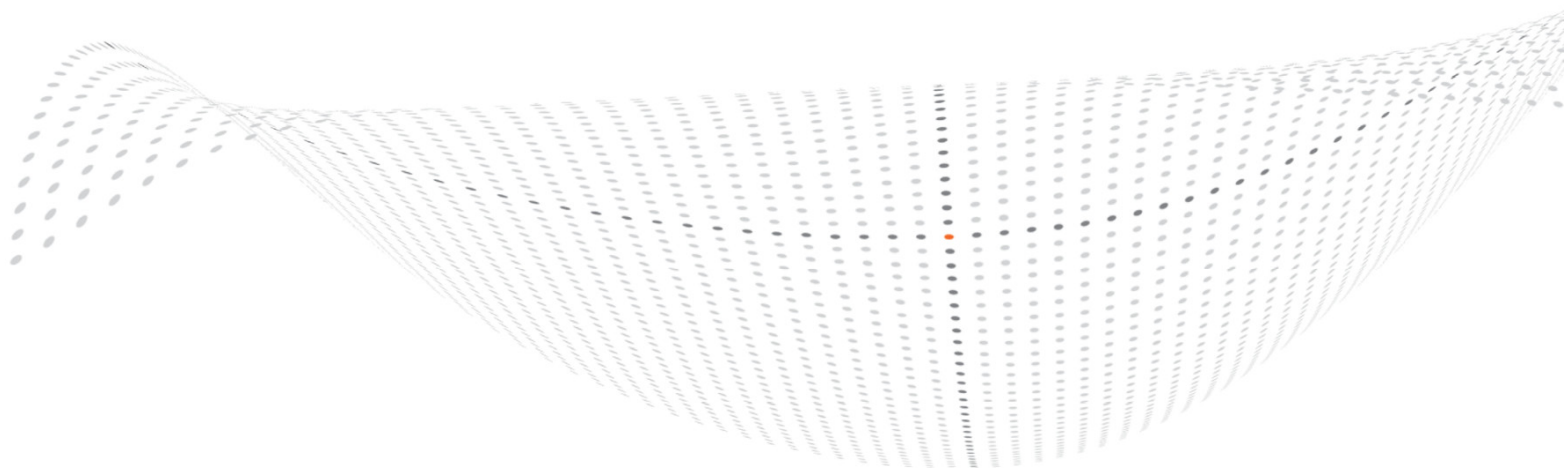




# Notice of 2017 AGM

Link Administration Holdings Limited  
ABN 27 120 964 098



28 September 2017

Dear Link Group Shareholder

On behalf of the Directors of Link Administration Holdings Limited (**Link Group**), I am pleased to invite you to attend the 2017 Annual General Meeting (**AGM**) of Link Group. Enclosed is the Notice of Meeting setting out the business of the AGM.

Link Group's 2017 AGM will be held on Wednesday, 1 November 2017 commencing at 11.30am (AEST) at the offices of DLA Piper, Level 22, No. 1 Martin Place, Sydney NSW 2000.

At Link Group, our goal is to increase investor engagement and encourage investor participation. Link Group is therefore pleased to once again offer its technology to engage with our investors at its AGM. Using the online platform, you will be able to view the AGM live and vote and ask questions online.

All Link Group investors can participate through our online platform: <https://agmlive.link/LNK17>. Further details on how to participate in the AGM online are set out in the attached Notice of Meeting and within the Link Group Online Platform Guide. The Online Platform Guide provides details about how to ensure your browser is compatible with the online platform as well as a step by step guide to successfully log in and navigate the site. The Online Platform Guide will be released to the ASX and is also available on our website at [www.linkgroup.com](http://www.linkgroup.com) under "Annual General Meetings".

If you are attending the AGM in person, please bring the enclosed Voting Form with you to assist with your registration. You can also download the LinkVote App from the Apple App Store or Google Play\* if you would like to vote during the AGM using your mobile phone or tablet device. The LinkVote App will be available for download prior to the AGM. Paper voting forms will also be available at the AGM for shareholders who would prefer not to use the LinkVote App.

\* Google Play is a trademark of Google Inc.

If you are unable to attend the AGM, I encourage you to complete and return the enclosed Voting Form no later than 11.30am (AEST) on Monday, 30 October 2017 in one of the ways specified in the Notice of Meeting and on the Voting Form.

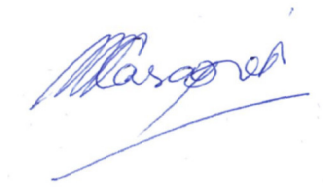
I also encourage you to read the enclosed Notice of Meeting (including the Explanatory Memorandum) and the Voting Form and consider how to vote on each resolution by marking either the "for" box, the "against" box or the "abstain" box on the Voting Form. Subject to the abstentions noted in the Explanatory Memorandum, the Directors of Link Group unanimously recommend that shareholders vote in favour of all resolutions.

Shareholders participating in the AGM will have the opportunity to submit questions to the Board and Link Group's external auditors during the AGM. If you would like to ask a question prior to the AGM, please do so through our Investor Centre (login via [www.linkmarketservices.com.au](http://www.linkmarketservices.com.au)), or alternatively submit the enclosed AGM Question Form.

For those shareholders joining us at DLA Piper's offices, you are very welcome to join the Board and the Senior Executive team for light refreshments following conclusion of the AGM.

Thank you for your continued support of Link Group. I look forward to your attendance and the opportunity to engage with you at our 2017 AGM.

Yours sincerely

A handwritten signature in blue ink, appearing to read 'Michael Carapiet', with a long horizontal flourish extending to the right.

**Michael Carapiet**  
**Chair**

# Notice of Annual General Meeting

## Link Administration Holdings Limited ABN 27 120 964 098

Notice is given that the Annual General Meeting (**AGM** or **Meeting**) of shareholders of Link Administration Holdings Limited (**Link Group** or **Company**) will be held:

Date: Wednesday, 1 November 2017

Time: 11.30am (AEST)

Venue: The offices of DLA Piper, Level 22, No. 1 Martin Place, Sydney NSW 2000

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

## Consideration of Reports

To receive and consider the Annual Financial Report, the Directors' Report and the Independent External Auditor's Report of the Company for the financial year ended 30 June 2017.

All shareholders can view the Annual Report which contains the Financial Report for the year ended 30 June 2017 on the "Investors" page of the Company's website at [www.linkgroup.com](http://www.linkgroup.com).

## Questions and Comments

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

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

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

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

## Items for Approval

### Resolution 1. Election of Director – Peeyush Gupta

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

*"That Peeyush Gupta, who retires in accordance with clause 15.10 of the Company's Constitution and being eligible for election, be elected as a Director of the Company."*

### Resolution 2. Re-election of Director – Sally Pitkin

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

*"That Sally Pitkin, who retires in accordance with clause 15.6 of the Company's Constitution and being eligible for re-election, be re-elected as a Director of the Company."*

### Resolution 3. Remuneration Report

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

*“That the Link Group Remuneration Report for the financial year ended 30 June 2017 be adopted.”*

The Remuneration Report is contained in the 2017 Annual Report available on the “Investors” page at [www.linkgroup.com](http://www.linkgroup.com). Please note that, in accordance with section 250R(3) of the Corporations Act 2001 (Cth) (**Corporations Act**), the vote on this resolution is advisory only and does not bind the Directors or the Company.

#### Voting Exclusion Statement

A vote on Resolution 3 must not be cast (in any capacity) by, or on behalf of, the following persons:

- a member of the Key Management Personnel (**KMP**) whose remuneration details are included in the 2017 Remuneration Report; or
- a closely related party of such a KMP (including close family members and companies the KMP controls).

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

- the proxy appointment is in writing that specifies the way the proxy is to vote (e.g. for, against, abstain) on the resolution; or
- the vote is cast by the Chair of the Meeting and the appointment of the Chair as proxy:
  - does not specify the way the proxy is to vote on the resolution; 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 KMP.

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

### Resolution 4. Link Group Omnibus Equity Plan

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

*“That for the purpose of ASX Listing Rule 7.2, exception 9 and all other purposes, the Link Group Omnibus Equity Plan, as described in the Explanatory Memorandum accompanying the Notice of Meeting, be approved for the issue of securities under the Link Group Omnibus Equity Plan.”*

#### Voting Exclusion Statement

In accordance with ASX Listing Rule 14.11, the Company will disregard any votes cast on Resolution 4 by any Director of the Company (except a Director who is ineligible to participate in any employee incentive scheme in relation to the Company) and their associates.

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

- it is cast by a person as proxy for a person who is entitled to vote in accordance with the directions on the proxy appointment; or
- it is cast by the person chairing the Meeting as proxy for a person who is entitled to vote, in accordance with a direction on the Voting Form to vote as the proxy decides.

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

### Resolution 5. Approval of Managing Director’s Participation in the Link Group Omnibus Equity Plan

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

*“That, for the purposes of ASX Listing Rule 10.14 and for all other purposes, the issue of 157,720 Performance Share Rights to John McMurtrie, Managing Director, under the Link Group Omnibus Equity Plan on the terms described in the Explanatory Memorandum accompanying the Notice of Meeting, be approved.”*

### ***Voting Exclusion Statement***

In accordance with ASX Listing Rule 14.11, the Company will disregard any votes cast on Resolution 5 by any Director of the Company who is eligible to participate in the Omnibus Equity Plan and their associates.

However, the Company need not disregard a vote cast on Resolution 5 if:

- it is cast by a person as proxy for a person who is entitled to vote in accordance with the directions on the proxy appointment; or
- it is cast by the person chairing the Meeting as proxy for a person who is entitled to vote, in accordance with a direction on the Voting Form to vote as the proxy decides.

In addition, a vote must not be cast on Resolution 5 as a proxy by a member of the KMP at the date of the AGM, or a closely related party of those persons, unless it is cast as proxy for a person entitled to vote in accordance with their directions. This restriction on voting undirected proxies does not apply to the Chair of the Meeting because the proxy appointment expressly authorises the Chair of the Meeting to exercise undirected proxies even if the resolution is connected, directly or indirectly, with the remuneration of the KMP.

By order of the Board.



**Janine Rolfe**  
**General Counsel & Joint Company Secretary**

28 September 2017

# Voting Procedures at the AGM

## All Resolutions will be by Poll

In accordance with clause 14.14 of the Company's constitution, the Chair intends to demand a poll on each of the resolutions proposed at the AGM. Each resolution considered at the AGM will therefore be conducted by a poll, rather than on a show of hands. The Chair considers voting by poll to be in the interests of the shareholders as a whole and is a way to ensure the views of as many shareholders as possible are represented at the meeting.

## Direct Voting

In accordance with clause 14.23 of the Company's constitution, the Directors:

- have determined that at the AGM, a shareholder who is entitled to attend and vote at a resolution at the AGM is entitled to a direct vote in respect of that resolution; and
- have approved the use of the LinkVote App and Link Group's online platform as means by which shareholders may deliver their direct vote.

## Casting your Direct Vote in real time using Link Group's Online Platform

To facilitate shareholder participation, and in accordance with his powers under clause 14.6 of the Company's constitution, the Chair has determined that shareholders who are unable to attend the meeting will have the opportunity to participate in the AGM through the Company's online platform <https://agmlive.link/LNK17>. If you use the online platform, you will be able to view the AGM live, lodge a direct vote in real time and ask questions online.

Those Shareholders present at the AGM in person (including by proxy, attorney or by representation appointed under section 250D of the Corporations Act and excluding those using the online platform) will be counted as part of the meeting for all other purposes (including for the purposes of any provision of the Company's constitution).

## Eligibility to Vote

In accordance with regulation 7.11.37 of the Corporations Regulations 2001 (Cth), the Board has determined that persons who are registered holders of shares of the Company as at 7:00pm (AEST) on Monday, 30 October 2017 will be entitled to vote at the AGM as a shareholder.

## How to Vote

### Direct vote – prior to the AGM

In accordance with clause 14.23 of the Company's constitution, shareholders will be able to vote directly on resolutions considered at the meeting **at any time between the date of this Notice of Meeting and 11.30am (AEST) on Monday, 30 October 2017**. For details about how you can submit your Voting Form, please refer to the section below "Submitting your Voting Form prior to the AGM".

If you lodge a direct vote you are voting directly and are not appointing a third party, such as a proxy, to act on your behalf.

The Link Group Direct Voting Regulations governing direct voting are available on the Link Group website ([www.linkgroup.com](http://www.linkgroup.com) under "Annual General Meetings"). By submitting a direct vote, you agree to be bound by the Link Group Direct Voting Regulations.

### Direct vote – during the AGM using Link Group's Online Platform

Shareholders using the Company's online platform (<https://agmlive.link/LNK17>) will be able to vote directly through the online platform **at any time between the commencement of the AGM (11.30am AEST on Wednesday, 1 November 2017) and the closure of voting as announced by the Chair during the AGM**.

More information about how to use the online platform (including how to vote and ask questions online during the AGM) is available in the Online Platform Guide, which will be lodged with the ASX and be available on our website ([www.linkgroup.com](http://www.linkgroup.com) under “Annual General Meetings”). If you intend to use the online platform, then before the AGM we recommend that you ensure the online platform works on your device. To do so, please follow the instructions in the Online Platform Guide.

The Link Group Direct Voting Regulations governing direct voting are available on the Link Group website ([www.linkgroup.com](http://www.linkgroup.com) under “Annual General Meetings”). By submitting a direct vote, you agree to be bound by the Link Group Direct Voting Regulations.

### **Attending the meeting in person**

Shareholders attending the AGM in person are encouraged to bring the enclosed Voting Form to the AGM to assist with registration.

#### **LinkVote App**

Shareholders attending the AGM in person can download the LinkVote App from the Apple App Store or Google Play\* if they would like to direct vote during the Meeting using their mobile phone or tablet device.

\* Google Play is a trademark of Google Inc.

The LinkVote App will be available for download prior to the AGM and Link Group representatives will be available at the AGM to assist shareholders with any questions they may have on the day with respect to using the LinkVote App. The LinkVote App Mobile Voting Guide will be lodged with the ASX and is available on our website ([www.linkgroup.com](http://www.linkgroup.com) under “Annual General Meetings”).

Paper forms will also be available at the AGM for shareholders who would prefer not to use the LinkVote App.

#### **Appointment of Proxy**

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

A proxy need not be a shareholder of the Company.

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

### **Impact of your Proxy Appointment on your Proxy Voting Instructions**

If you appoint the Chair of the Meeting as your proxy, or the Chair becomes your proxy by default, and you do not direct your proxy how to vote on resolutions 3, 4 and 5, then by submitting the proxy appointment you will be expressly authorising the Chair to exercise your proxy on the relevant resolution, even though the resolutions are connected, directly or indirectly, with the remuneration of the KMP.

### **The Chair's voting intentions**

The Chair intends to vote undirected proxies on, and in favour of, all the proposed resolutions.

### **Submitting your Voting Form prior to the AGM**

To be valid, a Voting Form must be received by the Company in the manner stipulated in this Notice of Meeting.

The Chair's decision on the validity of a direct vote, vote cast by a proxy or vote cast in person, is conclusive and the Company reserves the right to declare invalid any Voting Form not received in this manner.

For your proxy or direct vote prior to the AGM to be effective, your completed Voting Form must be received by Link Market Services no later than 11.30am (AEST) on Monday, 30 October 2017. After this time, you will still be able to direct vote by either:

- attending the AGM in person; or
- voting during the AGM by submitting your direct vote using the Company's online platform.



Voting Forms must be received before 11.30am (AEST) on Monday, 30 October 2017 by one of the following methods:

- Online:** By following the instructions available on our Investor Centre (login via [www.linkmarketservices.com.au](http://www.linkmarketservices.com.au)). You will need your Securityholder Reference Number (**SRN**) or Holder Identification Number (**HIN**), which is set out on the enclosed Voting Form
- Mobile device:** Using a mobile device by scanning the QR code on the back of the Voting Form. To scan the QR code you will need a QR code reader application that can be downloaded for free on your mobile device. You will also need your SRN or HIN and postcode for your shareholding.
- By post:** Link Administration Holdings Limited  
C/- Link Market Services Limited  
Locked Bag A14  
Sydney South NSW 1235  
*Please note that it takes some time to deliver/receive mail by post.*
- By facsimile:** (02) 9287 0309 (within Australia)  
+61 2 9287 0309 (from outside Australia)
- By delivery in person:** Link Market Services Limited  
1A Homebush Bay Drive  
Rhodes NSW 2138  
  
OR  
Link Market Services Limited  
Level 12, 680 George Street  
Sydney NSW 2000

### Power of Attorney

A proxy appointment and the original power of attorney (if any) under which the proxy appointment is signed (or a certified copy of that power of attorney or other authority) must be received by the Company no later than 11.30am (AEST) on Monday, 30 October 2017, being 48 hours before the AGM.

### Corporate Representatives

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

### Questions from Shareholders

Shareholders who are unable to attend the meeting or who may prefer to register questions in advance are invited to do so. Please access our Investor Centre (login via [www.linkmarketservices.com.au](http://www.linkmarketservices.com.au)), select Voting then click 'Ask a Question', or alternatively submit the enclosed AGM Question Form.

To allow time to collate questions and prepare answers, please submit any questions by 11.30am (AEST) on Wednesday, 25 October 2017.

Questions will be collated and, during the AGM, the Chair will seek to address as many of the more frequently raised topics as possible. However, there may not be sufficient time available at the AGM to address all topics raised. Please note that individual responses will not be sent to shareholders.



## Conduct of the Meeting

Link Group is committed to ensuring that its shareholder meetings are conducted in a manner which provides those shareholders (or their proxy holders) who participate in the AGM with the opportunity to participate in the business of the AGM in an orderly fashion and to ask questions about and comment on matters relevant to the business of the meeting or about Link Group generally.

Link Group will not allow conduct at any meeting which is discourteous to those who are participating in the meeting, or which in any way disrupts or interferes with the proper conduct of the meeting. The Chair of the Meeting will exercise his powers as the Chair to ensure that the meeting is conducted in an orderly and timely fashion, in the interests of shareholders who are participating in the meeting.

## Enclosures

Enclosed are the following documents:

- Voting Form to be completed if you would like to be represented at the AGM by proxy or if you wish to submit a direct vote prior to the AGM. Shareholders are encouraged to use the online voting facility that can be accessed through our Investor Centre (login via [www.linkmarketservices.com.au](http://www.linkmarketservices.com.au)) to ensure the timely and cost effective receipt of your vote or proxy;
- an AGM Question Form to be completed if you would like a specific question to be addressed by the Chair or KPMG (the Independent External Auditor) at the AGM; and
- a reply paid envelope for you to return either or both the Voting Form and AGM Question Form.

# Explanatory Memorandum

This Explanatory Memorandum has been prepared for the information of shareholders of the Company in relation to the business to be conducted at the Company's AGM to be held on Wednesday, 1 November 2017.

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

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

Resolutions 1, 2, 4 and 5 are ordinary resolutions, which require a simple majority of votes cast by shareholders present and entitled to vote on the resolution. Resolution 3, relating to the Remuneration Report, is advisory and does not bind the Directors or the Company.

## **Resolution 1. Election of Director – Peeyush Gupta**

The Board appointed Peeyush Gupta as an additional independent Non-Executive Director of the Company pursuant to clause 15.10 of the Constitution on 18 November 2016.

Mr Gupta is a member of the Company's Risk and Audit Committee.

Mr Gupta has over 30 years of experience in wealth management. He was the co-founder and inaugural CEO of IPAC Securities, a pre-eminent wealth management firm spanning financial advice and institutional portfolio management, which was acquired by AXA.

Mr Gupta is currently the Chair of Charter Hall Direct Property Management and Long Wale REIT, and a non-executive Director on a range of commercial, public sector and not-for-profit boards including the National Australia Bank, iCare, SBS and Bank of New Zealand Life Insurance.

Mr Gupta holds a Master of Business Administration in Finance from the AGSM (University of New South Wales) and holds a Bachelor of Arts in Computing Science (University of Canberra). He is a Fellow of the Australian Institute of Company Directors.

*The Directors, with Peeyush Gupta abstaining, unanimously recommend shareholders vote in favour of this Resolution.*

## **Resolution 2. Re-Election of Director – Sally Pitkin**

The Board appointed Sally Pitkin as an independent Non-Executive Director of the Company on 23 September 2015. In accordance with clause 15.6 of the Constitution, Dr Pitkin retires from office at the conclusion of the AGM and is eligible for re-election as a Director of the Company.

Dr Pitkin is the Chair of the Company's HR & Remuneration Committee and is a member of the Risk and Audit Committee.

Previously a senior corporate partner at Clayton Utz, Dr Pitkin has extensive corporate and banking law experience, followed by over 20 years of experience as a director and board member across a wide range of industries in both private and public sectors, including in highly regulated industries, professional services and commercialisation of new technology.

Dr Pitkin is a non-executive director of Star Entertainment Group Limited and IPH Limited. Dr Pitkin is also a currently a non-executive director and chair elect of Super Retail Group Limited.

Dr Pitkin is the President of the Queensland Division of the Australian Institute of Company Directors (AICD) and a National Director of the AICD Board.

Dr Pitkin holds a PhD in Governance from The University of Queensland, and a Master and Bachelor of Laws from the Queensland University of Technology.

*The Directors, with Sally Pitkin abstaining, unanimously recommend shareholders vote in favour of this Resolution.*

### Resolution 3. Remuneration Report

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

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

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

Shareholders can view the full Remuneration Report in the Annual Report which is available on the "Investors" page of Link Group's website at [www.linkgroup.com](http://www.linkgroup.com).

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

*Noting that each Director has a personal interest in their own remuneration from the Company, as described in the Remuneration Report, the Board unanimously recommends that shareholders vote in favour of adopting the Remuneration Report.*

### Resolution 4. Link Group Omnibus Equity Plan

#### Approval sought

ASX Listing Rule 7.1 restricts listed companies from issuing more than 15% of their issued share capital in any 12-month period without shareholder approval. Listing Rule 7.2, exception 9 provides an exception to ASX Listing rule 7.1 such that an issue under an employee incentive scheme is not calculated as part of the 15% limitation if, within three years before the date of the issue, shareholders approve the issue of securities under the scheme as an exception to Listing Rule 7.1.

If the Link Group Omnibus Equity Plan is approved by shareholders, issues of securities under the Link Group Omnibus Equity Plan (**Plan**) over the next three years will fall under this ASX Listing Rule exception and will not affect the Company's ability to separately issue up to 15% of its total ordinary securities in any 12-month period (without having to obtain further shareholder approval).

However, the exception does not apply to Directors and their associates, who are deemed related parties of the Company, and issues to such persons will require separate approval under Listing Rule 10.14.

#### Background

The Plan was approved by shareholders at its 2016 Annual General Meeting. There have been a total of 678,759 performance share rights (PSRs) granted under the Plan since its commencement, of which 182,094 PSRs have been granted since the date of last approval. Following feedback received, the Board undertook to amend parts of the Plan as good governance. Following endorsement by the HR & Remuneration Committee, the Board has approved a revised set of rules (**Plan Rules**). These new Plan Rules are broadly consistent with the former rules and:

- confirm that participation in the Plan is only for executives (including any Executive Director). Non-Executive Directors are ineligible to participate in the Plan;
- provide that in the instance of a change of control, the Board has the discretion to vest outstanding awards taking into account the portion of the vesting period and performance against hurdles at the time of the change of control and any replacement equity offered by third parties. There is no acceleration of awards in respect of a potential change of control;
- in the event of cessation of employment as a "good leaver", equity will be retained "on-foot" and to be tested against performance hurdles at the original vesting date alongside other participants, having regard to the portion of the performance period served. A cash-settled alternative (through the issue of Indeterminate Rights, as defined within the Plan Rules) has been included in the Plan for good leavers to facilitate deferral of tax until the shares are received; and

- introduce the concept of a “Share Appreciation Right”, as defined in the Plan Rules, which permits the Company to settle a net number of shares equal to the market value of shares that the participant would have acquired on exercise of the right or option less the applicable exercise price. In this case, participants are not required to pay the exercise price to acquire the net number of shares.

A copy of the Plan Rules will be lodged with the ASX and is available on our website ([www.linkgroup.com](http://www.linkgroup.com) under “About Us” and “Governance”).

In accordance with ASX Listing Rule 7.2, exception 9, a summary of the key terms of the Plan is set out in Attachment A.

*The Directors, with John McMurtrie (as the only Director currently eligible to participate in the Plan) abstaining, unanimously recommend shareholders vote in favour of this Resolution.*

## **Resolution 5. Approval of Managing Director’s Participation in the Link Group Omnibus Equity Plan**

### **Approval sought**

The approval of shareholders is sought to permit John McMurtrie, Link Group’s Managing Director, to participate in the Company’s Omnibus Equity Plan (**Plan**) by being allocated Performance Share Rights (**PSRs**) in the financial year commencing 1 July 2017.

ASX Listing Rule 10.14 provides that a listed company may only permit a Director of the company to acquire securities (i.e. shares or rights to shares) under an employee incentive scheme where the acquisition by the Director has been approved by an ordinary resolution of shareholders.

Subject to shareholder approval, the Managing Director is eligible to receive PSRs under the Plan that are exercisable subject to the satisfaction of certain performance hurdles.

### **Background**

The Plan forms part of Link Group’s remuneration strategy and was summarised in the Remuneration Report for the financial year ended 30 June 2017 (refer to “LTI – Omnibus Equity Plan” from page 71 of the Annual Report). The key terms of the Plan are summarised in Attachment A.

Under the Plan, the Company invites senior executives to participate in the Plan following release to the market of Link Group’s financial statements. Participants receive PSRs and subject to the satisfaction of service-based conditions and performance hurdles, will allow participants to receive fully paid ordinary Link Group Shares.

A summary of the Plan Rules which apply to the PSRs granted to Mr McMurtrie is set out in Attachment A to this Explanatory Memorandum.

### **Rights to be awarded to Mr McMurtrie**

Mr McMurtrie is eligible to receive 157,720 PSRs.

The number of PSRs has been determined by dividing the long term component of Mr McMurtrie’s remuneration by the five trading-day volume weighted average market price (**VWAMP**) for the Link Group Shares from the 18 August 2017, being the date of announcement of Link Group’s full year results for the financial year ended 30 June 2017. The VWAMP for this period is \$7.6084.

If approved by shareholders, the number of PSRs to be granted to Mr McMurtrie for the financial year commencing 1 July 2017 is calculated as follows:

\$1,200,000 = 157,720 PSRs

\$7.6084

## Overview of proposed award

If approved by shareholders, Mr McMurtrie will receive PSRs subject to the below conditions.

<b>Exercise Price of the PSRs</b>	Nil.
<b>First Exercise Date</b>	The first day of the first trading window for the trading of the Company's Shares in accordance with the Securities Trading Policy after the release of the Company's audited annual financial statements for FY 2020.
<b>Last Exercise Date</b>	9 September 2024.
<b>Last Vesting Date</b>	The first day of the first trading window for the trading of the Company's Shares in accordance with the Securities Trading Policy after the release of the Company's audited annual financial statements for FY 2020.
<b>Holding Lock</b>	<p>Up to 50% of the maximum number of Link Group Shares that Mr McMurtrie is eligible to acquire following the exercise of his PSRs may be withdrawn by Mr McMurtrie after the First Exercise Date.</p> <p>Up to 75% of the maximum number of Link Group Shares that Mr McMurtrie is eligible to acquire following the exercise of his PSRs may be withdrawn after 1 July 2021.</p> <p>Up to 100% of the maximum number of Link Group Shares that Mr McMurtrie is eligible to acquire following the exercise of his PSRs may be withdrawn after 1 July 2022.</p>

## Vesting conditions

The PSRs will vest in accordance with the achievement of the following vesting conditions:

<b>Earnings per share hurdle (Tranche 1)</b>	<b>Relative total shareholder return hurdle (Tranche 2)</b>
75% of the PSRs	25% of the PSRs
Earnings per share growth targets ( <b>EPS Hurdle</b> ) for the relevant Performance Period are met	Total Shareholder Return targets ( <b>TSR Hurdle</b> ) for the relevant Performance Period are met

The EPS Hurdle and TSR Hurdle are considered appropriate measures of performance as they drive longer-term company performance.

The Performance Period is 1 July 2017 to 30 June 2020.

### **EPS Hurdle (Tranche 1)**

The EPS Hurdle has been determined with reference to the macroeconomic environment, relevant benchmarks and the Company's strategy.

No PSRs will vest if the compound annual growth rate is below 7%. Tranche 1 of the PSRs will vest subject to a compound annual growth rate in EPS of between a threshold target of 7% and a stretch target of 12%.

The EPS Hurdle for the Performance Period will be determined in accordance with the principles set out in the following table:

EPS Hurdle	Percentage of PSRs vesting
Compound annual growth rate of 12% or more	100%
Compound annual growth rate between 7% and below 12%	Pro-rata vesting of the PSRs between 50% and 100%
Compound annual growth rate of 7%	50%
Compound annual growth rate of less than 7%	0%

EPS is calculated by dividing the Company's Operating NPATA<sup>1</sup> by the undiluted weighted average number of shares on issue throughout the Performance Period.

The Board will have discretion to include or exclude items from the calculations.

### **TSR Hurdle (Tranche 2)**

25% of PSRs will be subject to a relative TSR Hurdle, which compares the total shareholder return performance of the Company with each of the entities within the S&P/ASX100 (excluding materials, utilities, industrials and energy companies) (**Basket**).

In order for the Tranche 2 PSRs to vest, the TSR of the Company is compared to the Basket as at 1 July 2017, being the commencement of the relevant Performance Period.

The TSR of each of the entities in the Basket will be measured from the start of the Performance Period to the end of the Performance Period.

The TSR Hurdle for the Performance Period will be determined in accordance with the principles set out in the following table:

TSR Hurdle – Link Group's TSR performance compared to the relevant peer group	Percentage of PSRs vesting
Company ranks at or above the 75th percentile	100%
Company ranks between the 50th percentile and the 75th percentile	Straight line vesting of the PSRs between 50% and 100%
Company ranks at the 50th percentile	50%
Company ranks below the 50th percentile	0%

<sup>1</sup> Operating NPATA (previously known as NPATA before Significant items) is net profit after tax and after adding back tax affected Significant items (including the discount expense on the un-winding of the Superpartners client migration provision) and acquired amortisation. Acquired amortisation comprises the amortisation of client lists and the revaluation impact of acquired intangibles such as software assets, which were acquired as part of business combinations. Link Group management considers Operating NPATA to be a meaningful measure of after-tax profit as it excludes the impact of Significant items and the large amount of non-cash amortisation of acquired intangibles reflected in NPAT. This measure includes the tax effected amortisation expense relating to acquired software which is integral to the ongoing operating performance of the business.

## Further information

ASX Listing Rule 10.14 provides that a listed company may only permit a Director to acquire securities (i.e. shares or rights to shares) under an employee incentive scheme where the acquisition by the Director has been approved by an ordinary resolution of shareholders.

It is the Board's current intention that if the PSRs vest, Link Group Shares will be acquired on-market for the purposes of the Plan. In accordance with the ASX Listing Rules, the following information is provided:

- The maximum number of PSRs for which approval is sought is 157,720 PSRs and will be calculated as described above and will be notified to shareholders in the relevant Annual Report.
- The PSRs will be allocated at no cost to Mr McMurtrie and the Board has determined that no amount is payable by Mr McMurtrie on the vesting of each PSR or on the exercise of any PSRs granted under the Plan.
- Upon satisfaction of the performance hurdles set by the Board, the PSRs will vest and, subject to the exercise/holding lock requirements, Link Group Shares will be allocated or issued on a one-for-one basis.
- No loan will be made by Link Group in connection with the acquisition of PSRs or Link Group Shares by Mr McMurtrie under the Plan.
- Mr McMurtrie is the only person referred to in ASX Listing Rule 10.14 entitled to participate in the Plan. At the 2016 Link Group Annual General Meeting, Shareholders approved the Link Group Omnibus Equity Plan (Previous Plan). Mr McMurtrie received an award of 127,992 PSRs following Shareholder Approval at Link Group's 2016 Annual General Meeting under the terms of the Previous Plan. None of the PSRs granted under the Previous Plan have vested as at the date of this Notice of Meeting.
- No PSRs will be granted under this approval later than 12 months after the date of the AGM.
- Approval of this resolution will result in the grant of PSRs to Mr McMurtrie falling within exception 14 in ASX Listing Rule 7.2. If approval is given for the issue of securities under ASX Listing Rule 10.14, approval is not required under ASX Listing Rule 7.1.

*The Directors, with John McMurtrie abstaining, unanimously recommend shareholders vote in favour of this Resolution*



## Attachment A

### Summary of the key terms of the Omnibus Equity Plan

*NB: Defined terms have the same meaning as provided in the Omnibus Equity Plan Rules released to ASX in September 2017.*

<b>Purpose</b>	The purpose of the Plan is to provide competitive, performance-based remuneration to Eligible Executives whilst aligning the interests of Eligible Executives with those of Link Group shareholders.
<b>Eligibility</b>	Eligible Executive means an executive (including an Executive Director) of a member of the Link Group who is declared by the Board to be an Eligible Executive for the purposes of the Plan. Non-Executive Directors are not eligible to participate in the Plan.
<b>Form of equity</b>	<p>Under the Plan, awards of Options and Rights (PSRs) can be made (also referred to as "Awards").</p> <p>A Right is an entitlement to acquire a Link Group Share (by transfer, issue or allocation at the absolute discretion of the Board) on the terms set out in the Invitation.</p> <p>An Option is an entitlement to acquire a Link Group Share (by transfer, issue or allocation at the absolute discretion of the Board) on the payment of the Exercise Price on the terms set out in this Plan.</p> <p>A Right or Option may be satisfied, at the discretion of the Board, by the Participant receiving the "Cash Equivalent Value" (Indeterminate Right). The Cash Equivalent Value is equal to the gross value of Link Group Shares that would have been allocated or transferred to the Participant if the Board had elected to settle the Award in Link Group Shares.</p>
<b>Terms of award</b>	A grant of Options and/or PSRs under the Plan is subject to both the rules of the Plan and the terms of the specific grant (Invitation).
<b>Vesting and Exercise</b>	Awards will only Vest and become exercisable (subject to any Exercise Restrictions) once the Board determines any relevant Conditions have been satisfied.
<b>Exercise Price</b>	The amount payable on exercise of that Option, as specified in the Invitation (which may be nil).
<b>Exercise</b>	<p>Upon exercise or automatic exercise of a Vested Award and subject to any applicable restriction imposed by law or the Link Group Share Trading Policy, the Company must, as applicable:</p> <ul style="list-style-type: none"> <li>• allocate or procure the transfer of the relevant number of Link Group Shares pursuant to the Rules; or</li> <li>• pay the Cash Equivalent Value; or</li> <li>• provide the Share Equivalent Number of Link Group Shares pursuant to the Rules,</li> </ul> <p>to, or for the benefit of, the relevant Participant.</p> <p>The Share Equivalent Number is determined as:</p> $\frac{\text{The Cash Equivalent Value less the aggregate Exercise Prices of the Vested Awards}}{\text{divided by}}$ <p>The market value of the Link Group Shares at the date on which the allocation or procurement of the transfer of the Link Group Shares to the Participant (following exercise) occurs.</p>

<b>Change of Control</b>	<p>Where:</p> <ul style="list-style-type: none"> <li>• a takeover bid is made for Link Group and the Board recommends acceptance by Link Group's shareholders;</li> <li>• a Court orders that a meeting of shareholders of Link Group be held to consider a scheme of arrangement between Link Group and its shareholders; or</li> <li>• the Board determines that some other transaction has occurred, or is likely to occur, which involves a change of control of the Link Group,</li> </ul> <p>the Board may determine in its absolute discretion whether and the extent to which, the Participant's Awards vest conditional upon the change of control occurring. In exercising the discretion, the Board, at minimum, must have regard to:</p> <ul style="list-style-type: none"> <li>• the extent to which the conditions would be waived; and</li> <li>• the extent to which the person or entity who will control Link Group following the change of control has provided, or will provide, equity or other incentives for the purposes of replacing Awards granted under the Plan.</li> </ul> <p>In exercising its discretion under the Plan, the Board may have regard to any other matter the Board considers relevant, including without limitation the circumstances of the event, the extent to which the applicable conditions have been satisfied (or estimate to have been satisfied) at the time of the event and/or the proportion of the period that has passed at the time of the event.</p>
<b>Divestment of a material business or subsidiary</b>	<p>Where Link Group divests or disposes of a business or asset that for the purposes of the Plan, the Board designates as "material", the Board may make special rules that apply to Participants in relation to the Awards or Link Group Shares held pursuant to the Plan.</p> <p>Such rules may include:</p> <ul style="list-style-type: none"> <li>• varying the Condition applying to the Participant's Awards to take into account the divestment of the business or asset; and</li> <li>• deeming the Participant to remain an Eligible Executive of Link Group for a specific period.</li> </ul>
<b>Lapse</b>	<p>A Participant's unvested Awards will lapse upon the earliest to occur of:</p> <ul style="list-style-type: none"> <li>• failure to satisfy the Conditions of the Award;</li> <li>• cessation of employment other than in the event of a Qualifying Reason (e.g. by reason of resignation or termination for cause); and</li> <li>• the 15th anniversary of the date of grant of the Award or a shorter anniversary as set out in the Invitation.</li> </ul> <p>In addition, a Right or Option may lapse should any of the following occur:</p> <ul style="list-style-type: none"> <li>• hedging;</li> <li>• variation of capital;</li> <li>• divestment of a material business or subsidiary;</li> <li>• Change of Control; and</li> <li>• Clawback.</li> </ul>

<b>Qualifying Reason</b>	<p>Qualifying Reason means:</p> <ul style="list-style-type: none"> <li>• death;</li> <li>• serious injury, disability or illness which prohibits continued employment;</li> <li>• genuine retirement; or</li> <li>• genuine retrenchment.</li> </ul>
<b>Variations of Capital</b>	<p>PSRs and Options carry no right to participate in rights issues or bonus issues.</p> <p>The Board will:</p> <ul style="list-style-type: none"> <li>• reduce the Exercise Price of PSRs and/or Options (if any) in the event of a new issue; and/or</li> <li>• change the number of underlying Link Group Shares to which the PSRs and/or Options relate, in the event of a bonus issue, in accordance with the Listing Rules.</li> </ul> <p>If Link Group Shares are issued, transferred or allocated pursuant to the exercise of a Right or an Option prior to determination of entitlements to a new issue, the Link Group Shares issued, transferred or allocated will be entitled to participate in any new issue in accordance with the Listing Rules.</p> <p>In the event of a reorganisation of the Company's share capital, the Board will review and modify the terms of the PSRs and/or Options if required by, and in accordance with, the Listing Rules.</p>
<b>Clawback</b>	<p>Where in the opinion of the Board, a Participant has obtained or may obtain an unfair benefit as a result of his or her act (whether intentional, inadvertent, direct or indirect) which:</p> <ul style="list-style-type: none"> <li>• constitutes fraud, or dishonest or gross misconduct in relation to the affairs of Link Group;</li> <li>• brings Link Group into disrepute;</li> <li>• is in breach of his or her obligations to Link Group; or</li> <li>• has the effect of delivering strong Company performance in a manner which is unsustainable or involves unacceptably high risk and results or is likely to result in a detrimental impact on Company performance,</li> </ul> <p>the Board may exercise its discretion and deem:</p> <ul style="list-style-type: none"> <li>• any Awards which have not Vested to have lapsed or been forfeited;</li> <li>• all or any Link Group Shares allocated following Vesting (or exercise, as applicable) which are not subject to any further restrictions under the Plan, to have lapsed or been forfeited;</li> <li>• and may require the Participant repay: <ul style="list-style-type: none"> <li>○ the net proceeds from any sale of Link Group Shares that were allocated to a Participant under the Plan and subsequently sold by the Participant; and</li> <li>○ a sum equal to the cash payment made to a Participant in respect of any Vested Indeterminate Rights under the Plan.</li> </ul> </li> </ul>

<b>Dividends</b>	<p>The PSRs and/or Options held by a Participant will not give the Participant any right to participate in dividends until the issue, transfer or allocation of Link Group Shares pursuant to the exercise of the PSRs and/or Options (as the case may be), before the record date for determining entitlements to a dividend.</p> <p>Any dividends payable on any Participant's Link Group Shares held by the Trustee will be paid by the Company to the Trustee, and the Trustee will pay any such dividends to the relevant Participant as soon as reasonably practicable after those dividends are paid by the Company to the Trustee.</p>
<b>Voting rights</b>	<p>A Participant may exercise any voting rights attaching to Link Group Shares acquired following the exercise of the Participant's PSRs and/or Options and registered in the Participant's name.</p> <p>The Participant may direct the Trustee by notice in writing as to how to exercise the voting rights attaching to the Participant's Link Group Shares held by the Trustee, either generally or in respect of a particular resolution, by way of proxy. In the absence of any such direction, the Trustee must not exercise the voting rights attaching to the Participant's Link Group Shares. The Trustee must not vote in respect of any Participant's Link Group Shares if the vote occurs by show of hands.</p>
<b>Administration of the Plan</b>	<p>The Plan will be managed in accordance with the Plan Rules, by the Board, which will have power to:</p> <ul style="list-style-type: none"> <li>• determine appropriate procedures and make regulations for the administration of the Plan consistent with the Plan Rules;</li> <li>• resolve and bind the Company and the Participants absolutely regarding any question of fact, interpretation, effect or application arising in connection with the Plan;</li> <li>• determine matters falling for determination under the Plan Rules in its absolute discretion having regard to the interests of and for the benefit of the Company;</li> <li>• exercise the absolute discretions conferred on it by the Plan Rules or which may otherwise be required in relation to the Plan;</li> <li>• delegate to any one or more persons (for such period and on such conditions as it may determine) the exercise of any of its powers or discretions arising under the Plan; and</li> <li>• appoint or engage specialist service providers for the operation and administration of the Plan.</li> </ul> <p>Suspension or termination of Plan:</p> <ul style="list-style-type: none"> <li>• the Plan may be suspended or terminated at any time by resolution of the Board; and</li> <li>• in the event of a suspension or termination, the Plan Rules will continue to operate with respect to any Link Group Shares issued, transferred or allocated under the Plan prior to that suspension or termination, and any Link Group Shares to be issued, transferred or allocated under the Plan as a result of any Invitation which has been issued and accepted prior to that suspension or termination.</li> </ul>
<b>Amendment</b>	<p>The Board may amend, add to, delete or otherwise vary the Rules at any time in any manner the Board thinks fit in its absolute discretion.</p>

