



PLEXURE

Notice of Annual  
Meeting of  
Shareholders

Wednesday 8th August 2018 at  
11.00am at Pullman Hotel, Corner  
Princes Street and Waterloo  
Quadrant, Auckland

# Plexure Group Limited

## Notice of Annual Meeting of Shareholders

Notice is hereby given that the Annual Meeting of Shareholders of Plexure Group Limited (the "Company") will be held at Pullman Hotel, Corner Princes Street and Waterloo Quadrant, Auckland on 8<sup>th</sup> August 2018 at 11.00am.

### BUSINESS OF THE MEETING

#### 1. Election of Brian Russell as Director

Brian Russell, having being appointed by the Board during the year to fill a casual vacancy, will stand down, in accordance with clause 7.6 of the Constitution of the Company and, being eligible, offers himself for election. The Board has determined that Brian is an independent director. Accordingly, the shareholders of the Company are requested to consider and, if thought fit, pass the following resolution as an Ordinary Resolution of the Company:

“That Brian Russell be elected as a director of the Company in accordance with clause 7.6 of the Constitution of the Company.”

Brian Russell, Non-executive Director.

Term of Office: appointed as a Director on 17 October 2017.

Brian has 27 years of experience in global technology commercialisation, venture financing and innovation, with 16 years abroad in Europe and America. He was the founder and CEO of Zephyr Technology Corp (acquired by Covidien COV: NYSE in 2014), a global leader in wearable sensors. His experience includes venture capital, strategic financing and strategic relationships with organisations such as Under Armour, 3M, Motorola, NASA and US Defense Department.

His experience includes; business development at Medtronic, CEO/Founder at Zephyr, business development and chip designer at Analog Devices, analog telecommunications designer for Nokia, Cambridge, UK, consumer electronics product designer at Fisher and Paykel, NZ.

Brian graduated from University of Auckland with a Bachelor of Electrical and Electronic Engineering. He holds patents in optics, silicon chips, wearable sensors and wireless solutions.

## 2. Election of Craig Herbison as Director

Craig Herbison, having being appointed by the Board during the year to fill a casual vacancy, will stand down, in accordance with clause 7.6 of the Constitution of the Company and, being eligible, offers himself for election. Accordingly, the shareholders of the Company are requested to consider and, if thought fit, pass the following resolution as an Ordinary Resolution of the Company:

“That Craig Herbison be elected as a director of the Company in accordance with clause 7.6 of the Constitution of the Company.”

Craig Herbison, Executive Director.

Term of Office: appointed as a Director on 19 June 2018.

Craig was appointed to Plexure as CEO in September 2017. Craig is an internationally experienced leader with over 20 years of digital and brand marketing, business transformation, sales and corporate leadership experience. Originally qualifying as a barrister and solicitor in 1990, he then moved into the advertising industry. With the emergence of digital marketing in the late 1990's, Craig worked in Web development and in digital agencies in New Zealand and the UK.

In the UK, he led the digital marketing launch of the world's first 3G mobile operator '3' and ran the digital and CRM Vodafone relationship globally for WPP. He returned to Australasia in 2006 and worked in corporate marketing roles for Vodafone regionally, Sensis and led the brand transformation of Telecom NZ to 'Spark' a few years ago.

In 2011, he joined the BNZ executive team as its first ever CMO and assumed an expanded role in 2014 running BNZ's retail, small business and insurance businesses. During his tenure, he took BNZ back into mortgage brokers after an absence of twelve years, which produced \$1.1Bn of new lending in the first year. Craig was responsible for 2,500 staff and 174 retail stores at BNZ. Craig was also previously a director of Loyalty New Zealand, the operator of Fly Buys in New Zealand.

### 3. Re-election of Tim Cook as Director

Tim Cook is to retire in accordance with clause 7.8 of the Constitution of the Company and Rule 3.3.11 of the NZX Main Board Listing Rules (the **Listing Rules**), being eligible, offers himself for re-election. The Board has determined that Tim is an independent director. Accordingly, the shareholders of the Company are requested to consider and, if thought fit, pass the following resolution as an Ordinary Resolution of the Company:

“That Tim Cook be re-elected as a director of the Company in accordance with clause 7.8 of the Constitution of the Company.”

Tim Cook, Non-executive Director.

Term of Office: appointed as a Director on 11 February 2015.

Tim is a Director of Plexure Group Limited and is the current chair of the Remuneration Committee.

He is also Chairman of NZX listed Veritas Group, SaferSleep Holdings NZ Limited, SaferSleep nUSA, and the Auckland Heart Group, NZ's largest private cardiology practice. He is a Director of MyWave Limited, MyWave Holdings Limited and MoleMap NZ Limited.

His earlier management career includes senior retail and operational management roles in the supermarket, retail, franchising, food and fashion industry sectors.

From 2006 to 2011 he was a Director of the NZX Main Board listed Charlie's Group Limited. He was a member of the Finance and Audit Committee and Chairman of the Remuneration Committee for that company. He was heavily involved in Charlie's Group's sale to Asahi for \$129 million in 2011.

### 4. Re-appointment and Remuneration of Auditors

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

“That Deloitte be appointed as the Auditors of the Company under section 207 of the Companies Act 1993, and the Board are authorised to fix their remuneration for the forthcoming year.”

## 5. Issue of share options to employees

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

“That, for the purposes of Listing Rule 7.3.1(a), the issue of up to 8,766,949 options to various employees to acquire ordinary shares in the Company pursuant to its existing employee share plan, be approved.”

### Dilution effect on current shareholders

The dilution effects the passing of Resolution 5 would have on the shareholdings of existing shareholders are set out below.

If, following the issuance of 8,766,949 options to various employees pursuant to Resolution 5, the options are exercised in full:

The total number of ordinary shares of the Company on issue will be 121,824,859. This figure covers the scenario where the 8,766,949 options are exercised in full and 8,766,949 ordinary shares are issued to the holders of the options (the **Exercised Ordinary Shares**).

The issue of the Exercised Ordinary Shares would have the effect of diluting current shareholders' percentage holdings in the Company by approximately 7%. For example, if a shareholder held ordinary shares equal to 1% of all ordinary shares before the issue of the Exercised Ordinary Shares, that shareholder's shareholding would equal 0.93% of all ordinary shares after the issue.

### Explanation

In order to attract, retain and incentivise key, highly skilled, employees whilst also managing cash resources effectively, the Company has run an employee share option scheme as part of its remuneration strategy for several years. As the Company expands its operations through existing and new clients, the ability to retain existing staff is more important. In this regard, the Company will benefit from the ability to issue up to 8,766,949 further options.

As advised at the inception of the employee share option scheme, the Company operates on the basis that total issued and unexpired options will not exceed 12% of issued share capital at any point in time. The Company has 113,057,910 shares and 4,800,000 options currently on issue, leaving a further 8,766,949 options available to be issued under the 12% threshold.

Rule 7.3.6 of the Listing Rules limits the number of Equity Securities that may be issued to employees in any 12 month period, without shareholder approval, to 3% of the issued share capital of the Company at the beginning of that period (together with any Equity Securities subsequently issued in accordance with certain of the Listing Rules).

The Company has previously relied on Listing Rule 7.3.6 to issue 2,800,000 options to its employees during the last 12 months pursuant to its existing employee share plan, being 2,800,000 options issued between 1 July 2017 and 30 June 2018, being 2.5% of the 3% threshold.

The Company now wishes to be able to issue further options and, upon exercise of those options, shares to its employees pursuant to its existing employee share plan. In doing so, the Company may exceed the 3% threshold described above.

Accordingly, the Company now seeks approval from its shareholders, by way of Ordinary Resolution pursuant to Listing Rule 7.3.1(a), to pass Resolution 5 in order to allow the Board to issue further options and, upon exercise of those options, Extended Ordinary Shares to various employees.

If this resolution 5 is approved by the shareholders, the terms of the options that would be granted would be the same as the terms of option previously issued under the current employee share option plan. The key terms of the options would be as follows:

- **Options:** exercisable into ordinary shares ranking equally with all other ordinary shares in the Company on a 1:1 basis
- **Exercise Price:** volume weighted average market price over 20 business days before the day the issue is made
- **Vesting Schedule:** 33.3% Options granted become exercisable on each of the 12 month anniversaries of the date of the grant
- **Final exercise date:** 5 year anniversary of the date of grant of the Options

## 6. Adoption of a new constitution

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

“That the Company’s current constitution be revoked and the Company adopt the new Constitution tabled at the Meeting in its place, with effect from the close of the Meeting or any adjournment of it.”

### Explanation

Plexure’s current constitution was adopted on 15 November 2006 – nearly 12 years ago. The current constitution reflects that Plexure was initially listed on the NZX Alternative Market (NZAX) and would potentially transition to the NZX Main Board (Main Board) and so is comprised of two separate schedules – one reflecting an NZAX listing and one reflecting a Main Board listing. The company is now listed on the Main Board and the NZAX is to be disestablished so there is no prospect of a change back to an NZAX listing.

Plexure is primarily revising its current constitution in order to reflect:

- a. that the company is listed on the Main Board; and
- b. developments in the law (mostly regarding the use of electronic communications in shareholder meetings and updating references to legislation since the date of the current constitution, including references to the Financial Markets Conduct Act 2003).

The Board considers that there are no material proposed changes to Plexure’s current constitution and adopting a new constitution, rather than amending its current constitution, is appropriate in the circumstances (particularly given the current constitution largely represents an NZAX listing). The new constitution has been approved by NZX for the purposes of Listing Rule 6.2.4.

Shareholders can obtain a copy of the old and the proposed new constitution by going to this link:

### New Plexure Group Limited Constitution

<http://www-au.computershare.com/WebContent/doc.aspx?docid=%7b89eb78a4-c8fb-4a32-8e88-27ae1347023b%7d>

### Plexure Company Constitution

<http://www-au.computershare.com/WebContent/doc.aspx?docid={25217580-7bfa-4328-89b7-b1e8c1ca12f5}>

A copy of the proposed new constitution will also be available for review at the meeting. Shareholders can view a copy of the Listing Rules at [nzx.com](http://nzx.com).

## PROXIES

All shareholders of the Company entitled to attend and vote at the meeting are entitled to appoint a proxy to attend and vote for them instead by signed notice in writing. A proxy need not be a shareholder of the Company. If you appoint a proxy you may either direct your proxy how to vote for you or you may give your proxy discretion to vote as he/she sees fit. If you wish to give your proxy discretion then you must mark the appropriate boxes on the form to grant your proxy that discretion. The Chairman of the Meeting and any Director are willing to act as proxy for any shareholder and if appointed as proxy, intend to vote all discretionary proxies in favour of the relevant resolution. If you do not tick any box for a particular resolution, then your instruction for your proxy will be to abstain from voting.

A Proxy Form is enclosed and to be effective must be lodged at the Company's Share Registrar in accordance with the instructions in the Notes to the Proxy Form accompanying this Notice of Meeting within at least 48 hours before the Annual Meeting is due to begin (i.e. before 11.00am on Monday 4<sup>th</sup> August 2018).

## ORDINARY RESOLUTION

An Ordinary Resolution means a resolution passed by a simple majority of the votes of shareholders of the Company entitled to vote and voting on the resolution.

## SPECIAL RESOLUTION

A Special Resolution means a resolution approved by the majority of seventy five percent (75%) of votes of those shareholders entitled to vote and voting on the question.

## VOTING

All persons registered on the Company's register of shareholders as the holders of shares as at 5.00pm on Tuesday 31 July 2018 shall be entitled to vote at the Annual Meeting in person or by proxy.

The Company will disregard any votes cast on Resolution 5 by any person (or associated person of that person) who acquired securities that are subject to the ratification of Resolution 5 (**Disqualified Persons**).

However, pursuant to Listing Rule 9.3.3, the Company need not disregard a vote if it is cast by a person (including a Disqualified Person) as proxy for a person who is entitled to vote, provided it is made in accordance with that person's express directions (i.e., instructions to vote for or against the resolution) on the Proxy Form. However, where any Disqualified Person is proxy for a person who is entitled to vote, they will not be entitled to vote if the Proxy Form allows the proxy discretion as to how to vote (i.e., discretion to exercise that vote as the proxy sees fit).

## MORE INFORMATION

If you have any questions or require further information in relation to this Notice of Meeting, please contact the Company's CFO, Andrew Dalziel, at [andrew.dalziel@plexure.com](mailto:andrew.dalziel@plexure.com).

By Order of the Board of Directors



**Phil Norman**  
CHAIRMAN