



FREEDOM
INSURANCE
GROUP

Freedom Insurance Group Ltd

ACN 608 717 728

Notice of 2017 Annual General Meeting

Explanatory Statement

Proxy Form

Time: 10:00am (Sydney time)

Date: Wednesday, 15 November 2017

Place: Amora Hotel, 11 Jamison Street, Sydney NSW

This Notice of Meeting should be read in its entirety. If Shareholders are in doubt as to how they should vote, they should seek advice from their professional advisers prior to voting. Should you wish to discuss the matters in this Notice of Meeting please do not hesitate to contact the Company Secretary on (+61 2) 8072 1400.

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Venue

The Annual General Meeting of the Shareholders to which this Notice of Meeting relates will be held at 10.00am (Sydney time) on Wednesday, 15 November 2017 at:

Amora Hotel
11 Jamison Street
Sydney NSW

Your vote is important

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

Voting in person

To vote in person, attend the Annual General Meeting on the date and at the place set out above.

Voting by proxy

To vote by proxy, please complete and sign the enclosed Proxy Form and either:

1. deliver the Proxy Form:
 - (a) by hand to:
Computershare Investor Services Pty Ltd located at
452 Johnston Street
Abbotsford, Victoria, 3067; or
 - (b) by post to:
Computershare Investor Services Pty Limited
GPO Box 242
Melbourne, Victoria 3001; or
2. lodge by facsimile to 1800 783 447 (within Australia) or +61 3 9473 2555 (outside Australia); or
3. lodge online at www.computershare.com (instructions on how to lodge online can be found on the Proxy form).

Your Proxy Form must be received no later than 48 hours before the commencement of the Meeting.

Proxy Forms received later than this time will be invalid.



NOTICE OF ANNUAL GENERAL MEETING

Notice is hereby given that an Annual General Meeting of Shareholders of Freedom Insurance Group Ltd ACN 608 717 728 will be held at 10.00am (Sydney time) on Wednesday, 15 November 2017 at Amora Hotel, 11 Jamison Street, Sydney NSW.

The Explanatory Statement to this Notice of Meeting provides additional information on matters to be considered at the Annual General Meeting. The Explanatory Statement forms part of this Notice of Meeting.

The Directors have determined pursuant to Regulation 7.11.37 of the *Corporations Regulations 2001* (Cth) that the persons eligible to vote at the Annual General Meeting are those who are registered Shareholders at 7:00pm (Sydney time) on 13 November 2017. Terms and abbreviations used in this Notice of Meeting and Explanatory Statement are defined in the Glossary.

AGENDA

Ordinary business

Financial statements and reports

“To receive and to consider the Annual Financial Report of the Company for the financial year ended 30 June 2017 together with the declaration of the Directors, the Directors’ Report, the Remuneration Report and the Auditor’s Report for that financial year.”

Note: This item of ordinary business is for discussion only and is not a resolution.

However, pursuant to the Corporations Act, Shareholders will be given a reasonable opportunity at the Meeting to ask questions about, or make comments in relation to, each of the aforementioned reports during consideration of these items.



RESOLUTIONS

Part A: remuneration report

Resolution 1 – adoption of remuneration report

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

“That, for the purpose of Section 250R(2) of the Corporations Act and for all other purposes, approval is given for the adoption of the remuneration report as contained in the Company’s Annual Financial Report for the financial year ended 30 June 2017.”

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

Voting Exclusion Statement: In accordance with the Corporations Act, the Company will disregard any votes cast on Resolution 1 by or on behalf of a member of the Company’s key management personnel (including the Directors), whose remuneration details are included in the Remuneration Report (**KMP**), or any of that person’s Closely Related Parties (such as close family members and any controlled companies of those persons) (collectively referred to as **Restricted Voter**). However, the Company need not disregard a vote if:

- (a) it is cast by a person as a proxy appointed in writing that specifies how the proxy is to vote on Resolution 1; and
- (b) it is not cast on behalf of a Restricted Voter.

If you appoint the person chairing the Meeting (**Chair**) and you are not a Restricted Voter, by submitting the Proxy Form you authorise the person chairing the Meeting to exercise the proxy even though Resolution 1 is connected directly or indirectly with the remuneration of a KMP, and you will be taken to have directed the Chair to vote in accordance with his or her stated intention to vote in favour of Resolution 1. If you do not want your vote exercised in favour of Resolution 1, you should direct the person chairing the Meeting to vote “against”, or to abstain from voting on, this Resolution.

Part B: re-election of directors

Resolution 2 – re-election of Mr Andrew Jensen as director

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

“That Mr Andrew Jensen, a Director who retires by rotation in accordance with clause 49 of the Company’s Constitution and ASX Listing Rule 14.4, and being eligible offers himself for re-election as a Director of the Company.”

Resolution 3 – re-election of Mr Stephen Menzies as director

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

“That Mr Stephen Menzies, a Director who retires by rotation in accordance with clause 49 of the Company’s Constitution and ASX Listing Rule 14.4, and being eligible offers himself for re-election as a Director of the Company.”

Part C: ASX Listing Rule 7.1A

Resolution 4 – ASX Listing Rule 7.1A approval of future issue of securities

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

“That, for the purposes of ASX Listing Rule 7.1A and for all other purposes, the Shareholders approve the issue of equity securities up to 10% of the issued capital of the Company (at the time of issue) calculated in accordance with the formula prescribed in ASX Listing Rule 7.1A.2 and otherwise on the terms out in the Explanatory Statement which accompanies and forms part of this Notice of Meeting.”



Voting exclusion statement: The Company will disregard any votes cast on Resolution 4 by:

- (a) a person who may participate in the proposed issue and a person who might obtain a benefit, except a benefit solely in the capacity of a holder of ordinary securities if the resolution is passed; and
- (b) an Associate of those persons.

However, the Company will not disregard a vote if:

- (i) 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
- (ii) it is cast by the Chair as proxy for a person who is entitled to vote, in accordance with a direction on the proxy form to vote as the proxy decides.

Voting exclusion statement: The Company will disregard any votes cast on Resolution 5 by:

- (a) any Directors of the Company or an associate of a Director, regardless of the capacity in which the vote is cast; and
- (b) as a proxy by a person who is a member of the Company's KMP at the date of this Meeting or their closely related parties.

However, the Company will not disregard a vote if:

- (i) 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
- (ii) it is cast by the Chair 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.

Part D: approval of aggregate amount of directors' fees

Resolution 5 – approval of aggregate amount of directors' fees

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

"That, for the purposes of ASX Listing Rule 10.17 and for all other purposes, the maximum aggregate amount of remuneration that may be paid to the Company's non-executive directors in any financial year is set at \$600,000, effective immediately."

Part E: appointment of KPMG as Auditors

1. Resolution 6 – appointment of KPMG as Auditors

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

"That, in accordance with section 327B(1) of the Corporations Act 2001 (Cth) and for all other purposes, KPMG has been nominated by a shareholder and consented in writing to act in the capacity of auditor, be appointed as auditor of Freedom Insurance Group Ltd."

Dated: 11 October 2017

BY ORDER OF THE BOARD

Anand Sundaraj
Company Secretary



EXPLANATORY STATEMENT

This Explanatory Statement has been prepared for the information of the Shareholders in connection with the business to be conducted at the Annual General Meeting to be held at 10.00am (Sydney time) on Wednesday 15 November 2017 at Amora Hotel, 11 Jamison Street, Sydney, NSW.

The purpose of this Explanatory Statement is to provide information which the Directors believe to be material to Shareholders in deciding whether or not to pass the Resolutions in the Notice of Meeting.

If you are in any doubt about what to do in relation to the Resolutions contemplated in the Notice of Meeting and this Explanatory Statement, it is recommended that you seek advice from an accountant, solicitor or other professional advisor.

Full details of the business to be considered at the Annual General Meeting are set out below.

AGENDA

Ordinary business

Financial statements and reports

In accordance with the Constitution, the business of the Annual General Meeting will include receipt and consideration of the Annual Financial Report of the Company for the financial year ended 30 June 2017 together with the declaration of the Directors, the Director's Report, the Remuneration Report and the Auditor's Report.

In accordance with the amendments to the Corporations Act, the Company is no longer required to provide a hard copy of the Company's Annual Financial Report to Shareholders unless a Shareholder has specifically elected to receive a printed copy. These amendments may result in reducing the Company's printing costs.

Whilst the Company will not provide a hard copy of the Company's Annual Financial Report unless specifically requested to do so, Shareholders may view the Company's Annual Financial Report on its website at www.freedominsurance.com.au/investors/announcements.

No resolution is required for this item, but Shareholders will be given the opportunity to ask questions and to make comments on the management and performance of the Company.

RESOLUTIONS

Part A: remuneration report

Resolution 1 – adoption of remuneration report

In accordance with section 250R(2) of the Corporations Act, the Company is required to present to its Shareholders the Remuneration Report as disclosed in the Company's Annual Financial Report.

The vote on the Resolution is advisory only and does not bind the Directors or the Company. The Remuneration Report is set out in the Company's Annual Financial Report and is also available on the Company's website at www.freedominsurance.com.au/investors/announcements.

However, if at least 25% of the votes cast are against the adoption of the Remuneration Report at the Meeting (subject of this Notice of Meeting), and then again at the 2018 Annual General Meeting (**2018 AGM**), the Company will be required to put to the vote a resolution (**Spill Resolution**) at the 2018 AGM to approve the calling of a further meeting (**Spill Meeting**). If more than 50% of Shareholders vote in favour of the Spill Resolution, the Company must convene the Spill Meeting within 90 days of the 2018 AGM. All of the Directors who were in office when the 2018 Directors' Report was approved, other than the Managing Director, will (if desired) need to stand for re-election at the Spill Meeting.

The Remuneration Report explains the Board's policies in relation to the nature and level of remuneration paid to KMPs (including Directors) and sets out remuneration details, service agreements and the details of any share-based compensation.

Voting

Note that a voting exclusion applies to Resolution 1 in the terms set out in the Notice of Meeting. In particular, the Directors and other Restricted Voters must not vote on this Resolution and must not cast a vote as proxy, unless the appointment gives a direction on how to vote, or the proxy is given to the Chair and you submit the Proxy Form, authorising the Chair to exercise the proxy even though Resolution 1 is connected directly or indirectly with the remuneration of a KMP and that in doing so you will be taken to have directed him to vote in accordance with his stated intention to vote in favour of Resolution 1.

Shareholders are urged to read carefully the Proxy Form and to provide a direction to the proxy on how to vote on this Resolution.

Part B: re-election of directors

Resolution 2 – re-election of Mr Andrew Jensen

The Company's Constitution requires that one third (or if that is not a whole number, the next lowest whole number) of the Company's Directors must retire at each annual general meeting, provided always that no Director (except a Managing Director) shall hold office for a period in excess of 3 years or until the third annual general meeting following his or her appointment, whichever is the longer, without submitting himself or herself for re-election. The Directors to retire at an annual general meeting are those who have been longest in office since their last election. Where 2 or more Directors have served equally the longest, the retiring Director is determined either amongst the Directors, or by drawing lots.

Mr Andrew Jensen was appointed a Director of the Company on 18 October 2016 and has since served as a Director of the Company.

A Director who retires by rotation under clause 49.2 of the Company's Constitution is eligible for re-election. Under this Resolution, Mr Andrew Jensen seeks election at this AGM.

Mr Andrew Jensen is a Non-Executive Director of Freedom and has significant experience in corporate finance. Andrew holds the position of Chairman of the Audit and Risk Committee and is a member of the Remuneration and Nomination Committee for the Company.

Andrew has extensive knowledge in the management of all aspects of the finance function with strong, commercial, strategic, M&A, and change management experience. He has financially led companies engaged in various fields including telecommunications & technology, real estate, financial services, and the franchising sectors both in Australia and internationally.

Andrew is an accomplished CFO with over 18 years' experience in senior finance & management roles. He also serves as a Non-Executive Director of iBuyNew Group Ltd (ASX: IBN), a developer and operator of retail and e-commerce brands, and as a Non-Executive Director of better Choice Home Loans, one of Australia's leading and most innovative Mortgage Lenders offering mortgage solutions to a variety of customers through a diverse network of Accredited Introducers.

Prior to the above, Andrew was the CFO and Director of VGC Food Group Pty Ltd, a private diversified manufacturing and franchising group. He has also served

as the CFO of Digicel PNG (Papua New Guinea) part of Digicel Group Limited (Digicel), one of the South Pacific's largest and most successful telecommunications companies. Lastly, Andrew was the CFO of Australasia's largest real estate group Ray White, with over \$20 Billion in annual sales and one of Australia's largest independent mortgage broking businesses.

He is a graduate member of the Institute of Company Directors and a fellow of the Institute of Public Accountants.

Directors' recommendation

The Directors (excluding Mr Andrew Jensen) recommend that Shareholders vote for this Resolution.

Resolution 3 – re-election of Mr Stephen Menzies

The Company's Constitution requires that one third (or if that is not a whole number, the next lowest whole number) of the Company's Directors must retire at each annual general meeting, provided always that no Director (except a Managing Director) shall hold office for a period in excess of 3 years or until the third annual general meeting following his or her appointment, whichever is the longer, without submitting himself or herself for re-election. The Directors to retire at an annual general meeting are those who have been longest in office since their last election. Where 2 or more Directors have served equally the longest, the retiring Director is determined either amongst the Directors, or by drawing lots.

Mr Stephen Menzies was appointed a Director of the Company on 18 October 2016 and has since served as a Director of the Company.

A Director who retires by rotation under clause 49.2 of the Company's Constitution is eligible for re election. Under this Resolution, Mr Stephen Menzies seeks election at this AGM.

Mr Stephen Menzies is a Non-Executive Director of Freedom and has extensive knowledge in corporate law and corporate restructures. Stephen is a member on both the Audit and Risk Committee and the Remuneration and Nomination Committee for the Company.

Stephen is an experienced lawyer and business consultant who specialises in securities issues, funds management and corporate finance. He has significant corporate transactional experience, acting for various companies and investment banks in the implementation of complex structured transactions. He has also had extensive involvement in public company takeovers and corporate

restructures, as well as both public and private equity issues.

Stephen was a partner at Ashurst from 2006 to August 2014. He has also acted as a senior enforcement officer at the Australian Securities Commission. He is currently a Director of Platinum Asset Management Ltd (PTM.ASX), Century Investments Ltd (CYA.ASX) and is on the Advisory Board of the Centre for Quantum Computation and Communication Technology.

He holds a Masters of Laws, Bachelor of Laws and Bachelor of Economics.

Directors' recommendation

The Directors (excluding Mr Stephen Menzies) recommend that Shareholders vote for this Resolution.

Part C: ASX Listing Rule 7.1A

Resolution 4 – ASX Listing Rule 7.1A approval of future issue of securities

Under Listing Rule 7.1A, certain companies may seek Shareholder approval by special resolution passed at an annual general meeting to have the additional capacity to issue equity securities (which must be in the same class as an existing quoted class of equity securities of the Company) which do not exceed 10% of the existing ordinary share capital without further Shareholder approval. The ability of the Company to make an issue under Listing Rule 7.1A is in addition to its 15% placement capacity under Listing Rule 7.1.

Approval under this Resolution is sought for the Company to issue equity securities under Listing Rule 7.1A.

If this Resolution is approved the Company may make an issue of equity securities under Listing Rule 7.1A at any time (either on a single date or progressively) up until the earlier of:

- (a) the date which is 12 months after the date of the 2017 Annual General Meeting; or
- (b) the date on which Shareholders approve a transaction under Listing Rule 11.1.2 (a significant change to the nature or scale of activities) or 11.2 (disposal of main undertaking),

or such longer period if allowed by the ASX.

Accordingly, the approval given if this Resolution is passed will cease to be valid on the earlier of 22 November 2018 or the date on which holders of the Company's ordinary securities approve a transaction under Listing Rules 11.1.2 or 11.2.



At the date of this Explanatory Statement, the Company is an 'eligible entity', and therefore able to seek approval under Listing Rule 7.1A, as it is not included in the S&P/ASX300 and has a market capitalisation less than the amount prescribed by ASX (currently \$300 million). If at the time of the Annual General Meeting the Company is no longer an eligible entity this Resolution will be withdrawn.

The maximum number of equity securities which may be issued in the capital of the Company under the approval sought by this Resolution will be determined in accordance with the following formula prescribed in Listing Rule 7.1A.2:

(A x D) – E

where:

- A** is the number of shares on issue 12 months before the date of issue or agreement to issue:
- (i) plus the number of fully paid shares issued in the 12 months under an exception in Listing Rule 7.2;
 - (ii) plus the number of partly paid shares that became fully paid in the 12 months;
 - (iii) plus the number of fully paid shares issued in the 12 months with approval of the holders of shares under Listing Rules 7.1 and 7.4 (this does not include an issue of fully paid ordinary shares under the entity's 15% placement capacity without Shareholder approval); and
 - (iv) less the number of fully paid shares cancelled in the 12 months.
- D** is 10%.
- E** is the number of equity securities issued or agreed to be issued under Listing Rule 7.1A.2 in the 12 months before the date of the issue or agreement to issue that are not issued with the approval of Shareholders under Listing Rules 7.1 or 7.4.

The ability of the Company to make an issue under Listing Rule 7.1A is in addition to its 15% placement capacity under Listing Rule 7.1. The effect of Resolution will be to allow the Company to issue equity securities under Listing Rule 7.1A without using the Company's 15% placement capacity under Listing Rule 7.1.

As at 25 September 2017, the Company has on issue 239,723,495 ordinary shares and therefore has capacity to issue:

- (a) 35,958,524 equity securities under Listing Rule 7.1; and

- (b) subject to Shareholder approval being sought under this Resolution, 23,972,349 equity securities under Listing Rule 7.1A.

The issue price of the equity securities issued under Listing Rule 7.1A will be determined at the time of issue. The minimum price at which the equity securities the subject of this Resolution will be issued is 75% of the volume weighted average market price (VWAP) of the Company's equity securities over the 15 days on which trades in that class were recorded immediately before either:

- (a) the date on which the price at which the equity securities are to be issued is agreed; or
- (b) if the equity securities are not issued within 5 ASX trading days of the date in paragraph (a) the date on which the securities are issued.

If this Resolution is approved, and the Company issues equity securities under Listing Rule 7.1A, the existing Shareholders' voting power in the Company will be diluted. There is a risk that:

- (a) the market price for the Company's equity securities may be significantly lower on the issue date than on the date of the approval of this Resolution; and
- (b) the equity securities issued under Listing Rule 7.1A may be issued at a price that is at a discount (as described above) to the market price for the Company's equity securities on the issue date,

which may have an effect on the amount of funds raised by the issue.

The table set out below shows the dilution of existing Shareholders on the basis of:

- The market price of the Company's ordinary shares and the number of ordinary securities as at 25 September 2017.
- Two examples where the number of ordinary shares on issue ("A") has increased, by 50% and 100%. The number of ordinary shares on issue may increase as a result of issues of ordinary shares that do not require Shareholder approval (for example, pro-rata entitlements issues) or as a result of future specific placements under Listing Rule 7.1 that are approved by Shareholders.
- Two examples of where the issue price of ordinary shares has decreased by 50% and increased by 100% as against the market price as at 25 September 2017.



Variable "A" ASX Listing Rule 7.1A.2		Dilution		
		\$0.335 50% decrease in issue price	\$0.67 issue price**	\$1.34 100% increase in issue price
"A" is the number of shares on issue, being 239,723,495 *** shares	10% voting dilution	23,972,349 Shares	23,972,349 Shares	23,972,349 Shares
	Funds raised	\$8,030,737	\$16,061,474	\$32,122,948
"A" is a 50% increase in shares on issue, being 359,585,243 *** shares	10% voting dilution	35,958,524 Shares	35,958,524 Shares	35,958,524 Shares
	Funds raised	\$12,046,106	\$24,092,211	\$48,184,422
"A" is a 100% increase in shares on issue, being 479,446,990 *** shares *	10% voting dilution	47,944,699 Shares	47,944,699 Shares	47,944,699 Shares
	Funds raised	\$16,061,474	\$32,122,948	\$64,245,897

Notes:

- (i) The table assumes that the Company issues the maximum number of equity securities available under Listing Rule 7.1A.
- (ii) The table assumes that no options are exercised in ordinary shares before the date of the issue of equity securities under Listing Rule 7.1A.
- (iii) The table does not show an example of dilution that may be caused to a particular Shareholder by reason of issues of equity securities under Listing Rule 7.1A based on that Shareholder's holding at the date of this Explanatory Statement.
- (iv) The table shows the effect of an issue of equity securities under Listing Rule 7.1A, not under the Company's 15% placement capacity under Listing Rule 7.1.
- (v) The issue of equity securities under the Listing Rule 7.1A consists only of ordinary shares. If the issue of equity securities includes options, it is assumed that those options are exercised into ordinary shares for the purposes of calculating the voting dilution effect on existing Shareholders.

* Any issue of equity securities is required to be made in accordance with the Listing Rules. Any issue made other than under the Company's 15% capacity (Listing Rule 7.1) or the Company's additional 10% capacity (Listing Rule 7.1A) and not otherwise made under an exception in Listing Rule 7.2 (for example, a pro-rata rights issue) would require Shareholder approval.

** Based on the closing price of the Company's Shares on ASX on 25 September 2017.

*** Based on the Company's Share structure as at 25 September 2017.

If this Resolution is approved the Company will have the ability to issue up to 10% of its issued capital without further Shareholder approval and therefore allow it to take advantage of opportunities to obtain further funds if required and available in the future.

As at the date of this Explanatory Statement, the Company has not formed an intention to offer any equity securities under Listing Rule 7.1A to any particular person or at any particular time. The total amount that may be raised by the issue of equity securities under Listing Rule 7.1A will depend on the issue price of the equity securities which will be determined at the time of issue. In some circumstances, the Company may issue equity securities under Listing Rule 7.1A for non-cash consideration (for example, in lieu of cash payments to consultants, suppliers or vendors). While the Company has not formed an intention to offer any equity securities under Listing Rule 7.1A, some of the purposes for which the Company may issue equity securities under Listing Rule 7.1A include (but are not limited to):

- (a) raising funds to further develop the Company's business;
- (b) raising funds to be applied to the Company's working capital requirements;
- (c) acquiring assets. In these circumstances, the issue of the ordinary shares may be made in substitution for the Company making a cash payment for the assets; and
- (d) paying service providers or consultants of the Company.

Details regarding the purposes for which any particular issue under Listing Rule 7.1A is made will be more fully detailed in an announcement to the ASX made pursuant to Listing Rule 7.1A.4 and Listing Rule 3.10.5A at the time the issue is made. The identity of the allottees of equity securities under Listing Rule 7.1A will be determined at the time the Company decides to make an issue having regard to a number of factors including:

- (a) the capital raising and acquisition opportunities available to the Company and any alternative methods for raising funds or acquiring assets that are available to the Company;
- (b) the potential effect on the control of the Company;
- (c) the Company's financial situation and the likely future capital requirements; and
- (d) advice from the Company's corporate or financial advisors.

Offers made under Listing Rule 7.1A may be made to parties including professional and sophisticated investors, existing Shareholders of the Company, who are not related parties, clients of Australian Financial Service Licence holders and/or their nominees, or any other person to whom the Company is able to make an offer of equity securities.

The allocation policy the Company may adopt for a particular issue of equity securities under Listing Rule 7.1A and the terms on which those equity securities may be offered will depend upon the circumstances existing at the time of the proposed capital raising under Listing Rule 7.1A. Subject to the requirements of the Listing Rules and the Corporations Act, the Directors reserve the right to determine at the time of any issue of equity securities under Listing Rule 7.1A, the allocation policy that the Company will adopt for that issue.

The Company has not previously sought Shareholder approval under Listing Rule 7.1A.

This Resolution is a special resolution. For a special resolution to be passed, at least 75% of the votes validly cast on the resolution by Shareholders (by number of ordinary shares) must be in favour of this Resolution.

Part D: approval of aggregate amount of directors' fees

Resolution 5 – approval of aggregate amount of directors' fees

As noted in the Company's prospectus for its initial public offer, the aggregate amount of remuneration payable to non-executive directors has not been fixed by the Company in a general meeting. Further, as disclosed in the Company's prospectus, the annual base non-executive director fees currently agreed to be paid by the Company are \$110,000 per annum to the Chairman and \$65,000 per annum to each other non-executive director.

In accordance with Listing Rule 10.17 and clause 52.1 of the Company's Constitution, Shareholder approval is sought to set the maximum aggregate amount available for non-executive directors' remuneration in any financial year at \$600,000.

The Directors seek Shareholder approval to approve the maximum aggregate amount of directors' fees for non-executive directors for the following reasons:

- (a) it is important to ensure that the Company maintains the ability to pay competitive fees and attract and retain a high calibre non-executive directors;



- (b) the proposed increase has taken into account the current number of directors of the Company and the potential to appoint additional non-executive directors to the Board. The proposed increase will ensure that there is adequate headroom for future appointments to the Board, whether to fill vacancies or to appoint additional non-executive directors, if those appointments would be in the best interests of the Company;
- (c) the proposed increase also allows for non-executive directors' remuneration to be increased in accordance with movements in the consumer price index; and
- (d) the size of the proposed increase would be consistent with other ASX listed entities of similar market capitalisation and to provide for non-executive directors' fees to grow in the future to reflect market and industry trends.

It is not intended that should this Resolution be passed, the maximum aggregate of the fees of non-executive directors would be utilised immediately. The proportion remaining unused will provide the Company with the ability to attract and retain high quality directors, to make any appropriate increases to the size of the Board, and to increase fees in the future in line with market conditions.

It is proposed that the approval of the maximum aggregate amount of fees of non-executive directors will take effect immediately after this meeting.

As required by ASX Listing Rule 10.17, the Company confirms that no securities have been issued to non-executive directors in the preceding three years under Listing Rules 10.11 or 10.14.

Given the nature of this Resolution, the Board does not consider that is appropriate to make a recommendation on how Shareholders should vote on this Resolution. As noted in the Proxy Form, the Chairman of the Meeting intends to cast all undirected proxies in favour of this Resolution.

Part E: appointment of auditor

Resolution 6 – appointment of auditor

Crowe Horwath, which is the Company's current auditor, has given notice of its intention to resign as auditor of the Company to ASIC (under Section 329(5)) of the Corporations Act).

Upon receipt of ASIC's consent to their resignation, Crowe Horwath has advised that it will submit a notice of

resignation to the Company in accordance with Sections 329(5) of the Corporations Act, such resignation to take effect from the date of the Annual General Meeting.

In accordance with Section 328B(1) of the Corporations Act, the Company has sought and obtained a nomination from a Shareholder for KPMG to be appointed as the Company's auditor. A copy of this nomination is attached to this Explanatory Statement as **Annexure A**.

KPMG has given its written consent to act as the Company's auditor, subject to Shareholder approval and the resignation of Crowe Horwath.

If Resolution 6 is passed, the appointment of KPMG as the Company's auditors will take effect from the close of the Annual General Meeting.

The directors unanimously recommend that shareholders vote in favour of this Resolution.

Enquiries

Shareholders are asked to contact Mr Anand Sundaraj, Company Secretary, on (+61 2) 8072 1400 if they have any queries in respect of the matters set out in these documents.

GLOSSARY

Annual Financial Report means the 2017 Annual Report to Shareholders for the period ended 30 June 2017 as lodged by the Company with ASX on 2 October 2017.

Annual General Meeting or **AGM** or **Meeting** means an Annual General Meeting of the Company and, unless otherwise indicated, means the meeting of the Company's members convened by this Notice of Meeting.

ASIC means Australian Securities and Investment Commission.

Associate has the meaning given to it by the ASX Listing Rules.

ASX means ASX Limited ACN 008 624 691 or the financial market operated by it, as the context requires, of 20 Bridge Street, Sydney, NSW 2000.

ASX Listing Rules or **Listing Rules** means the official ASX Listing Rules of the ASX and any other rules of the ASX which are applicable while the Company is admitted to the official list of the ASX, as amended or replaced from time to time, except to the extent of any express written waiver by the ASX.

Auditor's Report means the auditor's report of Crowe Horwath Australasia dated 22 August 2017 as included in the Annual Financial Report.

Board means the current board of Directors of the Company.

Business Day means a day on which trading takes place on the stock market of ASX.

Chair means the person chairing the Meeting.

Closely Related Party of a member of the KMP means:

- (a) a spouse or child of the member;
- (b) a child of the member's spouse;
- (c) a dependant of the member or of the member's spouse;
- (d) anyone else who is one of the member's family and may be expected to influence the member, or be influenced by the member, in the member's dealings with the Company;
- (e) a company the member controls; or
- (f) a person prescribed by the *Corporation Regulations 2001* (Cth).

Company means Freedom Insurance Group Ltd ACN 608 717 728.

Constitution means the Company's constitution.

Corporations Act means the *Corporations Act 2001* (Cth) as amended or replaced from time to time.

Director means a current director of the Company.

Directors' Report means the report of Directors as included in the Annual Financial Report.

Dollar or **"\$"** means Australian dollars.

Explanatory Statement means the explanatory statement accompanying this Notice of Meeting.

KMP means key management personnel (including the Directors) who remuneration details are included in the Remuneration Report.

Notice of Meeting or Notice of Annual General Meeting means this notice of annual general meeting dated 11 October 2017 including the Explanatory Statement.

Option means an option to acquire a Share.

Proxy Form means the proxy form attached to this Notice of Meeting.

Remuneration Report means the remuneration report as set out in the Annual Financial Report.

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

Restricted Voter means a member of the Company's KMP and any Closely Related Parties of those members.

Securities mean Shares and/or Options (as the context requires).

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

Shareholder means a holder of a Share.

Spill Meeting means the meeting that will be convened within 90 days of the 2018 AGM if a threshold of votes is cast against the adoption of the Remuneration Report at the Meeting and the 2018 AGM.

Spill Resolution means the resolution required to be put to Shareholders at the 2018 AGM if a threshold of votes is cast against the adoption of the Remuneration Report at the Meeting and the 2018 AGM.

VWAP means the volume weighted average price, with respects to the price of Shares.

Annexure A – Auditor Nomination

Freedom Insurance Group Ltd
Levels 12 and 13
20 Bond Street
Sydney NSW 2000

28 September 2017

Dear Directors

Nomination of auditor of Freedom Insurance Group Ltd ACN 608 717 728

I, Mr Keith Charles Cohen & Mrs Jeanette Patricia Cohen, being a shareholder of Freedom Insurance Group Ltd, nominate KPMG for the appointment as auditor of Freedom Insurance Group Ltd at its 2017 Annual General Meeting.

I consent to the distribution of a copy of this notice of nomination as an attachment to the Notice of Meeting and Explanatory Memorandum for the 2017 Annual General Meeting of Freedom Insurance Group Ltd as required by section 328B(3) of the Corporations Act 2001 (Cth).

Yours faithfully,



Mr Keith Charles Cohen



Mrs Jeanette Patricia Cohen



Lodge your vote:



Online:

www.investorvote.com.au



By Mail:

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

Alternatively you can fax your form to
(within Australia) 1800 783 447
(outside Australia) +61 3 9473 2555

For Intermediary Online subscribers only
(custodians) www.intermediaryonline.com

For all enquiries call:

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

Proxy Form



Vote and view the annual report online

- Go to www.investorvote.com.au or scan the QR Code with your mobile device.
- Follow the instructions on the secure website to vote.

Your access information that you will need to vote:

Control Number: 181073

SRN/HIN:

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

For your vote to be effective it must be received by 10:00am on Monday, 13 November 2017.

How to Vote on Items of Business

All your securities will be voted in accordance with your directions.

Appointment of Proxy

Voting 100% of your holding: Direct your proxy how to vote by marking one of the boxes opposite each item of business. If you do not mark a box your proxy may vote or abstain as they choose (to the extent permitted by law). If you mark more than one box on an item your vote will be invalid on that item.

Voting a portion of your holding: Indicate a portion of your voting rights by inserting the percentage or number of securities you wish to vote in the For, Against or Abstain box or boxes. The sum of the votes cast must not exceed your voting entitlement or 100%.

Appointing a second proxy: You are entitled to appoint up to two proxies to attend the meeting and vote on a poll. If you appoint two proxies you must specify the percentage of votes or number of securities for each proxy, otherwise each proxy may exercise half of the votes. When appointing a second proxy write both names and the percentage of votes or number of securities for each in Step 1 overleaf.

A proxy need not be a securityholder of the Company.

Signing Instructions for Postal Forms

Individual: Where the holding is in one name, the securityholder must sign.

Joint Holding: Where the holding is in more than one name, all of the securityholders should sign.

Power of Attorney: If you have not already lodged the Power of Attorney with the registry, please attach a certified photocopy of the Power of Attorney to this form when you return it.

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

Attending the Meeting

Bring this form to assist registration. If a representative of a corporate securityholder or proxy is to attend the meeting you will need to provide the appropriate "Certificate of Appointment of Corporate Representative" prior to admission. A form of the certificate may be obtained from Computershare or online at www.investorcentre.com under the help tab, "Printable Forms".

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

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



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


Proxy Form

Please mark  to indicate your directions

STEP 1 Appoint a Proxy to Vote on Your Behalf

I/We being a member/s of Freedom Insurance Group Ltd hereby appoint

☐ the Chairman of the Meeting **OR**


 **PLEASE NOTE:** Leave this box blank if you have selected the Chairman of the Meeting. Do not insert your own name(s).

or failing the individual or body corporate named, or if no individual or body corporate is named, the Chairman of the Meeting, as my/our proxy to act generally at the Meeting on my/our behalf and to vote in accordance with the following directions (or if no directions have been given, and to the extent permitted by law, as the proxy sees fit) at the Annual General Meeting of Freedom Insurance Group Ltd to be held at Amora Hotel, 11 Jamison Street, Sydney NSW at 10:00am on Wednesday, 15 November 2017 and at any adjournment or postponement of that Meeting.

Chairman authorised to exercise undirected proxies on remuneration related resolutions: Where I/we have appointed the Chairman of the Meeting as my/our proxy (or the Chairman becomes my/our proxy by default), I/we expressly authorise the Chairman to exercise my/our proxy on Items 1 and 5 (except where I/we have indicated a different voting intention below) even though Items 1 and 5 are connected directly or indirectly with the remuneration of a member of key management personnel, which includes the Chairman.

Important Note: If the Chairman of the Meeting is (or becomes) your proxy you can direct the Chairman to vote for or against or abstain from voting on Items 1 and 5 by marking the appropriate box in step 2 below.

STEP 2 Items of Business

 **PLEASE NOTE:** If you mark the **Abstain** box for an item, you are directing your proxy not to vote on your behalf on a show of hands or a poll and your votes will not be counted in computing the required majority.

	For	Against	Abstain
1. Adoption of remuneration report	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
2. Re-election of Mr Andrew Jensen as director	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
3. Re-election of Mr Stephen Menzies as director	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
4. ASX Listing Rule 7.1A approval of future issue of securities	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
5. Approval of aggregate amount of directors' fees	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
6. Appointment of KPMG as Auditors	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

The Chairman of the Meeting intends to vote undirected proxies in favour of each item of business. In exceptional circumstances, the Chairman of the Meeting may change his/her voting intention on any resolution, in which case an ASX announcement will be made.

SIGN

Signature of Securityholder(s) *This section must be completed.*

Individual or Securityholder 1

Sole Director and Sole Company Secretary

Securityholder 2

Director

Securityholder 3

Director/Company Secretary

Contact
Name

Contact
Daytime
Telephone

Date / /