

AUB Group Limited
Level 14, 141 Walker Street,
North Sydney NSW 2060
ACN: 000 000 715

<https://www.aubgroup.com.au/>



AUB Group Limited

Notice of 2023 Annual General Meeting Explanatory Statement

Thursday, 2 November 2023

10:00AM (AEDT)

Address

Allens
Level 28, Deutsche Bank Place
126 Phillip Street
(Corner Hunter & Phillip Streets)
Sydney NSW 2000

This Notice of Meeting should be read in its entirety. If shareholders are in doubt as to how they should vote, they should seek advice from their professional advisors prior to voting.

Chair's Message

Dear Shareholders,

2023 ANNUAL GENERAL MEETING

On behalf of the Board, I am pleased to invite you to attend the 2023 Annual General Meeting (**AGM**) of AUB Group Limited (**Company** or **AUB Group**), which has been scheduled as follows:

Thursday, 2 November 2023 at 10:00am (AEDT)

**Allens
Level 28, Deutsche Bank Place
126 Phillip Street
(Corner Hunter & Phillip Streets)
Sydney NSW 2000**

The AGM will be held as a physical meeting, and the Directors are pleased to be able to meet shareholders face to face once again.

The Notice of Meeting in the following pages details the business of the Meeting and, together with the Explanatory Statement, contains important information in relation to the matters to go before shareholders.

Even if you plan to attend the AGM, we encourage you to submit a directed proxy vote as early as possible so that your vote will be counted if for any reason you cannot attend on the day. Shareholders can lodge their proxy online at <https://investorcentre.linkgroup.com> or complete and return a hard copy proxy form by 10.00am (AEDT) on Tuesday, 31 October 2023. Hard copy proxy forms can be obtained by contacting the Company's share registry at registrars@linkmarketservices.com.au or 1800 194 270.

Shareholders are encouraged to submit questions ahead of the Meeting on any shareholder matters that may be relevant to the Meeting at <https://investorcentre.linkgroup.com>. Questions must be submitted by no later than 10.00am (AEDT) on Thursday 26 October 2023.

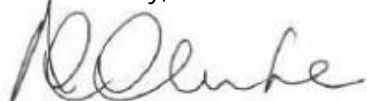
In the event that it is necessary for the Company to give further updates, information will be provided on the Company's website and lodged with the Australian Securities Exchange (**ASX**).

CLOSING

On behalf of the Board, I'd like to thank all our employees and partners for their contributions during the year. Another strong result in FY23 is testament to their effort, discipline, and commitment to the success of the business. I'd also like to acknowledge the ongoing support from our clients and shareholders who continue to place their trust in our business and look forward to further updating you on our progress.

I look forward to your participation at the Meeting.

Yours sincerely,



David Clarke
Chair

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Venue and Voting Information

The 2023 Annual General Meeting of AUB Group Limited will be held at 10:00am (AEDT) on 2 November 2023 at Allens, Level 28, Deutsche Bank Place, 126 Phillip Street (Corner Hunter & Phillip Streets), Sydney NSW 2000.

Your vote is important

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

Voting in person

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

Voting by proxy

To vote by proxy, please use one of the following methods:

Online	https://investorcentre.linkgroup.com Login to the Link website using the holding details as shown on the Proxy Form. Select 'Voting' and follow the prompts to lodge your vote. To use the online lodgement facility, Shareholders will need their "Holder Identifier" (Securityholder Reference Number (SRN) or Holder Identification Number (HIN)) as shown on the front of the Proxy Form. Please note that the online proxy facility is not suitable for shareholders wishing to appoint two proxies.
Mobile Device	Our voting website is designed specifically for voting online. You can now lodge your proxy by scanning the QR code adjacent or enter the voting link https://investorcentre.linkgroup.com into your mobile device. Log in using the Holder Identifier and postcode for your shareholding. To scan the code, you will need a QR code reader application which can be down loaded for free on your mobile device.
By post	AUB Group Limited, C/- Link Market Services Limited, Locked Bag A14, Sydney South NSW 1235, Australia
By fax	+61 2 9287 0309
By hand	Link Market Services Limited,* Parramatta Square, Level 22, Tower 6, 10 Darcy Street, Parramatta NSW 2150 * During business hours (Monday to Friday, 9:00am – 5:00pm)

Your Proxy instruction must be received by 10.00am AEDT on 31 October 2023 (which is not later than 48 hours before the commencement of the Meeting). **Proxy Forms received later than this time will be invalid.**

All shareholders who are entitled to participate in and vote at the AGM have the right to appoint a proxy to participate in the AGM and vote in their place. A proxy need not be a shareholder.

If you are entitled to cast two or more votes, you may appoint two proxies and you may specify the proportion or number of votes that each proxy is appointed to exercise. If your appointment does not specify the proportion or number of your voting rights, each proxy may exercise half your votes.

You can direct your proxy how to vote (i.e. to vote 'for' or 'against', or to 'abstain' from voting on, each resolution) by following the instructions on the Proxy Form.

Appointing the Chair as your Proxy

You may appoint the Chair of the AGM as your proxy. In addition, if:

- you have appointed a proxy (other than the Chair) and the proxy appointment specifies the way the proxy is to vote on the resolution; and
- your proxy is either not recorded as attending the Meeting or does not vote on the resolution;

the Chair will, before voting on the resolution closes, be taken to have been appointed as your proxy for the purposes of voting on that resolution and must vote in accordance with your written direction.

If you direct the Chair how to vote on an item of business, the Chair must vote in accordance with the direction. For proxies without voting instructions that are exercisable by the Chair, the Chair intends to vote all available proxies in favour of all items of business.

If you appoint the Chair as your proxy but do not direct the Chair on how to vote, then by completing and submitting your voting instructions you are expressly authorising the Chair to vote in favour of each item of business, even when an item of business is directly or indirectly connected to the remuneration of a member of the key management personnel of the Company.

Power of Attorney

If the proxy form is signed under a power of attorney on behalf of a shareholder, then the attorney must make sure that either the original power of attorney or a certified copy is sent with the proxy form, unless the attorney has already provided it to the Share Registry.

Corporate Representatives

If a representative of a corporate shareholder or a corporate proxy will be attending the Meeting, the representative should provide the Share Registry with adequate evidence of their appointment, unless this has previously been provided to the Share Registry.

Notice of Annual General Meeting

Notice is hereby given that an Annual General Meeting of shareholders of AUB Group Limited ACN 000 000 715 will be held at 10:00am (AEDT) on 2 November 2023 at Allens, Level 28, Deutsche Bank Place, 126 Phillip Street (Corner Hunter & Phillip Streets), Sydney NSW 2000.

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

The Directors have determined pursuant to Regulation 7.11.37 of the *Corporations Regulations 2001* (Cth) that the persons eligible to vote at the Annual General Meeting are those who are registered shareholders at 7:00pm (AEDT) on 31 October 2023.

Terms and abbreviations used in this Notice of Meeting and Explanatory Statement are defined in the Glossary.

Agenda

Ordinary business

Financial statements and reports

"To receive and to consider the Annual Financial Report of the Company for the financial year ended 30 June 2023 together with the Directors' Report and the Auditor's Report for that financial year."

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

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

Resolutions

Remuneration Report

1. **Resolution 1** – Adoption of Remuneration Report

To consider and, if thought fit, to pass the following resolution as an **Ordinary Resolution**:

"That, for the purposes of Section 250R(2) of the Corporations Act and for all other purposes, approval is given for the adoption of the Remuneration Report as contained in the Company's Annual Report for the financial year ended 30 June 2023."

Note: In accordance with the Corporations Act, this Resolution is advisory only and does not bind the Directors or the Company. However, the Board will take the outcome of the vote into consideration in future reviews of the remuneration policy for Key Management Personnel.

Voting Exclusion Statement: The Company will disregard any votes cast on Resolution 1:

- by or on behalf of a member of the Company's key management personnel (including the Directors) (**KMP**), whose remuneration details are included in the Remuneration Report, or any of their Closely Related Parties; or

- as a proxy by a person who is a member of the Company's KMP at the date of the meeting or their Closely Related Parties,
- unless the vote is cast as proxy for a person entitled to vote on Resolution 1;
- in accordance with a direction on the proxy form; or
 - by the Chair of the meeting pursuant to an express authorisation to exercise the proxy, even though the resolution is connected with the remuneration of KMP.

Election of Directors

2. Resolution 2 – Election of Richard Deutsch as Director

To consider and, if thought fit, to pass the following resolution as an **Ordinary Resolution**:

"That Richard Deutsch, who, in accordance with the Company's Constitution, retires from office and, being eligible, offers himself for election, be elected as a Director of the Company."

3. Resolution 3 – Election of Andrew Kendrick as Director

To consider and, if thought fit, to pass the following resolution as an **Ordinary Resolution**:

"That Andrew Kendrick who, in accordance with the Company's Constitution, retires from office and, being eligible, offers himself for election, be elected as a Director of the Company."

Issue of Performance Share Rights under Long Term Incentive Plan

4. Resolution 4 – Approval of Issue of Performance Share Rights to Michael Emmett, Director of the Company under the Company's Long Term Incentive Plan

To consider and, if thought fit, to pass the following resolution as an **Ordinary Resolution**:

"That, for the purposes of ASX Listing Rule 10.14 and for all other purposes, the shareholders of the Company approve the grant of 69,989 Performance Share Rights to Michael Emmett, CEO and Managing Director of the Company under the Company's Long Term Incentive Plan, on the terms and conditions set out in the Explanatory Statement which accompanies and forms part of this Notice of Meeting."

Voting Exclusion Statement: The Company will disregard any votes cast on Resolution 4:

- in favour of the resolution by or on behalf of Mr Emmett or any of his associates, regardless of the capacity in which the vote is cast; or
- as a proxy by a person who is a member of the Company's KMP at the date of the meeting or their Closely Related Parties,

unless the vote is cast on Resolution 4:

- as proxy or attorney for a person entitled to vote on the resolution in accordance with a direction given to the proxy or attorney to vote on the resolution in that way; or
- as proxy for a person entitled to vote on the resolution by the Chair of the meeting pursuant to an express authorisation to exercise the proxy as the Chair decides; or
- 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.

Placement Capacity Refresh

5. Resolution 5 – Placement Capacity Refresh (Prior Issue of Institutional Placement Shares)

To consider and, if thought fit, to pass the following resolution as an **Ordinary Resolution**:

“That, for the purposes of ASX Listing Rule 7.4 and for all other purposes, the shareholders approve and ratify the prior allotment and issue of 6,250,000 Shares issued on 24 May 2023 and otherwise on the terms and conditions set out in the Explanatory Statement which accompanies and forms part of this Notice of Meeting.”

Voting Exclusion Statement: The Company will disregard any votes cast in favour of Resolution 5 by or on behalf of:

- (a) a person who participated in the issue or is a counterparty to the agreement being approved; or
- (b) an Associate of that person or those persons.

However, this does not apply to a vote cast in favour of Resolution 5 by:

- (i) a person as proxy or attorney for a person who is entitled to vote on the Resolution, in accordance with directions given to the proxy or attorney to vote on the Resolution in that way; or
- (ii) the Chair of the Meeting as proxy or attorney for a person who is entitled to vote on the Resolution, in accordance with a direction given to the Chair to vote on the Resolution as the Chair decides; or
- (iii) 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.

Renewal of Proportional Takeover Approval Provisions

6. Resolution 6 – Renewal of Proportional Takeover Approval Provisions

To consider and, if thought fit, to pass the following resolution as a **Special Resolution**:

“That, for the purposes of section 648D of the Corporations Act and for all other purposes, the proportional takeover approval provisions in Schedule 5 of the Company’s Constitution be renewed with effect from the close of the Meeting.”

BY ORDER OF THE BOARD

A handwritten signature in black ink that reads "Elizabeth McGregor". The signature is written in a cursive, flowing style.

Elizabeth McGregor
Joint Company Secretary
29 September 2023

Explanatory Statement

This Explanatory Statement has been prepared for the information of shareholders in connection with the business to be conducted at the Annual General Meeting to be held at 10:00am (AEDT) on Thursday 2 November 2023 at Allens, Level 28, Deutsche Bank Place, 126 Phillip Street (Corner Hunter & Phillip Streets), Sydney NSW 2000.

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

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

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

Agenda

Ordinary business

Financial statements and reports

In accordance with the Constitution and the Corporations Act, the business of the Annual General Meeting will include receipt and consideration of the Annual Financial Report of the Company for the financial year ended 30 June 2023 together with the Directors' Report and the Auditor's Report.

The Company's Annual Financial Report can be found on its website at <https://www.aubgroup.com.au/>.

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

The Company's Auditor will be present at the Meeting. During the discussion of this item, the Auditor will be available to answer questions on the:

- Conduct of the audit;
- Preparation and content of the Auditor's Report;
- Accounting policies adopted by the Company in relation to the preparation of the financial statements; and
- Independence of the Auditor in relation to the conduct of the audit.

Written questions of the Auditor

If you would like to submit a written question about the content of the Auditor's Report or the conduct of the audit of the Annual Financial Report, submit your question online at <https://investorcentre.linkgroup.com>.

Please note that all written questions must be received at least five business days before the Meeting, which is by 26 October 2023.

Resolutions

Remuneration Report

Resolution 1 – Adoption of Remuneration Report

In accordance with section 250R(2) of the Corporations Act, the Company is required to present to its shareholders the Remuneration Report which forms part of the Directors' Report.

The vote on the Resolution is advisory only and does not bind the Directors or the Company. The Remuneration Report is set out in the Company's Annual Report which is available on the Company's website at <https://www.aubgroup.com.au/>.

However, if at least 25% of the votes cast are against the adoption of the Remuneration Report at the AGM and at the 2024 Annual General Meeting (**2024 AGM**), the Company will be required to put to the vote a resolution (**Spill Resolution**) at the 2024 AGM to approve the calling of a further meeting (**Spill Meeting**). If more than 50% of shareholders vote in favour of the Spill Resolution, the Company must convene the Spill Meeting within 90 days of the 2024 AGM. All of the Directors who were in office when the 2024 Directors' Report was approved, other than the Managing Director, will (if desired) need to stand for re-election at the Spill Meeting.

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

Voting

Note that a voting exclusion applies to Resolution 1 in the terms set out in the Notice of Meeting.

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

Directors' recommendation

The Directors recommend that shareholders vote for this Resolution.

Election of Directors

Resolution 2 – Election of Richard Deutsch as Director

Article 6.3(j) of the Company's Constitution provides that a Director appointed by the Directors must retire at the next annual general meeting of the Company and is eligible for re-election. A Managing Director is exempt from this requirement.

ASX Listing Rule 14.4 also provides that each additional Director appointed during the year must not hold office (without re-election) past the next annual general meeting.

Richard Deutsch was appointed by the Directors as an additional Director of the Company on 3 November 2022 (at the conclusion of the 2022 AGM) and has since served as a Director of the Company.

Accordingly, under this Resolution, Richard Deutsch retires in accordance with Article 6.3(j) of the Company's Constitution, and being eligible, seeks election as a Director of the Company at this AGM.

Before appointing Richard Deutsch, the Company conducted appropriate checks into his background and experience and these checks did not reveal any information of concern.

The Board considers Richard Deutsch to be an independent Non-Executive Director.

Background and experience

Richard Deutsch is a Non-Executive Director of Bendigo & Adelaide Bank Limited, where he chairs the Board Audit Committee. He is the Chair of the Movember Foundation and Chair of the Stephenson Mansell Group. Previously, he was the Chief Executive Officer of Deloitte Australia from 2018 to 2021. Prior to the CEO role, Richard was the Managing Partner of the Audit & Advisory Practice and a member of the Global Audit & Advisory Leadership Team. Richard's career also includes more than 25 years working with PwC, including nine years on PwC's Australian executive. He holds a bachelor's degree in economics from the University of Sydney and is a Chartered Accountant and a Fellow of the Chartered Accountants Australia & New Zealand. Richard brings considerable experience in finance and domestic and international insurance auditing to the Board.

Richard is a member of the Board Audit & Risk, Nomination, and Remuneration & People Committees.

Directors' recommendation

The Directors (with Richard Deutsch abstaining) recommend that shareholders vote for this Resolution.

Resolution 3 – Election of Andrew Kendrick as Director

Article 6.3(j) of the Company's Constitution provides that a Director appointed by the Directors must retire at the next annual general meeting of the Company and is eligible for re-election. A Managing Director is exempt from this requirement.

ASX Listing Rule 14.4 also provides that each additional Director appointed during the year must not hold office (without re-election) past the next annual general meeting.

Andrew Kendrick was appointed by the Directors as an additional Director of the Company on 27 January 2023 and has since served as a Director of the Company.

Accordingly, under this Resolution, Andrew Kendrick retires in accordance with Article 6.3(j) of the Company's Constitution, and being eligible, seeks election as a Director of the Company at this AGM.

Before appointing Andrew Kendrick, the Company conducted appropriate checks into his background and experience and these checks did not reveal any information of concern.

The Board considers Andrew Kendrick to be an independent Non-Executive Director.

Background and experience

Andrew is the Chair of Everest Insurance Ireland (DAC) and was formerly a Non-Executive Director of Lloyd's of London, Lloyd's Market Association and Russian Reinsurance Co. He has more than 40 years' experience in the insurance industry in the UK, Europe and Bermuda. Andrew's executive career includes leadership positions with Chubb and Ace, culminating in the role of President & Chairman, Chubb European Group. He began his career at Sturge Syndicate 210, and held a number of senior underwriting positions with Ockham Underwriting. Andrew is a highly regarded leader in the Lloyd's, London Market and European insurance industry and brings strong knowledge, expertise, and relationships in the London Wholesale Insurance market to the Board.

Andrew is a member of the Board Audit & Risk, Nomination, and Remuneration & People Committees and serves as Chair of Tysers Insurance Brokers Limited.

Directors' recommendation

The Directors (with Andrew Kendrick abstaining) recommend that shareholders vote for this Resolution.

Issue of Performance Share Rights under Long Term Incentive Plan

Resolution 4 – Approval of Issue of Performance Share Rights to Michael Emmett, Director of the Company under the Company’s Long Term Incentive Plan

CEO remuneration

As part of the annual remuneration review cycle, and following the recent international expansion of AUB’s business, the Board undertook a review of the Group Executive remuneration framework to ensure competitiveness across its global markets, alignment to strategic priorities and effectiveness in retaining and attracting the leadership and talent it needs to drive business strategy and financial performance in the interests of shareholders,

Mr Emmett’s remuneration arrangements for FY24 as CEO and Managing Director (**CEO**) are set out as follows:

Fixed remuneration	\$1,250,000
Short Term Incentive (at target)*	\$1,000,000
Long Term Incentive Opportunity**	\$1,875,000
Total Target Remuneration	\$4,125,000

* Maximum Short-Term Incentive Opportunity for FY24 is capped at 150% of target STI award.

** Face value of LTI award. The FY24 LTI grant is subject to being approved by shareholders at the AGM.

Overview of the Long-Term Incentive Plan (LTIP)

AUB Group’s remuneration strategy and framework is based on a ‘pay for performance’ philosophy which supports sustainable value for shareholders, partners and our people.

The LTIP is used to attract, retain and motivate appropriately qualified and experienced executives who, on an individual basis, have the ability to impact AUB Group’s longer term financial performance.

Consistent with this policy, the Board believes that it is in shareholders’ interests to provide the CEO with an equity-based long-term incentive to ensure there is alignment between returns to shareholders and the rewards for the CEO.

Approval sought

Shareholder approval is being sought for the grant of 69,989 Performance Share Rights (**PSRs**) to Mr Emmett under the Company’s LTIP. Approval is being sought for all purposes, including for ASX Listing Rule 10.14, which requires that shareholder approval be obtained for the acquisition of securities by a director under an employee incentive scheme.

Specific terms of the CEO’s LTIP grant

The Board proposes that the CEO be granted 69,989 PSRs under the LTIP for his 2024 award.

The Board has determined Mr Emmett’s long term incentive opportunity for the FY24 award is \$1,875,000 (**LTI Opportunity**), representing 150% of his fixed remuneration of \$1,250,000.

The actual number of PSRs to be granted to Mr Emmett was calculated by dividing the dollar value of his maximum LTI Opportunity (being \$1,875,000) by the VWAP of the Company's shares traded on the ASX over the 60 trading days prior to 1 July 2023 (being \$26.79), rounded down to the nearest whole number of PSRs.

Key terms of the LTIP and PSRs

The key terms of the PSRs to be granted to the CEO under the LTIP are outlined below.

Vesting Conditions and Performance Period	<p>PSRs will only vest to the extent that the vesting conditions are satisfied over the three year performance period, commencing on 1 July 2023.</p> <ul style="list-style-type: none"> 40% of PSRs are tested against an EPS hurdle 40% of PSRs are tested against a Relative TSR hurdle 20% of PSRs are tested against a Return on Invested Capital (ROIC) hurdle 										
EPS – 40% weighting	<p>The Earnings Per Share (EPS) vesting condition is measured by comparing the compound annual growth rate (CAGR) of the Underlying EPS from 1 July 2023 (the start of the performance period) to the Underlying EPS for the year ending 30 June 2026 (being the final year of the performance period).</p> <p>The percentage of PSRs that may vest is determined based on the following vesting schedule:</p> <table border="1"> <thead> <tr> <th>CAGR of Underlying EPS</th> <th>PSRs subject to EPS vesting condition that vests (%)</th> </tr> </thead> <tbody> <tr> <td>Less than 7%</td> <td>0%</td> </tr> <tr> <td>7%</td> <td>50%</td> </tr> <tr> <td>Greater than 7% to less than 12%</td> <td>Straight line vesting between 50% and 100%</td> </tr> <tr> <td>12% or more</td> <td>100%</td> </tr> </tbody> </table>	CAGR of Underlying EPS	PSRs subject to EPS vesting condition that vests (%)	Less than 7%	0%	7%	50%	Greater than 7% to less than 12%	Straight line vesting between 50% and 100%	12% or more	100%
CAGR of Underlying EPS	PSRs subject to EPS vesting condition that vests (%)										
Less than 7%	0%										
7%	50%										
Greater than 7% to less than 12%	Straight line vesting between 50% and 100%										
12% or more	100%										
Relative TSR – 40% weighting	<p>Total shareholder return (TSR) measures the percentage growth in the share price together with the value of dividends paid during the relevant three year performance period, assuming all dividends are reinvested into new securities.</p> <p>The Board approves a Peer Comparator Group and has the discretion to periodically review and adjust the composition of the Peer Comparator Group, including to take into account acquisitions, mergers, or other relevant corporate actions.</p> <p>The Peer Comparator Group comprises constituents of the S&P/ASX Small Ordinaries Industrials Index (AXSID), defined at the commencement of the performance period.</p> <p>For purposes of calculating the growth in AUB Group's share price over the performance period, the following opening and closing share prices will be used:</p> <ul style="list-style-type: none"> for the opening share price, the VWAP during the 60 trading days ending on the first day of the performance period, and for the closing share price, the VWAP during the 60 trading days ending on the last day of the performance period. <p>For any PSRs to vest pursuant to the Relative TSR vesting condition, AUB Group's compound TSR must be equal to or greater than the median ranking of constituents of the Peer Comparator Group.</p>										

The percentage of PSRs that may vest is determined based on the following vesting schedule:

AUB Group's TSR ranking relative to Peer Comparator Group	PSRs subject to Relative TSR vesting condition that vests (%)
Below the 50 th percentile	0%
50 th percentile	50%
Between the 50 th and 75 th percentile	Straight line vesting between 50% and 100%
At or above the 75 th percentile	100%

**ROIC –
20% weighting**

The ROIC vesting condition is measured based on the average annual return on invested capital (**ROIC**) achieved from 1 July 2023 (the start of the performance period) to 30 June 2026 (being the final year of the performance period).

ROIC in each year is calculated as EBITA Less Tax divided by Average Invested Capital, defined as follows:

EBITA Less Tax	Underlying NPAT plus interest expense related to external borrowings (net of interest received from operating bank accounts) as per consolidated financial statements after tax.
Invested Capital	The sum of equity attributable to equity holders of the parent plus interest-bearing loans and borrowings (excluding lease liabilities), less cash and cash equivalents not held in trust.
Average Invested Capital	(Invested Capital at financial year end + Invested Capital at previous financial year end)/2
3 year average ROIC	Simple average of ROIC in each of the 3 years of the performance period

The percentage of PSRs that may vest is determined based on the following vesting schedule:

3 year average ROIC	PSRs subject to ROIC vesting condition that vests (%)
Less than 11%	0%
11%	50%
Greater than 11% to less than 12%	Straight line vesting between 50% and 100%
12% or more	100%

Vesting

PSRs vest following testing by the Board at the end of the performance period. Prior to vesting, the outcome is assessed holistically against individual and Group performance to determine if any discretion to vary from formulaic results should apply.

The Board will have the discretion to exclude the impact of significant acquisitions or capital raisings that are considered in the best long-term interest of AUB if these occur within the final 12 months of the performance period. Any discretion applied will be disclosed.

If PSRs vest, the Board has discretion to issue new shares, acquire shares on-market or to cash settle to satisfy the PSRs that will vest.

The CEO receives one share for each PSR that vests or, if the Board determines, an equivalent cash payment.

There is no conversion price or exercise price payable for the conversion of the vested PSRs.

Holding Lock	There will be a holding lock for a period of one year from the date the PSRs vest and convert into Shares, during which period Mr Emmett will be restricted from dealing with any of the Shares allocated on vesting.
Eligibility for dividends	No dividend entitlements will accrue or be made on PSRs that do not vest. An amount (based upon dividends paid by AUB during the performance period) accrues on the PSRs and is paid in cash at the end of the performance period if the PSRs vest. Dividend entitlements will not result in any dividend payments on PSRs during the vesting period.
Voting rights	PSRs do not carry any voting rights. Shares allocated on vesting and conversion of PSRs carry the same dividend and voting rights as other Shares.
Cessation of employment	<p>If the CEO ceases employment before his PSRs vest, then the following treatment applies:</p> <ul style="list-style-type: none"> • if employment is terminated in accordance with Mr Emmett's employment agreement, without notice, for serious misconduct or by reason of illness, injury or incapacity of Mr Emmett, all unvested PSRs will automatically lapse; and • if employment is terminated with notice given by the Company or Mr Emmett, all unvested PSRs remain on foot and will be tested in the ordinary course.
Forfeiture and clawback	<p>The Board has broad 'clawback' powers to lapse PSRs in a number of circumstances, including in the event of fraud, dishonesty, gross misconduct, breach of duties or obligations, a material misstatement, error or omission in the financial report, or to prevent a participant being entitled to an inappropriate benefit.</p> <p>The clawback policy also permits clawback of any shares allocated on conversion of the PSRs as well as cash payments received on vesting and conversion of PSRs.</p>
Change of control event	<p>There is no automatic vesting of PSRs on a change of control. The Board has discretion to determine the appropriate treatment regarding PSRs in the event of a change of control.</p> <p>Where the Board does not exercise this discretion, there will be a pro-rata vesting of PSRs based on the proportion of the performance period that has passed at the time of the change of control event.</p>
Reorganisation	If any reorganisation (including consolidation, subdivision, reduction or return) of the issued capital of the Company is effected, PSRs may be adjusted in the manner required by the Listing Rules.
Restrictions on dealing/hedging	PSRs are not transferable and participants are prohibited from entering into hedging arrangements in respect of PSRs.
Participation in new and bonus issues	PSRs carry no entitlement to participate in new issues of Shares by the Company prior to the vesting and exercise of the PSRs. In the event of a bonus issue, PSRs will be adjusted in the manner required by the Listing Rules.

Other Information Required by ASX

The following information in relation to the issue of PSRs to Mr Emmett is provided to shareholders:

- (a) Michael Emmett is the only Director of the Company eligible to participate in the Company's equity incentive schemes. Mr Emmett falls within the requirements of Listing Rule 10.14.1 as he is a director of the Company. Any additional persons covered by Listing Rule 10.14 who become entitled to participate in an issue of securities under the scheme after the resolution is approved and who were not named in this Notice of Meeting will not participate until approval is obtained under that Listing Rule.
- (b) The Company uses PSRs because they create shareholder value and alignment between executives and ordinary shareholders but do not provide the executives with the full benefits of share ownership (such as dividend and voting rights) unless and until the PSRs vest.

- (c) The PSRs are being issued for nil consideration as they form part of Mr Emmett’s incentive arrangements.

The following securities have previously been issued to Mr Emmett for nil consideration under the LTIP:

Date of Issue	Type of Securities	Number of Securities
19 December 2019	5 year PSRs	200,000
19 December 2019	3 year PSRs	76,029
18 December 2020	3 year PSRs	78,795
11 November 2021	3 year PSRs	53,277
2 September 2022	STI PSRs	16,009
29 March 2023	3 year PSRs	52,576
1 September 2023	STI PSRs	12,276
	Total PSRs	488,962
11 November 2021	Share Appreciation Rights	508,388

- (d) There are no loans applicable for the PSRs.
- (e) The PSRs will be issued within 12 months from the date of this Meeting, if approved by shareholders of the Company.
- (f) If shareholder approval is not obtained, the Board will consider alternative arrangements to appropriately remunerate and incentivise Mr Emmett.
- (g) Details of any securities issued under the scheme will be published in the annual report of the Company relating to the period in which they were issued, along with a statement that approval for the issue was obtained under Listing Rule 10.14.

Directors’ recommendation

The Directors (with Michael Emmett abstaining) recommend that shareholders vote for this Resolution.

Placement Capacity Refresh

Resolution 5 – Placement Capacity Refresh (Prior Issue of Institutional Placement Shares)

Background

The Company issued 6,250,000 Shares pursuant to the fully underwritten institutional placement announced by the Company to ASX on 18 May 2023 (**Institutional Placement**), utilising the Company's placement capacity under Listing Rule 7.1.

ASX Listing Rules 7.1 and 7.4

This Resolution proposes that shareholders of the Company approve and ratify the prior issue and allotment of 6,250,000 Shares (**Institutional Placement Shares**) which were issued on 24 May 2023 (**Issue Date**).

All of the Institutional Placement Shares were issued by utilising the Company's existing capacity under Listing Rule 7.1.

Broadly speaking, and subject to a number of exceptions, Listing Rule 7.1 limits the amount of equity securities that a listed company can issue or agree to issue without the approval of its shareholders over any 12 month period to 15% of the fully paid ordinary securities it had on issue at the start of that period.

The issue of the Institutional Placement Shares did not fit within any of the exceptions to Listing Rule 7.1 and, as it has not been approved by the Company's shareholders, it uses up part of the 15% limit in Listing Rule 7.1, reducing the Company's capacity to issue further equity securities without shareholder approval under Listing Rule 7.1 for the 12 month period following the Issue Date.

Listing Rule 7.4 allows the shareholders of a listed company to approve an issue or agreement to issue of equity securities after it has been made or agreed to be made. If they do, the issue or agreement to issue is taken to have been approved under Listing Rule 7.1 (provided that the issue or agreement to issue did not breach Listing Rule 7.1) and so does not reduce the company's capacity to issue further equity securities without shareholder approval under Listing Rule 7.1.

The Company wishes to retain as much flexibility as possible to issue additional equity securities into the future without having to obtain shareholder approval for such issues under Listing Rule 7.1.

To this end, this Resolution seeks shareholder approval to subsequently approve the prior issue of the Institutional Placement Shares for the purposes of Listing Rule 7.4.

If Resolution 5 is passed, the issue of the Institutional Placement Shares will be excluded in calculating the Company's 15% capacity to issue equity securities under Listing Rule 7.1 without shareholder approval over the 12 month period following the Issue Date.

If Resolution 5 is not passed, the issue of the Institutional Placement Shares will be included in calculating the Company's 15% capacity to issue equity securities under Listing Rule 7.1 without shareholder approval over the 12 month period following the Issue Date.

Information Required by ASX Listing Rule 7.5

The following information is provided to shareholders in relation to the issue of the Institutional Placement Shares.

- (a) The Institutional Placement Shares were issued to Institutional Investors who were identified through a bookbuild process, which involved Macquarie Capital (Australia) Limited seeking expressions of interest to participate in the Institutional Placement from non-related parties of the Company. No investor who was issued with more than 1% of the

Company's issued capital under the Institutional Placement is:

- (i) a related party of the Company;
 - (ii) a member of the Company's key management personnel;
 - (iii) a substantial holder in the Company;
 - (iv) an adviser to the Company; or
 - (v) an associate of any of the above.
- (b) The Company issued 6,250,000 Shares.
- (c) The Shares were fully paid on issue and ranked equally in all aspects with all existing fully paid ordinary shares previously issued by the Company.
- (d) The Shares were issued on 24 May 2023.
- (e) Each of the Shares was issued at an issue price of \$24.00 per Share which raised \$150,000,000 (before costs).
- (f) Funds raised from the issue of the Shares were used by the Company to increase financial flexibility and balance sheet strength to allow the Company to capitalise on its attractive and value accretive bolt-on acquisition pipeline.
- (g) The Shares were issued pursuant to a placement agreement, the material terms of which were announced to ASX on 18 May 2023 and are as follows:
- (i) The lead manager and underwriter was Macquarie Capital (Australia) Limited;
 - (ii) The management fee was 0.4% of the Institutional Placement proceeds (ex-GST);
 - (iii) The Institutional Placement was fully underwritten; and
 - (iv) The underwriting fee was 1.6% of the Institutional Placement proceeds (ex-GST).

Directors' recommendation

The Directors recommend that shareholders vote for this Resolution.

Resolution 6 – Renewal of Proportional Takeover Approval Provisions

Background

Schedule 5 of the Company's Constitution contains provisions which prohibit the registration of transfers of shares acquired under a proportional takeover bid unless a resolution approving the bid is passed by the shareholders.

Under the Corporations Act, proportional takeover approval provisions expire three years from adoption or renewal and may then be renewed. The proportional takeover approval provisions were adopted at the Company's Annual General Meeting on 10 November 2020.

The Board is seeking shareholder approval to renew the proportional takeover approval provisions in the Constitution. If shareholders approve the renewal of the proportional takeover approval provisions, these provisions will have effect for a further three years.

Where the approval of shareholders is sought to insert or renew proportional takeover approval provisions in a constitution, the Corporations Act requires certain information to be included in the notice of meeting. This information is set out below.

Proportional takeover bid

A proportional takeover bid is one where the takeover bid made to each shareholder of a company is only for a proportion of that shareholder's shares.

This means that control of the company may pass without shareholders having the chance to sell all their shares to the bidder. The bidder may take control of the company without paying an adequate amount for gaining control.

To deal with this possibility, a company may provide in its constitution that if a proportional takeover bid is made for shares in the company, shareholders must vote on whether to accept or reject the offer and that decision will be binding on all shareholders. The benefit of the provision is that shareholders are able to decide collectively whether the proportional offer is acceptable in principle and it may ensure that any partial offer is appropriately priced.

Effect of provisions to be renewed

If a proportional takeover bid is made, the Directors must ensure that a resolution of shareholders to approve the takeover bid is voted on at least 14 days before the last day of the takeover offer period.

Each member has one vote for each fully paid share held. Each partly paid share carries a fraction of a vote, reflecting the amount paid up. The vote is decided on a simple majority. The bidder and its associates are not allowed to vote. If the resolution is not passed, transfers giving effect to takeover contracts for the bid will not be registered and the offer will be taken to have been withdrawn.

If the bid is approved (or taken to have been approved), the transfers must be registered if they comply with other provisions of the Corporations Act and the Company's Constitution.

The Directors breach the Corporations Act if they fail to ensure the approving resolution is voted on. However, if the resolution is not voted on, the bid will be taken to have been approved. This effectively means that shareholders may only prohibit a proportional takeover bid by passing a resolution rejecting the proportional takeover bid.

The proportional takeover approval provisions do not apply to full takeover offers and will only apply for three years after the date of renewal. The provisions may be renewed again by a special resolution of shareholders. Similar provisions are commonly found in the constitutions of other ASX listed companies and are regularly renewed.

Potential advantages and disadvantages

Since the current Constitution was adopted, there have been no full or proportional takeover bids for the Company and therefore the rule has not been activated. The Directors are not aware of any potential takeover bid that was discouraged by the proportional takeover provisions.

The provisions enable the Directors to ascertain the views of shareholders on a proportional takeover bid. Apart from this, there is no specific advantage for Directors (in their capacity as directors) in reinserting the proportional takeover provisions because they remain free to make their own recommendation on whether a proportional takeover bid should be approved or rejected.

The potential advantages of the proportional takeover approval provisions for shareholders of the Company include:

- (a) shareholders have the right to decide by majority vote whether an offer under a proportional takeover bid should proceed;
- (b) the provisions may help shareholders to avoid being locked in as a minority;
- (c) the bargaining power of shareholders is increased which may help ensure that any partial offer is adequately priced; and
- (d) knowing the view of the majority of shareholders may help each individual shareholder to assess the likely outcome of the proportional takeover offer and to decide whether to accept or reject that offer.

The potential disadvantages for shareholders of the Company include:

- (a) proportional takeover offers for securities in the Company may be discouraged;
- (b) shareholders may lose an opportunity of selling all or some of their securities at a premium;
- (c) the chance of a proportional takeover being successful may be reduced; and
- (d) the provisions may be considered to be an additional restriction on the ability of individual shareholders to deal freely in their shares.

The Board considers that the potential advantages for shareholders of the proportional takeover approval provisions outweigh the potential disadvantages. In particular, shareholders as a whole are able to decide whether or not a proportional takeover bid is successful.

No knowledge of present acquisition proposals

At the date of this notice, no Director is aware of a proposal by a person to acquire, or to increase the extent of, a substantial interest in the Company.

Directors' recommendation

The Directors recommend that shareholders vote for this Resolution.

Glossary

AEDT means Australian Eastern Daylight Time as observed in Sydney, New South Wales.

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

Annual Report means the 2023 Annual Report to shareholders for the period ended 30 June 2023 as lodged by the Company with ASX on 22 August 2023.

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

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

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

Auditor's Report means the auditor's report of Ernst & Young dated 22 August 2023 as included in the Annual Report.

Average Invested Capital means (Invested Capital at financial year end + Invested Capital at previous financial year end)/2.

Board means the current board of Directors of the Company.

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

CAGR means compound annual growth rate (expressed as a %).

Chair means the person chairing the Meeting.

Closely Related Party of a member of the KMP means:

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

Company or **AUB Group** means AUB Group Limited ACN 000 000 715.

Constitution means the Company's constitution.

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

Director means a current director of the Company.

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

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

EBITA Less Tax means Underlying NPAT plus interest expense as per consolidated accounts after tax.

EPS means underlying earnings per share.

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

Invested Capital means the sum of equity attributable to equity holders of the parent and interest-bearing loans and borrowings, less cash and cash equivalents not held in trust.

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

Notice of Meeting or **Notice of Annual General Meeting** means this notice of annual general meeting dated 29 September 2023 including the Explanatory Statement.

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.

Peer Comparator Group means Constituents of the S&P/ASX Small Ordinaries Industrials Index (AXSID), defined at the commencement of the performance period.

Performance Share Right means a security which, subject to vesting, is a right to receive one fully-paid ordinary share in AUB Group (or at the Board's discretion, an equivalent cash payment).

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

Relative TSR means AUB Group's compounded TSR measured against the ranking of constituents of the Peer Comparator Group.

Remuneration Report means the remuneration report as set out in the Directors' Report.

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

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

Return on Invested Capital (ROIC) means a profitability or performance ratio that aims to measure the percentage return that AUB Group earns on invested capital.

Securities mean Shares and/or Performance Share Rights and/or Share Appreciation Rights (as the context requires).

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

Share Registry means Link Market Services Limited.

Shareholder means a holder of a Share.

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 the meeting that will be convened within 90 days of the 2024 AGM if a threshold of votes is cast against the adoption of the Remuneration Report at the Meeting and the 2024 AGM.

Spill Resolution means the resolution required to be put to shareholders at the 2024 AGM if a threshold of votes is cast against the adoption of the Remuneration Report at the Meeting and the 2024 AGM.

Trading Day has the meaning given to that term in ASX Listing Rule 19.12.

TSR means the percentage growth in the share price together with the value of dividends paid during the relevant three-year performance period, assuming all dividends are reinvested into new securities.

Underlying EPS means underlying earnings per share, being, in respect of any financial year, the Underlying NPAT divided by the weighted average number of shares on issue during the financial year.

Underlying NPAT means underlying net profit after tax, being, in respect of any financial year, the consolidated net profit after tax of AUB Group for that year excluding fair value adjustments to the carrying values of associates, profit on sale of entities and assets or deconsolidation of controlled entities, contingent consideration adjustments, impairment charges, amortisation of intangibles and acquisition costs. Other adjustments to the Underlying NPAT calculation may be made in limited circumstances where the Board considers it to be appropriate.

VWAP means the volume weighted average price of Shares traded on ASX.