

1 November 2018

Dear Shareholder,

On behalf of the Directors of Scottish Pacific Group Limited (**Scottish Pacific** or the **Group**), I am pleased to invite you to attend the 2018 Annual General Meeting (**AGM**) of Scottish Pacific. Enclosed is the Notice of Meeting setting out the business of the AGM (**Notice of Meeting**).

In connection with the proposed scheme of arrangement in respect of Scottish Pacific and its shareholders (as announced on ASX on Monday, 24 September 2018) (**Scheme**), the Supreme Court of Victoria (**Court**) has ordered a meeting of Scottish Pacific's shareholders (excluding Management Shareholders of Scottish Pacific who have made a valid election for the Scrip Option (as described in the Scheme Booklet relating to the Scheme)) (**Scottish Pacific Scheme Meeting**) and a meeting of Management Shareholders of Scottish Pacific who have made a valid election for the Scrip Option (**Management Scheme Meeting**) to consider and, if thought fit, to agree to the Scheme (together, the **Scheme Meetings**).

The Scheme Meetings and the AGM will be held on Friday, 30 November 2018 at Dexus Place, Level 5, 1 Margaret St Sydney NSW 2000 as follows:

- Management Scheme Meeting – to commence at 10.30am (Sydney time);
- Scottish Pacific Scheme Meeting – to commence immediately following the conclusion of the Management Scheme Meeting; and
- AGM – to commence immediately following the conclusion of the Scottish Pacific Scheme Meeting.

The notice of the relevant Scheme Meeting (**Notice of Scheme Meeting**) and relevant Proxy Form for the Scheme Meeting are also included in this mailing.

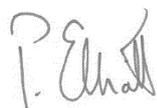
If you are attending the applicable Scheme Meeting and/or AGM, please bring a copy of your Proxy Forms with you to facilitate a faster registration. If you are unable to attend the applicable Scheme Meeting and/or the AGM, I encourage you to complete and return the enclosed Proxy Forms no later than 10.30am (Sydney time) on Wednesday, 28 November 2018 in one of the ways specified in the Notice of Meeting and Proxy Form.

I also encourage you to read the enclosed Notice of Meeting (including the Explanatory Memorandum), Notice of the applicable Scheme Meeting (including the Scheme Booklet) and the Proxy Forms and consider directing your proxy how to vote in each resolution by marking either the "for" box, the "against" box or the "abstain" box on the Proxy Forms.

Subject to the abstentions noted in the Explanatory Memorandum, the Directors of Scottish Pacific unanimously recommend that shareholders vote in favour of all resolutions.

You are welcome to join the Board and Management for light refreshments.

Thank you for your support of Scottish Pacific and I look forward to your attendance and the opportunity to meet with you.



Yours faithfully,  
**Patrick Elliott, Chairman**

**SCOTTISH PACIFIC GROUP LIMITED**  
**ABN 45 164 013 110**

**NOTICE OF ANNUAL GENERAL MEETING**

Notice is given that the Annual General Meeting (**AGM** or **Meeting**) of shareholders of Scottish Pacific Group Limited (**Scottish Pacific**, the **Company** or the **Group**) will be held:

Date: Friday, 30 November 2018

Time: Immediately following the conclusion of the Scottish Pacific Scheme Meeting, which follows the conclusion of the Management Scheme Meeting being held at 10:30am (Sydney time) (together, the **Scheme Meetings**)

Venue: Dexus Place, Level 5, 1 Margaret St Sydney NSW 2000

The Explanatory Memorandum accompanying this Notice of Meeting provides additional information on matters to be considered at the AGM. The Explanatory Memorandum, Entitlement to Attend and Vote section and Proxy Form are part of this Notice of Meeting.

**CONSIDERATION OF REPORTS**

To receive and consider the Financial Report, the Directors' Report and the Independent Auditor's Report of the Company for the financial year ended 30 June 2018.

All shareholders can view the Annual Report which contains the Financial Report for the year 30 June 2018 on the Company's website at <https://investors.scottishpacific.com/investors/>.

**QUESTIONS AND COMMENTS**

Following consideration of the Reports, the Chairman will give shareholders a reasonable opportunity to ask questions about or comment on the management of the Company.

The Chairman will also give shareholders a reasonable opportunity to ask the Auditor questions relevant to:

- a. the conduct of the audit;
- b. the preparation and content of the Independent Auditor's Report;
- c. the accounting policies adopted by the Company in relation to the preparation of the financial statements; and
- d. the independence of the Auditor in relation to the conduct of the audit.

The Chairman will also give the Auditor a reasonable opportunity to answer written questions submitted by shareholders that are relevant to the content of the Independent Auditor's Report or the conduct of the audit. A list of relevant written questions submitted by shareholders will be made available at the start of the AGM and any written answer tabled by the Auditor at the AGM will be made available as soon as practicable after the Meeting.

## **ITEMS FOR APPROVAL**

### **Resolution 1. Re-election of Director – Andrew Love**

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

*“That Andrew Love, who retires in accordance with clause 20.2 of the Company’s Constitution and being eligible for election, is re-elected as a Director of the Company.”*

### **Resolution 2. Re-election of Director – Katrina Onishi**

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

*“That Katrina Onishi, who retires in accordance with clause 20.2 of the Company’s Constitution and being eligible for election, is re-elected as a Director of the Company.”*

### **Resolution 3. Remuneration Report**

To consider and if thought fit, pass the following as a non-binding ordinary resolution of the Company:

*“That the Company’s Remuneration Report for the financial year ended 30 June 2018, as set out in the Directors’ Report, is adopted.”*

The Remuneration Report is contained in the 2018 Annual Report (available at <https://investors.scottishpacific.com/investors/>). Please note that, in accordance with section 250R(3) of the Corporations Act 2001 (Cth) (the **Corporations Act**), the vote on this resolution is advisory only and does not bind the Directors or the Company.

### **Voting Exclusion Statement**

- a. a member of the Key Management Personnel (**KMP**) whose remuneration details are included in the 2018 Remuneration Report; or
- b. a closely related party of such a KMP (including close family members and companies the KMP controls).

However, a person described above may cast a vote on Resolution 3 as a proxy if the vote is not cast on behalf of a person described above and either:

- a. the proxy appointment is in writing that specifies the way the proxy is to vote (e.g. for or against) on the resolution; or
- b. the vote is cast by the chair of the Meeting and the appointment of the chair as proxy:
  - i. does not specify the way the proxy is to vote on the resolution; and
  - ii. expressly authorises the chair to exercise the proxy even if the resolution is connected directly or indirectly with the remuneration of a member of the KMP.

In accordance with section 250BD of the Corporations Act, a vote must not be cast on Resolution 3 as a proxy by a member of the KMP at the date of the AGM, or a closely related party of those persons, unless it is cast as proxy for a person entitled to vote in accordance with their directions. This restriction on voting undirected proxies does not apply to the Chairman of the Meeting where the proxy appointment expressly authorises the Chairman of the Meeting to exercise undirected proxies even if the resolution is connected, directly or indirectly, with the remuneration of the KMP.

*“Key management personnel” and “closely related party” have the same meaning as set out in the Corporations Act.*

**Resolution 4. Approval for the issue of Options to the Chief Executive Officer - Peter Langham**

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

*“That, for the purposes of ASX Listing Rule 10.14 and for all other purposes, the issue of 592,289 Options to Peter Langham, Executive Director and Chief Executive Officer under the Scottish Pacific Group Limited Long Term Incentive Scheme on the terms and conditions described in the Explanatory Memorandum which forms part of the Notice of Meeting, is approved.”*

**Voting Exclusion Statement**

In accordance with ASX Listing Rule 14.11, the Company will disregard any votes cast in favour of Resolution 4 by or on behalf of:

- a. a Director of the Company who is eligible to participate in the Scottish Pacific Long Term Incentive Scheme; or
- b. an associate of any of those Directors.

However, the Company need not disregard a vote cast on Resolution 4 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 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.

Of the Company’s Directors, only the Managing Director is eligible to participate in the Scottish Pacific Long Term Incentive Scheme. As the Non-Executive Directors are ineligible to participate in the Scottish Pacific Long Term Incentive Scheme and this is the only Scottish Pacific employee incentive scheme, the Non-Executive Directors will not be excluded from voting on Resolution 4.

In accordance with section 250BD of the Corporations Act, a vote must not be cast on Resolution 4 as a proxy by a member of the KMP at the date of the AGM, or a closely related party of those persons, unless it is cast as proxy for a person entitled to vote in accordance with their directions. This restriction on voting undirected proxies does not apply to the Chairman of the Meeting where the proxy appointment expressly authorises the Chairman of the Meeting to exercise undirected proxies even if the resolution is connected, directly or indirectly, with the remuneration of the KMP.

BY ORDER OF THE BOARD



**David Rose**  
**Company Secretary**  
1 November 2018

## **ENTITLEMENT TO ATTEND AND VOTE**

In accordance with regulation 7.11.37 of the *Corporations Regulations 2001* (Cth), the Board has determined that persons who are registered holders of shares of the Company as at 7:00pm (Sydney time) on Wednesday 28 November 2018 will be entitled to attend and vote at the AGM as a shareholder.

If more than one joint holder of shares is present at the AGM (whether personally, by proxy or by attorney or by representative) and tenders a vote, only the vote of the joint holder whose name appears first on the register will be counted.

### *Appointment of Proxy*

If you are a shareholder entitled to attend and vote, you may appoint an individual or a body corporate as a proxy. If a body corporate is appointed as a proxy, that body corporate must ensure that it appoints a corporate representative in accordance with section 250D of the Corporations Act to exercise its powers as proxy at the AGM.

A proxy need not be a shareholder of the Company.

A shareholder may appoint up to two proxies and specify the proportion or number of votes each proxy may exercise. If the shareholder does not specify the proportion or number of votes to be exercised, each proxy may exercise half of the shareholder's votes.

To be effective, the proxy must be received at the Share Registry of the Company no later than 10:30am (Sydney time) on Wednesday, 28 November 2018 (48 hours before AGM). Proxies must be received before that time by one of the following methods:

By post:	Scottish Pacific Group Limited C/- Link Market Services Limited Locked Bag A14 Sydney South NSW 1235 Australia
By facsimile:	(02) 9287 0309 (within Australia) +61 2 9287 0309 (from outside Australia)
By delivery in person:	Link Market Services Limited 1A Homebush Bay Drive Rhodes NSW 2138
Online:	<a href="http://www.linkmarketservices.com.au">www.linkmarketservices.com.au</a>

### *Power of Attorney*

A proxy form and the original power of attorney (if any) under which the proxy form is signed (or a certified copy of that power of attorney or other authority) must be received by the Company no later than 10:30am (Sydney time) on Wednesday, 28 November 2018, being 48 hours before the Scheme Meeting to be held immediately prior to the AGM.

## *Corporate Representatives*

A body corporate which is a shareholder, or which has been appointed as a proxy, is entitled to appoint any person to act as its representative at the AGM. The appointment of the representative must comply with the requirements under section 250D of the Corporations Act. The representative should bring to the AGM a properly executed letter or other document confirming its authority to act as the company's representative. A "Certificate of Appointment of Corporate Representative" form may be obtained from the Company's share registry or online at [www.linkmarketservices.com.au](http://www.linkmarketservices.com.au).

**IMPORTANT:** If you appoint the Chairman of the Meeting as your proxy, or the Chairman becomes your proxy by default, and you do not direct your proxy how to vote on Resolutions 3 and 4, then by submitting the proxy form you will be expressly authorising the Chairman to exercise your proxy on the relevant resolution, even though the resolutions are connected, directly or indirectly, with the remuneration of the KMP.

## **SHAREHOLDER QUESTIONS**

Shareholders who are unable to attend the Meeting or who may prefer to register questions in advance are invited to do so. Please log onto [www.linkmarketservices.com.au](http://www.linkmarketservices.com.au) select Voting then click 'Ask a Question'.

To allow time to collate questions and prepare answers, please submit any questions by 5.00pm (Sydney time) on Friday, 23 November 2018. Questions will be collated and, during the AGM, the Chairman will seek to address as many of the more frequently raised topics as possible. However, there may not be sufficient time available at the AGM to address all topics raised. Please note that individual responses will not be sent to shareholders.

## **ENCLOSURES**

Enclosed are the following documents:

- proxy form to be completed if you would like to be represented at the AGM by proxy. Shareholders are encouraged to use the online voting facility that can be accessed on Scottish Pacific's share registry's website at [www.linkmarketservices.com.au](http://www.linkmarketservices.com.au) to ensure the timely and cost effective receipt of your proxy; and
- a reply paid envelope for you to return the proxy form.

## **EXPLANATORY MEMORANDUM**

This Explanatory Memorandum has been prepared for the information of shareholders of the Company (**Shareholders**) in relation to the business to be conducted at the Group's AGM to be held immediately following the Scheme Meetings, which are being held on Friday, 30 November 2018 commencing at 10:30am (Sydney time).

The purpose of this Explanatory Memorandum is to provide Shareholders with information that is reasonably required by Shareholders to decide how to vote upon the resolutions.

Subject to the abstentions noted below, the Directors unanimously recommend Shareholders vote in favour of all Resolutions. The Chairman of the Meeting intends to vote all available undirected proxies in favour of each resolution.

Resolutions 1, 2 and 4 are ordinary resolutions, which require a simple majority of votes cast by Shareholders present and entitled to vote on the resolutions. Resolution 3, relating to the Remuneration Report, is advisory and does not bind the Directors or the Company.

### **Resolution 1. Re-election of Director – Andrew Love**

Andrew Love was appointed as a Non-executive Director of Scottish Pacific on 9 June 2016.

The ASX Listing Rules require an election of directors be held every year and to ensure an orderly rotation of directors seeking re-election, the Board has agreed that Mr Love be put to shareholders for re-election in accordance with clause 20.2 of the Constitution. Mr Love is eligible for re-election.

Mr Love has over 35 years of experience in restructuring and corporate insolvency, with a particular focus on the mining sector.

Mr Love was a partner at Ferrier Hodgson Chartered Accountants for over 25 years until 2008, when as a Senior Partner he retired and remains a Consultant.

Mr Love is a member of both the Chartered Accountants Australia and New Zealand and the Australian Institute of Company Directors.

Mr Love holds a Bachelor of Commerce from The University of New South Wales.

Mr Love is Chair of the Audit and Risk Committee.

*The Directors, with Andrew Love abstaining, unanimously recommend Shareholders vote in favour of this Resolution.*

### **Resolution 2. Re-election of Director – Katrina Onishi**

Katrina Onishi was appointed as a Non-executive Director of Scottish Pacific on 9 June 2016.

The ASX Listing Rules require an election of directors be held every year and to ensure an orderly rotation of directors seeking re-election, the Board has agreed that Ms Onishi be put to shareholders for re-election in accordance with clause 20.2 of the Constitution. Ms Onishi is eligible for re-election.

Ms Onishi has over 25 years' experience in funds management, specializing in equities analysis and management of portfolios for a range of major institutions.

Ms Onishi also has experience serving on the Board of a number of listed companies and not-for-profit organisations.

Until 2010, Ms Onishi was an Executive Director of Concord Capital Limited, a boutique funds management business that she co-founded in 2000.

Prior to co-founding Concord, Ms Onishi held several funds management roles both in Australia and overseas.

Ms Onishi holds a Bachelor of Arts (Hons) from The University of Sydney and is a Chartered Financial Analyst. Katrina is a member of the CFA Institute, a graduate member of the Australian Institute of Company Directors and a fellow of Finsia.

Ms Onishi is a member of the Audit and Risk Committee.

*The Directors, with Katrina Onishi abstaining, unanimously recommend Shareholders vote in favour of this Resolution.*

### **Resolution 3. Remuneration Report**

Section 250R(2) of the Corporations Act requires that the section of the Directors' Report dealing with the remuneration of directors and key management personnel (**KMP**) of the Company (**Remuneration Report**) be put to the vote of shareholders for adoption by way of a non-binding vote.

Broadly, the Remuneration Report details the remuneration policy for the Company and:

- explains the structure of and rationale behind the Group's remuneration practices and the link between the remuneration of executives and the Group's performance;
- sets out remuneration details for each Director and for each executive with authority and responsibility for directing the affairs of the Company; and
- discusses the relationship between the policy and the Group's performance.

Shareholders can view the full Remuneration Report in the Annual Report which is available on the Scottish Pacific website at [www.scottishpacific.com](http://www.scottishpacific.com)

Following consideration of the Remuneration Report, the Chairman of the Meeting will give shareholders a reasonable opportunity to ask questions about, or make comments on, the Remuneration Report. A resolution that the Remuneration Report be adopted will then be put to the vote. The vote on this resolution is advisory only and does not bind the Directors or the Company. However the Board will take the outcome of the vote into account in setting remuneration policy for future years.

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

**Resolution 4. Approval for the issue of Options to the Chief Executive Officer - Peter Langham**

Background

Resolution 4 seeks the approval of the proposed grant of options under the Scottish Pacific Long Term Incentive Scheme (**LTI Scheme**) to the Company’s Chief Executive Officer (**CEO**) Peter Langham.

ASX Listing Rule 10.14 provides that a listed company must not permit a Director to acquire securities under an employee incentive scheme without the approval of shareholders by ordinary resolution. If approval is given under Listing Rule 10.14, shareholder approval is not required under Listing Rule 7.1.

Please note that the Options will not be issued to the CEO if the scheme of arrangement between Scottish Pacific and the holders of its ordinary shares as at the Scheme Record Date pursuant to Part 5.1 of the Corporations Act which will be considered at the Scheme Meetings immediately prior to the AGM becomes effective and is implemented as contemplated by its terms.

Remuneration Philosophy of Scottish Pacific

The Scottish Pacific reward framework is designed to align executive reward to shareholders' interests. The Board has considered that it should seek to enhance shareholders' interests by:

- having economic profit as a core component of plan design;
- focusing on sustained growth in shareholder wealth by encouraging earnings per share growth, and consistently achieving net profit after tax targets; and
- attracting and retaining high calibre executives.

Additionally, the reward framework seeks to enhance executives' interests by:

- rewarding capability and experience;
- reflecting competitive reward for contribution to growth in shareholder wealth; and
- providing a clear structure for earning rewards.

Scottish Pacific Group Limited Long Term Incentive Scheme Rules Overview and Offer to the CEO

Scottish Pacific’s long-term incentives (LTI) scheme is the 'at-risk' equity component of executive remuneration which is subject to the satisfaction of long-term performance conditions. The LTI Scheme is designed to align senior executives' interests with the interests of the Group's shareholders by providing the executives an opportunity to receive Shares through the granting of Options under the LTI Scheme.

Participation	Senior executives, including executive Directors, and other selected employees of the Group are eligible to participate in the LTI Scheme.
Grants	The maximum notional value of the Options offered to the CEO will be 60% of total fixed remuneration.  It is proposed to grant 592,289 options to the CEO in FY19 if this resolution is approved.
Options	Each Option confers on its holder the entitlement to receive one or more Shares at the exercise price upon exercise of the Option.

Issue price	Nil
Exercise price	\$3.19
Performance Period	Five years following the date of grant of the Options.
Expiry Date	Options will expire on a date fixed in the offer letter to the CEO which is 30 June 2024. On the expiry date for an Option, the Option will lapse (unless it has been validly exercised)
Performance (vesting) conditions	<p>The Options granted will be divided into 3 equal tranches and vest subject to the satisfaction (or waiver in certain circumstances) of <b>both</b> a Service Condition <b>and</b> the relevant Earnings Per Share (<b>EPS CAGR</b>) Performance Condition relevant to the Options set out below.</p> <p><b><i>Service Condition</i></b></p> <p>The Service Condition requires the CEO to be continuously employed by a member of the Group (and not to have resigned or been terminated) at all times between the Grant Date and the relevant vesting date set out below:</p> <ul style="list-style-type: none"> <li>• for 1/3<sup>rd</sup> of the Options issued (<b>Tranche 1 Options</b>), immediately following the announcement of the Company's FY2021 annual results or, if the Options are subject to retesting (as set out below), immediately following the announcement of the Company's FY2022 annual results or the Company's FY2023 annual results (as applicable);</li> <li>• for 1/3<sup>rd</sup> of the Options issued (<b>Tranche 2 Options</b>), immediately following the announcement of the Company's FY2022 annual results or, if the Options are subject to retesting, immediately following the announcement of the Company's FY2023 annual results; and</li> <li>• for 1/3<sup>rd</sup> of the Options issued (<b>Tranche 3 Options</b>), immediately following the announcement of the Company's FY2023 annual results.</li> </ul> <p><b><i>EPS Performance Condition</i></b></p> <p><u>EPS Performance Period:</u></p> <p>The Options granted are also subject to a Performance Condition based on compound annual growth rate Earnings Per Share (<b>EPS CAGR</b>), as follows:</p> <ul style="list-style-type: none"> <li>• for the Tranche 1 Options, the EPS CAGR Performance Condition will be measured initially across the 3 years to 30 June 2021 and tested following the announcement of the Company's FY2021 annual results (expected to be in September 2021);</li> <li>• for the Tranche 2 Options, the EPS CAGR Performance Condition will be measured initially across the 4 years to 30 June 2022 and tested following the announcement of the Company's FY2022 annual results (expected to be in</li> </ul>

	<p>September 2022); and</p> <ul style="list-style-type: none"> <li>• for the Tranche 3 Options, the EPS CAGR Performance Condition will be measured initially across the 5 years to 30 June 2023 and tested following the announcement of the Company's FY2023 annual results (expected to be in September 2023).</li> </ul> <p><u>Retesting of EPS Performance:</u></p> <p>If less than 100% of the Tranche 1 Options or the Tranche 2 Options vest in the 2021 or the 2022 testing process, performance will be retested:</p> <ul style="list-style-type: none"> <li>• for the Tranche 1 Options, following the announcement of the Company's FY2022 annual results for the period of 4 years to 30 June 2022, and (in respect of any Options that don't satisfy that test) following the announcement of the Company's FY2023 annual results for the period of 5 years to 30 June 2023; and</li> <li>• for the Tranche 2 Options, following the announcement of the Company's FY2023 annual results for the period of 5 years to 30 June 2023.</li> </ul> <p>If an EPS CAGR Performance Condition is satisfied in the retesting process, the proportion of the relevant tranche of Options that will satisfy that EPS CAGR Performance Condition at the time of retesting will be determined using the applicable table below less the proportion of the tranche that was satisfied in the 2021 or 2022 testing process (as applicable).</p> <p>For example, if 30% of the Tranche 1 Options vested in the 2021 testing process (i.e. EPS CAGR Performance was = 8%) and the EPS CAGR performance in the 2022 testing process is <u>16%</u> then (assuming the Service Condition is satisfied) an additional 70% of the Tranche 1 Options will vest in the 2022 testing process (being 100% less the 30% already vested in the 2022 testing process) together with 100% of the Tranche 2 Options. Alternatively, if 30% of the Tranche 1 Options vested in the 2022 testing process but the EPS CAGR Performance in the 2023 testing process is less than 8%, no further Tranche 1 Options will vest in the 2023 testing process.</p> <p><u>EPS CAGR calculation:</u></p> <p>The EPS CAGR will be determined by the Board and is the compound annual growth rate (expressed as a percentage) of the Company's EPS, which is measured on the Company's net profit after tax, adjusted to exclude one-off items as determined by the Board, divided by the weighted average number of shares on issue across the relevant performance period.</p> <p>The proportion of the EPS Rights that satisfy the EPS performance</p>
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	<p>condition in respect of a Performance period will be determined as follows:</p> <table border="1"> <thead> <tr> <th><b>EPS CAGR across the relevant Performance Period</b></th> <th><b>Proportion of relevant Tranche of Options that will satisfy the EPS CAGR performance condition</b></th> </tr> </thead> <tbody> <tr> <td>EPS CAGR is less than 8%</td> <td>Nil</td> </tr> <tr> <td>EPS CAGR is between 8%-15%</td> <td>Progressive pro-rata vesting from 30% (i.e., at 8% EPS CAGR) to 100% (at 15% EPS CAGR) (i.e. on a straight line basis)</td> </tr> <tr> <td>EPS CAGR is greater than 15%</td> <td>100% of the Options will vest</td> </tr> </tbody> </table> <p>The above performance conditions centred on EPS CAGR was chosen by the Board to align the interests of the senior executives with the Group's short-term and long-term strategy, and satisfies the following core principles of the Group's remuneration framework:</p> <ul style="list-style-type: none"> <li>• focusing on sustained growth in shareholder wealth; and</li> <li>• having economic profit as a core component of plan design.</li> </ul>	<b>EPS CAGR across the relevant Performance Period</b>	<b>Proportion of relevant Tranche of Options that will satisfy the EPS CAGR performance condition</b>	EPS CAGR is less than 8%	Nil	EPS CAGR is between 8%-15%	Progressive pro-rata vesting from 30% (i.e., at 8% EPS CAGR) to 100% (at 15% EPS CAGR) (i.e. on a straight line basis)	EPS CAGR is greater than 15%	100% of the Options will vest
<b>EPS CAGR across the relevant Performance Period</b>	<b>Proportion of relevant Tranche of Options that will satisfy the EPS CAGR performance condition</b>								
EPS CAGR is less than 8%	Nil								
EPS CAGR is between 8%-15%	Progressive pro-rata vesting from 30% (i.e., at 8% EPS CAGR) to 100% (at 15% EPS CAGR) (i.e. on a straight line basis)								
EPS CAGR is greater than 15%	100% of the Options will vest								
Measurement of Performance Conditions	At the relevant test date for a tranche, the Remuneration and Nomination Committee will determine whether the EPS CAGR related performance conditions have been met.								
Cessation of employment	If the CEO ceases employment, unless the Board determines otherwise, any unvested Options will lapse or be forfeited as appropriate.								
Restrictions on Options	<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 Company's 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>								
Change of Control	If a Change of Control event occurs (as defined in the Rules), the Board may determine the manner in which any or all of the Options will be dealt with.								

#### Technical information required for the purposes of the ASX Listing Rules

In accordance with the requirements of ASX Listing Rule 10.15, the following information is provided with respect to Resolution 4:

- Peter Langham is an Executive Director and Chief Executive Officer of Scottish Pacific.
- The maximum number of Options that may be acquired by Peter Langham is up to 592,289 Options which has been calculated by 60% of Peter Langham's Total Fixed Remuneration divided by the fair value of the Option (\$0.48).

- The Options will be granted at nil cost to Peter Langham and can be exercised, on achievement of performance conditions for an exercise price of \$3.19. The exercise price of \$3.19 was based on a 5 day VWAP calculation for the 5 day period to 30 June 2018.
- For the purposes of ASX Listing Rule 10.15.4, Peter Langham was granted 528,859 options following approval by shareholders at the 2017 AGM. The options were issued for nil consideration with an exercise price of \$2.80. No other directors have received options under ASX Listing Rule 10.14 since the last approval at the 2017 AGM.
- Peter Langham is the only director of Scottish Pacific eligible to participate in the LTI Scheme.
- A Voting Exclusion Statement is out under Resolution 4 in this Notice of Meeting.
- Scottish Pacific and its subsidiaries, have not offered or provided a loan or financial assistance to Peter Langham in relation to the grant of the Options.
- Scottish Pacific is expected to allocate the Options to Peter Langham within the week after the AGM, and in any event, will allocate the Options to Peter Langham no later than 12 months after the AGM.
- If approval is given under Listing Rule 10.14, shareholder approval is not required under Listing Rule 7.1.

*The Directors, with Peter Langham abstaining, unanimously recommend Shareholders vote in favour of Resolution 4.*



**LODGE YOUR VOTE**

**ONLINE**  
[www.linkmarketservices.com.au](http://www.linkmarketservices.com.au)

**BY MAIL**  
Scottish Pacific Group 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  
1A Homebush Bay Drive, Rhodes NSW 2138

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



**X99999999999**

**AGM PROXY FORM**

I/We being a shareholder(s) of Scottish Pacific Group Limited and entitled to attend and vote hereby appoint:

**APPOINT A PROXY**

**the Chairman of the Meeting (mark box)**

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

or failing the person or body corporate named, or if no person or body corporate is named, the Chairman 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 immediately following the conclusion of the Scottish Pacific Scheme Meeting, which follows the conclusion of the Management Scheme Meeting to be held at **10:30am (Sydney time) on Friday, 30 November 2018 at Dexus Place, Level 5, 1 Margaret Street, Sydney, NSW, 2000 (the Meeting)** and at any postponement or adjournment of the Meeting.

**Important for Resolutions 3 and 4:** If the Chairman 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 Chairman of the Meeting to exercise the proxy in respect of Resolutions 3 and 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 Chairman 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

**Resolutions**

	For	Against	Abstain*
1 Re-election of Director – Andrew Love	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
2 Re-election of Director – Katrina Onishi	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
3 Remuneration Report	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
4 Approval for the issue of Options to the Chief Executive Officer - Peter Langham	<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 on a show of hands or on a poll and your votes will not be counted in computing the required majority on a poll.

**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 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.**

### APPOINTMENT OF PROXY

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

### DEFAULT TO CHAIRMAN OF THE MEETING

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

### PROXY VOTING BY THE CHAIRMAN OF THE MEETING

On a poll, the Chairman of the Meeting will vote directed proxies as directed and may vote undirected proxies as the Chairman of the Meeting sees fit. If the Chairman of the Meeting is your proxy or becomes your proxy by default, and you do not provide voting directions, then by submitting the Proxy Form, you are expressly authorising the Chairman of the Meeting to exercise your proxy on resolutions that 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.

If you wish to appoint a Director (other than the Chairman) or other member of the KMP or their closely related parties as your proxy, you must specify how they should vote on Resolutions 3 and 4 by marking the appropriate box (either for/against/abstain). If you do not specify how your proxy should vote, your proxy will not be able to exercise your vote for Resolutions 3 and 4.

### 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 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:

- (a) on each of the first Proxy Form and the second 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
- (b) 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 the appropriate "Certificate of Appointment of Corporate Representative" should be produced prior to admission in accordance with the Notice of 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 PROXY FORM

This Proxy Form (and any Power of Attorney under which it is signed) must be received at an address given below by **10:30am (Sydney time) on Wednesday, 28 November 2018**, being not later than 48 hours before the commencement of the Meeting. Any Proxy Form received after that time will not be valid for the scheduled Meeting. Only Proxy Forms issued by the Company will be deemed valid and accepted by the Company.

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



#### ONLINE

[www.linkmarketservices.com.au](http://www.linkmarketservices.com.au)

Login to the Link website using the holding details as shown on the 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) as shown on the front of the Proxy Form).



#### BY MOBILE DEVICE

Our voting website is designed specifically for voting online. You can now lodge your proxy by scanning the QR code adjacent or enter the voting link [www.linkmarketservices.com.au](http://www.linkmarketservices.com.au) 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

Scottish Pacific Group 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\*  
1A Homebush Bay Drive  
Rhodes NSW 2138

\* 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.**