

# Notice of Annual General Meeting and Explanatory Memorandum

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Date of Meeting: Friday 4 November 2016

Time of Meeting: 11:00 am (Brisbane time)

Place of Meeting: Emporium Hotel, 1000 Ann Street, Fortitude Valley, Brisbane QLD

## Notice of Annual General Meeting

### Collection House Limited ABN 74 010 230 716

Notice is hereby given that the Annual General Meeting of the Shareholders of Collection House Limited (the **Company**) will be held at the Emporium Hotel, 1000 Ann Street, Fortitude Valley, Brisbane QLD on Friday 4 November 2016 at 11:00 am (Brisbane time).

### Agenda

#### Ordinary Business Financial Reports

To receive and consider the Company's 2016 Annual Report comprising:

- (a) the financial report;
- (b) the Directors' report; and
- (c) the auditor's report,

for the financial year ending 30 June 2016.

#### Resolution 1 – Remuneration Report – non binding advisory Resolution

1. To consider and, if thought fit, pass the following Resolution as an advisory Resolution:

"That, for the purposes of section 250R(2) of the Corporations Act and for all other purposes, the Remuneration Report for the year ended 30 June 2016 (as set out on pages 36 to 50 of the Directors' Report section of the Annual Report) is adopted."

This Resolution is advisory only and does not bind the Directors or the Company.

This Resolution is subject to voting exclusions as set out at the end of this Notice.

#### Resolution 2 – Re-election of Mr Philip Arthur Hennessy as Director

2. To consider and, if thought fit, pass the following Ordinary Resolution:

"That Mr Phillip Arthur Hennessy, who retires by rotation in accordance with Article 17.1 of the Company's Constitution and, being eligible, offers himself for re-election, be re-elected as a Director of the Company."

#### Resolution 3 – Re-election of Mr Leigh George Berkley as Director

3. To consider and, if thought fit, pass the following Ordinary Resolution:

"That Mr Leigh George Berkley, who retires in accordance with Article 16.4(b) of the Company's Constitution and, being eligible, offers himself for re-election, be re-elected as a Director of the Company."

#### Resolution 4 – Re-election of Mr Lev Mizikovsky as Director

4. To consider and, if thought fit, pass the following Ordinary Resolution:

"That Mr Lev Mizikovsky, who retires in accordance with Article 16.4(b) of the Company's Constitution and, being eligible, offers himself for re-election, be re-elected as a Director of the Company."

#### Resolution 5 – Approval of Performance Rights Plan

5. To consider and, if thought fit, pass the following Ordinary Resolution:

"That for the purposes of ASX Listing Rule 7.2 (exception 9(b)) and for all other purposes, the Shareholders approve the issue of securities under the Collection House Limited Performance Rights Plan approved by the Board on 16 September 2016, as an exception to Listing Rule 7.1."

**Note:** In accordance with Listing Rule 7.2 (exception 9(b)), a summary of the PRP is set out in the Explanatory Memorandum.

This Resolution is subject to voting exclusions as set out at the end of this Notice.

### General Business

To deal with any other business that may be lawfully brought forward in accordance with the Company's Constitution and the Corporations Act.

### Notes

#### Voting Entitlements

Pursuant to Regulation 7.11.37 of the Corporations Regulations, the Directors have determined that the shareholding of each Shareholder for the purpose of ascertaining the voting entitlements for the Annual General Meeting will be as it appears in the Company's Share Register at 7:00 pm AEST on Wednesday 2 November 2016.

#### How to Vote

You may vote by attending the Annual General Meeting in person, by proxy or by authorised representative. If you intend to vote by proxy, in order to be valid, online proxies and proxy forms must be received no later than 11.00am (Brisbane time) on Wednesday 2 November 2016.

##### (a) Voting in Person

To vote in person, attend the Annual General Meeting on the date and at the place set out above. Members who are a body corporate are able to appoint representatives to attend and vote at the Meeting under section 250D of the Corporations Act. If a representative of a company is appointed, a "Certificate of Appointment of Corporate Representative" should be produced prior to the Meeting. A form of the certificate may be obtained from the Company's Share Registry, Computershare Investor Services Pty Limited (**Computershare**), by contacting Computershare (details on the enclosed proxy form).

##### (b) Voting by Proxy

A member entitled to attend and vote at the Meeting is entitled to appoint a proxy to vote on their behalf. Where a member is entitled to cast two or more votes, they may appoint two proxies and may specify the proportion or number of votes each proxy is appointed to exercise. Where the appointment does not specify the proportion or number of votes each proxy may exercise, each proxy may exercise half of the votes. A proxy need not be a member of the Company.

The proxy form must be completed and, together with the power of attorney (if any) under which the proxy form is signed, lodged at the Company's Share Registry, Computershare, GPO Box 242, Melbourne, Victoria, 3001 Australia or faxed to 1800 783 447 (within Australia) and +61 3 9473 2555 (outside Australia).

Instructions on how to sign the proxy are set out on Page 1 of the enclosed proxy form. Online proxies and proxy forms must be received no later than 11.00am (Brisbane time) on Wednesday 2 November 2016 in accordance with the instructions contained in the proxy.

#### (c) Online Voting

To appoint a proxy online, visit [www.investorvote.com.au](http://www.investorvote.com.au) quoting the 6 digit control number which can be found on the front of your personalised proxy form (online voting).

Intermediary Online Subscribers (Custodians) may lodge their proxy instruction online by visiting [www.intermediaryonline.com](http://www.intermediaryonline.com).

Online voting is now mobile compatible so you can readily appoint a proxy straight from your smart phone\*. To do this, enter [www.investorvote.com.au](http://www.investorvote.com.au) directly into your smart phone and follow the instructions on your personalised proxy form, or by scanning the QR Code on the front of your proxy form. To scan the QR code you will have needed to download and installed a QR Code Scanner application for your smart phone.

\* Optimised for Apple iOS and Android devices.

### Voting Exclusion Statements

The Corporations Act and the ASX Listing Rules require that certain persons must not vote and Collection House Limited must disregard any votes cast by certain persons, on several of the Resolutions to be considered at the meeting.

#### *A vote on Resolution 1*

Voting exclusion pursuant to section 250R(4) of the Corporations Act and for all other purposes.

A vote on Resolution 1 must not be cast (in any capacity) by or on behalf of either of the following persons:

- (a) a member of the Key Management Personnel details of whose remuneration are included in the Remuneration Report;
- (b) a Closely Related Party of such a member.

However, the above persons may cast a vote on Resolution 1 if:

- (a) the person does so as a proxy;
- (b) the vote is not cast on behalf of a member of the Key Management Personnel details of whose remuneration are included in the Remuneration Report or a Closely Related Party of such a member; and
- (c) either:
  - 1. the person is appointed as a proxy by writing that specifies the way the proxy is to vote on the resolution; or
  - 2. the proxy is the chair of the meeting and the appointment of the chair as proxy:
    - (a) does not specify the way the proxy is to vote on the resolution; and
    - (b) expressly authorises the chair to exercise the proxy even if the resolution is connected directly or indirectly with the remuneration of a member of the Key Management Personnel for the Company or, if the Company is part of a consolidated entity, for the entity.

#### *A vote on Resolution 5*

Voting exclusion pursuant ASX Listing Rule 14.11 and for all other purposes.

The Company will disregard any votes cast on Resolution 5 by:

- (a) any Director of the Company who is eligible to participate in the Company's Performance Rights Plan; and
- (b) an associate of such a Director.

However, the Company need not disregard a vote if:

- (a) it is cast by a person as proxy for a person who is entitled to vote, in accordance with the directions on the proxy form; or
- (b) 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.

Voting exclusion pursuant to section 250BD of the Corporations Act and for all other purposes.

As Resolution 5 is a resolution connected directly or indirectly with the remuneration of a member of the Key Management Personnel for the Company (or, if the Company is a consolidated entity, for the entity), pursuant to section 250BD of the Corporations Act, a vote on Resolution 5 must not be cast by:

- (a) any member of the Key Management Personnel for the Company (or, if the Company is a consolidated entity, for the entity); or
- (b) a Closely Related Party of a member of the Key Management for the Company (or, if the Company is a consolidated entity, for the entity),

who is appointed as a Shareholder's proxy, on the basis of that appointment, where the Shareholder does not specify in writing the way the proxy is to vote on the resolution.

However, the Company need not disregard a vote if it is cast by the person chairing the Meeting as proxy for a person who is entitled to vote, where the Shareholder does not specify in writing the way the proxy is to vote on the resolution, if the appointment of the proxy expressly authorises the chair to exercise the proxy even if the resolution is connected directly or indirectly with the remuneration of a member of the Key Management Personnel for the Company (or, if the Company is a consolidated entity, for the entity).

Terms used in this Notice of Meeting are defined in the "Interpretation" section of the accompanying Explanatory Memorandum.

An Explanatory Memorandum accompanies and forms part of this Notice of Meeting. Certain terms used in this notice are defined in that Explanatory Memorandum.

All Shareholders should read the Explanatory Memorandum carefully. Shareholders who are in doubt regarding any part of the business of the Meeting should consult their financial or legal advisor for assistance.

By Order of the Board

#### **COLLECTION HOUSE LIMITED**

**Julie Tealby**  
**Company Secretary**  
28 September 2016

## Explanatory Memorandum

This Explanatory Memorandum is provided to Shareholders of the Company to explain the Resolutions to be approved by the Company's Shareholders at the Annual General Meeting which is to be held at the Emporium Hotel, 1000 Ann Street, Fortitude Valley, Brisbane QLD on Friday, 4 November 2016 at 11:00 am (Brisbane time).

The Directors recommend Shareholders read the accompanying Notice of Meeting and this Explanatory Memorandum in full before making any decision in relation to the Resolutions.

## Consideration of Company's 2016 Annual Report

Section 317 of the Corporations Act requires the financial report, the Directors' report and the auditor's report to be tabled at the Annual General Meeting. There is no requirement either in the Corporations Act or in the Constitution of the Company for Shareholders to approve the financial report, the Directors' report or the auditor's report. The Company's 2016 Annual Report is placed before the Shareholders for discussion. No voting is required for this item. Shareholders can obtain a copy of the Company's 2016 Annual Report by downloading a copy from the Company's website: [www.collectionhouse.com.au](http://www.collectionhouse.com.au).

## Resolution 1 – Remuneration Report

In accordance with section 250R of the Corporations Act, the Remuneration Report for the Company and its subsidiaries is submitted to the Meeting for adoption as an advisory resolution. The Remuneration Report is set out on pages 36 to 50 of the Directors' Report section of the Annual Report.

The vote on the Resolution is advisory only and does not bind the Directors or the Company.

The Remuneration Report outlines the Company's remuneration philosophy and practices, together with details of the specific remuneration arrangements that apply to Key Management Personnel being the Non-executive Directors and Executive Management Team (EMT) of the Company and the Group in accordance with the requirements of the Corporations Act.

Amongst other matters, the Remuneration Report details:

- the remuneration of Directors;
- the remuneration of the executives with the greatest authority for the strategic direction and management of the consolidated entity;
- any performance hurdles for the exercise of performance rights; and
- the reasons for the granting of any specific short and long-term incentives.

**Note:** For the purposes of calculating remuneration, salary and bonuses (including performance rights) are included.

## Use of Independent Remuneration Consultants

In performing its role, the Remuneration and Nomination Committee (Committee) may directly commission and receive information, advice and recommendations from independent, external advisers. This is done to ensure that the Group's remuneration packages are appropriate, reflect industry standards and will help achieve the objectives of the Group's remuneration strategy.

During the later half of FY15 the Committee engaged the services of Mercer Consulting (Australia) Pty Ltd (**Mercer**) to conduct a review of:

- fees paid to its Board Chairman and Non-executive Directors relative to a comparator group of Australian listed companies (**Comparator Group**) and propose recommendations on future Board fee structure; and
- remuneration paid to the members of the EMT relative to the Comparator Group and propose recommendations on the EMT members' remuneration levels and structure for the FY16 period.

Both Mercer and the Committee are satisfied the advice received from Mercer is free from undue influence from the EMT to whom the recommendations apply. The fees paid to Mercer for remuneration recommendations were Nil for the FY16 period (FY15 \$40,000). No other advisory services were provided by Mercer during FY16 (FY15 \$16,000).

To ensure that the remuneration recommendations were free from undue influence the Committee ensured the following arrangements were followed:

- Mercer was engaged by, and reported directly to, the Chair of the Committee. Any agreements for the provision of remuneration consulting services were executed by the Chair of the Committee under delegated authority on behalf of the Board.
- The report containing the remuneration recommendations was provided by Mercer directly to the Chair of the Committee.
- Mercer was permitted to speak to management throughout the engagement to understand company processes, practices and other business issues and obtain management perspectives. However, Mercer was not permitted to provide any member of management with a copy of their draft or final report that contained the remuneration recommendations.

Pursuant to section 250SA of the Corporations Act, the Chairman will allow a reasonable opportunity for the Shareholders to ask questions about, or make comments on, the Remuneration Report.

The Board unanimously recommends that Shareholders vote in favour of adopting the Remuneration Report.

## Resolution 2 – Re-election of Mr Philip Arthur Hennessy as Director

In accordance with the requirements of the Company's Constitution and the ASX Listing Rules, one-third of the directors of the Company (other than the managing director and excluding any director appointed since the last annual general meeting) and those who were re-elected more than three years ago retire from office at this AGM and, being eligible, offer themselves for re-election.

This Resolution seeks Shareholder approval of the re-election of Mr Hennessy, who retires by rotation in accordance with the Company's Constitution.

### Experience

Mr Hennessy was appointed to the Board of Collection House Limited on 22 August 2013 and elected a Director on 25 October 2013 at the annual general meeting.

Mr Hennessy was, until February 2013, Queensland Chair of KPMG, Chartered Accountants. After 12 years in that role and some 30 years being involved in all aspects of corporate insolvency and reconstruction, he retired from KPMG in July 2013.

As Queensland Chair of KPMG, he was responsible for the leadership of KPMG in the Queensland market. This role included operational efficiency, strategic direction, go to market strategy, engagement of KPMG's people, engagement with its clients and KPMG's connection to the community.

Mr Hennessy is currently a Director of Metro Mining Limited and a Director of Blue Sky Alternatives Access Fund Limited. He is also on a number of not-for profit organisations Board of Directors and advises a number of private companies.

The Board considers Mr Hennessy to be an Independent Non-executive Director and as at June 2016 he has served 3 years on the Board.

The Directors (with Mr Hennessy abstaining) support the re-election of Mr Hennessy and recommend that you vote in favour of this Ordinary Resolution.

### **Resolution 3 – Re-election of Mr Leigh George Berkley as Director**

Pursuant to Article 16.4(b) of the Company's Constitution, any Director who is appointed by the Board during the Reporting Period must retire, and is eligible for re-election, at the next following annual general meeting of the Company.

Mr Berkley was appointed a Director of the Company by the Board effective 1 July 2016 in accordance with the Company's Constitution.

Accordingly, Resolution 3 seeks Shareholder approval for the election of Mr Berkley, whose nomination for re-election as a Director of the Company has been received in accordance with Article 16.4 of the Company's Constitution and is recommended by the Board.

The Board considers that Mr Berkley qualifies as an Independent, Non-executive Director.

#### **Experience**

Mr Berkley has more than 25 years' experience in the collections and debt purchase industry, and is currently the President of the Credit Services Association (CSA) in the UK. He is a regular visitor to Australia, and assisted the Australian Collectors & Debt Buyers Association (ACDBA) develop the recently launched 'Code of Practice'.

Mr Berkley is currently the Director of External Affairs and Development of Arrow Global Group Plc, one of the UK's largest consumer debt purchasers and providers of receivables management solutions. Prior to this, he was the CEO and main shareholder of Tessera Credit Group, a debt purchaser and collection agency, which he led for over 16 years before successfully negotiating a sale of its assets to Arrow Global in December 2014. Mr Berkley is currently in his third year as President of the Credit Services Association (CSA), sits on a number of Government and industry advisory bodies, and regularly presents at conferences and trade body forums around the world.

The Directors (with Mr Berkley abstaining) support the election of Mr Berkley and recommend that you vote in favour of this Ordinary Resolution.

### **Resolution 4 – Re-election of Mr Lev Mizikovsky as Director**

Pursuant to Article 16.4(b) of the Company's Constitution, any Director who is appointed by the Board during the Reporting Period must retire, and is eligible for re-election, at the next following annual general meeting of the Company.

Mr Mizikovsky was appointed as a Director of the Company by the Board effective 1 July 2016 in accordance with the Company's Constitution.

Accordingly, Resolution 4 seeks Shareholder approval for the election of Mr Mizikovsky, whose nomination for re-election as a Director of the Company has been received in accordance with Article 16.4 of the Company's Constitution and is recommended by the Board.

The Board considers that Mr Mizikovsky qualifies as a non-independent, Non-executive Director.

#### **Experience**

Lev Mizikovsky is the founder of building company Tamawood Limited, and served as its Managing Director from 1989 to 1997 and then from 2003 to 2010. Tamawood listed on the ASX in August 2000, acquiring Dixon Homes in the same year. Mr Mizikovsky is a Non-executive Director of Tamawood Limited. Mr Mizikovsky is currently Non-executive Chairman of AstiVita Limited (AIR) and has been a Director of AstiVita since October 2009. Since 2015 Mr Mizikovsky has been a Director of Advanced Nano Technologies LTD (ANO) and is also a Non-executive Chairman of unlisted public software development company Resiweb LTD. Mr Mizikovsky is a Fellow of the Australian Institute of Company Directors and a major shareholder in a number of Queensland-based public companies including Collection House Limited and Lindsay Australia Limited.

The Directors (with Mr Mizikovsky abstaining) support the election of Mr Mizikovsky and recommend that you vote in favour of this Ordinary Resolution.

### **Resolution 5 – Approval of the Performance Rights Plan**

At the Company's 2013 annual general meeting, the Company's existing performance rights plan (**2013 PRP**) was approved by Shareholders for the purposes of ASX Listing Rule 7.2 (Exception 9(b)). In accordance with ASX Listing Rule 7.2 (Exception 9), that approval will shortly expire.

The 2013 PRP was prepared in accordance with ASIC Instrument [13-0337] (**ASIC Instrument**) which was substantially analogous to ASIC Class Order [CO 03/184] (**CO 03/184**) but prepared on the basis that uncertainty existed as to whether performance rights (as derivatives) fell under the scope of relief granted by CO 03/184. The ASIC Instrument provided relief from certain provisions of the Corporations Act relating to disclosure, on-sale and licensing. In October 2014, ASIC issued a new class order, ASIC Class Order 14/1000 (**CO 14/1000** or **Class Order**), which currently governs employee incentive schemes.

Unlike CO 03/184, CO 14/1000:

- extends (without requiring separate relief) to performance rights (referred to as "incentive rights");
- allows (without requiring separate relief) contractors and casual employees to participate in employee incentive schemes; and
- simplifies the calculation of the aggregate number of securities which may be issued by an entity under CO 14/1000 (as opposed to CO 03/184).

Similar to the 2013 PRP, the purpose of the 2016 Collection House Limited Performance Rights Plan (**Plan**) is to:

- assist in the reward, retention and motivation of Relevant Persons;
- align the interests of Relevant Persons with the interests of the Company's Shareholders;
- promote the long-term success of the Group and provide greater incentive for Relevant Persons to focus on the Group's longer term goals;
- link the reward of Relevant Persons to the performance of the Group and the creation of Shareholder value; and
- provide Relevant Persons with the opportunity to share in any future growth in value of the Company.

Shareholder approval of the Plan is therefore sought for all purposes under the Corporations Act and the ASX Listing Rules, including for the purpose of ASX Listing Rule 7.2 (Exception 9(b)).

ASX Listing Rule 7.1 requires a listed company to obtain shareholder approval prior to the issue of shares or securities convertible into shares, representing more than 15% of the issued capital of that company in any rolling 12 month period.

An exception to ASX Listing Rule 7.1 is set out in ASX Listing Rule 7.2 (Exception 9(b)), which provides that issues under an employee incentive scheme are exempt for a period of 3 years from the date on which shareholders approve the issue of securities under the plan as an exception to ASX Listing Rule 7.1.

Accordingly, Resolution 5 seeks Shareholder approval for the adoption of the Plan in accordance with Exception 9(b) of ASX Listing Rule 7.2 as an exception to ASX Listing Rule 7.1.

If Resolution 5 is passed, the Company will be able to issue Performance Rights (as equity incentives) under the Plan without impacting on the Company's ability to issue up to 15% of its total ordinary securities without Shareholder approval in any 12 month period. The Company will seek further Shareholder approval in accordance with the Corporations Act and the ASX Listing Rules prior to issuing any Performance Rights to Directors or their associates.

For the purposes of ASX Listing Rule 7.2 (Exception 9(b)):

- a summary of the key terms of the Plan are set out in Annexure A;
- no securities have been issued under the Plan since the date of the last approval (however, please see below for a breakdown of the number of securities issued under the 2013 PRP); and
- a voting exclusion statement accompanies this Notice of Meeting.

Under the 2013 PRP:

- 839,830 Performance Rights were issued in 2013 (of which 64,666 were exercised resulting in the issue of 64,666 shares due to an uncontrollable event and 775,164 lapsed);
- 680,184 Performance Rights were issued in 2014 (of which 91,252 performance rights are outstanding to be tested as at 30 June 2017); and
- 467,265 Performance Rights were issued in 2015 (of which 68,340 are outstanding to be tested as at 30 June 2018).

It is considered by the Directors that the adoption of the Plan and the future grant of Performance Rights under the Plan will provide selected employees with the opportunity to participate in the future growth of the Company.

A copy of the full terms and conditions of the Plan will be available on the Company's website [www.collectionhouse.com.au/corporate-governance](http://www.collectionhouse.com.au/corporate-governance).

The Board unanimously recommends that Shareholders vote in favour of this Ordinary Resolution.

## Interpretation

In this Notice of Meeting and Explanatory Memorandum:

**ASIC** means the Australian Securities and Investments Commission;

**ASIC Class Order** or **Class Order** or **CO 14/1000** means ASIC Class Order 14/1000 as amended or replaced;

**ASX** means the ASX Limited ABN 98 008 624 691;

**Board** means the board of directors of the Company;

**Chairman** means the chairman of the Company;

**Change of Control Event** means in relation to the Company:

- a takeover bid is made, the bidder obtains Voting Power in the Company of more than 50% and the takeover bid has become unconditional; or
- the court approves a scheme of arrangement under Part 5.1 of the Corporations Act which would have the effect, when implemented, of a person obtaining Voting Power of more than 50%; or
- any similar event which the Board determines, in its discretion, is a Change of Control;

**Closely Related Party** (as defined in the Corporations Act) of a member of the Key Management Personnel for an entity means:

- a spouse or child of the member; or
- a child of the member's spouse; or
- a dependant of the member or the member's spouse; or
- 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 entity; or
- a company the member controls; or
- a person prescribed by regulation under the Corporation Act for the purposes of the definition of closely related party under the Corporations Act;

**Company** means Collection House Limited ABN 74 010 230 716;

**Corporations Act** means the *Corporations Act 2001* (Cth) as amended from time to time;

**Corporations Regulations** means the Corporations Regulations 2001 (Cth) as amended from time to time;

**Directors** means directors of the Company;

**Eligible Participant** has the meaning given to that term in Annexure A;

**EMT** means the Executive Management Team of the Company;

**Employee** means an employee of the Company;

**Explanatory Memorandum** means this explanatory memorandum accompanying the Notice of Meeting;

**FY14** means the 2014 financial year for the Company, being the 12 month period ending 30 June 2014;

**FY15** means the 2015 financial year for the Company, being the 12 month period ending 30 June 2015;

**FY16** means the 2016 financial year for the Company, being the 12 month period ending 30 June 2016;

**Group** means the Company and its Subsidiaries;

**Key Management Personnel** or **KMP** has the definition given in the accounting standards as those persons having authority and responsibility for planning, directing and controlling the activities of the entity, directly and indirectly, including any director (whether executive or otherwise) of that entity;

**Listing Rules** or **LR** means the official listing rules of the ASX;

**Meeting** or **Annual General Meeting** means the Annual General Meeting of Shareholders to be held at the Emporium Hotel, 1000 Ann Street, Fortitude Valley Brisbane Queensland on 4 November 2016 at 11:00am (Brisbane time);

**Nominee** means a nominee of an Eligible Participant that is one of the Following:

- (a) an immediate family member of the Eligible Participant;
- (b) a company whose members comprise no persons other than the Eligible Participant or immediate family members of the Eligible Participant; or
- (c) a corporate trustee of a self-managed superannuation fund (within the meaning of the *Superannuation Industry (Supervision) Act 1993* (Cth)) where the Eligible Participant is a director of the trustee;

**Notice of Meeting** or **Notice** means the notice of meeting convening the Meeting and the Explanatory Memorandum;

**Officer** has the same meaning given to that term in Section 9 of the Corporations Act;

**Ordinary Resolution** means a resolution passed by more than 50% of the votes cast at a general meeting of shareholders by members entitled to vote on the resolution;

**Participant** means an Eligible Participant to whom Performance Rights have been granted under the Plan, or if an Eligible Participant renounces an offer under the Plan, a Nominee of the Eligible Participant to whom Performance Rights have been granted under the Plan;

**Performance Hurdles** means, in respect of a Performance Right, any condition set out in the offer which must be satisfied (unless waived in accordance with the Plan) before that Performance Right can be exercised or any other restriction on exercise of that Performance Right specified in the offer or in the Plan;

**Performance Right** means a right granted in accordance with the Performance Rights Plan;

**Plan** or **Performance Rights Plan** means the Collection House Limited Performance Rights Plan the subject of Resolution 5;

**Related Body Corporate** has the meaning given to that term in the Corporations Act;

**Relevant Person** means:

- (a) in respect of an Eligible Participant who is a Participant, that Eligible Participant; and
- (b) in respect of a Nominee who is a Participant, the Eligible Participant who appointed that Nominee;

**Reporting Period** means 1 July 2015 to 30 June 2016;

**Resolution** means a resolution to be proposed at the Meeting;

**Rules** means the rules of the Collection House Limited Performance Rights Plan as set out in the Plan.

**Severe Financial Hardship** means that the Relevant Person is suffering financial distress such that they may be seriously compromised in carrying out their duties, including as a result of a family tragedy, financial misfortune, serious illness, impacts of natural disaster and other serious or difficult circumstances;

**Share** means an ordinary fully paid share in the issued capital of the Company;

**Shareholder** means a holder of Shares in the Company;

**Special Circumstances** means:

- (a) a Relevant Person ceasing to be an Eligible Participant due to:
  - a. death or total and permanent disability of the Relevant Person; or
  - b. retirement or redundancy of the Relevant Person;
- (b) the Relevant Person suffering Severe Financial Hardship;
- (c) any other circumstances stated to constitute "Special Circumstances" in the terms of the relevant offer made to and accepted by the Participant; or
- (d) any other circumstances determined by the Board at any time (whether before or after the offer) and notified to the relevant Participant, which circumstances may relate to the Participant, the Relevant Person, a class of Participant (including the Participant), a class of Relevant Person (including the Relevant Person) or particular circumstances or class of circumstances applying to the Participant or Relevant Person;

**Subsidiary** has the meaning given to that term in the Corporations Act;

**Unvested Performance Right** means Performance Rights which are not yet exercisable in accordance with the Plan;

**Vested Performance Right** means Performance Rights which are immediately exercisable in accordance with the Plan;

**Voting Power** has the meaning given to that term in the Corporations Act.

Any inquiries in relation to the Resolutions or the Explanatory Memorandum should be directed to Mrs Julie Tealby, the Company Secretary:

PO Box 2247  
Fortitude Valley BC QLD 4006  
Australia  
Tel: +61 7 3017 3418  
Email: Julie.tealby@collectionhouse.com.au

## ANNEXURE A – SUMMARY OF PERFORMANCE RIGHTS PLAN

The key terms of the Plan are as follows:

- (a) The Board may from time to time in its absolute discretion make a written offer by way of an “offer document” in accordance with the Class Order, to apply for up to a specified number of Performance Rights (on the terms of the Plan), to any of the following persons:
  - i. a Director (whether executive or non-executive) of any Group Company;
  - ii. a full or part time employee of any Group Company;
  - iii. a casual employee or contractor of a Group Company to the extent permitted by the Class Order; or
  - iv. a prospective participant, being a person to whom the offer is made but who can only accept the offer if an arrangement has been entered into that will result in the person becoming an Eligible Participant under clauses (i), (ii) or (iii) above, (**Eligible Participants**).
- (b) Subject to paragraph (c) below, an offer is personal and is not assignable.
- (c) Upon receipt of an offer, an Eligible Participant may, by notice in writing to the Board, nominate a Nominee in whose favour the Eligible Participant wishes to renounce the offer. The Board may, in its discretion, resolve not to allow a renunciation of an Offer in favour of a Nominee without giving any reason for that decision.
- (d) Under the Plan, the Board may grant Performance Rights to Eligible Participants with effect from the date determined by the Board, upon the terms set out in the Plan and upon such additional terms and Performance Hurdles as the Board determines.
- (e) The Board will advise each Eligible Participant of the following minimum information regarding the Performance Rights:
  - i. the maximum number of Performance Rights that the Eligible Participant may apply for, or the formula for determining the number of Performance Rights that may be applied for;
  - ii. the maximum number of Shares that the Participant is entitled to in respect of each Performance Right or the formula for determining the maximum number of Shares;
  - iii. any applicable Performance Hurdles;
  - iv. when Unvested Performance Rights will expire (**Expiry Date**);
  - v. the date by which an offer must be accepted (**Closing Date**);
  - vi. whether the Performance Rights must be exercised in accordance with the provisions of the Plan or whether the Shares will be delivered automatically on vesting of the Performance Rights;
  - vii. any restrictions on the method of delivery of the Shares to be delivered in respect of any Performance Right, such as that the Shares must be acquired on market; and
  - viii. any other information required by law or the ASX Listing Rules or considered by the Board to be relevant to the Performance Rights or the Shares to be issued or transferred in respect of the Performance Rights.
- (f) Unless otherwise provided by the relevant offer, Performance Rights granted under the Plan will be issued for nil consideration.
- (g) Subject to paragraph (j) below, a Performance Right granted under the Plan will not vest and, if applicable, be exercisable unless the Performance Hurdles (if any) have been satisfied and the Board has notified the Participant of that fact.
- (h) A Performance Right lapses, to the extent it has not been exercised, on the earlier to occur of:
  - i. where the Performance Hurdles (if any) applicable to that Performance Right have not been satisfied on the Test Date, the date the Board makes a determination that the Performance Right will lapse;
  - ii. an unauthorised dealing in, or hedging of, the Performance Right occurring;
  - iii. in respect of Unvested Performance Rights only, a Relevant Person ceases to be an Eligible Participant, unless the Board:
    - a. exercises its discretion to vest the Performance Right in accordance with paragraph (j) below; or
    - b. in its absolute discretion, resolves to allow the Unvested Performance Rights to remain unvested after the Relevant Person ceases to be an Eligible Participant;
  - iv. in respect of Vested Performance Rights only, a Relevant Person ceases to be an Eligible Participant and the Performance Right granted in respect of that Relevant Person is not exercised within three months (or such later date as the Board determines and as may be extended pursuant to the Plan) of the date the Relevant Person ceases to be an Eligible Participant;
  - v. the Board deems that a Performance Right lapses due to improper behaviour of the Relevant Person;
  - vi. the Company undergoes a Change of Control Event or a winding up resolution or order is made (**Relevant Event**), and the Board does not exercise its discretion to vest the Performance Right in accordance with the Plan within three months of the Relevant Event; and
  - vii. the Expiry Date of the Performance Right.
- (i) Subject to the Corporations Act, the ASX Listing Rules, the Plan and any applicable offer, the Company will (at its election) issue to, or procure the transfer to, the Participant the number of Shares the Participant is entitled to be issued in respect of each vested Performance Right that is exercised. In the event that the issue or transfer of Shares on exercise of a Performance Right would otherwise fall within a blackout period, or breach the insider trading or takeover provisions of the Corporations Act, the Company may delay the issue or transfer of the Shares until 10 Business Days following the expiration of the blackout period or the day on which the insider trading or takeover provisions no longer prevent the issue or transfer of the Shares (as the case may be).

- (j) The Board may in its absolute discretion, by written notice to a Participant, resolve to:
- i. waive any Performance Hurdles (if any) attaching to a Performance Right (in which case, the Performance Right will become a Vested Performance Right); or
  - ii. determine that all, or a portion, of a Participant's Performance Rights will vest, due to:
  - iii. Special Circumstances arising in relation to a Relevant Person; or
  - iv. the Company passing a resolution for voluntary winding up, or an order is made for the compulsory winding up of the Company.
- (k) Upon the occurrence of a Change of Control Event:
- i. if the Performance Hurdles that apply to particular Unvested Performance Rights held by a Participant include specifications as to the time of vesting (**Non-Exercise Period**), then subject to paragraph (k)ii, a proportion of those Unvested Performance Rights will become Vested Performance Rights on a pro rata basis determined by the Board having regard to the number of days elapsed from the time of issue and the time at which vesting would otherwise have occurred;
  - ii. if, in addition to a Non-Exercise Period, other Performance Hurdles (**Performance Conditions**) apply to those Unvested Performance Rights, the Board, having regard to those Performance Conditions and the extent to which the likelihood that those conditions would have been satisfied can be estimated, may, subject to such terms and conditions as it decides, determine that:
    - a. a lesser number of the Unvested Performance Rights than would have vested under paragraph (k)i will vest and the Performance Conditions applicable to those Unvested Performance Rights are waived; or
    - b. the Performance Conditions applicable to the Unvested Performance Rights that would vest under paragraph (k)i are waived;
  - iii. if only Performance Conditions apply to Unvested Performance Rights, a proportion of those Unvested Performance Rights will become Vested Performance Rights:
    - a. subject to paragraph (k)iii.a, on a pro rata basis determined by the Board having regard to the number of days of the period in respect of which achievement of the Performance Condition is to be measured; and
    - b. provided that the Board may, having regard to those Performance Conditions and the extent to which the likelihood that those conditions would have been satisfied can be estimated and subject to such terms and conditions as it decides, determine that a lesser number of the Unvested Performance Rights than would have vested under subparagraph (k)iii. A will vest;
  - iv. the Board may in respect of a Participant and at its discretion waive Performance Hurdles and determine that more Unvested Performance Rights will become Vested Performance Rights than would otherwise be the case under paragraphs (k)i to (k)iii; and
  - v. where the Performance Rights are required to be exercised by a Participant, the Board may at its sole discretion and subject to such terms and conditions as it determines require that some or all of the Vested Performance Rights be exercised.
- (l) The Plan contains an overriding restriction on the offer, grant or exercise of Performance Rights and the issue or transfer of Shares if to do so:
- i. would contravene the Corporations Act, the ASX Listing Rules or any other applicable law; or
  - ii. would contravene the local laws or customs of the country of residence an Eligible Participant or Relevant Person (as the case may be) or in the opinion of the Board would require actions to comply with those local laws or customs which are impracticable.
- (m) The Plan is to be administered by the Board:
- i. who have the power to:
    - a. delegate the exercise of its power or discretions arising under the Plan to any one or more persons (including, but not restricted to, a committee or sub-committee of the Board, a related body corporate of the Company or a third party) for such period and on such conditions as the Board may determine; and
    - b. appoint or engage specialist service providers for the operation and administration of the Plan;
  - ii. who except as otherwise expressly provided in the Plan, have absolute and unfettered discretion:
    - a. in the exercise of any of its powers or discretions pursuant to the Plan or any Performance Rights under the Plan; and
    - b. to act, or refrain from acting, under or in connection with the Plan or any Performance Rights under the Plan.
  - iii. Any power or discretion which is conferred on the Board by the Rules must be exercised by the Board in the interests or for the benefit of the Company, and the Board is not, in exercising any power or discretion, under any fiduciary or other obligation to any other person.
  - iv. The Company may from time to time require an Eligible Participant to complete and return such other documents as may be required by law to be completed by that person, or such other documents which the Company considers should, for legal, taxation or administrative reasons, be completed by that person.
  - v. In the event of a dispute or disagreement as to the interpretation of the Plan, the Performance Rights, the Performance Hurdles or any other matter relating to the Plan in any way whatsoever, to make the final binding decision in respect of such matter which will be final, conclusive and binding upon all persons.

- (n) In the event of certain variations of the share capital of the Company, including a capitalisation, rights issue, bonus issue, sub-division, consolidation or reduction in share capital, a demerger (in whatever form) or other distribution in specie, the Board may amend the terms of the Performance Rights and the rights of the Participant to the extent necessary to comply with the Listing Rules at the time of the variation and make such adjustments as it considers appropriate under the Plan, in a manner consistent with the Corporations Act and the ASX Listing Rules. In the event that such an adjustment is made, the Board will give notice in writing of the adjustment to any Participant affected by it and, to the extent required, to the ASX.
- (o) The Company must have reasonable grounds to believe, when making an offer under the Plan, that the maximum number of Shares to be issued in respect of Performance Rights offered under an offer, when aggregated with the number of Shares issued or that may be issued as a result of other offers made in the previous 3 years under the Plan or any other employee incentive scheme or similar arrangement covered by the Class Order or an ASIC exempt arrangement of a similar kind to an employee incentive scheme, will not exceed 5% of the total number of Shares on issue at the date of the Offer.



Collection House Group  
ABN 74 010 230 716

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

### Lodge your vote:

**Online:**  
[www.investorvote.com.au](http://www.investorvote.com.au)

**By Mail:**  
Computershare Investor Services Pty Limited  
GPO Box 242 Melbourne  
Victoria 3001 Australia

Alternatively you can fax your form to  
(within Australia) 1800 783 447  
(outside Australia) +61 3 9473 2555

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

**For all enquiries call:**  
(within Australia) 1300 850 505  
(outside Australia) +61 3 9415 4000



## Proxy Form

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### Vote and view the annual report online

- Go to [www.investorvote.com.au](http://www.investorvote.com.au) or scan the QR Code with your mobile device.
- Follow the instructions on the secure website to vote.



### Your access information that you will need to vote:

**Control Number: 999999**

**SRN/HIN: I999999999**

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

**For your vote to be effective it must be received by 11:00am (Brisbane time) Wednesday 2 November 2016**

### How to Vote on Items of Business

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

#### Appointment of Proxy

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

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

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

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

### Signing Instructions for Postal Forms

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

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

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

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

### Attending the Meeting

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

**Comments & Questions:** If you have any comments or questions for the company, please write them on a separate sheet of paper and return with this form.

**GO ONLINE TO VOTE,  
or turn over to complete the form** →

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

**Change of address.** If incorrect, mark this box and make the correction in the space to the left. Securityholders sponsored by a broker (reference number commences with 'X') should advise your broker of any changes.



I 9999999999

I ND

# Proxy Form

Please mark  to indicate your directions

## STEP 1 Appoint a Proxy to Vote on Your Behalf

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I/We being a member/s of Collection House 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 Collection House Limited to be held at **the Emporium Hotel, 1000 Ann Street, Fortitude Valley, Brisbane QLD at 11:00am (Brisbane time) on Friday, 4 November 2016** and at any adjournment or postponement of that Meeting.

**Chairman authorised to exercise undirected proxies on remuneration related resolutions:** Where I/we have appointed the Chairman of the Meeting as my/our proxy (or the Chairman becomes my/our proxy by default), I/we expressly authorise the Chairman to exercise my/our proxy on **Resolutions 1 & 5** (except where I/we have indicated a different voting intention below) even though **Resolutions 1 & 5** are connected directly or indirectly with the remuneration of a member of key management personnel for the Company (which includes the Chairman) or if the Company is part of a consolidated entity, for the entity.

**Important Note:** If the Chairman of the Meeting is (or becomes) your proxy you can direct the Chairman to vote for or against or abstain from voting on **Resolutions 1 & 5** by marking the appropriate box in step 2 below. Unless you indicate otherwise by ticking either the 'For', 'Against' or 'Abstain' box, you will be authorising the Chairman to vote in accordance with the Chairman's voting intention.

## STEP 2 Items of Business

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

	For	Against	Abstain
Resolution 1 Remuneration Report	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Resolution 2 Re-election of Mr Philip Arthur Hennessy as Director	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Resolution 3 Re-election of Mr Leigh George Berkley as Director	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Resolution 4 Re-election of Mr Lev Mizikovsky as Director	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Resolution 5 Approval of Performance Rights Plan	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

Before completing your vote and returning by post, please consider using the preferred electronic voting option outlined on the front page of this form.

The Chairman of the Meeting intends to vote undirected proxies in favour of each item of business. In exceptional circumstances, the Chairman of the Meeting may change his/her voting intention on any resolution, in which case an ASX announcement will be made.

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

Individual or Securityholder 1

Sole Director and Sole Company Secretary

Securityholder 2

Director

Securityholder 3

Director/Company Secretary

Contact Name \_\_\_\_\_

Contact Daytime Telephone \_\_\_\_\_

Date / / \_\_\_\_\_