

19 October 2023

## LYNCH GROUP HOLDINGS LIMITED

### NOTICE OF 2023 ANNUAL GENERAL MEETING

The Board of Lynch Group Holdings Limited (ACN 608 543 219) (the **Company**) is pleased to provide information in relation to its 2023 annual general meeting of Shareholders.

**NOTICE IS GIVEN** that the Company will hold its annual general meeting of the Shareholders on Friday, 24 November 2023 at 10:30am (AEDT) (the **Meeting**).

The meeting will be held at: **Dexus Place, Level 5, 1 Margaret Street, Sydney NSW 2000.**

In addition, the meeting will be available to join via webinar at:

[https://us02web.zoom.us/webinar/register/WN\\_V0matpgNTWCNfhWlpiy53w](https://us02web.zoom.us/webinar/register/WN_V0matpgNTWCNfhWlpiy53w)

Terms and abbreviations are defined in the Glossary at the end of this Notice of Meeting and Explanatory Notes.

For further information, please refer to the Explanatory Notes which accompany and form part of this Notice of Meeting.

### Participation of Shareholders

The Company is pleased to invite Shareholders to attend the meeting in person. Shareholders will be able to submit questions at the meeting, or prior to the Meeting through the Company's Share Registry's website at: <https://investorcentre.linkgroup.com>.

### Voting eligibility

The Directors of the Company have determined that pursuant to Regulation 7.11.37 of the *Corporations Regulations 2001* (Cth) persons who are registered holders of shares in the Company at 7:00pm (AEDT) on 22 November 2023 will, for the purposes of determining voting entitlements at the Meeting, be taken to be the Shareholders of the Company. Shareholders may vote by accessing the online voting platform at: <https://investorcentre.linkgroup.com>.

### Proxies and authorised representatives

A Shareholder who is entitled to attend and vote at the Meeting has the right to appoint a proxy to attend and vote for them. The proxy does not have to be a Shareholder.

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Lynch Group Holdings Limited (ACN 608 543 219)  
8B Williamson Road, Ingleburn NSW 2565, Australia

[www.lynchgroup.com.au](http://www.lynchgroup.com.au) 1



Shareholders who are entitled to cast two or more votes can appoint either one or two proxies to attend virtually and vote at the Meeting on that Shareholder's behalf. Where two proxies are appointed, the appointing Shareholder can specify the number of votes or the proportion of the Shareholder's votes they want each proxy to exercise. If no number or proportion is specified, each proxy may exercise half of the Shareholder's votes.

Corporate Shareholders must provide the Company with satisfactory evidence of the appointment of any corporate representative under section 250D of the Corporations Act prior to the commencement of the Meeting.

A proxy can be either an individual or a body corporate. Should you appoint a body corporate as your proxy, that body corporate will need to ensure that it:

- appoints an individual as its corporate representative to exercise its powers at meetings; and
- provides the Company with satisfactory evidence of the appointment of its corporate representative under section 250D of the Corporations Act prior to commencement of the Meeting.

If a proxy appointment is signed by the Shareholder but does not name the proxy or proxies in whose favour it is given, the Chair will be deemed to have been appointed as the proxy. In addition, if you direct your proxy how to vote and your nominated proxy does not attend the Meeting, or attends but does not vote on a poll on a resolution, the Chair of the Meeting will act in place of the nominated proxy and vote in accordance with any instructions.

A voting/proxy form is included with this Notice of Meeting. If you wish to appoint two proxies, please obtain an additional form from Link Market Services Limited (**Share Registry**), or make a photocopy of the enclosed proxy form. To be effective, a duly completed proxy form and the power of attorney (if any) under which the proxy form is signed or a certified copy of the relevant authority must be received by the Share Registry at least 48 hours before the start of the Meeting, being no later than 10:30am (AEDT) on 22 November 2023.

## How to send

The voting form (and any authority appointing an attorney or corporate representative) must be sent to the Company's Share Registry:

- By post to Lynch Group Holdings Limited, Link Market Services Limited, Locked Bag A14 Sydney South NSW 1235 Australia; or
- By fax to Link Market Services Limited on +61 2 9287 0309; or
- lodged online at <https://investorcentre.linkgroup.com>

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8B Williamson Road, Ingleburn NSW 2565, Australia

### **Advance questions**

Shareholders may submit questions ahead of the Meeting to the Company or the Company's Auditor. Questions may be submitted prior to the Meeting:

- (i) by email to [investorrelations@lynchgroup.com.au](mailto:investorrelations@lynchgroup.com.au)
- (ii) online at the Share Registry website: <https://investorcentre.linkgroup.com>. You will need your SRN/HIN No. and postcode to access your holding. Once logged in, please click on the "Voting" tab and then "Ask Question"

To enable time for questions to be considered in sufficient detail at the Meeting, advance questions must be received no later than 10:30am (AEDT) on 22 November 2023.

## BUSINESS OF THE MEETING

### Ordinary Business

#### 1. Financial Statements and Reports

To receive and consider the Financial Report, Directors' Report and Auditor's Report for the Company for the year ended 2 July 2023.

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

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

***"THAT** pursuant to and in accordance with 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 Annual Report for the financial year ended 2 July 2023."*

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

#### Voting Exclusion Statement for Resolution 1:

In respect of Resolution 1, in accordance with the Corporations Act and the ASX Listing Rules, the Company will disregard any votes cast:

- by or on behalf of a member of the Key Management Personnel (**KMP**) named in the Remuneration Report for the year ended 2 July 2023, or that KMP's Closely Related Party, regardless of the capacity in which the vote is cast; and
- as a proxy by a member of the KMP at the date of the Meeting, or that KMP's Closely Related Party,

unless the vote is cast as a proxy for a person who is entitled to vote on Resolution 1:

- in accordance with their directions of how to vote as set out in the proxy form; or
- by the Chair pursuant to an express authorisation on the proxy form to vote as the proxy decides, even though Resolution 1 is connected with the remuneration of the KMP.

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If the Chair is your proxy or is appointed as your proxy by default, and you do not direct the Chair how to vote on Resolution 1 on your proxy form, you will be expressly authorising the Chair to vote on Resolution 1 as the Chair sees fit. The Chair intends to vote undirected proxies in favour of Resolution 1.

### 3. Resolution 2: Re-election of Director: Peter Clare

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

***“THAT** Peter Clare, having retired from his office as Director in accordance with clause 20.2 of the Constitution and ASX Listing Rule 14.5, and being eligible, having offered himself for election, be elected as a Director of the Company.”*

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

### 4. Resolution 3: Re-election of Director: Peter Arkell

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

***“THAT** Peter Arkell, having retired from his office as Director in accordance with clause 20.2 of the Constitution and ASX Listing Rule 14.5, and being eligible, having offered himself for election, be elected as a Director of the Company.”*

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

## Special Business

### 1. Resolution 4: Issue of Options to Executive Director Hugh Toll

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

***“THAT** for the purposes of ASX Listing Rule 10.14 and for all other purposes, approval be given for the grant of options to the Chief Executive Officer and Executive Director, Hugh Toll under the Company’s long-term incentive scheme, in accordance with the terms of the Company’s long-term incentive scheme and as described in the Explanatory Notes.”*

### Voting Exclusion Statement for Resolution 4

In respect of Resolution 4, in accordance with the Corporations Act and the ASX Listing Rules, the Company will disregard any votes cast in favour of Resolution 4:

- by or on behalf of any Director who is eligible to participate in the Company's long-term incentive scheme (**LTI Scheme**) or a person referred to in ASX Listing Rule 10.14.1, 10.14.2 or 10.14.3 who is eligible to participate in the LTI Scheme, and any of their associates or Closely Related Parties (together, **Excluded Persons**), regardless of the capacity in which the vote is cast; and
- as a proxy by an Excluded Person,

unless the vote is cast:

- as a proxy or attorney for a person who is entitled to vote on Resolution 4 in accordance with the directions given to the proxy or attorney to vote on the resolution in that way;
- by the Chair of the Meeting as a proxy or attorney for a person who is entitled to vote on Resolution 4, in accordance with a direction given to the Chair where the proxy appointment expressly authorises the Chair to vote on the resolution as the Chair decides, even though Resolution 4 is connected with the remuneration of KMP; or
- by a holder acting solely in a nominee, trustee, custodial or other fiduciary capacity on behalf of a beneficiary provided the following conditions are met:
  - the beneficiary provides written confirmation to the holder that the beneficiary is not excluded from voting, and is not an associate of a person excluded from voting, on Resolution 4; and
  - the holder votes on Resolution 4 in accordance with the directions given by the beneficiary to the holder to vote in that way.

If the Chair is your proxy or is appointed as your proxy by default, and you do not direct the Chair how to vote on Resolution 4 on your proxy form, you will be expressly authorising the Chair to vote on Resolution 4 as the Chair sees fit. The Chair intends to vote undirected proxies in favour of Resolution 4.

By order of the Board

A handwritten signature in black ink, appearing to read "Steve Wood".

Steve Wood  
Company Secretary

19 October 2023

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## EXPLANATORY NOTES

The Explanatory Notes have been prepared to provide information that the Directors believe to be material to Shareholders in deciding whether or not to pass a Resolution.

### 1. Financial Statements and Reports

The Corporations Act requires the Financial Report (which includes the Directors' Declaration, Directors' Report and Auditor's Report (**Annual Report**)) to be received and considered at the Meeting. The Company will not provide a hard copy of the Annual Report to Shareholders unless specifically requested to do so. The Company's Annual Report is available on its website at <https://www.lynchgroup.com.au/investor-centre/results-reports-and-announcements>. Those Shareholders who have specifically requested a hard copy of the 2023 Annual Report will receive it by mail.

#### ***Questions and Comments***

Shareholders will be given a reasonable opportunity to ask questions about, and make comments on, the Annual Report and the audit and the management of the Company at the Meeting. Neither the Corporations Act nor the Constitution requires Shareholders to vote on the Annual Report. Shareholders will also have a reasonable opportunity at the Meeting to ask Deloitte Touche Tohmatsu, the Company's auditor, questions about their Auditor's Report. Alternatively, you can submit written questions to the auditor about their Auditor's Report. A list of questions for the auditor will be available at the Meeting.

As there is no requirement for a formal resolution on this item, a resolution will not be put to the Meeting.

### 2. Resolution 1: Adoption of Remuneration Report

The Remuneration Report of the Company for the financial year ended 2 July 2023 is set out in the Company's 2023 Annual Report. The Remuneration Report includes:

- details of the remuneration provided to the Non-Executive Directors and other Key Management Personnel for the year ended 2 July 2023;
- discussion of the Board's policy in relation to the nature and level of remuneration of the Directors, Chief Executive Officer and other Key Management Personnel, including in relation to performance hurdles; and
- discussion of the relationship between the Board's remuneration policy and the Company's financial performance.

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Shareholders will be requested to vote on the Remuneration Report. However, the Shareholder vote is advisory only and does not bind the Directors or the Company. Nevertheless, the Board will take into account the outcome of the vote when considering the future remuneration arrangements of the Company. The Chair will allow a reasonable opportunity for Shareholders to ask questions about, or make comments on, the Remuneration Report at the Meeting.

### ***Recommendation***

The Directors abstain, in the interests of good corporate governance, from making a recommendation in relation to this Resolution.

### **3. Resolution 2: Re-election of Peter Clare**

The ASX Listing Rules and the Constitution require that an election of Directors must take place each year. In accordance with the requirements of the ASX Listing Rules and the terms of the Constitution, Peter Clare retires by rotation at the close of the Meeting and, being eligible, offers himself for re-election as a Director.

Peter was appointed to the Board in February 2021 as an independent Non-Executive Director.

With an extensive corporate career in banking and broad industry experience, Peter has served on a variety of boards in the technology and finance industries in Australia and New Zealand. Peter is currently a Non-Executive Director of Heritage Bank and SilverChef.

Peter was formerly the CEO of Westpac New Zealand and prior to that, held numerous roles within Westpac and St. George and Commonwealth Bank. Peter's career began as an insolvency practitioner and included a number of years as a management consultant.

Peter holds a Bachelor of Commerce from the University of New South Wales and a Master of Business Administration from Macquarie University. Peter is also a member of the Australian Institute of Company Directors, Governance Institute of Australia and a fellow of CPA Australia and the Financial Services Institute of Australasia (FINSIA).

Peter is Chair of the Audit and Risk Committee and is a Member of the Remuneration and Nomination Committee.

### ***Recommendation***

The Board (other than Peter Clare, who has abstained from making a recommendation on this Resolution due to his personal interest) recommends that you vote in favour of this Resolution.



#### **4. Resolution 3: Re-election of Peter Arkell**

The ASX Listing Rules and the Constitution require that an election of Directors must take place each year. In accordance with the requirements of the ASX Listing Rules and the terms of the Constitution, Peter Arkell retires by rotation at the close of the Meeting and, being eligible, offers himself for re-election as a Director.

Peter was appointed to the Board in February 2021 as an independent Non-Executive Director.

Peter is currently the Managing Director of Carrington Day, a consulting company based in China which assists international companies to operate effectively in China. He was previously Non-Executive Director of the Group's China operations between January 2018 and February 2022.

Peter has been based in Shanghai since 2004. He is an active member of the international business community in China, having been on the board of directors and Chair of AustCham Shanghai, the Australian Chamber of Commerce. He is the Chair of the Global Mining Association of China, the representative body of the international mining community in China. Peter is also a founder and Non-Executive Director of the GE Morrison Institute, a China-Australia business focused think tank.

He was appointed for 2019-2024 to the panel of mediators of the Shenzhen International Mediation and Arbitration Centre of China Mining. In addition, Peter was a Board Member of the China International Mining Cooperation Committee, a sounding board for the Chinese Ministry of Commerce on outbound investment.

Peter has an extensive network at the most senior levels of international and Chinese business and government in China.

Peter is a member of each of the Audit and Risk Committee and the Remuneration and Nomination Committee.

#### ***Recommendation***

The Board (other than Peter Arkell, who has abstained from making a recommendation on this Resolution due to his personal interest) recommends that you vote in favour of this Resolution.

## **5. Resolution 4: Issue of Options to Executive Director Hugh Toll**

### **5.1. General**

The Company has offered a Long-term incentive scheme (**LTI Scheme**) in the financial year ended 2 July 2023 to assist in the motivation, reward and retention of Senior Executives and other selected Senior Managers. The LTI Scheme is designed to align participants' interests with the interests of Shareholders by providing participants an opportunity to receive Shares in the Company through the granting of Options.

The Company is seeking approval for all purposes, including ASX Listing Rule 10.14, for the award of 772,649 Options to CEO and Executive Director, Hugh Toll, under the LTI Scheme in order to issue Hugh Toll with Options to the value of 60% of his total fixed remuneration of \$632,225. If Shareholders do not approve Resolution 4, the Company will consider alternative arrangements to appropriately remunerate and incentivise Hugh Toll.

A summary of the material terms of the LTI Scheme, under which the Options will be offered, is contained in Appendix A of this Notice of Meeting. Any issue of securities in respect of the Options granted to the CEO (or associate of the CEO) requires the approval of Shareholders.

### **5.2. Regulatory requirements of ASX Listing Rule 10.14**

ASX Listing Rule 10.14 provides that a listed entity must not permit any of the following persons to acquire equity securities under an employee incentive scheme without the approval of the holders of its ordinary securities:

- (a) a director of the entity (ASX Listing Rule 10.14.1);
- (b) an associate of a director of the entity (ASX Listing Rule 10.14.2); or
- (c) a person whose relationship with the entity or a person referred to in ASX Listing Rule 10.14.1 or 10.14.2 is such that, in ASX's opinion, the acquisition should be approved by its security holders (ASX Listing Rule 10.14.3).

If approval is given for the issue of Options to Hugh Toll as contemplated by Resolution 4 under ASX Listing Rule 10.14, further approval is not required (and will not be sought) under ASX Listing Rule 7.1 for any resulting securities to be issued or transferred to or on behalf of Hugh Toll following the vesting and exercise of those Options.

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

Pursuant to and in accordance with the requirements of ASX Listing Rule 10.15, in addition to the information set out above, the following information is provided for the purposes of Resolution 4:

- (a) Resolution 4 seeks Shareholder approval for the issue of Options to Hugh Toll;

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- (b) Hugh Toll is an Executive Director of the Company and therefore falls within ASX Listing Rule 10.14.1;
- (c) The total number of Options proposed to be issued to Hugh Toll is 772,649;
- (d) Hugh Toll's current total fixed remuneration package is as follows:
  - (i) Annual cash salary (exclusive of superannuation): \$604,725;
  - (ii) Post-employment benefits (superannuation): \$27,500;
  - (iii) Short-term cash bonus (at risk, assuming maximum achievement): \$505,780;
  - (iv) Long-term equity-based incentives (at risk, assuming maximum achievement): \$379,335; and
  - (v) Total current remuneration package: \$1,517,340.
- (e) Under the LTI Scheme, Hugh Toll has previously been issued:
  - (i) 83,333 Options at no cost with an exercise price of \$3.60 on 6 April 2021;
  - (ii) 191,896 Options at no cost with an exercise price of \$3.60 on 26 November 2021; and
  - (iii) 817,567 Options at no cost with an exercise price of \$2.24 on 25 November 2022.
- (f) A summary of the material terms of the Options is set out at section 5.4 below;
- (g) The Board considers that the Options are an appropriate form of incentive on the basis that:
  - (i) the Options retain and reward Hugh Toll for the achievement of long-term business objectives;
  - (ii) Hugh Toll will only obtain value from the Options upon satisfaction of the relevant vesting conditions; and
  - (iii) Options are simple to understand, likely to be highly valued by executives (and therefore retentive and incentivising) and are designed to attract, retain and reward quality executives for successfully delivering long-term objectives of the Company;
- (h) The Board attributes a fair value of between \$0.45 and \$0.50 for the Options as calculated by an independent valuer. Specific details of the fair value measurement are as follows:
  - (i) Tranche 1 vesting on 30 June 2026 – TSR \$0.45 / EPS \$0.48;
  - (ii) Tranche 2 vesting on 30 June 2027 – TSR \$0.48 / EPS \$0.49; and
  - (iii) Tranche 3 vesting on 30 June 2028 – TSR \$0.48 / EPS \$0.50.

Fair value has been measured using the Black Scholes option pricing model for the EPS and the Monte Carlo simulation pricing model for the TSR threshold. Details of the inputs

used in the measurement of fair value as at the grant date of the Options are set out in Appendix B of this Notice of Meeting;

- (i) The Options will be issued to Hugh Toll as soon as practicable following Shareholder approval, and no later than 1 year after the date of the Meeting;
- (j) The Options will be issued to Hugh Toll for no consideration. Each Option has an exercise price of \$1.84;
- (k) A summary of the material terms of the LTI Scheme, under which the Options will be offered, is contained in Appendix A of this Notice of Meeting;
- (l) No loan will be made to Hugh Toll in respect of the grant of Options the subject of this Resolution 4;
- (m) Details of the Options issued under Resolution 4, along with any other securities issued under the LTI Scheme, will be published in the Annual Report of the Company relating to the period in which they are issued, along with a statement that they were issued pursuant to approval obtained under ASX Listing Rule 10.14;
- (n) Any additional persons covered by ASX Listing Rule 10.14 who become entitled to participate in any issue of securities under the LTI Scheme after this Resolution 4 is passed and who was not named in this Notice of Meeting will not participate in the LTI Scheme until approval is obtained under that rule;
- (o) A voting exclusion statement in respect of Resolution 4 is included in the Notice of Meeting.

#### 5.4. Summary of the material terms of the Options

The key terms of the Options proposed to be granted to Hugh Toll in this Resolution 4 are set out below:

Term	Description
<b>Eligibility</b>	Hugh Toll is eligible to participate in the LTI Scheme.
<b>Grants</b>	The maximum notional value of Options offered to the Hugh Toll CEO is 60% of his total fixed remuneration. 772,649 Options over Shares are subject to Shareholder approval in this Resolution 4.
<b>Vesting conditions</b>	Options vest subject to an earnings per share ( <b>EPS</b> ) hurdle and a total shareholder return ( <b>TSR</b> ) hurdle over the performance period. 50% of the Options are subject to the EPS hurdle with the remaining 50% subject to the TSR hurdle.  The EPS vesting percentages will correspond to the Company's annual compounding EPS growth over the performance period (adjusted where necessary to take into account one-off items as determined by the Board), and are as follows:

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- Annual compounding EPS less than 8%: 0% of Options will vest;
- Annual compounding EPS equal to 8%: 0% of Options will vest;
- Annual compounding EPS between 8% and 12%: Options will vest on a straight-line pro rata basis between 0% and 100%; and
- Annual compounding EPS greater than 12%: 100% of Options will vest.

The TSR vesting percentages will be determined by comparison of the Company's TSR against the TSR of companies which comprise the ASX300 index:

- Company TSR in the bottom quartile (0%-25%) of the ASX300 index: 0% of Options will vest;
- Company TSR in the second quartile (25%-50%) of the ASX300 index: 33% of Options will vest;
- Company TSR in the third quartile (50%-75%) of the ASX300 index: 66% of Options will vest; and
- Company TSR in the top quartile (75%-100%) of the ASX300 index: 100% of Options will vest.

None of the Options will vest during the first two years of the five-year performance period. During each of the third, fourth and fifth year of the performance period, 1/3 of the Options will be eligible to vest (in the manner set out above) if the Company has achieved the relevant compounded EPS target and / or TSR target at the end of that year.

To the extent that any Options which vest in years 3 and 4 do not vest due to the Company not achieving the relevant EPS or TSR target, those Options will be subject to retesting based on the Company's annual compounding EPS and TSR performance until the Option expires (i.e., in years 4 or 5 (as applicable)).

In addition to the EPS performance condition, it is a vesting condition that the participant has been continuously employed by the Company or one its subsidiaries (and has not resigned or been terminated) at all times up to (and including) the relevant vesting date.

These performance conditions were chosen to closely align LTI Scheme outcomes with the performance of the Company.

<b>Options</b>	Each Option confers on its holder the entitlement to receive one Share in the Company at the exercise price upon exercise of the Option. Options will not be quoted on the ASX.
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<b>Issue Price</b>	The Options will be issued for nil consideration.
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<b>Exercise price</b>	\$1.84 being the volume weighted average price of Shares for the month of May 2023.
<b>Performance period</b>	Five years following the date of grant of the Options.
<b>Ranking of Shares</b>	Shares issued upon vesting and exercise of Options under the LTI Scheme will rank equally in all respects with existing Shares.
<b>Rights attaching to Options</b>	The Options do not carry rights to dividends or voting rights prior to exercise.
<b>Vesting and exercise of Options</b>	Subject to any vesting conditions having been satisfied or waived by the Board in its discretion, an Option may be exercised in accordance with the invitation and by paying the exercise price.
<b>Cessation of employment of holders of Options</b>	The LTI Scheme contains provisions concerning the treatment of unvested and vested Options in the event employment ceases as a result of death or serious and debilitating illness. In other circumstances the Board has absolute discretion in the treatment of unvested and vested Options in the event employment ceases.
<b>Expiry of Options</b>	Options will expire on 30 June 2029. On the expiry date for an Option, the Option will lapse unless it has been validly exercised.

## 5.5. Reasonable remuneration under the Corporations Act

Chapter 2E of the Corporations Act regulates the provision of financial benefits to related parties by a public company. Section 208 of the Corporations Act prohibits a public company giving a financial benefit to a related party unless a relevant exception applies.

A “financial benefit” is defined in the Corporations Act in broad terms and includes the grant of equity incentives by a public company.

Under the Corporations Act, a director of a company is a related party of that company. As Hugh Toll is a recipient under the LTI Scheme and a Director of the Company, Options granted to Hugh Toll will constitute a financial benefit being given by the Company to a related party.

Section 211 of the Corporations Act provides an exception to the prohibition in section 208 of the Corporations Act where the financial benefit is remuneration given to a related party as an officer of the company and to give the remuneration would be reasonable given the circumstances of the company and the related party’s circumstances (including the responsibilities involved in the office or employment) (**Reasonable Remuneration Exemption**).

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It is the view of the Directors that the proposed grant of Options to Hugh Toll as contemplated in Resolution 4 falls within the Reasonable Remuneration Exemption given the circumstances of the Company and the position held by Hugh Toll.

Accordingly, the Directors have determined not to seek Shareholder approval for the purposes of section 208 of the Corporations Act for the grant of Options contemplated by Resolution 4.

***Recommendation***

The Board (other than Hugh Toll, who has abstained from making a recommendation on this Resolution due to his personal interest) recommends that you vote in favour of this Resolution.



## GLOSSARY

<b>AEDT</b>	Means Australian Eastern Daylight Time
<b>Annual Report</b>	means the Directors' Report, the Financial Report and Auditor's Report, in respect of the year ended 2 July 2023
<b>ASX</b>	means ASX Limited (ACN 008 624 691) or the securities market which it operates, as the context requires
<b>ASX Listing Rules</b>	means the listing rules of the ASX
<b>Auditor's Report</b>	means the auditor's report contained in the Annual Report
<b>Board</b>	means the board of Directors of the Company
<b>Chair</b>	means the chairperson of the Meeting
<b>Closely Related Party</b> of a member of the Key Management Personnel means:	<ul style="list-style-type: none"> <li>a) a spouse or child of the member;</li> <li>b) a child of the member's spouse;</li> <li>c) a dependent of the member or the member's spouse;</li> <li>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;</li> <li>e) a company the member controls; or</li> <li>f) a person prescribed by the <i>Corporations Regulations 2001</i> (Cth)</li> </ul>
<b>Company</b>	means Lynch Group Holdings Limited (ACN 608 543 219)
<b>Constitution</b>	means the constitution of the Company
<b>Corporations Act</b>	means the <i>Corporations Act 2001</i> (Cth)
<b>Director</b>	means a director of the Company
<b>Directors' Report</b>	means the directors' report contained in the Annual Report
<b>EPS</b>	means earnings per share
<b>Explanatory Notes</b>	means these explanatory notes which form part of the Notice of Meeting
<b>Financial Report</b>	means the annual financial report prepared under Chapter 2M of the Corporations Act for the Company and its controlled entities
<b>Group</b>	means the Company and each Subsidiary of the Company

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<b>Key Management Personnel or KMP</b>	means those persons described as Key Management Personnel in the Remuneration Report and includes all Directors (whether executive or otherwise)
<b>LTI Scheme</b>	means the Company's long-term incentive scheme
<b>Meeting</b>	means the annual general meeting of the Company on 24 November 2023
<b>Notice of Meeting</b>	means the notice of Meeting which accompanies these Explanatory Notes
<b>Options</b>	means options to acquire Shares in the Company granted under the LTI Scheme
<b>Proxy Form</b>	means the proxy form attached to the Notice of Meeting
<b>Remuneration Report</b>	means the remuneration report of the Company contained in the Directors' Report
<b>Resolution</b>	means a resolution proposed pursuant to the Notice of Meeting
<b>Share</b>	means a fully paid ordinary share in the capital of the Company
<b>Shareholder</b>	means a person who is a registered holder of shares in the Company
<b>Share Registry</b>	means Link Market Services Limited
<b>Subsidiary</b>	has the meaning given to that term in the Corporations Act
<b>TSR</b>	means total shareholder return

## APPENDIX A: SUMMARY OF THE MATERIAL TERMS OF THE LTI SCHEME

Term	Description
<b>Eligibility</b>	<p>Senior Managers and other selected employees of the Group may participate in the LTI Scheme.</p> <p>Eligibility to participate in the LTI Scheme and the number of Options offered to each participant will be determined by the Board.</p>
<b>Grants</b>	Under the rules of the LTI Scheme, Options may be offered to eligible participants from time to time.
<b>Terms and conditions</b>	<p>The Board has the absolute discretion to determine the terms and conditions applicable to an offer under the LTI Scheme, including:</p> <ul style="list-style-type: none"> <li>• Any conditions required to be satisfied before an Option will be granted;</li> <li>• Any vesting, performance or other conditions required to be satisfied before Options vest and may be exercised;</li> <li>• Any period during which the relevant vesting conditions must be satisfied before Options vest;</li> <li>• The exercise period during which Options may be exercised, subject to the terms of the LTI Scheme and the offer;</li> <li>• Any applicable issue price and/or exercise price;</li> <li>• Any disposal restrictions on Shares to be issued or transferred upon the exercise of Options;</li> <li>• Whether vested Options can be cash settled as well as equity settled (if both options are available, the actual method of settlement will be determined by the Company); and</li> <li>• Any other specific terms and conditions applicable to the offer.</li> </ul> <p>The specific terms and conditions applicable of an offer must be set out in the offer invitation.</p>
<b>Options</b>	<p>Each Option confers on its holder the entitlement to receive one or more Shares (by way of issue or transfer, as determined by the Company) at the exercise price (if any) upon exercise of the Option.</p> <p>Options will not be quoted on the ASX. Subject to the ASX Listing Rules, the Company will apply to the ASX for the quotation of any Shares issued to participants for the purpose of the LTI Scheme.</p>
<b>Ranking of shares</b>	Shares issued upon vesting and exercise of Options under the LTI Scheme will rank equally in all respects with existing Shares.
<b>Rights attaching to options</b>	The Options do not carry rights to dividends or voting rights prior to exercise.

Limited Audience



<b>Restrictions on options</b>	<p>Except as permitted by the Board, a participant must not sell, transfer, encumber, hedge or otherwise deal with Options.</p> <p>Once Options are exercised and Shares are issued in their place, generally no disposal restrictions apply to Shares, other than the restrictions that apply under the Securities Trading Policy. However, the Board may determine to apply disposal restrictions to those Shares on a case-by-case basis at the time of granting Options.</p>
<b>Vesting and exercise of options</b>	<p>Subject to any vesting conditions having been satisfied or waived by the Company in its discretion, an Option may be exercised in accordance with the relevant participant's invitation and by the participant paying the exercise price (if any).</p>
<b>Lapse of options</b>	<p>Unless otherwise specified in a participant's invitation or otherwise determined by the Board, an Option will lapse on the earliest of:</p> <ul style="list-style-type: none"> <li>• If any vesting condition applicable to the Option has not been satisfied or waived in accordance with its terms or is not capable of being satisfied;</li> <li>• The expiry of the exercise period (if any);</li> <li>• In certain circumstances if the participant's employment is terminated; and</li> </ul> <p>In other circumstances specified in the LTI Scheme rules (e.g., where the Board determines that the participant has committed an act of fraud or gross misconduct in relation to the affairs of the Group).</p>
<b>Cessation of employment of holders of options</b>	<p>The LTI Scheme contains provisions concerning the treatment of unvested and vested Options in the event a participant ceases employment.</p>
<b>Change of control</b>	<p>In the event of a change of control, the Board may, in its absolute discretion, determine the manner in which any or all of the participant's Options will be dealt with. This may include determining that all or some of a participant's Options are vested and may be exercised.</p>
<b>Capital restructure</b>	<p>In the event of a capital restructure, subject to the ASX Listing Rules, the Board may make such adjustments (including to matters such as exercise price, number of Options held or number of Shares received on exercise) as the Board deems appropriate but all times in accordance with the ASX Listing Rules.</p> <p>A participant holding an Option is not entitled to participate in any new issue of securities with respect to the Option.</p>

Limited Audience



<b>Employee share trust</b>	The Company may establish, on such terms and conditions as determined by the Board in its discretion, an employee share trust to assist with operation of the LTI Scheme, including facilitating the provision of Shares to participants when Options are exercised.
<b>Expiry options</b>	Options will expire on a date fixed in the offer letter to the particular employee. This may vary from employee to employee.  On the expiry date for an Option, the Option will lapse (unless it has been validly exercised).
<b>Amendments</b>	Subject to the ASX Listing Rules, the Board may, in its absolute discretion, amend the LTI Scheme rules, or waive or modify the application of the LTI Scheme rules in relation to a participant, provided that (except in specified circumstances) if such amendment would adversely affect the rights of participants in respect of any Options already held by them, the Board must obtain the consent of that participant before that amendment applies to that participant's existing Options.

## APPENDIX B: INPUTS USED IN MEASURING FAIR VALUE OF OPTIONS

Long-term incentive scheme	Tranche 1	Tranche 2	Tranche 3
Grant date	31 May 2023	31 May 2023	31 May 2023
Vesting date	30 June 2026	30 June 2027	30 June 2028
Exercise expiry date	30 June 2029	30 June 2029	30 June 2029
Number granted	847,264	847,264	847,265
Fair value at grant date	TSR - \$0.45 EPS - \$0.48	TSR - \$0.48 EPS - \$0.49	TSR - \$0.48 EPS - \$0.50
Share price at grant date	\$1.90	\$1.90	\$1.90
Exercise price	\$1.84	\$1.84	\$1.84
Expected volatility	40%	40%	40%
Expected dividend yield	4.9%	4.9%	4.9%
Risk-free rate	3.4%	3.4%	3.4%

Limited Audience



## LODGE YOUR VOTE

**ONLINE**  
https://investorcentre.linkgroup.com

**BY MAIL**  
Lynch Group Holdings Limited  
C/- Link Market Services Limited  
Locked Bag A14  
Sydney South NSW 1235 Australia

**BY FAX**  
+61 2 9287 0309

**BY HAND\***  
Link Market Services Limited  
Parramatta Square, Level 22, Tower 6,  
10 Darcy Street, Parramatta NSW 2150; or  
Level 12, 680 George Street, Sydney NSW 2000  
\*during business hours Monday to Friday (9:00am - 5:00pm)

**ALL ENQUIRIES TO**  
Telephone: 1300 554 474 Overseas: +61 1300 554 474



X999999999999

## VOTING/PROXY FORM

I/We being a member(s) of Lynch Group Holdings Limited and entitled to attend and vote hereby appoint:

### A VOTE DIRECTLY

☐ elect to lodge my/our  
vote(s) directly (mark box)

**i** in relation to the Annual General Meeting of the Company to be held at **10:30am (AEDT) on Friday, 24 November 2023**, and at any adjournment or postponement of the Meeting.

You should mark either "for" or "against" for each item. Do not mark the "abstain" box.

OR

### B APPOINT A PROXY

☐ the Chair of  
the Meeting  
(mark box)

OR if you are **NOT** appointing the Chair of the Meeting as your proxy, please write the name and email of the person or body corporate you are appointing as your proxy

Name

Email

or failing the person or body corporate named, or if no person or body corporate is named, the Chair of the Meeting, as my/our proxy to act on my/our behalf (including to vote in accordance with the following directions or, if no directions have been given and to the extent permitted by the law, as the proxy sees fit) at the Annual General Meeting of the Company to be held at **10:30am (AEDT) on Friday, 24 November 2023 at Dexu Place, Level 5, 1 Margaret Street, Sydney NSW 2000 (the Meeting)** and at any postponement or adjournment of the Meeting.

**Important for Resolutions 1 & 4:** If the Chair of the Meeting is your proxy, either by appointment or by default, and you have not indicated your voting intention below, you expressly authorise the Chair of the Meeting to exercise the proxy in respect of Resolutions 1 & 4, even though the Resolutions are connected directly or indirectly with the remuneration of a member of the Company's Key Management Personnel (KMP).

**The Chair of the Meeting intends to vote undirected proxies in favour of each item of business.**

## VOTING DIRECTIONS

Proxies will only be valid and accepted by the Company if they are signed and received no later than 48 hours before the Meeting.

Please read the voting instructions overleaf before marking any boxes with an ☒

### Items

For Against Abstain\*

For Against Abstain\*

1 Adoption of Remuneration Report

<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
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4 Issue of Options to Executive Director,  
Hugh Toll

<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
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2 Re-election of Director: Peter Clare

<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
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3 Re-election of Director: Peter Arkell

<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
--------------------------	--------------------------	--------------------------



\* If you mark the Abstain box for a particular Item, you are directing your proxy not to vote on your behalf and your votes will not be counted in computing the required majority.

## SIGNATURE OF SHAREHOLDERS – THIS MUST BE COMPLETED

Shareholder 1 (Individual)

Joint Shareholder 2 (Individual)

Joint Shareholder 3 (Individual)




Sole Director and Sole Company Secretary

Director/Company Secretary (Delete one)

Director

This form should be signed by the shareholder. If a joint holding, either shareholder may sign. If signed by the shareholder's attorney, the power of attorney must have been previously noted by the registry or a certified copy attached to this form. If executed by a company, the form must be executed in accordance with the company's constitution and the *Corporations Act 2001* (Cth).

## HOW TO COMPLETE THIS SHAREHOLDER VOTING/PROXY FORM

### YOUR NAME AND ADDRESS

This is your name and address as it appears on the Company's share register. If this information is incorrect, please make the correction on the form. Shareholders sponsored by a broker should advise their broker of any changes. **Please note: you cannot change ownership of your shares using this form.**

### VOTING UNDER BOX A

If you ticked the box under Box A you are indicating that you wish to vote directly. Please only mark either **"for"** or **"against"** for each item. Do not mark the **"abstain"** box. If you mark the **"abstain"** box for an item, your vote for that item will be invalid.

If no direction is given on all of the items, or if you complete both Box A and Box B, your vote may be passed to the Chair of the Meeting as your proxy.

Custodians and nominees may, with the Share Registrar's consent, identify on the Voting/Proxy Form the total number of votes in each of the categories **"for"** and **"against"** and their votes will be valid.

If you have lodged a direct vote, and then you attend the Meeting, your attendance will cancel your direct vote.

The Chair's decision as to whether a direct vote is valid is conclusive.

### VOTING UNDER BOX B – APPOINTMENT OF PROXY

If you wish to appoint the Chair of the Meeting as your proxy, mark the box in Step 1. If you wish to appoint someone other than the Chair of the Meeting as your proxy, please write the name and email of that individual or body corporate in Step 1. A proxy need not be a shareholder of the Company.

### DEFAULT TO CHAIR OF THE MEETING

Any directed proxies that are not voted on a poll at the Meeting will default to the Chair of the Meeting, who is required to vote those proxies as directed. Any undirected proxies that default to the Chair of the Meeting will be voted according to the instructions set out in this Voting/Proxy Form, including where the Items are connected directly or indirectly with the remuneration of KMP.

### VOTES ON ITEMS OF BUSINESS – PROXY APPOINTMENT

You may direct your proxy how to vote by placing a mark in one of the boxes opposite each item of business. All your shares will be voted in accordance with such a direction unless you indicate only a portion of voting rights are to be voted on any item by inserting the percentage or number of shares you wish to vote in the appropriate box or boxes. If you do not mark any of the boxes on the items of business, your proxy may vote as he or she chooses. If you mark more than one box on an item your vote on that item will be invalid.

### APPOINTMENT OF A SECOND PROXY

You are entitled to appoint up to two persons as proxies to attend the Meeting and vote on a poll. If you wish to appoint a second proxy, an additional Voting/Proxy Form may be obtained by telephoning the Company's share registry or you may copy this form and return them both together.

To appoint a second proxy you must:

- on each of the first Voting/Proxy Form and the second Voting/Proxy Form state the percentage of your voting rights or number of shares applicable to that form. If the appointments do not specify the percentage or number of votes that each proxy may exercise, each proxy may exercise half your votes. Fractions of votes will be disregarded; and
- return both forms together.

### SIGNING INSTRUCTIONS

You must sign this form as follows in the spaces provided:

**Individual:** where the holding is in one name, the holder must sign.

**Joint Holding:** where the holding is in more than one name, either shareholder may sign.

**Power of Attorney:** to sign under Power of Attorney, you must lodge the Power of Attorney with the registry. If you have not previously lodged this document for notation, please attach a certified photocopy of the Power of Attorney to this form when you return it.

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

### CORPORATE REPRESENTATIVES

If a representative of the corporation is to attend the Meeting virtually the appropriate "Certificate of Appointment of Corporate Representative" must be received at [registrars@linkmarketservices.com.au](mailto:registrars@linkmarketservices.com.au) prior to admission in accordance with the Notice of Annual General Meeting. A form of the certificate may be obtained from the Company's share registry or online at [www.linkmarketservices.com.au](http://www.linkmarketservices.com.au).

### LODGEMENT OF A VOTING/PROXY FORM

This Voting/Proxy Form (and any Power of Attorney under which it is signed) must be received at an address given below by **10:30am (AEDT) on Wednesday, 22 November 2023**, being not later than 48 hours before the commencement of the Meeting. Any Voting/Proxy Form received after that time will not be valid for the scheduled Meeting.

Voting/Proxy Forms may be lodged using the reply paid envelope or:



#### ONLINE

<https://investorcentre.linkgroup.com>

Login to the Link website using the holding details as shown on the Voting/Proxy Form. Select 'Voting' and follow the prompts to lodge your vote. To use the online lodgement facility, shareholders will need their "Holder Identifier" - Securityholder Reference Number (SRN) or Holder Identification Number (HIN)..



#### BY MOBILE DEVICE

Our voting website is designed specifically for voting online. You can now lodge your vote by scanning the QR code adjacent or enter the voting link <https://investorcentre.linkgroup.com> into your mobile device. Log in using the Holder Identifier and postcode for your shareholding.

#### QR Code



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



#### BY MAIL

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



#### BY FAX

+61 2 9287 0309



#### BY HAND

delivering it to Link Market Services Limited\*  
Parramatta Square  
Level 22, Tower 6  
10 Darcy Street  
Parramatta NSW 2150

or

Level 12  
680 George Street  
Sydney NSW 2000

\*during business hours Monday to Friday (9:00am - 5:00pm)

**IF YOU WOULD LIKE TO ATTEND AND VOTE AT THE ANNUAL GENERAL MEETING, PLEASE BRING THIS FORM WITH YOU.  
THIS WILL ASSIST IN REGISTERING YOUR ATTENDANCE.**