forfeiture notice</b>	<p>Clause 10.1</p> <p>Forfeiture notice may include a demand to pay the unpaid amount and interest.</p>	<p>Clause 20</p> <p>Forfeiture notice may include a demand to pay all expenses incurred by the company as a consequence of the non-payment, in addition to the unpaid amount and interest.</p>
Transfer of shares		
<b>Form of written transfer instrument</b>	<p>Silent.</p>	<p>Clause 24.5</p> <p>Sets out the formal requirements of a written transfer instrument.</p>
Transmission of shares		
<b>Costs incurred</b>	<p>Silent.</p>	<p>Clause 29.6</p> <p>Any person to whom a transmission of shares occurs must indemnify the company against costs incurred by the company as a result of registering the person.</p>
Changes to share capital		
<b>Fractions of shares arising from consolidation or division</b>	<p>Silent.</p>	<p>Clause 30</p> <p>Subject to law, the directors may deal with fractions of shares as they think expedient in order to give effect to any consolidation or division of shares.</p>
Powers of attorney		
<b>Lodgement requirements</b>	<p>Clause 12.30</p> <p>Copies of any powers of attorney are to be provided to the company where voting is to take place by way of proxy.</p>	<p>Clause 31</p> <p>Requires members to provide copies of powers of attorney to do any act relevant to the member's shareholding.</p> <p>Separate and additional obligations apply in respect of the provision of copies of powers of attorney to the company in the context of voting at a general meeting.</p>



General meetings		
<b>Notice</b>	<p>Clause 11.4</p> <p>A notice of a general meeting must specify the place, the day and the hour of meeting and must state the general nature of the business to be transacted at the meeting.</p>	<p>Clause 33.3</p> <p>In addition to information in respect of the place, the day and the hour of meeting and must state the general nature of the business, sets out further content requirements in accordance with the Corporations Act.</p>
<b>Chairperson</b>	<p>Clause 12.4</p> <p>Where no person has been elected as a chairperson of directors or neither the chairperson nor the deputy chairperson is not present within 15 minutes after the time appointed for the meeting or is unwilling to act, the <u>members</u> present may elect one of their number to be the chairperson of the meeting.</p>	<p>Clause 37.2</p> <p>Where no person has been elected as a chairperson of directors or neither the chairperson nor the deputy chairperson is not present within 15 minutes after the time appointed for the meeting or is unwilling to act, the <u>directors</u> present may elect one of their number to be the chairperson of the meeting.</p> <p>If no chairperson is elected in accordance with the above, then the members may elect one of their number to be the chairperson of the meeting.</p>
<b>Adjournment</b>	<p>Clause 12.5</p> <p>The chairperson may adjourn a general meeting with the meeting's consent.</p>	<p>Clause 39</p> <p>The chairperson may adjourn a general meeting in his or her discretion.</p>
<b>Taking a poll</b>	<p>Clause 12.13</p> <p>A poll demanded on the election of a chairperson or on a question of adjournment must be taken immediately.</p>	<p>Clause 41.4</p> <p>A poll cannot be demanded on any resolution concerning the election of the chairperson of a general meeting.</p>
<b>Unpaid calls</b>	<p>Silent.</p>	<p>Clause 46</p> <p>Provides that a member is entitled to vote or be counted in a quorum only in respect of shares on which all calls due and payable have been paid.</p>
<b>Appointment of multiple proxies</b>	<p>Silent.</p>	<p>Clause 49</p> <p>A member may appoint up to two proxies.</p> <p>If a member appoints one proxy, that proxy may, subject to the Corporations Act, vote on a show of hands.</p> <p>If a member appoints two proxies and the appointment does not specify the proportion or number of the member's votes each proxy may exercise, each proxy may exercise half the votes. However, neither proxy may vote on a show of hands.</p>

Appointment and removal of directors		
<b>Proxy in blank</b>	Silent.	<p>Clause 51</p> <p>If a proxy appointment is signed by the member but does not name the proxy or proxies in whose favour it is given, the chairperson may either act as proxy or complete the proxy appointment by inserting the name or names of one or more Directors or the Secretary.</p>
<b>Body corporate representative</b>	Silent.	<p>Clause 54</p> <p>Expressly provides for a member that is a body corporate to vote by way of appointing a body corporate representative in accordance with section 250D of the Corporations Act.</p>
Appointment and removal of directors		
<b>Retirement by rotation</b>	<p>Clause 13.5</p> <p>Requires the retirement of one-third of directors at each annual general meeting.</p>	<p>Clause 59</p> <p>Requires the retirement of every director who has been in office throughout the longer of:</p> <ul style="list-style-type: none"> <li>(a) a period of three years as at the commencement of that meeting; and</li> <li>(b) the period since the conclusion of the earliest of the three annual general meetings immediately preceding that meeting.</li> </ul> <p>This avoids a situation directors are regularly required to seek re-election at intervals shorter than the 3 years contemplated under the ASX Listing Rules.</p>
<b>Nomination of director</b>	<p>Clause 13.7</p> <p>Unclear who may provide a notice of nomination.</p>	<p>Clause 60.1</p> <p>Nomination must be provided by the directors or a member.</p>
Proceedings of directors		
<b>Notice of directors' meetings</b>	Silent.	<p>Clause 66.2</p> <p>Requires at least 48 hours' notice of a meeting to each director unless the directors unanimously agree otherwise.</p>
<b>Casting vote of chairperson</b>	<p>Clause 15.6</p> <p>If the votes are equal, the chairperson <u>does not</u> have a casting vote.</p>	<p>Clause 67.2</p> <p>If the votes are equal, the chairperson <u>does</u> have a casting vote.</p>

Dividends and reserves		
<b>Determination of dividend</b>	Silent.	<p>Clause 85</p> <p>In addition to the power to declare a dividend, directors may determine that a dividend is payable and fix the amount and the time for and method of payment.</p> <p>Clause 86</p> <p>A determination in respect of the above, if permitted by the ASX Listing Rules, may be amended or revoked before the record date notified to ASX for determining entitlements to that dividend.</p>
<b>Source of dividend</b>	<p>Clause 23.3</p> <p>No dividend may be declared or paid except out of profits or otherwise as allowed by the Corporations Act.</p>	<p>No such restriction in respect of the source of dividends.</p> <p>2010 changes to the law in respect of dividends mean that companies may now pay a dividend other than out of profits, provided certain requirements are met (including a balance sheet test).</p>
<b>Dividend entitlement</b>	<p>Clause 23.5</p> <p>Subject to the Listing Rules relating to partly paid securities, all dividends are apportioned and paid proportionately to the amounts paid or credited as paid on the shares in proportion to the relevant issue price for the shares.</p>	<p>Clause 89.1</p> <p>Explains in greater detail the degree to which holders of partly-paid shares are entitled to dividends.</p>
<b>Dividend reinvestment</b>	Silent.	<p>Clauses 94</p> <p>Provides that directors may to establish a dividend reinvestment plan.</p>
Notices		
<b>Persons entitled to notice</b>	<p>Clause 25.5</p> <p>Notice of every general meeting must be given to (1) every member, (2) every person entitled to a share due to the death or bankruptcy of a member who, but for the member's death or bankruptcy, would be entitled to receive notice of the meeting and (3) the auditor of the company.</p> <p>Clause 25.6</p> <p>No other person is entitled to receive a notice of general meeting.</p>	<p>Clause 99</p> <p>Includes each director and alternative director to the list of persons entitled to receive notice of general meetings.</p>

Indemnity		
<b>Shareholder disclosure</b>	Silent.	<p>Clause 103</p> <p>Requires members to disclose to the company any arrangement restricting the transfer or other disposal of shares which are of a nature that the company is required to disclose under the Listing Rules.</p>

#### **Directors' Recommendation**

Directors recommend that Shareholders vote in favour of this item.

#### **Chairman's Voting Intention**

The Chairman of the Meeting intends to vote all available undirected proxies in favour of all resolutions.

## GLOSSARY

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The following terms used in this Explanatory Statement (including the Notice of Meeting) have the meaning given to them below, unless the context otherwise requires.

**10% Placement Capacity** has the meaning given in section 6b of the Notice

**\$** means Australian Dollars

**AEDT** means Australian Eastern Daylight Time.

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

**Associate** has the meaning given to that term in Division 2 of Part 1.2 of the Corporations Act, as the context requires.

**ASX** means ASX Limited ACN 008 624 691

**ASX Listing Rules** means the listing rules of ASX.

**ASX Principles** means the ASX Corporate Governance Principles and Recommendations (3rd edition).

**Board** the board of directors of the Company.

**Closely Related Party** has the meaning as defined in section 9 of the Corporations Act.

**Company** means Grays eCommerce Group Limited (ACN 125 736 914)

**Constitution** means the Company's Constitution.

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

**Director** means a director of the Company.

**Eligible Entity** means an entity that at the date of the relevant General Meeting:

- (a) is not included in the A&P/ASX 300 Index; and
- (b) Has a market capitalisation (excluding restricted securities and securities quoted on a deferred settlement basis) of \$300,000,000.

**Equity Securities** includes a Share, a right to a Share or Option, an Option, a convertible security and any security that ASX decides to classify as an Equity Security.

**Explanatory Notes** means this explanatory notes.

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

**Key Management Personnel** or **KMP** has the meaning as defined in section 9 of the Corporations Act.

**Notice** or **Notice of Meeting** or **Notice of Annual General Meeting** means this notice of annual general meeting and the explanatory notes accompanying the Notice and the Proxy Form.

**Proxy Form** means the proxy form accompanying the Notice.

**Related Body Corporate** has the meaning set out in in section 50 of the Corporations Act.

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

**Resolutions** means the proposed resolutions set out in the Notice of Meeting, and Resolution means any of them, as the context requires.

**Share** means a fully paid ordinary share in the Company.

**Shareholder** means the holder of one or more Shares, being a person registered in the Share Register as a member of the Company.

**Share Register** means the register of members of the Company maintained by or on behalf of the Company.

**Share Registry** means Computershare Investor Services Pty Limited.

**Voting Exclusion** means the exclusion of particular Shareholders from voting on a particular Resolution, as specified under that Resolution in the Notice of Meeting.

# Grays eCommerce Group Limited

ABN 94125736914

## Lodge your vote:



Online:

[www.investorvote.com.au](http://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](http://www.intermediaryonline.com)

### For all enquiries call:

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

GEG

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

## Proxy Form



### Vote and view the annual report online

- Go to [www.investorvote.com.au](http://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: I999999999

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 12:00pm (AEDT) on Saturday 26 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](http://www.investorcentre.com) under the help tab, "Printable Forms".

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

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

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



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



I 9999999999

I ND

## Proxy Form

Please mark ☒ to indicate your directions

### STEP 1

#### Appoint a Proxy to Vote on Your Behalf

XX

I/We being a member/s of Grays eCommerce 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 Grays eCommerce Group Limited to be held at Level 40, Governor Phillip Tower, 1 Farrer Place, Sydney 2000 on Monday, 28 November 2016 at 12.00pm (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 Items 2 and 5 (except where I/we have indicated a different voting intention below) even though Items 2 and 5 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 Items 2 and 5 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
2	To Adopt the Remuneration Report for the Year Ended 30 June 2016	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
3	Election of Director - Ms Nicolette Maury	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
4	Re-election of Director – Mr Jonathan Pinshaw	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
5	Issue of Performance Rights to Mr Mark Bayliss	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
6	Additional 10% Placement Capacity	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
7	Adoption of New Constitution	<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 / /

GEG

999999A

Computershare +