

**HGL LIMITED**

**ABN 25 009 657 961**



## **NOTICE OF ANNUAL GENERAL MEETING**

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Notice is hereby given that the Annual General Meeting of Shareholders of HGL Limited (**Company**) will be held at the offices of Computershare Investor Services Pty Ltd, Level 3, 60 Carrington Street, Sydney on 28 February 2020 at 2.00pm (AEDT) (**Meeting**).

The Explanatory Notes to this Notice provide additional information on matters to be considered at the Annual General Meeting. The Proxy Form and Explanatory Notes form part of this notice.

### **BUSINESS OF THE MEETING**

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#### **Item 1 Financial Statements and Reports**

To receive and consider the Financial Report, the Directors' Report and the Auditor's Report for the financial year ended 30 September 2019.

Neither the Corporations Act 2001 (Cth) nor the Company's constitution requires a vote of shareholders on the reports or statements. However, shareholders will be given the opportunity to ask questions or make comments on the reports and statements at the meeting.

#### **Item 2 Remuneration Report**

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

*"That the Remuneration Report required by section 300A of the Corporations Act, as contained in the Directors' Report of the Company for the year ended 30 September 2019 be adopted."*

Notes:

- i. In accordance with section 250R of the Corporations Act 2001, the vote on this resolution will be advisory only and will not bind the directors or the Company. However if 25% or more of the votes validly cast on this resolution are against it, the conditional spill resolution in Item 9 will be put to the AGM.
- ii. A voting exclusion statement applies to this resolution (see Explanatory Notes for details).

#### **Item 3 Re-election of Director – Mr Peter Miller**

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

*"That Mr Peter Miller, being a Director who retires by rotation at the conclusion of the Annual General Meeting in accordance with the Company's Constitution and ASX Listing Rule 14.4, and being eligible, offers himself for re-election, be elected as a Director of the Company, effective immediately."*

#### **Item 4 Re-election of Director – Ms Cheryl Hayman**

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

*"That Ms Cheryl Hayman, being a Director who retires by rotation at the conclusion of the Annual General Meeting in accordance with the Company's Constitution and ASX Listing Rule 14.4, and being eligible, offers herself for re-election, be elected as a Director of the Company, effective immediately."*

#### **Item 5 Election of Director – The Honourable Helen Coonan**

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

*“That The Honourable Helen Coonan, being a Director who was appointed by the Directors on 29 July 2019 and whose appointment as a Director expires at the conclusion of the Annual General Meeting of the Company in accordance with the Company’s Constitution and ASX Listing Rule 14.4, and being eligible, offers herself for election, be elected as a Director of the Company, effective immediately.”*

#### **Item 6 Adoption of the HGL Limited Employee Loan Funded Share Plan**

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

*“That, for the purposes of exception 13(b) of ASX Listing Rule 7.2 and section 260C(4) of the Corporations Act 2011 (Cth) and for all other purposes, Shareholders approve the HGL Limited Employee Loan Funded Share Plan, and the issue of securities under that Plan, as described in the Explanatory Notes.”*

Note: A voting exclusion statement applies to this resolution (see Explanatory Notes for details).

#### **Item 7 Issue of Options to The Honourable Helen Coonan**

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

*“That, pursuant to and in accordance with Listing Rule 10.11 and for all other purposes, Shareholders approve the issue of up to 1,000,000 Options to The Honourable Helen Coonan on the terms and conditions as set out in the Explanatory Notes.”*

Note: A voting exclusion statement applies to this resolution (see Explanatory Notes for details).

#### **Item 8 Changes to the Constitution**

To consider and, if thought fit, pass the following as a **special resolution** of the Company:

*“That, the document titled “Constitution of HGL Limited” tabled at the Meeting and signed by the Chair of the Meeting for the purposes of identification, be adopted as the constitution of the Company in place of the current Constitution, with effect from the conclusion of the meeting.”*

#### **Item 9 Spill Resolution (conditional item)**

If 25% or more of votes cast on Item 2 are against the adoption of the 2019 Remuneration Report, to consider and, if thought fit, pass the following as an **ordinary resolution** of the Company:

*“That, subject to and conditional on at least 25% of the votes validly cast on the resolution to adopt the remuneration report for the year ended 30 September 2019 being cast against the adoption of the report:*

- a) an extraordinary general meeting of HGL Limited (**Spill Meeting**) be held within 90 days of the passing of this resolution;*
- b) all of the directors who were directors of HGL Limited when the resolution to make the directors’ report for the year ended 30 September 2019 was passed and who remain in office at the time of the Spill Meeting, cease to hold office immediately before the end of the Spill Meeting; and*
- c) resolutions to appoint persons to offices that will be vacated immediately before the end of the Spill Meeting be put to the vote at the Spill Meeting.”*

This resolution will only be put to the AGM if at least 25% of the votes validly cast on the resolution proposed in Item 2 are against the resolution. If you do not want a Spill Meeting to take place, you should vote *against* Item 9. If you want a Spill Meeting to take place, you should vote *for* Item 9.

Note: A voting exclusion statement applies to this resolution (see Explanatory Notes for details).

All proposed items of business should be read in conjunction with the Explanatory Notes on pages 6 to 20.

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## ENTITLEMENT TO VOTE

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The Directors have determined pursuant to regulation 7.11.37 of the Corporations Regulations 2001 (Cth) that the persons eligible to vote at the Meeting are those who are registered Shareholders of the Company as at 7pm (AEDT) on 26 February 2020 (**Entitlement Time**).

This means that if you are not the registered holder of a share in the Company at the Entitlement Time, you will not be entitled to attend and vote at the Meeting.

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## SUPPORTING INFORMATION

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Copies of the Company's full Annual Report, incorporating the Remuneration Report, the existing Constitution and the Proposed Constitution may be accessed on our website under the Investor Information tab at [www.hgl.com.au/site/investor-information/annual-general-meetings](http://www.hgl.com.au/site/investor-information/annual-general-meetings).

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## VOTING OPTIONS AND PROXIES

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If you do not plan to attend the Meeting in person, you are encouraged to complete and return the Proxy Form that accompanies this Notice of Annual General Meeting.

### Voting by Proxy

A Shareholder who is entitled to attend and vote at this Meeting is entitled to appoint not more than two proxies to attend and vote in place of a Shareholder.

If the Shareholder appoints two proxies, the Shareholder may specify the proportion or number of votes each proxy is entitled to exercise. If no proportion or number of votes is specified, each proxy may exercise half of the Shareholder's votes. If the specified proportion or number of votes exceeds that which the Shareholder is entitled to, each proxy may exercise half of the Shareholder's votes. Any fractions of votes brought about by the apportionment of votes to a proxy will be disregarded.

A proxy need not be a Shareholder of the Company. A body corporate appointed as a Shareholder's proxy may appoint a representative to exercise any of the powers the body may exercise as a proxy at the Meeting. The representative should bring to the Meeting evidence of his or her appointment, including any authority under which the appointment is signed, unless it has previously been given to the Company

Subject to the specific proxy provisions applying to Item 2 (see the Explanatory Notes below):

- If a Shareholder has not directed their proxy how to vote, the proxy may vote as the proxy determines; and
- If a Shareholder appoints the Chair of the Meeting as proxy and does not direct the Chair how to vote on an item of business, the Chair will vote in accordance with his voting intention as stated in this Notice of Meeting, namely in favour of each of the proposed resolutions set out in the Notice of Meeting other than Item 9 (Spill Resolution).

## Proxy Voting by the Chair

For Item 2 (Remuneration Report) and Item 9 (Spill Resolution), where the Chair is appointed as a Shareholder's proxy and that Shareholder has not specified the way in which the Chair is to vote on Item 2 and Item 9, the Shareholder is directing the Chair to vote in accordance with the Chair's voting intentions for this item of business, even though Item 2 and Item 9 are connected to Key Management Personnel whose remuneration details are included in the remuneration report for the year ended 30 September 2019.

The Chair intends to vote all undirected proxies in favour of the resolutions in the Notice of Meeting, including Item 2. The Chair intends to vote all undirected proxies against Item 9.

## Proxy Forms

To be effective, the Proxy Form must be completed, signed and lodged (together with the relevant original power of attorney or a certified copy if the proxy is signed by an attorney) with the Company's share registry, as an original or by facsimile, **no later than** 2.00pm (AEDT) on 26 February 2020 (**Proxy Deadline**).

Proxy forms may be submitted in one of the following ways:

- i) **By mail** to Computershare Investor Services Pty Limited (**Computershare**) using the reply-paid envelope or GPO Box 242, Melbourne VIC 3001. Please allow enough time so that it reaches Computershare by the Proxy Deadline;
- ii) **By fax** to Computershare on 1800 783 447 (inside Australia) or +61 3 9473 2555 (outside Australia);
- iii) **Online** via the Company's Share Registry website at [www.investorvote.com.au](http://www.investorvote.com.au) Please refer to the Proxy Form for more information; or
- iv) **By hand delivery** to Computershare at Level 3, 60 Carrington Street, Sydney NSW 2000.

Proxy Forms and Powers of Attorney must be received by the Proxy Deadline. Proxy forms received later than this time will be invalid.

## Poll

On a poll each Shareholder present in person or by proxy, attorney or representative has one vote for each share held. A proxy may demand or join in demanding a poll.

## CORPORATE REPRESENTATIVES

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Where a shareholding is registered in the name of a corporation, the corporate shareholder may appoint a person to act as its representative to attend the meeting by providing that person with:

- (i) A letter or certificate authorising him or her as the corporation's representative, executive in accordance with the corporation's constitution; or
- (ii) A copy of the resolution appointing the representative, certified by a secretary or director of the corporation.

## BY ORDER OF THE BOARD

**Iain Thompson**  
Company Secretary  
24 January 2020

## EXPLANATORY NOTES

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### Notes on Business

#### Item 1. Financial Statements

As required by section 317 of the Corporations Act 2001 (Cth) (Corporations Act) the Financial Report, Directors' Report and Auditor's Report of the Company for the most recent financial year will be presented to the meeting. The financial report contains the financial statements of HGL Limited and HGL Group.

There is no requirement for a formal resolution on this item.

The Chair of the Meeting will allow a reasonable opportunity at the Meeting for Shareholders to ask questions about or make comments on the management of the Company. Shareholders will be given a reasonable opportunity at the meeting to ask the Company's auditor, Deloitte Touche Tohmatsu, questions about its auditor's report, the conduct of its audit of the Company's financial report for the year ended 30 September 2019, the preparation and content of its auditor's report, the accounting policies adopted by the Company in its preparation of the financial statements and the independence of Deloitte Touche Tohmatsu in relation to the conduct of the audit.

Shareholders may submit written questions to the Company in relation to the above matters. Written questions must be received no later than 5.00pm (AEDT) on 19 February 2020. An online form to facilitate the submission of questions can be found on the HGL website at [www.hgl.com.au/site/investor-information/annual-general-meetings](http://www.hgl.com.au/site/investor-information/annual-general-meetings).

#### Item 2. Adoption of Remuneration Report

##### 2.1. Background

At the Annual General Meeting held on 20 February 2019 (**2019 AGM**), 24.14% of the votes cast were in favour of the adoption of the Remuneration Report for the Financial Year ended 30 September 2018 (**2018 Remuneration Report**). The 75.86% of votes against the 2018 Remuneration Report represented approximately 17.9% of the Share register.

Because more than 25% of votes cast on the resolution were against the adoption of the 2018 Remuneration Report, the Company incurred a 'first strike' under section 250R of the Corporations Act.

Following the 2019 AGM the Company engaged with key stakeholders to better understand their concerns and has implemented a number of changes in response to this feedback, which are outlined in more detail below. The Company has used 2019 to develop its Remuneration Strategy further, and this will be fully effective from the financial year ended 30 September 2020.

##### 2.2. Management and Board changes

A key concern for stakeholders related to the composition of the board and senior management within the group, and a desire to see new individuals at both Board and Management level.

On 29 July 2019, The Honourable Helen Coonan was appointed as Chair of HGL Ltd, bringing with her extensive legal, corporate, parliamentary and regulatory experience, including with a number of high

profile listed entities. Helen's appointment brings the board back to 5 members, filling the vacancy created in 2018 from the passing of Dr Frank Wolf AO.

Following consultation with the Board, Henrik Thorup (CEO) gave notice which was effective from 1 October 2019, and left the Company on 20 December 2019.

The Board engaged Allegis Partners to assist in conducting an extensive search, and following interviews with a number of excellent candidates we were delighted to announce the appointment of Greg Timar to the role of CEO with effect from 11 December 2019. Greg brings extensive experience in mergers and acquisitions, business development and private equity, and will help drive the growth of HGL and its investments.

### **2.3. Remuneration Strategy Review and Benchmarking**

During 2019 HGL engaged Ernst & Young to benchmark executive remuneration for the CEO against the remuneration of matched executives at comparable peer companies. The HGL CEO fixed remuneration and the overall remuneration opportunity were noted as above the 75th percentile of peer CEOs, albeit there was more variation on incentives and equity payments among smaller companies such as HGL.

The review provided the platform to confidently reconfigure and adjust the HGL CEO remuneration package in line with market levels. This also positively responded to stakeholder feedback over the level of CEO remuneration, particularly with regard to base salary, and subsequently the remuneration package for the incoming CEO was restructured significantly, with a much lower base salary, compensated by a Short Term Incentive (STI) opportunity, and a Long Term Incentive (LTI) opportunity based around equity ownership.

The structure of the STI and LTI opportunities agreed with the CEO has also been mirrored for the HGL Chief Financial Officer, ensuring that HGL's Key Management Personnel are equally aligned in their objectives, which further aligns with the interests of shareholders generally.

The Board believes that the changes outlined are in line with stakeholder expectations and will deliver greater value for shareholders going forward.

The objective of the Company's executive reward framework is to ensure reward for performance is competitive and appropriate for the results delivered. The framework aligns executive reward with achievement of strategic objectives and the creation of value for Shareholders and conforms to market practice for delivery of reward.

In summary, the Remuneration Report in the Annual Report:

- Explains the principles used for determining the nature and amount of remuneration of directors and senior managers of the Company;
- Sets out remuneration details for each director and senior executive of the Company (including the value of any options granted to those persons); and
- Outlines service contracts of key management personnel.

### **2.4. General**

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

Pursuant to the Corporations Act, Shareholders will have the opportunity to remove the whole Board if the Remuneration Report receives a 'no' vote of 25% or more (**Strike**) at two consecutive annual general meetings.

At the Company's previous Annual General Meeting approximately 76% of votes cast were cast against the Remuneration Report, therefore the Company received its first Strike. If the Remuneration Report receives a Strike at the Meeting, the Company must put to Shareholders at the second Annual General Meeting a resolution on whether another meeting should be held (within 90 days) at which all Directors who were in office at the date of approval of the applicable Directors' Report must stand for re-election.

If the Remuneration Report receives a Strike at this Meeting, Item 9 (**Spill Resolution**) will be voted on at the Meeting. Accordingly, please note that a 'no' vote of 25% or more on Item 2 may result in the re-election of the Board.

As provided by section 250R(3) of the Corporations Act, the resolution on this item of business is advisory only and does not bind the Board or the Company. If Item 2 is not passed, the Directors will not be required to alter any of the arrangements in the Remuneration Report.

## **2.5. Voting Exclusion Statement**

As required by the Corporations Act, the Company will disregard any votes cast on Item 2 by any member of the Company's key management personnel (**Key Management Personnel** or **KMP**) or a Closely Related Party of any such member unless the person:

- (i) votes as a proxy appointed by writing that specifies how the person is to vote on the resolutions; or
- (ii) is the Chair of the Meeting and votes as a proxy appointed by writing that authorises the Chair to vote on the resolutions even though that resolution is connected with the remuneration of a member of the Company's KMP.

**What this means for Shareholders:** If you intend to appoint a member of the KMP (such as one of the Directors) as your proxy, please ensure that you direct them how to vote on the proposed resolution in Item 2. If you intend to appoint the Chair of the Meeting as your proxy, you can direct her how to vote by marking the boxes for Item 2 (for example, if you wish to vote for, against or abstain from voting), or you can choose not to mark any of the boxes for Item 2 and give the Chair your express authority to vote your undirected proxy (in which case the Chair will vote in favour of this item of business).

## **2.6. Directors' Recommendation**

The Directors recommend that Shareholders vote in favour of this resolution.

### ***Re-election of Directors***

In accordance with the Company's Constitution and ASX Listing Rule 14.5 an election of Directors must be held at each Annual General Meeting (**AGM**).

The Company's Constitution states that any director who, if he or she does not retire, will at the conclusion of the meeting have been in office for 3 or more years and for 3 or more annual general meetings since he or she was last elected to office, must retire from office as a director at that annual general meeting and offer themselves for re-election.

If no Directors are scheduled to be elected by virtue of the ASX Listing Rules or the Constitution, then one-third of Directors (rounded downwards) must still retire and be re-elected by the Shareholders of the Company. Normally, this would be the Director (other than the Managing Director) who has held office the longest since being appointed or last being elected.

### **Item 3. Re-election of Mr Peter Miller**

In accordance with the Company's Constitution and ASX Listing Rule 14.4, Mr Miller is being put forward for re-election, and being eligible, seeks re-election as a Director of the Company at this AGM to take effect at the conclusion of the Meeting. Peter was appointed a Director of the Company on 1 October 2000 and was last re-elected as a Director at the 2017 annual general meeting on 16 February 2017.

#### **3.1. General**

Peter is a Chartered Accountant and has been a principal in Public Practice for over 40 years. He is a Director of multiple Private Companies and has extensive financial and business experience in a wide range of industries. He is Chair of an Aged Care group and a private Charitable Foundation.

Mr Miller was Board Chair since 29 October 2002 until earlier this year and is a member of the Audit and Risk Committee and Nomination and Remuneration Committee.

Having had regard to the ASX Principles, the Board considers Mr Miller a non-independent Director due to his relationship with a substantial shareholder of the Company. Notwithstanding the technical classification of Mr Miller as non-independent, the Directors consider that he acts independently in board deliberations and discussions and in the best interests of Shareholders as a whole.

#### **3.2. Directors' Recommendation**

The Directors (with Mr Miller abstaining) recommend that Shareholders vote in favour of this Resolution.

### **Item 4. Re-election of Ms Cheryl Hayman**

In accordance with the Company's Constitution and ASX Listing Rule 14.4, Ms Hayman is being put forward for re-election, and being eligible, seeks re-election as a Director of the Company at this AGM to take effect at the conclusion of the Meeting. Ms Hayman was appointed a Director of the Company on 1 December 2016 and was last re-elected as a Director at the 2017 annual general meeting on 16 February 2017.

#### **4.1. General**

Cheryl Hayman brings international experience including significant strategic and marketing expertise derived from a 20 year corporate career which spanned local and global consumer retail organisations. Her skills include developing marketing and business strategy across diverse industry segments, growth orientated innovation and product development. Cheryl has expertise in traditional and digital communications, an ability to carve out a competitive edge for business development and the ability to drive strategic brand development.

Cheryl's other ASX directorships include Clover Corporation Limited and Shriro Holdings Limited, and she is also on the board of Chartered Accountants Australia and New Zealand, where she also sits on the executive remuneration committee.

Cheryl is Chair of the Nomination and Remuneration Committee.

Having had regard to the ASX Principles, the Board considers Ms Hayman an independent Director.

#### **4.2. Directors' Recommendation**

The Directors (with Ms Hayman abstaining) recommend that Shareholders vote in favour of this Resolution.

## **Item 5. Election of Director – The Honourable Helen Coonan**

In accordance with the Company's Constitution and ASX Listing Rule 14.4, any Director appointed to fill a casual vacancy or as an additional Director holds office until the next Annual General Meeting and is then eligible for re-election. The retirement and re-election of The Honourable Helen Coonan will take effect at the conclusion of the Meeting.

### **5.1. General**

The Honourable Helen Coonan was appointed to fill a casual vacancy as a Director on 29 July 2019 and brings with her over 35 years legal, business, parliamentary and regulatory experience, having formerly served as a Senator for New South Wales in the Australian Parliament from 1996 to 2011, during which she also served as the Minister for Revenue and Assistant Treasurer, and in the Cabinet as the Minister for Communications.

Ms Coonan holds a Bachelor of Arts and Bachelor of Laws degrees from the University of Sydney. Prior to entering Parliament, she worked as a lawyer, including as principal of her own legal firm, as a partner in law firm Gadens, as a commercial Barrister in Australia and as an Attorney in New York.

Ms Coonan is the inaugural Chair of the Australian Financial Complaints Authority (AFCA), Chair of the Minerals Council of Australia (MCA), Co-Chair of GRACosway, Place Management NSW (formerly the Sydney Harbour Foreshore Authority) and Supervised Investments Australia Limited. She is also Non-Executive director of Crown Resorts Limited, Snowy Hydro Limited, a member of the J.P. Morgan Advisory Council.

Ms Coonan is the Chair of Crown Resorts Foundation and a non executive Director of the Australian Children's Television Foundation.

Ms Coonan serves on the Corporation Council of the European Australian Business Council and the Australia-Israel Chamber of Commerce Advisory Council. She is also a member of Chief Executive Women.

Having regard to the ASX principles, the Board considers Ms Coonan to be a non-independent Director due to her relationship with a substantial shareholder of the Company. Notwithstanding the technical classification of Ms Coonan as non-independent, the Directors consider that she acts independently in board deliberations and discussions and in the best interests of Shareholders as a whole.

### **5.2. Directors' Recommendation**

The Directors (with The Honourable Helen Coonan abstaining) recommend that Shareholders vote in favour of this Resolution.

## **Item 6. Adoption of the HGL Limited Employee Loan Funded Share Plan**

This resolution seeks Shareholder approval of the proposed HGL Limited Employee Loan Funded Share Plan (**Plan**), and the issue of securities under the Plan, for the purposes of the ASX Listing Rules and the Corporations Act.

### **6.1. Background**

The Board is committed to incentivising and retaining key management personnel in a manner which promotes alignment of their interests with Shareholder interests. As a result, the Board wishes the Company to adopt the Plan, which is intended to enable participants to share in any increase in the Company's value (as measured by the share price).

The Board has identified Greg Timar (CEO) and Iain Thompson (CFO and Company Secretary) as the initial participants in the Plan. The Board proposes to invite those participants to acquire the following number of shares under the Plan (at a 20 day VWAP issue price) using a loan made to them by the Company:

- Greg Timar 1,000,000 shares
- Iain Thompson 200,000 shares

Should the resolution be passed, the Company will have the necessary flexibility to issue Shares under the Plan as an incentive to management personnel.

## **6.2. Summary of the Plan**

Following is a summary of the rules of the Plan (**Plan Rules**):

### **6.2.1. Introduction**

Pursuant to the Plan, eligible participants may acquire Shares using a loan made to them by the Company.

### **6.2.2. Eligibility and invitations**

Employees (excluding executive Directors) of the Company or any of its subsidiaries who are selected by the Board will be eligible to participate in the Plan (**Participants**).

Participants will be invited to purchase a specific number of Shares using a loan made to them by the Company.

The Board will administer the Plan and determine the terms of the invitations made to each Participant, including the issue price of the Shares.

### **6.2.3. Loan terms**

The loan made to a Participant under the Plan may only be applied towards the purchase price for Shares. The loan will be:

- interest free;
- unsecured;
- limited recourse, meaning that if the market value of the Shares is less than the loan value at the end of the term of the loan, the Participant will not need to repay the remaining loan balance out of their own funds;
- repayable in full on the earlier of:
  - 5 years from the date the loan is made;
  - shares being acquired by a third party by way of an amalgamation, arrangement or takeover bid;
  - the Participant's cessation of employment;
  - the Participant becoming insolvent or subject to bankruptcy proceedings; or
  - on the date the Participant and the Company otherwise agree.

However, a Participant may repay all or any part of the loan at any time before the repayment date.

If the Company pays cash dividends or makes capital distributions on a Participant's Shares, the after-tax value of the cash dividends paid or distributions made to a Participant will be applied to repay the loan. The balance of cash dividends (ie the estimated value of the tax payable by the Participant on the dividend) will be paid to the Participant to allow them to fund their tax liability on the dividend.

The Participant appoints the Company as their attorney to sell their Shares on the repayment date and apply the sale proceeds to repay the loan (with any surplus being paid to the Participant).

#### **6.2.4. Restrictions**

A Participant must not transfer (or encumber or otherwise dispose of or deal with) any Shares acquired under the Plan until the loan in respect of those Shares has been repaid in full (or, in the case of a sale permitted under the Plan Rules, arrangements have been made for the sale proceeds to be applied towards repayment of the loan in full). Accordingly, Shares under the Plan will be subject to a holding lock.

#### **6.2.5. Rights attaching to Shares**

The Shares under the Plan will rank equally with all other fully paid ordinary shares in the capital of the Company. Participants have full entitlements attaching to their Shares, except that cash dividends and distributions will be applied to repay their loan (as described above).

#### **6.2.6. Amendment**

Subject to the Listing Rules and the Corporations Act, the Board may amend the Plan Rules at any time, except that any amendments which reduces Participants' rights requires consent of 75% of the affected Participants unless the amendment is primarily to comply with laws, take into consideration adverse tax implications or to correct a manifest error.

### **6.3. ASX Listing Rule requirement**

Listing Rule 7.1 provides that a company must not, subject to specified exceptions, issue or agree to issue more equity securities during any 12 month period than that amount which represents 15% of the number of ordinary securities on issue at the commencement of that 12 month period.

Listing Rule 7.2 (Exception 13(b)) provides that Listing Rule 7.1 does not apply to an issue of securities under an employee incentive scheme if, within the 3 years before the date of issue, shareholders have approved the issue as an exception to Listing Rule 7.1.

If this resolution is passed, the Company will be able to issue securities under the Plan to eligible participants over a period of 3 years without using the Company's 15% annual placement capacity under Listing Rule 7.1. However, any issues of securities under the Plan to a related party (including Directors) will require additional Shareholder approval under Listing Rule 10.14 at the relevant time.

In accordance with Listing Rule 7.2 (Exception 13(b)), the following information is provided in relation to the Plan:

- A summary of the terms of the Plan is set out in section 6.2 above.
- The Plan is a new employee incentive scheme and has not previously been approved by Shareholders. No equity securities have been issued under the Plan as at the date of this notice.
- The maximum number of securities proposed to be issued under the Plan following Shareholder approval is 3,000,000 Shares.
- A voting exclusion statement is included in section 6.5 below.

### **6.4. Corporations Act requirement - financial assistance**

As the Company will be providing a loan to participants under the Plan, the Plan will involve the giving of financial assistance by the Company to the Plan participants in relation to the acquisition of Shares.

Section 260A of the Corporations Act provides that a company may financially assist a person to acquire shares in the company if the assistance is exempt under section 260C. Pursuant to section 260C(4), financial assistance is exempt from section 260A if it is given under an employee share scheme that has been approved by a resolution passed at a general meeting of the company.

Item 6 is being put to the Shareholders for the Plan to be approved for the purposes of section 260C(4) of the Corporations Act.

#### **6.5. Voting Exclusion Statement**

The Company will disregard any votes cast in favour of Item 6 by or on behalf of any Director (except one who is ineligible to participate in any employee incentive scheme in relation to the Company) or any of their respective associates. However, the Company need not disregard a vote if:

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

#### **6.6. Voting Prohibition Statement**

In accordance with the Corporations Act, a person appointed as a proxy must not vote, on the basis of that appointment, on Item 6 if:

- the proxy is either a member of the Key Management Personnel or a Closely Related Party of such member; and
- the appointment does not specify the way the proxy is to vote on Resolution 6.

However, the above prohibition does not apply if:

- the proxy is the Chair; and
- the appointment expressly authorises the Chair to exercise the proxy even though Item 6 is connected directly or indirectly with remuneration of a member of the Key Management Personnel.

#### **6.7. Directors' recommendation**

The Directors recommend that Shareholders vote in favour of this Resolution.

### **Item 7. Issues of Options to The Honourable Helen Coonan**

As part of Ms Coonan's agreement to join the Board and fulfil the role of Chair, the Board agreed to seek shareholder approval for the issue of 1,000,000 Options to Ms Coonan. If approved by Shareholders, half the options (500,000) will be exercisable at 45 cents per share, and half the options (500,000) will be

exercisable at 50 cents per share. The options will have an expiry date 3 years from the date of approval by shareholders.

The ASX Listing Rules require shareholder approval for the issuance of equity to a Director of the Company.

### **7.1. Background**

As previously outlined, discussions with key stakeholders during 2019 indicated they were seeking fresh appointments to the HGL Board of Directors. Ms Coonan brings extensive legal and business skills and experience to the Company, with a high profile in the corporate world. In recognition of these skills, and with a reduction in the Director fees payable to the Board Chair concurrent with her appointment, the Board considered that the granting of options to Ms Coonan with appropriate hurdles was an appropriate means of remuneration.

### **7.2. ASX Listing Rule information required**

The specific information required under ASX listing rule 10.13 is as follows:

The name of the recipient is the Honourable Helen Coonan. Ms Coonan falls within Listing Rule category 10.11.1, being a Related Party to the company, as a Director of HGL Ltd.

If approved by shareholders at the AGM, Ms Coonan will be granted options to acquire one million (1,000,000) Ordinary Shares, with 500,000 options exercisable at 45 cents per share, and 500,000 options exercisable at 50 cents per share. The options will be issued to Ms Coonan on 2 March 2020.

Funds raised by the exercise of the options will be used toward investing in the strategic initiatives in place within the group at the point of exercise, including potentially operating expenditure, capital expenditure and / or acquisitions..

The options are being issued to Ms Coonan as part of her remuneration for undertaking and fulfilling the duties as Chair of the Board. Excluding the options the subject of this resolution, Ms Coonan's total remuneration package is \$100,000, consisting of Directors Fees and Superannuation contributions.

### **7.3. Voting Exclusion Statement**

The Company will disregard any votes cast in favour of Item 7 by or on behalf of The Honourable Helen Coonan who participated in the issue, or any of her associates. However the Company will not disregard a vote if:

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

### **7.4. Directors' Recommendation**

The Directors (excluding The Honourable Helen Coonan) recommend that Shareholders vote in favour of this Resolution.

## **Item 8. Adoption of New Constitution**

In accordance with section 136(2) of the Corporations Act 2001 (Cth) the Company may replace its Constitution by special resolution of its shareholders. The Company's current constitution was adopted by the Company following receipt of Shareholder approval at the 2008 annual general meeting on 05 February 2008. It is proposed to adopt a new Constitution as there have been a number of developments in law, corporate governance principles and general corporate and commercial practice for ASX listed companies since that time. The new Constitution reflects current market practice and terminology. Many of the proposed changes are administrative or relatively minor in nature. The material differences between the current Constitution and the new Constitution are outlined below.

The current constitution is available from the Company's website [www.hgl.com.au/site/About-Us/corporate-governance](http://www.hgl.com.au/site/About-Us/corporate-governance)

### **8.1. Summary of Changes**

#### **8.1.1. Share capital and variation of class rights**

The Corporations Act requires that various aspects of the rights attaching to preference shares (such as voting and dividend rights) need to be either set out in the Company's constitution or otherwise approved by shareholders at a general meeting. The Company's current Constitution does not set out those specific rights. Accordingly, rule 6 of the new Constitution sets out the rights and rules attaching to preference shares. These rights include the right to convert the preference share into an ordinary share if and on the basis the Board resolves under the terms of issue, the right to receive a dividend at the rate or of the amount (which may be fixed or variable) that the Board resolves under the terms of issue and the right to participate equally with the ordinary shares in the distribution of profits (or other amounts) available for dividends if and on the basis the Board resolves under the terms of issue.

In accordance with the Corporations Act requirements, the preference share provisions in rule 6 of the new Constitution give greater certainty around the rights that could attach to preference shares in the event the Company considered it prudent to issue such shares in the future.

#### **8.1.2. Refusal to register transfers**

The existing Constitution provides the Directors may decline to register an instrument of transfer where the transfer is not in registrable form or the refusal to register the transfer is permitted under the ASX Listing Rules. Rule 25 of the new Constitution expands upon these reasons to include circumstances in which the registration of the transfer would create a new holding of Securities which, at the time of transfer, is less than a marketable parcel. The reasoning behind this level of discretion will be discussed under 8.1.3, the new provisions relating to unmarketable parcels of Securities.

#### **8.1.3. Unmarketable parcels of Securities**

The Company's current Constitution does not provide for the sale of unmarketable parcels of Securities. An 'unmarketable parcel' is a shareholding worth less than \$500 which, for a holder, may be difficult and/or expensive to sell. The cost of administration associated with shareholdings of this size can also be

burdensome. In order to reduce these administrative inefficiencies, the new Constitution will provide mechanisms under rules 76 and 77 to allow the Company to direct the sale of unmarketable parcels of Securities, with the proceeds of any sale to be paid to that selling Shareholder and with no brokerage to be paid by that individual. This mechanism is sanctioned by the ASX Listing Rules and is common among Australian listed companies.

HGL has no current plans to perform an unmarketable parcel sale process.

#### **8.1.4. Takeover approval provisions**

The Company's current Constitution does not include any takeover approval provisions. Rules 79 and 80 of the new Constitution deal with circumstances in which an offer is made to each Shareholder for a proportion of that Shareholder's Securities, being a proportional takeover bid. Rule 79 is designed to ensure Shareholders receive proper value for their Securities in this event. Under the Corporations Act, proportional bid takeover provisions will cease to have effect three years after the later of their adoption or last renewal. Rules 79 and 80 of the new Constitution must therefore be renewed at the 2022 AGM.

Under rule 79 of the new Constitution, the Company will have the discretion to refuse the transfer of shares giving effect to a proportional takeover bid until the proposed transfer has been approved by 50% of members at a general meeting of the Company. The inclusion of new Rules 79 and 80 allows Shareholders to decide whether a proportional takeover bid is acceptable in principle and assist in ensuring that any partial bid is appropriately priced. It also mitigates the risk of Shareholders being left as a minority in the Company and the likelihood of a bidder being able to acquire control of the Company without payment of an adequate premium.

#### **8.1.5. New escrow provisions**

The new Constitution provides that:

- a holder of restricted securities must not dispose of, or agree or offer to dispose of, the securities during the escrow period applicable to those securities except as permitted by the ASX Listing Rules or ASX;
- if the securities are in the same class as quoted securities, the holder will be taken to have agreed in writing that the restricted securities are to be kept on the Company's issuer sponsored subregister and are to have a holding lock applied for the duration of the escrow period applicable to those securities;
- the Company will refuse to acknowledge any disposal (including, without limitation, to register any transfer) of restricted securities during the escrow period applicable to those securities except as permitted by the ASX Listing Rules or ASX;
- a holder of restricted securities will not be entitled to participate in any return of capital on those securities during the escrow period applicable to those securities except as permitted by the ASX Listing Rules or ASX; and
- if a holder of restricted securities breaches a restriction deed or a provision of the Company's Constitution restricting a disposal of those securities, the holder will not be entitled to any dividend or distribution, or to exercise any voting rights, in respect of those securities for so long as the breach continues.

The above inclusions provide the constitutional support for ASX's modified escrow regime set out in the new ASX Listing Rule 15.12 that came into effect on 1 December 2019.

### **8.1.6. General updates**

Rules which were outdated have been removed to simplify the document and minimise the need for updates in the event of any legislative or regulatory change. The provisions of the Constitution have been amended to reflect changes in terminology now contained in the Corporations Act, the ASX Listing Rules and ASX Settlement Operating Rules.

### **8.2. Availability of New Constitution**

Prior to the Meeting, a copy of the New Constitution will be available for review by Shareholders at the Company's registered office during normal business hours. A copy of the New Constitution can also be sent to Shareholders of the Company upon a request being made to the Company on 02 8667 4660, or by email to [info@hgl.com.au](mailto:info@hgl.com.au).

A complete signed copy of the New Constitution will be tabled at the Meeting.

This resolution is a Special Resolution that can only be passed if at least 75% of the total votes cast by Shareholders entitled to vote on this Resolution are voted in its favour. If Shareholders vote in favour of this resolution, the New Constitution will operate from the date on which the special resolution is passed and will not affect the validity of acts or appointments under the existing Constitution.

### **8.3. Directors' Recommendation**

The Directors' recommend that Shareholders vote in favour of this Resolution.

## **Item 9. Spill Resolution (conditional item)**

Item 9 (Spill Resolution) is a contingent Resolution and will only be put to the Annual General Meeting and voted on if 25% or more of the votes cast on Item 2 are cast against the adoption of the Remuneration Report, which means the Company receives a 'second strike'. If less than 25% of votes cast are against the Remuneration Report at this Annual General Meeting, then there will be no 'second strike' and Item 9 will not be put to the Annual General Meeting.

If put forward to the Meeting, the Spill Resolution will be considered as an ordinary resolution. If this Spill Resolution is passed and becomes effective, then it will be necessary for the Board to convene a further general meeting of Shareholders (**Spill Meeting**) within 90 days of this Annual General Meeting in order to consider the composition of the Board.

### **9.1. Mechanics of potential Spill Meeting**

Shareholders should note the following if the Spill Resolution is approved and a Spill Meeting is required to be held by the Company:

- a) The following non-executive Directors would automatically cease to hold office at the end of the spill Meeting unless they are willing to stand for re-election and are re-elected at that meeting:
  - Mr Julian Constable
  - Mr Kevin Eley
  - Ms Cheryl Hayman\*
  - Mr Peter Miller\*

- The Honourable Helen Coonan\*

\*assumes that these directors are elected at the AGM under Item 3, Item 4 and Item 5.

The directors listed above are those who held office on 28 November 2019 when the directors' report (including the Remuneration Report) for the year ended 30 September 2019 was approved. Each of the listed non-executive directors would be eligible to seek re-election at any Spill Meeting. However, there is no assurance that any or all of them would do so.

- b) If Mr Peter Miller, Ms Cheryl Hayman and The Honourable Helen Coonan are elected at the AGM, they would still need to be re-elected at any spill meeting to remain in office after that time.
- c) If any directors were to be appointed before the spill meeting, they would not need to stand for election or re-election at the spill meeting to remain in office.
- d) Resolutions to appoint individuals to the offices that would be vacated immediately before the end of the spill meeting would be put to the vote at that meeting. Eligibility for election as a director at any spill meeting would be determined in accordance with the Company's Constitution.

For the spill resolution to be passed at the meeting, more than 50% of the votes validly cast on the resolution must be in favour of it.

The Corporations Act requires the company to have a minimum of three Directors Including at least two Directors who ordinarily reside in Australia). If, following the Spill Meeting, the Company has fewer than three Directors, then the persons with the highest percentage of votes in favour of their election at the Spill Meeting are taken to be an appointee, even if less than half the votes cast on the Resolution were in favour of their appointment. If two or more persons have the same percentage of votes in favour of their appointment, the other Directors will choose one of those persons as the appointed Director.

Sections 2.2 and 2.3 detail further information on milestones achieved by the Company since the last Meeting. In deciding how to vote on Item 9, the board suggests Shareholders take the following factors into account:

- Directors have listened and responded to the concerns put forward by stakeholders following the prior AGM, including the appointment of both a new Chair and a new CEO;
- Directors have revised the remuneration structures for Key Management Personnel, to better align the interests of management with the interests of shareholders;
- A successful spill motion would result in additional costs and disruption of the Company, its Board and Management through the requirement to hold an additional shareholder meeting;
- As the Company continues to target organic and acquisition based growth opportunities, a successful spill motion could bring uncertainty to management and potential partners regarding board stability and company direction; and
- The balance of skills, experience and diversity currently achieved may not be appropriately reflected in a board elected as a result of a Spill Meeting.

## 9.2. Voting Exclusion Statement

The Company will disregard any votes cast in favour of Item 9 by a Director of the Company or member of the Key Management Personnel whose remuneration details are included in the 2019 Remuneration Report, or an associate or a Closely Related Party of such member; regardless of the capacity in which the vote is cast.

However the Company will not disregard a vote if it is cast by a person as a proxy for a person who is entitled to vote, in accordance with the directions on the Proxy Form, 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 Proxy Form to vote as the proxy decides.

In addition, no KMP of the Company or a Closely Related Party of such a KMP may vote as a proxy on the proposed Item 9 unless the person votes as a proxy appointed by writing that specifies how the person is to vote on the proposed Item 9 or the person chairing the meeting votes as a proxy appointed by writing that authorises the chair to vote on the proposed Item 9 even though the resolution is connected directly or indirectly with the remuneration of KMP of the company.

### **9.3. Directors' Recommendation**

The Directors recommend that Shareholders vote **against** this Resolution.

### **9.4. Chair's Voting Intention**

The Chair of the Meeting intends to vote all available undirected proxies **against** Item 9.

## GLOSSARY

\$ means Australian Dollars.

**2018 Remuneration Report** means the remuneration report set out in the Directors' Report section of the Company's 2018 Annual Financial Report.

**2019 Annual General Meeting** means the annual general meeting of HGL Limited held on 20 February 2019.

**AEDT** means Australian Eastern Daylight Time as observed in Sydney, Australia.

**Annual Financial Report** means the 2019 Annual Report to Shareholders for the period ended 30 September 2019.

**Annual General Meeting** or **AGM** or **Meeting** means the meeting convened by the Notice.

**ASX** means ASX Limited ACN 008 624 691.

**ASX Listing Rules** means the Listing Rules of the ASX.

**ASX Principles** means the ASX Corporate Governance Principles and Recommendations (3rd edition).

**Auditor's Report** means the auditor's report of Deloitte Touche Tohmatsu as included in the Annual Financial Report.

**Board** means the current board of directors of the Company.

**Closely Related Party** has the meaning as defined in section 9 of the Corporations Act.

**Company** means HGL Limited (ACN 009 657 961).

**Constitution** means the Company's Constitution.

**Corporations Act** means the *Corporations Act 2001* (Cth).

**Director** means a current director of the Company.

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

**Entitlement Time** means 7.00pm (AEDT) on 26 February 2020.

**Explanatory Notes** means the Explanatory Notes accompanying the Notice.

**Items** means the matters set out in the Notice, including the Resolutions or any one of them, as the context requires.

**Key Management Personnel** or **KMP** has the meaning as defined in section 9 of the Corporations Act.

**Meeting** means this annual general meeting.

**Notice** or **Notice of Meeting** or **Notice of Annual General Meeting** means this notice of annual general meeting and the explanatory notes accompanying the Notice and the Proxy Form.

**Ordinary Resolution** means a resolution that can only be passed if at least 50% of the total votes cast by Shareholders entitled to vote on the resolution are voted in its favour at the meeting.

**Proxy Deadline** means no later than 2.00pm (AEDT) on 26 February 2020.

**Proxy Form** means the proxy form accompanying the Notice.

**Remuneration Report** means the remuneration report set out in the Directors' Report section of the Company's Annual Financial Report.

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

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

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

**Shareholder** means a holder of a Share.

**Share Registry** means Computershare Investor Services Pty Ltd.

**Special Resolution** means a resolution that can only be passed if at least 75% of the total votes cast by Shareholders entitled to vote on the resolution are voted in its favour at the meeting.

**Spill Meeting** means a further general meeting of Shareholders convened within 90 days of this Annual General Meeting in order to consider the Spill Resolution.

**Spill Resolution** means the resolution put to Shareholders at the Spill Meeting to determine the composition of the Board.

**Spilled Directors** means HGL Directors who were in office when the first Strike was received.

**Strike** means more than 25% of the votes cast at an annual general meeting for a remuneration report were a 'no'.



HGL Limited  
ABN 25 009 657 961

## Need assistance?



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



**Online:**  
[www.investorcentre.com/contact](http://www.investorcentre.com/contact)



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



## YOUR VOTE IS IMPORTANT

For your proxy appointment to be effective it must be received by 2:00pm (AEDT) Wednesday 26 February 2020.

# Proxy Form

## How to Vote on Items of Business

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

### APPOINTMENT OF PROXY

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

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

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

**A proxy need not be a securityholder of the Company.**

## SIGNING INSTRUCTIONS FOR POSTAL FORMS

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

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

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

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

## ATTENDING THE MEETING

**If you are attending in person, please bring this form with you to assist registration.**

### Corporate Representative

If a representative of a corporate securityholder or proxy is to attend the meeting you will need to provide the appropriate "Appointment of Corporate Representative" prior to admission. A form may be obtained from Computershare or online at [www.investorcentre.com](http://www.investorcentre.com) under the help tab, "Printable Forms".

## Lodge your Proxy Form:

**XX**

### Online:

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

Your secure access information is



**Control Number: 999999**  
**SRN/HIN: I9999999999**  
**PIN: 99999**

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

### By Mail:

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

### By Fax:

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



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

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

I ND

# 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 HGL 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 HGL Limited to be held at Computershare Investor Services Pty Ltd, Level 3, 60 Carrington Street, Sydney on Friday, 28 February 2020 at 2.00pm (AEDT) and at any adjournment or postponement of that meeting.

**Chairman authorised to exercise undirected proxies on remuneration related resolutions:** Where I/we have appointed the Chairman of the Meeting as my/our proxy (or the Chairman becomes my/our proxy by default), I/we expressly authorise the Chairman to exercise my/our proxy on Items 2, 6, 7 and 9 (except where I/we have indicated a different voting intention in step 2) even though Items 2, 6, 7 and 9 are connected directly or indirectly with the remuneration of a member of key management personnel, which includes the Chairman.

**The Chairman of the Meeting intends to vote undirected proxies in favour of each item of business with the exception of Item 9 where the Chairman of the Meeting intends to vote against.**

**Important Note:** If the Chairman of the Meeting is (or becomes) your proxy you can direct the Chairman to vote for or against or abstain from voting on Items 2, 6, 7 and 9 by marking the appropriate box in step 2.

## Step 2 Items of Business

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

Please Note: to fully inform shareholders in exercising their right to vote, please be aware that if the Chairman of the Meeting is appointed as your proxy (or becomes your proxy as default), the Chairman of the Meeting intends to vote available proxies in the manner set out beside each resolution. This reflects the recommendation of the Board.

	Board Recommendation	For	Against	Abstain
2 Remuneration Report	FOR	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
3 Re-election of Director – Mr Peter Miller	FOR	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
4 Re-election of Director – Ms Cheryl Hayman	FOR	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
5 Election of Director – The Honourable Helen Coonan	FOR	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
6 Adoption of the HGL Limited Employee Loan Funded Share Plan	FOR	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
7 Issue of Options to The Honourable Helen Coonan	FOR	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
8 Changes to the Constitution	FOR	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
<b>CONTINGENT BUSINESS</b> Note: Item 9 will only be considered at the meeting if the condition described in the Notice of Meeting is satisfied.				
9 Spill Resolution (conditional item)	AGAINST	<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 with the exception of Item 9 where the Chairman of the Meeting intends to vote against. In exceptional circumstances, the Chairman of the Meeting may change his/her voting intention on any resolution, in which case an ASX announcement will be made.

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

Individual or Securityholder 1  Securityholder 2  Securityholder 3  / /  
 Sole Director & Sole Company Secretary Director Director/Company Secretary Date

**Update your communication details** (Optional)

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

