

## Annual General Meeting Resolution 4 – Notes for Shareholders

AUB Group Limited (**AUB** or the **Company**) provides the following notes for shareholders regarding the Annual General Meeting (**AGM**) on 2 November 2023.

The notes provide information to assist shareholders in considering Resolution 4, Approval of Issue of Performance Share Rights to Mike Emmett, CEO & Managing Director (**CEO**), under the Company's Long Term Incentive (**LTI**) Plan.

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.

1. The FY24 LTI grant will be tested against 3 vesting conditions:
  - 40% against an underlying EPS hurdle,
  - 40% against a Relative TSR hurdle, and
  - 20% against ROIC hurdle.
2. On 22 August 2023 AUB guided the market to FY24 UNPAT in the range of AUD154 to 164mn.
3. Using this UNPAT range implies the following FY24 EPS growth rates using 108.4mn shares on issue<sup>1</sup>:
  - Low end 9.9%
  - Middle 13.4%
  - High end 17.0%
4. For the EPS portion of the FY24 LTI award to vest fully at the end of FY26, a further 11.3% compound EPS growth would be required in both FY25 & FY26 if the scenario of using the mid-point of the FY24 guidance range at 13.4% EPS growth was assumed.
5. The 11.3% required in both FY25 & FY26 under the previous scenario can be considered against the Company's historic 3 year CAGR EPS growth as shown in the table below.
6. Note AUB's FY23 3 year EPS growth rate of 22.3% benefited materially from an accretive contribution from the transformational Tysers acquisition.

<sup>1</sup> (108.4mn shares on issue at 30 June 2023 see Annual Report Note 20).

Year	3 year CAGR EPS growth
2017	1.5%
2018	4.0%
2019	3.8%
2020	4.6%
2021	9.4%
2022	13.7%
2023	22.3%

### Additional Information

1. The LTI framework and structure received overwhelming shareholder support at the Company's General Meeting held on 28 March 2023, with 99.8% of shareholders voting in favour of the LTI framework and structure.
2. The FY24 LTI performance targets take into account market expectations arising from the Tysers' acquisition. The Tysers acquisition has made a significantly accretive contribution to the Company's EPS and has lifted the base for the LTI Plan. The Board believes management deserves credit for the acquisition.
3. The Board believes the LTI measures create an incentive framework that is fair to management, and is aligned with the interests of shareholders. Annual compound EPS growth of 12%, annual return on invested capital (**ROIC**) of 12%, and top quartile comparative shareholder returns against an appropriate index are comprehensive and demanding hurdles.
4. Prior LTI vesting outcomes have been consistent with total shareholder return outcomes for investors.

The Directors (with Mike Emmett abstaining) recommend shareholders vote in favour of Resolution 4.