



# Korvest Ltd

ACN 007 698 106

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## Notice of Annual General Meeting

### Explanatory Notes

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#### **Date of meeting**

31 October 2023

#### **Time of meeting**

11:00am (Adelaide Time)

#### **Place of meeting**

KPMG Boardroom  
Level 7, 151 Pirie Street  
Adelaide SA 5000

This Notice of Annual General Meeting should be read in its entirety. If shareholders are in doubt as to how they should vote, they should seek advice from their accountant, solicitor or other professional adviser prior to voting.

## Notice of Annual General Meeting

Korvest Ltd ACN 007 698 106 (**Company**) will hold an annual general meeting at Level 7, 151 Pirie Street, Adelaide, South Australia on Tuesday 31 October 2023 at 11:00 am (Adelaide time).

The Explanatory Notes that accompany and form part of this notice of annual general meeting (**Notice**) describe the matters to be considered at the meeting.

### AGENDA

#### GENERAL BUSINESS

##### 2023 Financial Statements

To receive, consider and discuss the Company's financial statements and the report of the directors and auditor for the year ended 30 June 2023.

#### ORDINARY BUSINESS

##### Resolution 1

##### Adoption of Remuneration Report

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

*"That the remuneration report for the year ended 30 June 2023 be adopted for the purpose of section 250R(2) of the Corporations Act."*

Note: Section 250R(3) of the *Corporations Act 2001* (Cth) (**Corporations Act**) provides that the vote on this resolution is advisory only and does not bind the directors or the Company.

##### Voting Restriction

In accordance with the Corporations Act, a vote must not be cast on this resolution (and will be taken not to have been cast if cast contrary to this restriction) by or on behalf of a member of the key management personnel, details of whose remuneration are included in the remuneration report, or any closely related party of such a member. However, the member or any closely related party of such a member may vote if:

- (a) the vote is cast by a person as a proxy appointed by writing that specifies how the proxy is to vote on the resolution or by a person who is the chair of the meeting at which the resolution is voted on and the appointment does not specify the way the proxy is to vote and 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 key management personnel; and
- (b) the vote is not cast on behalf of a member of the key management personnel, details of whose remuneration are included in the remuneration report, or any closely related party of such a member.

##### Resolution 2

##### Re-election of Director – Mr Gary Francis

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

*"That Mr Gary Francis, a director retiring by rotation in accordance with the Company's constitution and being eligible for re-election, be re-elected as a director of the Company."*

**Resolution 3****Re-election of Director – Mr Steven McGregor**

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

*"That Mr Steven McGregor, a director retiring by rotation in accordance with the Company's constitution and being eligible for re-election, be re-elected as a director of the Company."*

**SPECIAL BUSINESS****Resolution 4****Approval of the grant of Performance Rights to Mr Chris Hartwig for the purposes of ASX Listing Rule 10.14**

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

*"That, for the purposes of ASX Listing Rule 10.14, approval is given for the grant of 18,983 performance rights to Mr Chris Hartwig under the Korvest Performance Rights Plan."*

**Voting Exclusions and Voting Restriction**

In accordance with the ASX Listing Rules, the Company will disregard any votes cast in favour of this resolution by or on behalf of Mr Hartwig or Mr McGregor, being the persons referred to in ASX Listing Rule 10.14 who are eligible to participate in the Korvest Performance Rights Plan, or any associates of Mr Hartwig or Mr McGregor. However, this does not apply to a vote cast in favour of a resolution by:

- (a) a person as proxy or attorney for a person who is entitled to vote on the resolution, in accordance with the directions given to the proxy or attorney to vote on the resolution in that way; or
- (b) the chair of the meeting as proxy or attorney for a person who is entitled to vote on the resolution, in accordance with a direction given to the chair to vote on the resolution as the chair decides; or
- (c) a holder acting solely in a nominee, trustee, custodial or other fiduciary capacity on behalf of a beneficiary provided the following conditions are met:
  - the beneficiary provides written confirmation to the holder that the beneficiary is not excluded from voting, and is not an associate of a person excluded from voting, on the resolution; and
  - the holder votes on the resolution in accordance with directions given by the beneficiary to the holder to vote in that way.

Further, in accordance with the Corporations Act, a vote must not be cast on this resolution (and will be taken not to have been cast if cast contrary to this restriction) by a person appointed as proxy if the person is a member of the key management personnel, or any closely related party of such a member, unless:

- (a) the proxy appointment specifies how the proxy is to vote on this resolution; or
- (b) the person is the chair of the meeting at which the resolution is voted on and the proxy appointment 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 key management personnel.

**Resolution 5****Approval of the grant of Performance Rights to Mr Steven McGregor for the purposes of ASX Listing Rule 10.14**

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

*"That, for the purposes of ASX Listing Rule 10.14, approval is given for the grant of 18,201 performance rights to Mr Steven McGregor under the Korvest Performance Rights Plan."*

**Voting Exclusions and Voting Restriction**

In accordance with the ASX Listing Rules, the Company will disregard any votes cast in favour of this resolution by or on behalf of Mr McGregor or Mr Hartwig, being the persons referred to in ASX Listing Rule 10.14 who are eligible to participate in the Korvest Performance Rights Plan, or any associates of Mr McGregor or Mr Hartwig. However, this does not apply to a vote cast in favour of a resolution by:

- (a) a person as proxy or attorney for a person who is entitled to vote on the resolution, in accordance with directions given to the proxy or attorney to vote on the resolution in that way; or
- (b) the chair of the meeting as proxy or attorney for a person who is entitled to vote on the resolution, in accordance with a direction given to the chair to vote on the resolution as the chair decides; or
- (c) a holder acting solely in a nominee, trustee, custodial or other fiduciary capacity on behalf of a beneficiary provided the following conditions are met:
  - the beneficiary provides written confirmation to the holder that the beneficiary is not excluded from voting, and is not an associate of a person excluded from voting, on the resolution; and
  - the holder votes on the resolution in accordance with directions given by the beneficiary to the holder to vote in that way.

Further, in accordance with the Corporations Act, a vote must not be cast on this resolution (and will be taken not to have been cast if cast contrary to this restriction) by a person appointed as proxy if the person is a member of the key management personnel, or any closely related party of such a member, unless:

- (a) the proxy appointment specifies how the proxy is to vote on this resolution; or
- (b) the person is the chair of the meeting at which the resolution is voted on and the proxy appointment 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 key management personnel.

**Resolution 6****Director remuneration**

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

*“That, for the purposes of clause 54.1 of the Company’s constitution, ASX Listing Rule 10.17 and for all other purposes, the maximum total aggregate fixed sum per annum to be paid to non-executive directors be increased by \$50,000, from \$450,000 to \$500,000.”*

**Voting Exclusions and Voting Restriction**

In accordance with the ASX Listing Rules, the Company will disregard any votes cast in favour of this resolution by or on behalf of any of the directors, who are excluded from voting, or an associate of any director. However, this does not apply to a vote cast in favour of a resolution by:

- (a) a person as proxy or attorney for a person who is entitled to vote on the resolution, in accordance with the directions given to the proxy or attorney to vote on the resolution in that way; or
- (b) the chair of the meeting as proxy or attorney for a person who is entitled to vote on the resolution, in accordance with a direction given to the chair to vote on the resolution as the chair decides; or
- (c) a holder acting solely in a nominee, trustee, custodial or other fiduciary capacity on behalf of a beneficiary provided the following conditions are met:
  - the beneficiary provides written confirmation to the holder that the beneficiary is not excluded from voting, and is not an associate of a person excluded from voting, on the resolution; and
  - the holder votes on the resolution in accordance with directions given by the beneficiary to the holder to vote in that way.

Further, in accordance with the Corporations Act, a vote must not be cast on this resolution (and will be taken not to have been cast if cast contrary to this restriction) by a person appointed as proxy if the person is a member of the key management personnel, or any closely related party of such a member, unless:

- (a) the proxy appointment specifies how the proxy is to vote on this resolution; or
- (b) the person is the chair of the meeting at which the resolution is voted on and the proxy appointment 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 key management personnel.

**VOTING AND THE PROXY**

For the purpose of determining the voting entitlements at the meeting, the Board has determined that shares in the Company will be taken to be held by the registered holders of those shares at 6:30pm (Adelaide time) on 29 October 2023. Accordingly, transactions registered after that time will be disregarded in determining entitlements to attend and vote at the meeting.

A shareholder who is entitled to attend and cast a vote at the meeting and who wishes to vote on the resolutions contained in this Notice should either attend in person or appoint a proxy or proxies to attend or vote on the shareholder’s behalf. A proxy form is enclosed with this Notice. The proxy or proxies do not need to be a shareholder of the Company. A shareholder that is a body corporate may appoint a representative to attend in accordance with the Corporations Act.

A shareholder entitled to attend and to cast two or more votes is entitled to appoint two proxies. Where two proxies are appointed, each appointment may specify the proportion of the shareholder’s voting rights that the proxy may

exercise. If the shareholder appoints two proxies and the appointment does not specify this proportion, each proxy may exercise half of the votes able to be cast by the appointing shareholder.

The proxy form (and any power of attorney under which it is signed) must be received at one of the addresses below not later than 11:00am (Adelaide time) on 29 October 2023 (being 48 hours before the commencement of the meeting). Any proxy forms received after that time will not be valid for the meeting.

Completed proxy forms should be sent to the Company's share registrar, Computershare Investor Services Pty Ltd, as follows:

- |                   |  |
|-------------------|--|
| Online:           | Enter the control number, SRN/HIN and postcode shown on the first page of the proxy form at:<br><a href="http://www.investorvote.com.au">www.investorvote.com.au</a> |
| By mail:          | Korvest Ltd<br>c/- Computershare Investor Services Pty Ltd<br>GPO Box 242<br>MELBOURNE VIC 3001<br>Australia   |
| By fax:           | Korvest Ltd<br>c/- Computershare Investor Services Pty Ltd<br>(within Australia) 1800 783 447<br>(outside Australia) +61 3 9473 2555                                 |
| Custodian voting: | For Intermediary Online subscribers only:<br><a href="http://www.intermediaryonline.com">www.intermediaryonline.com</a>  |

**DATED THIS 20TH DAY OF SEPTEMBER 2023  
BY ORDER OF THE BOARD**

**Steven McGregor**  
Company Secretary

## Explanatory Notes

These Explanatory Notes have been prepared to provide shareholders with material information to enable them to make an informed decision on the business to be conducted at the annual general meeting of the Company.

The directors recommend shareholders read these Explanatory Notes in full before making any decision in relation to the resolutions. The directors also recommend shareholders read the instructions on the proxy form in full if they intend to vote by proxy.

### GENERAL BUSINESS

#### Receiving financial statements and reports

The Corporations Act requires that shareholders consider the annual financial statements and reports of the directors and auditor every year.

Shareholders attending the annual general meeting will be given a reasonable opportunity:

- (a) to ask questions about or make comments on the management of the Company; and
- (b) to ask the Company's auditor or the auditor's representative questions relevant to:
  - (1) the conduct of the audit;
  - (2) the preparation and content of the auditor's report;
  - (3) the accounting policies adopted by the Company in relation to the preparation of the financial statements; and
  - (4) the independence of the auditor in relation to the conduct of the audit.

A shareholder of the Company who is entitled to cast a vote at the annual general meeting may submit a written question to the auditor if the question is relevant to:

- (a) the content of the auditor's report to be considered at the annual general meeting; or
- (b) the conduct of the audit of the annual financial report to be considered at the annual general meeting.

A written question may be submitted by giving the question to the Company no later than 24 October 2023, being the fifth business day before the day on which the annual general meeting is to be held, and the Company will then, as soon as practicable after the question has been received, pass the question on to the auditor. At the annual general meeting the Company will allow a reasonable opportunity for the auditor or the auditor's representative to answer such written questions submitted to the auditor.

The Company will make copies of the question list reasonably available to shareholders attending the annual general meeting.

No resolution is required to be moved in respect of this item of General Business.

**ORDINARY BUSINESS****Resolution 1 – Adoption of Remuneration Report**

The remuneration report of the Company for the financial year ended 30 June 2023 is contained in the 2023 Annual Report which is available on the Company's website: <http://www.korvest.com.au/investors/financial-reports/>.

Section 300A of the Corporations Act requires the directors to include a remuneration report in their directors' report for the financial year. Section 250R(2) requires the remuneration report be put to the vote at the Company's annual general meeting. The vote on the resolution is advisory only and does not bind the directors or the Company.

**Directors' Recommendation**

The directors recommend that shareholders vote in favour of Resolution 1.

**Resolution 2 – Re-election of Director – Mr Gary Francis**

Clause 51.1 of the Company's constitution provides that any director for whom this would be the third annual general meeting since their last appointment, and any director appointed by the directors since the last annual general meeting, will automatically retire at the end of each annual general meeting. Clause 51.3 of the Company's constitution provides that a director retiring in accordance with clause 51 is eligible for re-election.

ASX Listing Rule 14.4 provides that a director (excluding the Managing Director (if any)) must not hold office (without re-election) past the third annual general meeting following the director's appointment or 3 years, whichever is longer. ASX Listing Rule 14.5 provides that an entity which has directors must hold an election of directors at each general meeting.

In accordance with clause 51.1 of the Company's constitution, Mr Francis automatically retires in rotation and, being eligible, offers himself for re-election pursuant to clause 51.3 of the Company's constitution.

Mr Francis is a qualified civil engineer with an extensive background in the construction industry, both in Australia and Asia over the past 35 years. His experience is in medium to large scale projects with major tier one contractors including senior positions with Transfield and Leighton in Asia over a nearly 15 year period.

Mr Francis has held board positions with private companies and has consulted to a number of entities both onshore and offshore within the construction and finance sectors.

Mr Francis joined Korvest in February 2014 as an Independent Non-Executive Director and is the Chairman of the Remuneration Committee.

Accordingly, Resolution 2 provides for the re-election of Mr Francis as a director of the Company.

**Directors' Recommendation**

Other than Mr Francis (who is standing for re-election), the directors recommend that the shareholders vote in favour of Resolution 2.

**Resolution 3 – Re-election of Director – Mr Steven McGregor**

Clause 51.1 of the Company's constitution provides that any director for whom this would be the third annual general meeting since their last appointment, and any director appointed by the directors since the last annual general meeting, will automatically retire at the end of each annual general meeting. Clause 51.3 of the Company's constitution provides that a director retiring in accordance with clause 51 is eligible for re-election.

ASX Listing Rule 14.4 provides that a director (excluding the Managing Director (if any)) must not hold office (without re-election) past the third annual general meeting following the director's appointment or 3 years, whichever is longer.

ASX Listing Rule 14.5 provides that an entity which has directors must hold an election of directors at each general meeting.

In accordance with clause 51.1 of the Company's constitution, Mr McGregor automatically retires in rotation and, being eligible, offers himself for re-election pursuant to clause 51.3 of the Company's constitution.

Mr McGregor is a chartered accountant and chartered company secretary. He worked for KPMG servicing a range of clients across various industries including manufacturing, wine, defence and sport.

Prior to joining the Company, Mr McGregor worked for an unlisted public company in the role of Chief Operating Officer and Company Secretary.

Mr McGregor joined the Company in April 2008 as Chief Financial Officer and Company Secretary. He was appointed as a Director in January 2009.

Accordingly, Resolution 3 provides for the re-election of Mr McGregor as a director of the Company.

### Directors' Recommendation

Other than Mr McGregor (who is standing for re-election), the directors recommend that the shareholders vote in favour of Resolution 3.

## SPECIAL BUSINESS

### Resolutions 4 and 5 – Approval of the grant of Performance Rights to Mr Chris Hartwig and Mr Steven McGregor for the purposes of ASX Listing Rule 10.14

In 2011, as part of the overall remuneration strategy of the Company, the Company established the Korvest Performance Rights Plan (**Plan**). The Plan provides for the grant of performance rights (**Performance Rights**) to executives of the Company invited by the Board to participate in the Plan. The exercise of Performance Rights results in the issue of fully paid ordinary shares in the Company (**Shares**). A copy of the Plan Rules is available on the Company's website [www.korvest.com.au](http://www.korvest.com.au). A brief summary of the Plan Rules is set out below.

The Plan is designed to provide the Company's executives with an incentive to maximise the return to shareholders over the long term, and to assist in the attraction and retention of key executives. Details of the Company's executive remuneration philosophy and objectives can be found in the 2023 Annual Report.

Both Mr Chris Hartwig and Mr Steven McGregor have again been invited by the Board, and are entitled, to participate in the Plan and to be issued with Performance Rights if approved by the shareholders at this AGM. No other directors (or their associates) are entitled to participate in the Plan.

Details of any Performance Rights and Shares issued under the Plan will be published in the Company's Annual Report relating to the period in which they were issued, along with a statement that approval for the issue was obtained under ASX Listing Rule 10.14. Any additional persons covered by ASX Listing Rule 10.14 who become entitled to participate in a grant of Performance Rights under the Plan after (and if) Resolutions 4 and 5 are approved, and who are not named in this notice of meeting, will not participate until approval is obtained under that rule.

### Use of Performance Rights

The Board considers that the grant of Performance Rights to Mr Hartwig and Mr McGregor, which are subject to the performance hurdles described below under the heading 'Performance Hurdles', provide an additional incentive to Mr Hartwig and Mr McGregor to work towards maximising returns to shareholders and to encourage Mr Hartwig's and Mr McGregor's retention.

The Board also considers the use of Performance Rights is superior to alternative forms of incentives, such as cash, on the basis that the Performance Rights vesting and becoming exercisable and the consequential issuing of Shares in the capital of the Company to Mr Hartwig and Mr McGregor means that the shareholding in the Company of each of

Mr Hartwig and Mr McGregor increases, and this results in an alignment of the interests of management and shareholders.

### **Current remuneration packages**

Mr Hartwig's total remuneration package consists of fixed remuneration (inclusive of superannuation) of \$401,487, a maximum cash short term incentive of \$279,072 with superannuation applied to the portion of this incentive that vests, as well as a long term incentive in the form of the Performance Rights proposed to be granted under Resolution 4. The Company values Performance Rights at the date of issue using the Black-Scholes option-pricing model. As the issue date is in the future the actual calculation cannot be completed until that time. However, for the purposes of this explanatory note, a calculation as at the date that the number of Performance Rights to be granted was determined (22 August 2023), produces a value per Performance Right of \$6.55. Therefore, using this value as a guide, the value of the 18,983 Performance Rights to be issued to Mr Hartwig is \$124,339.

Mr McGregor's total remuneration package consists of fixed remuneration (inclusive of superannuation) of \$384,948, a maximum cash short term incentive of \$69,684 with superannuation applied to the portion of this incentive that vests, as well as a long term incentive in the form of the Performance Rights proposed to be granted under Resolution 5. Using the value of \$6.55 per Performance Right outlined above, the value of the 18,201 Performance Rights to be issued to Mr McGregor is \$119,217.

The Company has not engaged a third party to provide an independent valuation report in respect of the Performance Rights the subject of Resolutions 4 and 5.

However, it is important to note that the grant of Performance Rights means that the actual value (if any) of the Performance Rights that Mr Hartwig and Mr McGregor will receive (if approval is obtained for the issue of those Performance Rights) cannot be determined until the end of the three year performance period and will depend on the extent to which the performance hurdles are met and the share price at the time the Performance Rights vest.

### **Reason for Shareholder Approval**

ASX Listing Rule 10.14 requires that a company obtain shareholder approval for the issue of securities under an employee incentive scheme to a director, an associate of a director or a person whose relationship with the company, a director or an associate of a director is such that ASX considers approval should be obtained. Accordingly, as each of Mr Hartwig and Mr McGregor is a director of the Company, and falls within the category in ASX Listing Rule 10.14.1, shareholder approval is sought for the grant of Performance Rights under the Plan to each of them. If approval is given under ASX Listing Rule 10.14, approval is not required under ASX Listing Rule 7.1. The Performance Rights to be granted to Mr Hartwig and Mr McGregor are in effect conditional entitlements, which may vest and become exercisable subject to the satisfaction of the performance hurdles (**Performance Hurdles**), details of which are summarised below.

If Resolutions 4 and 5 are passed, the Company will grant the Performance Rights to Mr Hartwig and Mr McGregor. If Resolutions 4 and 5 are not passed, the Performance Rights will not be granted and the Company will seek alternative means of appropriately incentivising its directors.

### **Grant of Performance Rights**

The Company proposes to grant 18,983 Performance Rights to Mr Hartwig and 18,201 Performance Rights to Mr McGregor no later than one month after the date of the AGM. This means the maximum number of Performance Rights that may be acquired by all persons for whom approval is required at the scheduled AGM is 37,184.

Mr Hartwig has previously been granted 263,234 Performance Rights under the Plan at a nil acquisition price, of which 119,874 have vested, resulting in the issue of 119,874 Shares to Mr Hartwig. Mr McGregor has previously been granted 288,459 Performance Rights under the Plan at a nil acquisition price, of which 119,409 have vested, resulting in the issue of 119,409 Shares to Mr McGregor.

The Company also intends to grant Performance Rights to three executives of the Company, resulting in the total number of Performance Rights to be issued in 2023 being 69,019.

### **Rights attaching to Performance Rights**

A Performance Right is a right to acquire one Share which can be exercised once the Performance Right has become exercisable and provided it has not lapsed.

A Performance Right does not give the holder a legal or beneficial right to Shares and does not enable the participating executives, in this case Mr Hartwig and Mr McGregor, to receive dividends or any other shareholder benefit by virtue of the grant of that Performance Right unless and until it has been exercised and the Share issued.

### **Exercise of Performance Rights**

Performance Rights that have not vested, vest and are exercisable if:

- the Company meets during the Performance Period the performance criteria set by the Board at the time of grant; or
- the Board determines that a Performance Right becomes a vested Performance Right.

In addition, if an event such as a takeover bid occurs, then Performance Rights that have not vested, vest and are exercisable to the extent determined by the Board having regard to the length of time between the commencement of the Performance Period and the date of occurrence of such event, and the likelihood that the performance criteria would have otherwise been met if such event had not occurred.

### **Performance Period**

The performance period is the period commencing on 1 July 2023 and ending on 30 June 2026.

**(Performance Period).**

### **Performance Hurdles**

The Performance Rights are subject to the “EPS Performance Hurdle” and the “ROIC Performance Hurdle”, such that:

- half of the total number of Performance Rights that the Company proposes to grant to each of Mr Hartwig and Mr McGregor (**EPS Performance Rights**) will vest and become exercisable if the Performance Hurdle for the EPS Performance Rights is satisfied over the Performance Period (**EPS Performance Hurdle**); and
- half of the total number of Performance Rights that the Company proposes to grant to Mr Hartwig and Mr McGregor (**ROIC Performance Rights**) will vest and become exercisable if the Performance Hurdle for the ROIC Performance Rights is satisfied over the Performance Period (**ROIC Performance Hurdle**).

### **EPS Performance Hurdle**

The EPS Performance Rights will vest and become exercisable if the EPS Performance Hurdle is satisfied over the Performance Period in the following circumstances:

- the EPS Performance Hurdle will be met if the Company exceeds the aggregate threshold EPS over the Performance Period as set out in the table below;
- one quarter (1/4) of the EPS Performance Rights will vest and be exercisable if the Company equals the aggregate threshold EPS as set out in the table below;
- all of the EPS Performance Rights will vest and be exercisable if the Company equals or exceeds the aggregate range EPS as set out in the table below;

- if the Company achieves an aggregate EPS greater than the threshold EPS but less than the range EPS, the number of EPS Performance Rights that will vest and be exercisable will be calculated on a pro rata basis in accordance with the following formula:

$$A = E \times \{ 25\% + 75\% [ ( B - C ) / D ] \}$$

where:

A = the number of EPS Performance Rights that will vest and become exercisable (rounded down to the nearest whole number)

B = the aggregate actual EPS over the Performance Period

C = the aggregate threshold EPS

D = the aggregate range EPS less the aggregate threshold EPS

E = the number of EPS Performance Rights granted to the relevant executive.

Year ended	Threshold EPS	Range EPS
<b>Base EPS</b>	<b>96.7</b>	<b>96.7</b>
Compound Annual Growth Rate	5%	12%
<b>Aggregate – 3 years to 30 June 2026</b>	<b>320.09</b>	<b>365.46</b>

Under the Plan, the Board may make an invitation to an executive to apply for Performance Rights on such terms and conditions as the Board determines for such invitation including without limitation as to criteria and when, and in what circumstances, a Performance Right may become exercisable and any other criteria to be satisfied.

The Board has set the base EPS figure for the purposes of the Performance Rights as the statutory EPS for the FY23 financial year.

The EPS Performance Hurdle threshold is equivalent to the Company achieving a compound annual growth rate of 5% per annum in respect of EPS for the Performance Period. The EPS Performance Hurdle range is equivalent to the Company achieving a compound annual growth rate of 12% per annum in respect of EPS for the Performance Period.

For the purposes of assessing satisfaction of the EPS Performance Hurdle, the Board may adjust the Company's EPS over the Performance Period for extraordinary, significant or non-recurring items.

### **ROIC Performance Hurdle**

The ROIC Performance Rights will vest and become exercisable if the ROIC Performance Hurdle is satisfied over the Performance Period. The ROIC Performance Hurdle measures the Board's efficiency at allocating capital under its control to generate profitable returns for the Company. In order to maintain and improve the Company's ROIC, the Board must focus on the quality of earnings and the capital required to achieve improved earnings.

The ROIC Performance Hurdle is calculated as follows:

$$\text{Return on Invested Capital (ROIC)} = \frac{\text{Net Operating Profit After Tax (NOPAT)}}{\text{Total Invested Capital (TIC)}}$$

where:

- NOPAT is the average of the Company's net operating profit after tax over the three years of the vesting period (i.e. 30 June 2024 to 30 June 2026); and

- TIC is the average of the Company’s invested capital, calculated as follows: (current assets – current liabilities – cash and investments) + (plant, property and equipment + goodwill + intangibles\*) with the average TIC being the balances as at 30 June and 31 December during the period from 2023 to 2026.

\* Intangibles excludes the Right of Use Asset.

Based on the Company’s performance, the ROIC Performance Rights would vest in accordance with the table below:

Average 3 year ROIC of the Company	Proportion of ROIC Performance Rights vesting
Less than 10%	0%
10%	50%
Above 10% and below 14%	50% to 100% using a straight line analysis
14% or greater	100%

**Grant Price and Exercise Price**

Each Performance Right will be granted for no consideration and will have a nil exercise price. There are no loans in relation to this acquisition. If the Performance Right vests it would allow the holder to exercise the Performance Right and be issued with a Share.

**Exercise Period**

Once the Performance Rights have become exercisable, those rights would need to be exercised within 12 months from the date on which they vest and become exercisable, or they will lapse and there will be no further entitlement to any Shares. This period may be shortened if the holder ceases to be employed under certain circumstances (as described below).

**Bonus issue and capital reconstruction of the Company**

The number of Shares to be issued on the exercise of the Performance Rights will be adjusted to take account of any bonus issues, rights issues or reconstructions which the Company undertakes between the date of allocation of the Performance Rights and the exercise of those rights.

**Cessation of employment**

In the case of the holder’s employment ceasing due to misconduct, any other reason justifying termination without notice, or upon notice of resignation, all Performance Rights lapse immediately.

In the case of the holder’s employment ceasing due to death or permanent disablement:

- Performance Rights that have vested and are exercisable remain exercisable up until the end of the exercise period;
- a portion of Performance Rights that have not vested (with such portion calculated based on the extent that the Performance Period has elapsed) will continue to be unvested Performance Rights, will vest if the relevant Performance Hurdles are satisfied within the Performance Period and will be exercisable up until the end of the exercise period; and
- remaining Performance Rights that have not vested will lapse immediately.

In all other cases where employment ceases:

- Performance Rights that have vested and are exercisable will lapse at the end of 30 days;
- a portion of Performance Rights that have not vested (with such portion calculated based on the extent that the Performance Period has passed) will continue to be unvested Performance Rights, will vest if the relevant Performance Hurdles are satisfied within the Performance Period and will be exercisable up until the end of the exercise period; and
- remaining Performance Rights that have not vested will lapse immediately.

#### **Clawback**

If the Board determines in its absolute discretion that the vesting of Performance Rights that have not vested would result in an inappropriate benefit being provided to the holder, the Board may resolve that all or a number of such Performance Rights will lapse immediately.

The Board may determine in its absolute discretion the circumstances in which vesting of Performance Rights that have not vested would result in an inappropriate benefit being provided, including without limitation, where:

- a holder acts fraudulently, dishonestly or has engaged in conduct that adversely affects or is likely to adversely affect the Company's financial position, performance or reputation;
- a holder breaches their obligations to the Company or any duties under any applicable law; and
- there is a material misstatement, omission or error in the Company's financial statements on which the Board has based its determination previously as to whether to grant Performance Rights to the holder and the number of Performance Rights that were granted to the holder.

#### **Restriction on the disposal of Shares**

The Plan provides that the Shares issued on exercise of the Performance Rights will be restricted from disposal until the earlier of:

- the period (if any) specified in the invitation to participate in the Plan;
- the time when the holder's employment ceases;
- the Board approving a recommendation by the Board's remuneration committee that the restriction on disposal be released; and
- two years from the date that the Performance Rights vest and become exercisable.

#### **Forfeiture of Shares**

Shares issued on exercise of Performance Rights may be forfeited if the holder perpetrates fraud against the Company or any of its subsidiaries (**Korvest Group**), acts dishonestly or breaches their obligations to any member of the Korvest Group.

The right of the Company to cause the Shares, which have been issued on exercise of the Performance Rights, to be forfeited, expires:

- on the termination of the holder's employment with the Company otherwise than as a result of fraud, dishonesty or a breach of his obligations to the Korvest group;
- upon the sale or transfer of the Shares; or
- on the day following the expiry of the seven year period from the date of grant of the Performance Rights.

**Resolution 4 – Approval of the grant of Performance Rights to Mr Chris Hartwig for the purposes of ASX Listing Rule 10.14****Grant of Performance Rights to Mr Chris Hartwig**

Mr Hartwig, Managing Director, has again been invited by the Board to participate in the Plan and to be granted Performance Rights if approved by shareholders at this AGM.

Details of the Performance Rights to be granted and the terms on which they are to be granted are set out in the summary above.

**Directors' Recommendation**

Other than Mr Hartwig (to whom Performance Rights are to be granted if Resolution 4 is passed) and Mr McGregor (to whom Performance Rights are to be granted if Resolution 5 is passed), the directors recommend that shareholders vote in favour of Resolution 4.

**Resolution 5 – Approval of the grant of Performance Rights to Mr Steven McGregor for the purposes of ASX Listing Rule 10.14****Grant of Performance Rights to Mr McGregor**

Mr McGregor, Finance Director, has again been invited by the Board to participate in the Plan and to be granted with Performance Rights if approved by shareholders at this AGM.

Details of the Performance Rights to be granted and the terms on which they are to be granted are set out in the summary above.

**Directors' Recommendation**

Other than Mr McGregor (to whom Performance Rights are to be granted if Resolution 5 is passed) and Mr Hartwig (to whom Performance Rights are to be granted if Resolution 4 is passed), the directors recommend that shareholders vote in favour of Resolution 5.

**Resolution 6 – Director remuneration**

Resolution 6 is for the approval of the increase of maximum total aggregate fixed sum per annum to be paid to non-executive directors from \$450,000 to \$500,000.

Listing Rule 10.17 provides that an entity must not increase the total aggregate amount of directors fees payable to all of its non-executive directors without the approval of holders of its ordinary securities. Clause 54.1 of the Company constitution provides that the Company may remunerate each director as the directors decide, but the total amount of the remuneration of non-executive directors may not exceed the amount fixed by the Company in general meeting for that purpose.

Resolution 6 seeks shareholder approval to increase the total aggregate fixed sum per annum to be paid to the directors to \$500,000. This represents an increase of \$50,000 to the total director remuneration cap approved at the annual general meeting held on 25 October 2013.

The Board has determined to seek shareholder approval for aggregate directors' fees of \$500,000 to ensure that the Board has the capacity to remunerate its non-executive directors and to attract and retain directors with the requisite skills and experience as and when considered necessary by the Board. The Board wishes to ensure that non-executive directors' fees adequately compensate non-executive directors for the responsibilities and obligations associated with acting as a director so as to ensure the Company maintains the ability to attract and retain high quality non-executive directors with an appropriate range of skills and expertise.

**Specific information required by ASX Listing Rule 10.17**

Pursuant to and in accordance with ASX Listing Rule 10.17, the following information is provided in relation to the increase to the fees payable to non-executive directors:

- (a) the amount of the increase in the total aggregate amount of directors' fees payable to non-executive directors is \$50,000 (from \$450,000 to \$500,000);
- (b) the maximum aggregate amount of directors' fees that may be paid to all of the non-executive directors if Resolution 6 is passed is \$500,000 per annum;
- (c) the Company has not issued any securities to a non-executive director under ASX Listing Rules 10.11 or 10.14 at any time within the preceding three years; and
- (d) a voting exclusion statement is set out in the Notice.

**Directors' recommendation**

As the directors have an interest in the outcome of Resolution 6, the directors make no voting recommendation to shareholders as to how to vote in relation to Resolution 6.

**Need assistance?****Phone:**1300 556 161 (within Australia)  
+61 3 9415 4000 (outside Australia)**Online:**[www.investorcentre.com/contact](http://www.investorcentre.com/contact)**YOUR VOTE IS IMPORTANT**

For your proxy appointment to be effective it must be received by **11:00am (ACDT) on Sunday, 29 October 2023.**

# Proxy Form

## 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.

### PARTICIPATING IN THE MEETING

#### Corporate Representative

If a representative of a corporate securityholder or proxy is to participate in the meeting you will need to provide the appropriate "Appointment of Corporate Representative". A form may be obtained from Computershare or online at [www.investorcentre.com/au](http://www.investorcentre.com/au) and select "Printable Forms".

## Lodge your Proxy Form:

**XX**

### Online:

Lodge your vote online at [www.investorvote.com.au](http://www.investorvote.com.au) using your secure access information or use your mobile device to scan the personalised QR code.

Your secure access information is

	<b>Control Number:</b>
	<b>SRN/HIN:</b>

For Intermediary Online subscribers (custodians) go to [www.intermediaryonline.com](http://www.intermediaryonline.com)

### By Mail:

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

### By Fax:

1800 783 447 within Australia or  
+61 3 9473 2555 outside Australia



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

You may elect to receive meeting-related documents, or request a particular one, in electronic or physical form and may elect not to receive annual reports. To do so, contact Computershare.

**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

XX

I/We being a member/s of Korvest 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 Korvest Ltd to be held at KPMG Boardroom, Level 7, 151 Pirie Street, Adelaide, SA 5000 on Tuesday, 31 October 2023 at 11:00am (ACDT) 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, 4, 5 and 6 (except where I/we have indicated a different voting intention in step 2) even though Items 1, 4, 5 and 6 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 the resolutions by marking the appropriate box in step 2.

## 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 and your votes will not be counted in computing the required majority.

### ORDINARY BUSINESS

	For	Against	Abstain
1 Adoption of Remuneration Report	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
2 Re-election of Director - Mr Gary Francis	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
3 Re-election of Director - Mr Steven McGregor	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

### SPECIAL BUSINESS

4 Approval of the grant of Performance Rights to Mr Chris Hartwig for the purposes of ASX Listing Rule 10.14	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
5 Approval of the grant of Performance Rights to Mr Steven McGregor for the purposes of ASX Listing Rule 10.14	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
6 Director Remuneration	<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.

## Step 3 Signature of Securityholder(s) *This section must be completed.*

Individual or Securityholder 1

Sole Director & Sole Company Secretary

Securityholder 2

Director

Securityholder 3

Director/Company Secretary

/ /

Date

**Update your communication details** (Optional)

Mobile Number

Email Address

By providing your email address, you consent to receive future Notice of Meeting & Proxy communications electronically