



Empired Limited

ACN 090 503 843

Notice of Annual General Meeting and Explanatory Statement

**Annual General Meeting to be held at
Canning Room, Adina Apartment Hotel, 33 Mounts Bay Road, Perth WA
on Wednesday 28 November 2018
commencing at 11.00am (AWST)**

The Notice of Annual General Meeting, Explanatory Statement and Proxy Form should be read in their entirety. If you are in doubt as to how you should vote, you should seek advice from your accountant, solicitor or other professional adviser prior to voting.

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Notice of Annual General Meeting

Notice is given that the Annual General Meeting of Empired Limited ACN 090 503 843 (**Empired** or **Company**) will be held at the Canning Room, Adina Apartment Hotel, 33 Mounts Bay Road, Perth WA, on Wednesday, 28 November 2018 commencing at 11.00am (AWST).

Financial statements and report

To receive and consider the annual financial report of the Company for the financial year ended 30 June 2018 together with the Directors' report and the independent auditor's 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 purposes of section 250R(2) of the Corporations Act and for all other purposes, the Remuneration Report contained in the Company's annual financial report for the year ended 30 June 2018 be adopted by the Company.

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

Resolution 2 – Approval of Long Term Incentive Plan

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

That for the purposes of Listing Rule 7.2, Exception 9 and for all other purposes, the Company approves the issue of Securities under the Company's LTI Plan, as an exception to Listing Rule 7.1.

Resolution 3 – Approval to grant Performance Rights to Director – Russell Baskerville

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

That for the purposes of Listing Rule 10.14 and for all other purposes, Shareholders approve the grant of up to 880,000 Performance Rights to Mr Russell Baskerville (or his nominee) under the Empired Long Term Incentive Plan on the terms and conditions set out in the Explanatory Statement.

Resolution 4 – Election of Director – Cristiano Nicolli

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

That Mr Cristiano Nicolli, a Director who was appointed in accordance with article 6.2 (b) of the Constitution and ceases to hold office in accordance with article 6.3 (j) of the Constitution and Listing Rule 14.4, and being eligible offers himself for election, as a Director.

Voting Exclusions

For the purposes of the Corporations Act and Listing Rule 14.11, the following voting exclusion statements apply to the Resolutions. The Company will disregard any votes on the following Resolutions as follows:

| Resolution | Excluded Parties |
|--------------|--|
| Resolution 1 | Any votes on the Resolution cast by or on behalf of members of Key Management Personnel whose remuneration is detailed in the Remuneration Report and their Closely Related Parties (which includes any spouse, child, dependent, other family member and controlled company). |
| Resolution 2 | Any votes cast in favour of the Resolution by or on behalf of any Director (except one who is ineligible to participate in any employee incentive scheme of the Company) and any Associates of those persons. |
| Resolution 3 | Any votes cast in favour of the Resolution by or on behalf of any Director who is eligible to participate in the Company's LTI Plan and any Associates of those persons. |

However, the Company need not disregard a vote on Resolutions 1, 2 and 3 if it is cast by:

- the person as a proxy for a person who is entitled to vote, in accordance with the directions on the proxy form; or
- the Chairman of the Meeting as proxy for a person who is entitled to vote, in accordance with a direction on the proxy form to vote as the proxy decides even though the resolution is connected directly or indirectly with the remuneration of a member of Key Management Personnel.

In relation to Resolutions 1, 2 and 3, members of Key Management Personnel and their Closely Related Parties (other than the Chairman of the Meeting) may not vote as proxy if the appointment does not specify how the proxy is to vote. The Chairman of the Meeting may vote as proxy in that circumstance in accordance with an express authorisation on the Proxy Form to vote even if the resolution is connected directly or indirectly with the remuneration of a member of Key Management Personnel.

By order of the Board of Directors

David Hinton
Company Secretary
16 October 2018

Proxy appointment and voting instructions

Voting eligibility – snapshot date

The Directors have determined that the persons eligible to attend and vote at the Annual General Meeting are those persons who are registered Shareholders at 4.00pm (AWST) on Monday, 26 November 2018. Transactions registered after that time will be disregarded in determining entitlements to attend and vote at the Meeting.

Proxy Form

The Proxy Form (and any power of attorney or other authority, if any, under which it is signed) or a copy or facsimile which appears on its face to be an authentic copy of the proxy form (and the power of attorney or other authority) must be lodged no later than 11.00am (AWST) on Monday, 26 November 2018. Proxy Forms received after this time will not be valid.

Proxy Forms may be lodged:

Online: At www.investorvote.com.au

By mail: Share Registry – Computershare Investor Services Pty Limited,
GPO Box 242, Melbourne Victoria 3001, Australia

By fax: 1800 783 447 (within Australia) or +61 3 9473 2555 (outside Australia)

By mobile: Scan the QR Code on your proxy form and follow the prompts

Custodian For Intermediary Online subscribers only (custodians) please visit
voting: www.intermediaryonline.com to submit your voting intentions

Appointment of a proxy

A Shareholder entitled to attend and vote at the Meeting is entitled to appoint a proxy. The proxy may, but need not be, a Shareholder.

Please write the name of the person you wish to appoint as your proxy in the Proxy Form. If you leave this section blank, or your named proxy does not attend the Meeting, the Chairman will be appointed as your proxy.

If you are entitled to cast two or more votes at the Meeting, you are entitled to appoint up to two persons as proxies to attend the Meeting and vote on a poll. If you wish to appoint a second proxy, an additional Proxy Form may be obtained by telephoning the Company's Share Registry on 1300 729 589 (within Australia) or +61 3 9415 4607 (outside Australia) or you may photocopy the Proxy Form.

To appoint a second proxy, you must state on each Proxy Form (in the appropriate box) the percentage of your voting rights which are the subject of the relevant proxy. If both Proxy Forms do not specify that percentage, each proxy may exercise half your votes. Fractions of votes will be disregarded.

Directing your proxy to vote on Resolutions

You may direct your proxy how to vote by marking For, Against or Abstain for each Resolution. All your shareholding will be voted in accordance with such a direction unless you indicate only a portion of voting rights are to be voted on the Resolutions by inserting the percentage or number of Shares you wish to vote in the appropriate box or boxes. If you do not mark any of the boxes on the Resolutions, your proxy may vote as he or she chooses (except where a voting exclusion applies). If you mark more than one box on a Resolution your vote on will be invalid on that Resolution.

Voting restrictions that may affect your proxy appointment

Members of the Key Management Personnel (except for the Chairman) and their Closely Related Parties are not able to vote your proxy on Resolutions 1 (Adoption of Remuneration Report), 2 (Approval of Long Term Incentive Plan) and 3 (Approval to grant Performance Rights to a Director) unless you have directed them how to vote. This exclusion does not apply to the Chairman if his appointment as proxy contains an express authorisation on the Proxy Form to vote even if the resolution is connected directly or indirectly with the remuneration of a member of Key Management Personnel.

If you intend to appoint a member of Key Management Personnel or any of their Closely Related Parties as your proxy, you are encouraged to direct them how to vote on all the Resolutions.

How the Chairman will vote undirected proxies

At the date of this Notice, the Chairman intends to vote all undirected proxies FOR each of the Resolutions. In exceptional cases the Chairman's intentions may change subsequently and in this event, the Company will make an announcement to the market.

The Proxy Form expressly authorises the Chairman to exercise undirected proxies on all Resolutions including Resolutions 1 (Adoption of Remuneration Report), 2 (Approval of Long Term Incentive Plan) and 3 (Approval to grant Performance Rights to a Director) even though these Resolutions are connected directly or indirectly with the remuneration of a member of Key Management Personnel.

Corporate Shareholders

Corporate Shareholders should comply with the execution requirements set out on the Proxy Form or otherwise with the provisions of section 127 of the Corporations Act. Section 127 of the Corporations Act provides that a company may execute a document without using its common seal if the document is signed by:

- two directors of the company;
- a director and a company secretary of the company; or
- a proprietary company that has a sole director who is also the sole company secretary – that director.

Corporate Representatives

A corporation may elect to appoint an individual to act as its representative in accordance with section 250D of the Corporations Act, in which case the Company will require a certificate of appointment of the corporate representative executed in accordance with the Corporations Act. The certificate of appointment must be lodged with the Company and/or the Company's share registry, Computershare Investor Services Pty Ltd, before the Meeting or at the registration desk on the day of the Meeting.

Defined terms

Capitalised terms used in the Notice and the Explanatory Statement are defined in the Glossary.

Questions from Shareholders

At the Meeting the Chairman will allow a reasonable opportunity for Shareholders to ask questions or make comments on the management of the Company and the Remuneration Report.

Mr Lorenzo Stella, Partner at Grant Thornton, as the auditor responsible for preparing the auditor's report for the year ended 30 June 2018 (or her representative) will attend the Meeting. The Chairman will also allow a reasonable opportunity for Shareholders to ask the auditor questions about:

- the conduct of the audit;
- the preparation and content of the auditor's report;
- the accounting policies adopted by the Company in relation to the preparation of financial report; and
- the independence of the auditor in relation to the conduct of the audit.

In addition to asking questions at the Meeting, written questions to the Company or to the Company's auditor about the content of the independent auditor's report or the conduct of the audit, may be submitted by no later than 11.00am (AWST) on Wednesday, 21 November 2018.

By hand: Level 7, The Quadrant, 1 William Street, Perth WA
By mail: PO BOX Z5439, St Georges Terrace, Perth, WA, 6831
By email: david.hinton@empired.com

Explanatory Statement

This Explanatory Statement has been prepared to provide information to Shareholders about the business to be conducted at the Meeting.

Annual Financial Report

The Directors' report, independent auditor's report and the financial statements of the Company for the year ended 30 June 2018 will be tabled at the Meeting.

There is no requirement for Shareholders to approve these reports. However, the Chairman will allow a reasonable opportunity for Shareholders to ask questions about, or make comments on, the reports and the management of the Company.

1. Resolution 1 – Adoption of Remuneration Report

1.1 Background

The Remuneration Report of the Company for the financial year ended 30 June 2018 is set out in the Company's Annual Report, which is available at www.empired.com. The Remuneration Report sets out the remuneration arrangements for Directors and Key Management Personnel of the Company. The Chairman will allow a reasonable opportunity for Shareholders to ask questions about, or make comments on, the Remuneration Report.

Shareholders will be asked to vote for the adoption of the Remuneration Report at the Meeting. The vote on this Resolution is advisory only and does not bind the Directors or the Company. The Board will consider the outcome of the vote and comments made by Shareholders at the Meeting when reviewing the Company's remuneration policies.

If 25% or more of votes that are cast are voted against the adoption of the Remuneration Report at two consecutive annual general meetings, Shareholders will be required to vote at the second of those annual general meetings on a resolution (a "spill resolution") to determine whether another meeting be held within 90 days at which all of the Directors (other than the managing director) must go up for re-election.

At the Company's previous annual general meeting the votes against the remuneration report were less than 25% of the votes cast on the resolution. As such, Shareholders will not need to consider a spill resolution at the Meeting.

The Company encourages all Shareholders to cast their votes on Resolution 1 (Adoption of Remuneration Report).

1.2 Voting exclusion

The Company will disregard any votes cast (in any capacity) on this Resolution:

- (a) by or on behalf of members of Key Management Personnel whose remuneration details are included in the Remuneration Report and any Closely Related Parties of those persons; or
- (b) as a proxy by a member of Key Management Personnel or Closely Related Parties of those persons, unless the vote is cast:
 - (c) by the person as a proxy for a person who is entitled to vote, in accordance with the directions on the proxy form; or
 - (d) by the Chairman of the Meeting as proxy for a person who is entitled to vote, in accordance with a direction on the proxy form to vote as the proxy decides even though the resolution is connected directly or indirectly with the remuneration of a member of Key Management Personnel.

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

2. Resolution 2 – Approval of Long Term Incentive Plan

2.1 Background

The remuneration policy of the Company aligns Key Management Personnel objectives with shareholder and business objectives by combining a fixed remuneration component with specific short-term incentives based on key performance areas affecting the Company's financial results. The Board considers the remuneration policy to be appropriate and effective in its ability to attract and retain the best Key Management Personnel to run and manage the Company.

The Board has designed the long term incentive structure together with the application of performance hurdles in order to incentivise behaviours that deliver sustainable shareholder wealth creation.

As part of its incentive arrangements for senior employees, the Company has implemented a long term incentive plan, described as the Empired Limited Long Term Incentive Plan (**LTI Plan**), pursuant to which the Board is able to issue rights to acquire Shares (to be granted in the form of Performance Rights or Options) to full time and part time employees of the Company or a Related Body Corporate of the Company as determined by the Board from time to time. The LTI Plan was approved by Shareholders at the 2015 annual general meeting.

Listing Rule 7.2, Exception 9 provides that Securities issued by the Company under an employee incentive scheme may be excluded from calculation of the 15% limit on the number of Securities which may be issued in any 12 month period without requiring Shareholder approval in advance.

In order to take advantage of Listing Rule 7.2, Exception 9, the LTI Plan must be "refreshed" every 3 years by way of a further Shareholder approval. If approved, the LTI Plan will govern all offers, acceptances and issues of securities and rights made under the LTI Plan following the Meeting.

Since the LTI Plan was last approved by Shareholders at the 2015 annual general meeting:

- a) 7,372,890 Performance Rights have been granted under the LTI Plan;
- b) 3,195,579 Shares have been issued to LTI Plan participants on vesting of Performance Rights; and
- c) No Options have been granted under the LTI Plan.

2.2 Terms of the LTI Plan

The terms of the LTI Plan are summarised below.

The terms and conditions on which any Performance Rights and Options are granted to employees, including any vesting and performance criteria, will be governed by the terms set out in an offer or invitation to participate in the LTI Plan made to employees from time to time.

a) *Eligible Persons*

The LTI Plan is open to full time and part time employees of the Company and Related Bodies Corporate of the Company (and certain contractors) (**Eligible Persons**).

Performance Rights and Options may not be offered to a Director or his or her Associates except where approval is given by the Shareholders in general meeting in accordance with the requirements of the Listing Rules.

b) *Purpose of the Long Term Incentive Plan*

The purpose of the LTI Plan is to:

- (i) establish a method by which Eligible Persons can participate in the future growth and profitability of the Company;
- (ii) provide an incentive and reward for Eligible Persons for their contributions to the Company;

- (iii) attract and retain a high standard of managerial and technical personnel for the benefit of the Company; and
- (iv) align the interests of Eligible Persons more closely with the interests of Shareholders, by providing an opportunity for Eligible Persons to hold an equity interest in the Company

c) *Board discretions*

The Board has broad discretions under the LTI Plan, including (without limitation) as to:

- (i) the timing of making an offer to participate in the LTI Plan;
- (ii) the terms of issue of Performance Rights and Options;
- (iii) subject to the requirements of the Listing Rules, particularly Listing Rule 6.23.2, the cancellation of Performance Rights or Options for no consideration, subject to agreement with the participant;
- (iv) the periods during which Performance Rights and Options may be exercised or vest; and
- (v) the exercise price (if any) of Options.

d) *Performance Rights and Options not to be quoted*

Performance Rights and Options granted under the LTI Plan will not be quoted on ASX. However, application will be made to ASX for official quotation of Shares issued or transferred on the exercise of an Option or vesting of a Performance Right provided the Shares are listed on ASX at that time.

e) *Shares issued on exercise of Options and Performance Rights*

Subject to the terms of the Options or Performance Rights, each Option or Performance Right entitles its holder to subscribe for and be issued with one Share in the Company. Shares issued pursuant to the exercise of Options and Performance Rights will in all respects rank equally and carry the same rights and entitlements as other Shares on issue in the Company. Holders of Options and Performance Rights will not be entitled to notice of, or to vote or attend at meetings of the Company or receive dividends until Shares are allotted on the exercise of the Options or vesting of the Performance Rights.

f) *Lapse of Options and Performance Rights*

Subject to certain exceptions (which may result in only a pro-rata portion of the Options and/or Performance Rights lapsing), Options and/or Performance Rights shall lapse:

- (i) if not exercised or vested prior to their expiry date;
- (ii) if any Performance Hurdles, Vesting Conditions or Exercise Conditions are not satisfied;
- (iii) if the holder voluntarily resigns otherwise than to take up employment with a Related Body Corporate of the Company or is dismissed from employment or is removed from his or her position with the Company for certain reasons, including for a material breach of contract of employment, negligence or other conduct justifying termination of employment without notice; or
- (iv) if, in the opinion of the Board, the holder has acted fraudulently or dishonestly or is in material breach of his or her obligations to the Company or any of its Related Bodies Corporate, and the Board determines (at its sole and absolute discretion) the Options or Performance Rights held by that holder to have lapsed.

g) *Restrictions on transfer*

Performance Rights and Options granted under the LTI Plan may not be assigned, transferred, novated, encumbered with a security interest in or over them, or otherwise dispose of by a participant without the prior consent of the Board or where such assignment or transfer occurs by force of law upon the death of a participant.

h) *Participation rights of Performance Rights and Option holders*

Holders of Options and Performance Rights will only be permitted to participate in a pro rata issue of Shares by the Company if they exercise their Options or if their Performance Rights vest before the record date for the relevant issue. The Company must ensure that it notifies holders of Options of the proposed issue at least 7 business days before the record date to determine entitlements to the pro rata issue.

i) *Bonus issues*

If the Company makes an issue of any class of shares to Shareholders on a pro rata basis by way of capitalisation of profits or reserves (other than an issue in lieu of dividends), then on exercise of the Option or Performance Right, the holder is entitled to receive the number of bonus shares which would have been issued if the Performance Right or Option had been exercised before the record date.

In the event of a reorganisation (including a consolidation, subdivision, reduction or return) of the issued capital of the Company, the number of Options and Performance Rights to which each Option and Performance Right holder is entitled or the exercise price or both will be changed in the manner required by the Listing Rules and, in any case, in a manner which will not result in any benefits being conferred on holders of Performance Rights and Options which are not conferred on Shareholders.

j) *Takeovers and Change of Control Events*

Options can be exercised during a Takeover Period (as defined in the LTI Plan), at any time after a Change of Control Event has occurred or following the occurrence and announcement by the Company of an event that in the option of the Board is likely to lead to the Company being removed from the official list of the ASX.

Performance Rights will automatically vest and convert to Shares during a Takeover Period (as defined in the LTI Plan), at any time after a Change of Control Event has occurred or following the occurrence and announcement by the Company of an event that in the option of the Board is likely to lead to the Company being removed from the official list of the ASX.

k) *Amending the LTI Plan*

Subject to any applicable Listing Rules or laws, the LTI Plan may be suspended, terminated or amended at any time by resolution of the Board.

2.3 Directors' recommendation

The Directors believe that Resolution 2 is in the best interests of the Company and its Shareholders and unanimously recommend that Shareholders vote in favour of it in order for the Company to maintain a long term incentive plan for employees for the overall benefit of the Company.

2.4 Voting exclusion

The Company will disregard any votes on this Resolution:

- (a) cast in favour of the Resolution by or on behalf of any Director (except one who is ineligible to participate in any employee incentive scheme of the Company) or any Associate of that person; or
- (b) cast as a proxy by a member of Key Management Personnel or Closely Related Parties of those persons,

unless the vote is cast:

- (c) by the person as a proxy for a person who is entitled to vote, in accordance with the directions on the proxy form; or
- (d) by the Chairman of the Meeting as proxy for a person who is entitled to vote, in accordance with a direction on the proxy form to vote as the proxy decides even though the resolution is connected directly or indirectly with the remuneration of a member of Key Management Personnel.

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

3. Resolution 3 – Approval to grant Performance Rights to Director – Mr Russell Baskerville

3.1 Background

The Company seeks Shareholder approval for the grant of 880,000 Performance Rights to Mr Russell Baskerville, the Company's Managing Director (or his nominee), under the Company's LTI Plan.

The proposed grant of Performance Rights forms part of the remuneration package for Mr Baskerville and is intended to:

- provide an appropriate and adequate incentive for Mr Baskerville;
- ensure the Company retains the services of Mr Baskerville; and
- reinforce the commitment of Mr Baskerville as a Director.

3.2 Regulatory requirements

Listing Rules

Listing Rule 10.14 generally provides that the approval of shareholders is required before a director of a company can acquire securities issued under an employee incentive scheme. Accordingly, in order for a Director to acquire a beneficial interest in the Performance Rights and any Shares which may be issued on the vesting of Performance Rights, the Company must first obtain Shareholder approval pursuant to Listing Rule 10.14.

Listing Rule 10.15 sets out a number of matters which must be included in a notice of meeting requesting shareholder approval under Listing Rule 10.14. In accordance with Listing Rule 10.15, the information in Sections 3.4 and 3.5 below is provided to Shareholders in relation to Resolution 3.

If Shareholders approve Resolution 2, any Performance Rights issued to Mr Baskerville pursuant to this Resolution 3 will not count towards the Company's issuing capacity under Listing Rule 7.1. In addition, approval of Resolution 2 will allow the Directors to issue any Shares on the subsequent vesting of Performance Rights without using the Company's issuing capacity under Listing Rule 7.1.

Corporations Act

The grant of the Performance Rights will confer a financial benefit on Mr Baskerville. However, Shareholder approval is not being sought for the purposes of the related party benefit provisions of the Corporations Act (particularly section 208 of the Corporations Act) on the basis that the benefit is considered to constitute reasonable remuneration and, therefore, the exception in section 211 of the Corporations Act applies. Section 211 provides that shareholder approval is not required for the purposes of section 208 in circumstances where the benefit constitutes remuneration which would be reasonable given the company's and the related party's circumstances.

Having considered the Company's circumstances and Mr Baskerville's position as Managing Director, the Board (other than Mr Baskerville) considers that the financial benefit conferred by the grant of the Performance Rights to Mr Baskerville is reasonable and therefore, the exception in section 211 applies.

3.3 Terms of Performance Rights offered to Mr Russell Baskerville

The terms of the Performance Rights proposed to be granted to Mr Baskerville, including the conditions on which the Performance Rights may vest, are set out below with further details in Annexure A. The Performance Rights will otherwise be subject to the rules of the LTI Plan.

In summary, the key terms of the Performance Rights proposed to be granted to Mr Baskerville are as follows:

- a) The Performance Rights will be granted in 3 tranches, with vesting subject to the satisfaction of the applicable Performance Hurdle of Threshold, Target or Stretch:

| Tranche | Number of Performance Rights | Performance Measure | The number of Shares applicable upon vesting at each Performance Hurdle | | |
|---------|------------------------------|-----------------------|---|---------|---------|
| | | | Threshold | Target | Stretch |
| 1 | 352,000 | FY21 Basic EPS | 176,000 | 352,000 | 528,000 |
| 2 | 176,000 | FY21 Return on Equity | 88,000 | 176,000 | 264,000 |
| 3 | 352,000 | Absolute TSR | 176,000 | 352,000 | 528,000 |

- b) For each of the above Tranches the following terms apply:
- (i) the Vesting Date is 1 September 2021;
 - (ii) the Expiry Date is 1 September 2023;
 - (iii) should the Threshold not be achieved then the Performance Rights for that Tranche will lapse, unless varied otherwise by the Board;
 - (iv) should the actual Performance Measure be between the Performance Hurdles of Threshold and Stretch then pro-rata vesting will apply; and
 - (v) the specific levels of Performance Hurdles are not disclosed due to commercial sensitivities, however should a Performance Hurdle be achieved then the Company will disclose the Performance Hurdle achieved in the subsequent Remuneration Report together with the number of Performance Rights vesting and the applicable number of Shares that will be provided to Mr Baskerville.
- c) Tranche 1 is calculated on the Company achieving certain levels of Basic Earnings per Share (calculated in accordance with AASB 133 "Earnings per share" (EPS) and adjusted for any abnormal costs or transaction costs) in respect of the financial year ending 30 June 2021.
- d) Tranche 2 Return on Equity % is calculated as the Net profit after tax attributable to shareholders for the financial year ended 30 June 2021 divided by Total Equity as at 30 June 2021.
- e) Tranche 3 is calculated on the Absolute Total Shareholder Return of the Company (Empired TSR) measured over the period of 1 July 2018 to 30 June 2021.
- f) If a Change of Control Event has occurred or is likely to occur, or an event occurs that in the opinion of the Board is likely to lead to the Company being removed from the official list of ASX, then any Performance Rights on issue pertaining to this issuance (that have not lapsed or been forfeited) will vest, and either:
- (i) convert into one Share each; or
 - (ii) the Board in its absolute discretion may determine that any or all of the Performance Rights convert into 1.5 Shares each.

- g) Mr Baskerville will retain Performance Rights on a pro-rata basis if his engagement ceases due to death, permanent disablement, retirement, redundancy or voluntarily resignation. Performance Rights will not be forfeited if his engagement is taken up with a Related Body Corporate of the Company. Performance Rights will be forfeited if he is dismissed for a material breach of his contract of engagement, negligence or other conduct justifying termination.
- h) Clawback provisions apply to unvested Performance Rights whereby Performance Rights are cancelled if an event that existed at the time of grant or the satisfaction of a Performance Hurdle that, if known would reasonably have led the Directors to not grant the Performance Rights or not confirm satisfaction of a Performance Hurdle.
- i) Should any Performance Rights vest then they must be exercised by Mr Baskerville by the Expiry Date of 1 September 2023, otherwise they will lapse. No consideration is required to be paid to exercise the Performance Rights.
- j) The Performance Rights are unquoted and non-transferable. The Performance Rights do not have any entitlement to dividends or any voting rights.

3.4 Other information required by the Listing Rules

The following further information is provided in accordance with the requirements of the Listing Rules:

- (a) The Performance Rights will be issued to Mr Russell Baskerville, the Managing Director of the Company or his nominee.
- (b) The maximum number of Performance Rights that may be acquired by Mr Russell Baskerville is 880,000 Performance Rights which may then convert into up to 1,320,000 Shares if the relevant Performance Hurdles are met and Mr Baskerville exercises the Performance Rights or up to 1,320,000 should a Change of Control Event occur (and provided that the Board, in its absolute discretion, determines that all of the Performance Rights convert into 1.5 Shares each).
- (c) The Performance Rights will be granted for nil cash consideration.
- (d) Shareholders last approved the grant of Performance Rights under Listing Rule 10.14 at the Company's 2017 annual general meeting. Since that approval and as at the date of this Notice, 852,000 Performance Rights have been issued under the LTI Plan to Mr Russell Baskerville for nil cash consideration.
- (e) The persons entitled to participate in the LTI Plan are the executive Directors and employees of the Company and its Related Bodies Corporate. Non-executive Directors are not entitled to participate in the LTI Plan. Mr Baskerville is the only person referred to in ASX Listing Rule 10.14 presently entitled to participate in the LTI Plan.
- (f) There are no loans proposed to be granted to Mr Baskerville for the grant of the Performance Rights to him.
- (g) The Performance Rights will be granted as soon as practicable after the Meeting and in any event within 12 months of the Meeting.

3.5 Interests of Mr Russell Baskerville

Mr Baskerville has a material personal interest in the outcome of Resolution 3. In addition to the Performance Rights to be issued to Mr Baskerville pursuant to Resolution 3, Mr Baskerville has been engaged under an engagement agreement to provide services to the Company as Managing Director and CEO.

Under the terms of his engagement agreement, Mr Baskerville is presently entitled to an annual fixed remuneration of \$600,000 together with a short term and long term incentive, which are subject to review on an annual basis.

Set out below is a breakdown of Mr Baskerville's total remuneration package for the last two financial years and the current financial year:

| Financial year | Fixed Remuneration | Non Cash | Short term incentive (cash) | Long term incentive (equity) | Total Target remuneration |
|----------------|--------------------|----------|-----------------------------|------------------------------|---------------------------|
| 2017 | \$525,000 | \$15,076 | \$262,500 ¹ | \$393,750 | \$1,181,250 |
| 2018 | \$600,000 | \$11,579 | \$300,000 ² | \$450,000 | \$1,361,579 |
| 2019 | \$600,000 | \$11,579 | \$300,000 ³ | \$450,000 ⁴ | \$1,361,579 |

- 1) The short term incentive was not paid in respect to 2017 as Company performance did not reach the required levels
- 2) 50% of the short term incentive became payable in respect of FY18
- 3) The FY19 short term incentive is dependent upon the Company achieving certain profitability and operational targets
- 4) 880,000 Performance Rights based upon an Empired share price of 51 cents in June 2018

Mr Baskerville currently has an interest in 9,088,983 Shares and 1,806,546 Performance Rights, held prior to the date of this Notice.

If all of the Performance Rights granted to Mr Baskerville pursuant to this Resolution are subsequently converted to Shares, Mr Baskerville will hold 9,968,983 Shares, being 6.2% of the Share capital presently on issue in the Company. This calculation does not take into account the potential vesting of 1,806,546 Performance Rights currently held by Mr Baskerville.

3.6 Directors' recommendation

The Directors (other than Mr Baskerville) recommend that Shareholders vote in favour of this Resolution.

3.7 Voting exclusion

The Company will disregard any votes on this Resolution:

- (a) cast in favour of the Resolution by or on behalf of any Director who is eligible to participate in the Company's Long Term Incentive Plan or any Associate of that person; or
- (b) cast as a proxy by a member of Key Management Personnel or Closely Related Parties of those persons,

unless the vote is cast:

- (c) by the person as a proxy for a person who is entitled to vote, in accordance with the directions on the proxy form; or
- (d) by the Chairman of the Meeting as proxy for a person who is entitled to vote, in accordance with a direction on the proxy form to vote as the proxy decides even though the resolution is connected directly or indirectly with the remuneration of a member of Key Management Personnel.

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

4. Resolution 4 – Election of Director – Cristiano Nicolli

Under Listing Rule 14.4 and article 6.3 (j) of the Constitution, a director appointed by the Board must not hold office without re-election past the next annual general meeting following the director's appointment. A director who retires in accordance with these requirements is eligible for election. Mr Nicolli retires in accordance with Listing Rule 14.4 and article 6.3 (j) of the Constitution at the Meeting and, being eligible, offers himself for election.

Mr Nicolli is a non-executive director and joined the board on 22 October 2018. He is highly regarded as an influential leader and successful businessman across the technology sector, he has extensive corporate and ASX listed company experience and is an experienced, sought after non-executive director. He was the Group Managing Director and CEO of UXC Limited from 2003 to 2016 when UXC Limited was sold to global IT firm CSC. During that time Mr Nicolli was instrumental in leading the growth and development of UXC to delivering revenue of \$750m, employing 3,000 staff and being widely recognised as the largest and one of the most respected ASX listed IT company's in Australia.

Mr Nicolli is also a non-executive director of ASX/NZX listed Vista Group International Limited (VGL) a global market leader that provides software solutions across the global film industry and ASX listed Otherlevels Holdings Limited (OLV).

Mr Nicolli is also Treasurer of NFP Charity Kadasig Aid and Development.

Mr Nicolli is a Fellow of the Australian Institute of Company Directors (FAICD), a past member of the New Zealand Society of Accountants and holds a Bachelor of Management & Business Studies.

Directors' recommendation

The Directors (other than Mr Nicolli) unanimously recommend the election of Mr Nicolli.

Glossary of terms

In this Notice and Explanatory Statement, the following terms have the following meaning unless the context otherwise requires:

| | |
|--|--|
| Annual General Meeting or Meeting | The annual general meeting of Shareholders or any adjournment thereof, convened by this Notice. |
| Associate | Has the meaning set out in the Listing Rules. |
| ASX | ASX Limited ACN 008 624 691. |
| Board | Board of Directors of the Company. |
| Chairman | The chairman of the Meeting. |
| Change of Control Event | <p>A Change of Control event occurs where:</p> <ul style="list-style-type: none">(a) an offer is made for Shares pursuant to a takeover bid under Chapter 6 of the Corporations Act and:<ul style="list-style-type: none">i. the offeror has received acceptances to the offer representing more than 50% of the Shares which the offeror has offered to acquire; andii. the offer is, or is declared, unconditional; or(b) Shareholders in a general meeting convened under Part 5.1 of the Corporations Act approve a compromise or arrangement relating to the Company or a compromise or arrangement proposed for the purposes of or in connection with a scheme for the reconstruction of the Company or its amalgamation with any other company or companies; or(c) any other merger, consolidation or amalgamation involving the Company occurs which results in the holders of Shares immediately prior to the merger, consolidation or amalgamation being entitled to 50 per cent or less of the voting shares in the body corporate resulting from the merger, consolidation or amalgamation; or(d) any group company or group companies enter into agreements to sell in aggregate a majority in value of the businesses or assets (whether or not in the form of shares in a group company) of the group to a person, or a number of persons, none of which are group companies; or(e) the Board determines in its reasonable opinion, control of the Company has or is likely to change or pass to one or more persons, none of which are group companies. |
| Closely Related Parties | Has the meaning set out in the Corporations Act. |
| Corporations Act | <i>Corporations Act 2001</i> (Cth) as amended from time to time. |
| Director | A director of the Company. |
| Explanatory Statement | This explanatory statement which accompanies and forms part of the Notice. |
| FY | Financial Year ending 30 June. |

| | |
|---|---|
| Key Management Personnel | Those persons having authority and responsibility for planning, directing and controlling the activities of the Company, directly or indirectly, including any Director (whether executive or otherwise). |
| Listing Rules | The listing rules of ASX, as amended from time to time. |
| LTI Plan | The long term incentive plan for employees adopted by the Company. |
| LTI Plan Rules | The rules of the LTI Plan. |
| Notice or Notice of Annual General Meeting | The notice of Annual General Meeting which accompanies the Explanatory Statement. |
| Performance Hurdle | A performance hurdle in respect of a tranche of Performance Rights. |
| Performance Right | A right to subscribe for a Share. |
| Proxy Form | The proxy form accompanying the Notice. |
| Related Body Corporate | Has the meaning given to that term in the Corporations Act. |
| Remuneration Report | The remuneration report contained in the Directors' report for the year ended 30 June 2018. |
| Resolution | A resolution set out in the Notice. |
| Share | A fully paid ordinary share in the Company. |
| TSR | Total Shareholder Return (calculated as dividends paid and increase in the price of Shares over the relevant period divided by the price of the Shares at the start of the relevant period). |
| VWAP | The volume-weighted average price of Shares traded on ASX. |
| WST | Australian Western Standard Time, being the time in Perth, Western Australia. |

Annexure A

Terms of Performance Rights for Mr Russell Baskerville

1. Mr Russell Baskerville has been offered of 880,000 Performance Rights pursuant to the LTI Plan (Offer).
2. The Offer is made pursuant to the terms and conditions of Mr Baskerville's engagement agreement with the Company and the rules of the LTI Plan (**LTI Plan Rules**) and the terms of the Offer must be read in conjunction with the LTI Plan Rules. The Performance Rights will be governed by the LTI Plan Rules and the terms of the Offer.
3. Each Performance Right entitles Mr Baskerville to acquire Shares, by way of issue of new Shares or transfer of existing Shares. The Performance Rights will convert into up to 1,320,000 Shares, subject to satisfaction of the Performance Hurdles and described in paragraph 3.3 of the explanatory statement and otherwise in accordance with the LTI Plan Rules.
4. The Performance Rights are offered in 3 tranches with the Performance Hurdles and Vesting dates detailed in paragraph 3.3 of the explanatory statement.
5. If a Change of Control Event (as defined in the LTI Plan Rules) has occurred or is likely to occur, or an event occurs that in the opinion of the Board is likely to lead to the Company being removed from the official list of ASX, then any Performance Rights on issue (that have not lapsed or been forfeited) will vest, and either:
 - a. convert into one Share each; or
 - b. the Board in its absolute discretion, may determine that any or all of the Performance Rights convert into 1.5 Shares each.
6. At or near the Vesting Date the Company will determine if the Performance Hurdle has been achieved and will issue Mr Baskerville with a Vesting notice advising the number of Performance Rights that have vested and the number of resulting Shares Mr Baskerville is entitled. Mr Baskerville then has until 1 September 2023 to issue an Exercise Notice to be issued or transferred the Shares.
7. Mr Baskerville will retain Performance Rights on a pro-rata basis if his engagement ceases due to death, permanent disablement, retirement, redundancy or voluntarily resignation. Performance Rights will not be forfeited if his engagement is take up with a Related Body Corporate of the Company. Performance Rights will be forfeited if he is dismissed for a material breach of his contract of engagement, negligence or other conduct justifying termination.
8. Clawback provisions apply to unvested Performance Rights whereby, Performance Rights are cancelled if an event that existed at the time of grant or the satisfaction of a Performance Hurdle that, if known would reasonably have led the Directors to not grant the Performance Rights or not confirm satisfaction of a Performance Hurdle.
9. Performance Rights are unquoted and non-transferable. The Performance Rights will not entitle Mr Baskerville to receive dividends on Shares before vesting and do not carry any voting rights.
10. The Performance Rights may also vest at the discretion of the Board within 12 months of the death or permanent disablement of a participant or of cessation of a participant's employment as a result of redundancy or if at the time of cessation of employment Vesting Conditions have been or will be substantially satisfied.
11. The Vesting Date in respect of a tranche of Performance Rights is the earlier of:
 - a. the date specified in paragraph 3.3 of the explanatory statement; and
 - b. the date a "Change in Control Event" (as defined in the LTI Plan Rules) occurs.

12. If the Performance Hurdle for Performance Rights is satisfied during the period of Mr Baskerville's engagement with the Company or any Related Body Corporate, those Performance Rights will vest and will not be subject to forfeiture.
13. Any Shares that are acquired on vesting of Performance Rights in accordance with the Offer will be issued or transferred to Mr Baskerville free of any holding lock or other restriction on dealing.
14. The grant of the Performance Rights is subject to the approval of shareholders of the Company at the Company's AGM.



Empired Ltd ABN 81 090 503 843

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 729 589
(outside Australia) +61 3 9415 4607

EPD

MR SAM SAMPLE
FLAT 123
123 SAMPLE STREET
THE SAMPLE HILL
SAMPLE ESTATE
SAMPLEVILLE VIC 3030

Proxy Form

XX



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: 9999999

SRN/HIN: I9999999999

PIN: 99999

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 11:00am (AWST) on Monday, 26 November 2018

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** ➔

MR SAM SAMPLE
FLAT 123
123 SAMPLE STREET
THE SAMPLE HILL
SAMPLE ESTATE
SAMPLEVILLE VIC 3030

☐

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.



I 9999999999

IND

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 Empired Limited 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 Empired Limited to be held at the Canning Room, Adina Apartment Hotel, 33 Mounts Bay Road, Perth, Western Australia on Wednesday, 28 November 2018 at 11:00am (AWST) 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 Resolutions 1, 2 and 3 (except where I/we have indicated a different voting intention below) even though Resolutions 1, 2 and 3 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 Resolutions 1, 2 and 3 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 |
|--------------|--|--------------------------|--------------------------|--------------------------|
| Resolution 1 | Adoption of Remuneration Report | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |
| Resolution 2 | Approval of Long Term Incentive Plan | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |
| Resolution 3 | Approval to grant Performance Rights to Director - Russell Baskerville | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |
| Resolution 4 | Election of Director – Cristiano Nicoli | <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

/ /