



# Notice of Annual General Meeting

Over the Wire Holdings Limited ACN 151 872 730

# Notice of Annual General Meeting

Over the Wire Holdings Limited ACN 151 872 730

Notice is given that the Annual General Meeting of Over the Wire Holdings Limited ACN 151 872 730 (**Company**) will be held at:

<b>Location</b>	McCullough Robertson, Level 11, 66 Eagle Street, Brisbane QLD 4000
<b>Date</b>	Thursday, 29 November 2018
<b>Time</b>	10:30am (Brisbane time)

## Ordinary Business

### Financial Statements and Reports

To consider and receive the financial report, the Directors' report and the auditor's report for the year ended 30 June 2018.

### Directors' Remuneration Report

To consider and, if in favour, pass the following resolution in accordance with section 250R(2) Corporations Act:

- 1 'That the Remuneration Report be adopted.'

Note: This resolution shall be determined under section 250R(2) Corporations Act. Votes must not be cast on this resolution by Key Management Personnel and closely related parties in contravention of section 250R or 250BD Corporations Act. Restrictions also apply to votes cast as proxy unless exceptions apply.

The Directors abstain, in the interests of corporate governance, from making a recommendation in relation to this resolution.

### Re-election of Brent Paddon

To consider and, if in favour, pass the following resolution as an ordinary resolution:

- 2 'That Brent Paddon, who retires by rotation in accordance with Listing Rule 14.4 and rule 19.3(b) of the Company's constitution, and being eligible, be re-elected as a Director of the Company.'

Note: Information about the candidate appears in the Explanatory Memorandum.

The Directors (with Brent Paddon abstaining) unanimously recommend that you vote in favour of this resolution.

## Special Business

### Approval of additional 10% capacity to issue shares under Listing Rule 7.1A

To consider and, if in favour, to pass the following as a special resolution:

- 3 'For the purposes of Listing Rule 7.1A and for all other purposes, Shareholders approve the Company having the additional capacity to issue equity securities up to 10% of the issued capital of the Company (at the time of issue) calculated in accordance with the formula prescribed in Listing Rule 7.1A.2 over a 12 month period from the date of the Annual General Meeting, at a price no less than that determined pursuant to Listing Rule 7.1A.3 and otherwise on the terms and conditions set out in the Explanatory Memorandum.'

The Directors unanimously recommend that you vote in favour of this resolution.

### **Approval of Performance Rights Plan**

To consider and, if in favour, to pass the following resolution as an ordinary resolution:

- 4 'That the purpose of Listing Rule 7.2, exception 9(b) and for all other purposes, the Company hereby approves the renewal of the Company's Performance Rights Plan, the terms and conditions of which are summarised in the Explanatory Memorandum.'

The Directors abstain, in the interests of corporate governance, from making a recommendation in relation to this resolution.

### **Approval of Employee Share Plan**

To consider and, if in favour, to pass the following resolution as an ordinary resolution:

- 5 'That the purpose of Listing Rule 7.2, exception 9(b) and for all other purposes, the Company hereby approves the renewal of the Company's Employee Share Plan, the terms and conditions of which are summarised in the Explanatory Memorandum.'

The Directors abstain, in the interests of corporate governance, from making a recommendation in relation to this resolution.

### **Renewal of proportional takeover approval provisions**

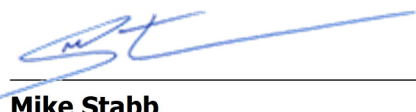
To consider and, if in favour, to pass the following resolution as a special resolution:

- 6 'That the proportional takeover approval provisions contained in rule 15 of the Company's constitution be granted effect for a further three years, effective on the day on which this resolution is passed.'

The Directors unanimously recommend that you vote in favour of this resolution.

Dated: 29 October 2018

By order of the Board



---

**Mike Stabb**  
Company Secretary

## Voting Exclusion Statement

### Corporations Act

Resolution 1 - The Company will disregard votes cast by 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, in contravention of section 250R or 250BD Corporations Act. Restrictions also apply to votes cast as proxy unless exceptions apply.

Resolutions 4 and 5 - The Company will disregard votes cast as proxy by Key Management Personnel or their closely related parties in contravention of section 250BD Corporations Act. The Company will also disregard votes cast by or on behalf of a related party of the Company to whom the resolution would permit a financial benefit to be given or an associate of such a related party in contravention of section 224 Corporations Act.

For the purposes of section 224 Corporations Act, the Company will not disregard a vote if:

- (a) it is cast by a person as a proxy appointed in writing that specifies how the proxy is to vote on the proposed resolution; and
- (b) it is not cast on behalf of a related party or associate of a related party of the Company to whom the resolution would permit a financial benefit to be given or an associate of such a related party.

### Listing Rules

In accordance with Listing Rule 14.11, the Company will disregard any votes cast in favour of the resolution by or on behalf of:

<b>Resolution 3 - Approval of additional capacity to issue shares under Listing Rule 7.1A</b>	<p>Any person who is expected to participate in, or who will obtain a material benefit as a result of, the proposed issue (except a benefit solely by reason of being a holder of ordinary securities in the Company), or any associate of those persons.</p> <p>NB. In accordance with Listing Rule 14.11.1 and the relevant note under that rule concerning Rule 7.1A, as at the date of this Notice of Meeting it is not known who may participate in the proposed issue (if any). On that basis, no security holders are currently excluded.</p>
<b>Resolution 4: Approval of Performance Rights Plan</b>	<p>a director of the Company (except one who is ineligible to participate in an employee incentive scheme in relation to the Company) or an associate of such person.</p>
<b>Resolution 5: Approval of Employee Share Plan</b>	<p>a director of the Company (except one who is ineligible to participate in an employee incentive scheme in relation to the Company) or an associate of such person.</p>

However, for the purposes of Listing Rule 14.11, the Company will 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.

## Notes

- (a) Terms used in this Notice of Meeting which are defined in the Explanatory Memorandum have the meaning given to them in the Explanatory Memorandum.
- (b) Subject to the Corporations Act, including sections 250R and 250BD, a Shareholder who is entitled to attend and cast a vote at the meeting is entitled to appoint a proxy.
- (c) The proxy need not be a Shareholder of the Company. A Shareholder who is entitled to cast two or more votes may appoint two proxies and may specify the proportion or number of votes each proxy is appointed to exercise.
- (d) If you wish to appoint a proxy and are entitled to do so, then complete and return the **attached** proxy form to the Company's share registry Link Market Services Limited:

ONLINE            [www.linkmarketservices.com.au](http://www.linkmarketservices.com.au)

BY MAIL            Over the Wire Holdings 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 1A Homebush Bay Drive, Rhodes NSW 2138

- (e) To be effective, the proxy must be received at the share registry of the Company no later than 10:30am (Brisbane time) on Tuesday, 27 November 2018 (48 hours before the commencement of the meeting).
- (f) A corporation may elect to appoint a representative in accordance with the Corporations Act in which case the Company will require written proof of the representative's appointment which must be lodged with or presented to the Company before the meeting.
- (g) The Company has determined under regulation 7.11.37 Corporations Regulations that for the purpose of voting at the meeting or adjourned meeting, securities are taken to be held by those persons recorded in the Company's register of Shareholders as at 7:00pm (Sydney time) on Tuesday, 27 November 2018.
- (h) If you have any queries on how to cast your votes then call the Company's share registry on 1300 554 474 (within Australia) or +61 1300 554 474 (outside Australia) during business hours.

# Explanatory Memorandum

Over the Wire Holdings Limited ACN 151 872 730 (**Company**)

---

This Explanatory Memorandum accompanies the notice of Annual General Meeting of the Company to be held at the offices of McCullough Robertson Lawyers, Level 11, 66 Eagle Street, Brisbane, Queensland 4000 on Thursday, 29 November 2018 at 10:30am (Brisbane time).

The Explanatory Memorandum has been prepared to assist Shareholders in determining how to vote on the resolutions set out in the Notice of Meeting and is intended to be read in conjunction with the Notice of Meeting.

## Financial Statements and Reports

- 1 The *Corporations Act 2001* (Cth) (**Corporations Act**) requires that the report of the Directors, the auditor's report and the financial report be laid before the Annual General Meeting.
- 2 Apart from the matters involving remuneration which are required to be voted upon, neither the Corporations Act nor the Constitution requires a vote of Shareholders at the Annual General Meeting on the financial statements and reports.
- 3 Shareholders will be given a reasonable opportunity at the meeting to raise questions and make comments on these reports.
- 4 In addition to asking questions at the meeting, Shareholders may address written questions to the chairman about the management of the Company or to the Company's auditor, PKF Hacketts Audit, if the question is relevant to:
  - (a) the content of the auditor's report; or
  - (b) the conduct of its audit of the annual financial report to be considered at the meeting.

Note: Under section 250PA(1) Corporations Act, a Shareholder must submit the question to the Company no later than the fifth business day before the day on which the Annual General Meeting is held.

- 5 Written questions for the auditor must be delivered by 5:00pm on Thursday, 22 November 2018. Please send any written questions for PKF Hacketts Audit to:

The Company Secretary  
Level 21, 71 Eagle Street  
Brisbane, QLD 4000

or via email to: [mike.stabb@overthewire.com.au](mailto:mike.stabb@overthewire.com.au)

## Resolution 1: Remuneration Report

- 6 The Remuneration Report is contained in the Financial Report for the year ended 30 June 2018. A copy is available on the Company's website.

- 7 The Corporations Act requires that the Remuneration Report be put to a vote of Shareholders.
- 8 The resolution of Shareholders is advisory only and not binding on the Company. The Board will take the discussion at the meeting into consideration when determining the Company's remuneration policy and appropriately respond to any concerns Shareholders may raise in relation to remuneration issues.
- 9 The Remuneration Report:
- (a) reports and explains the remuneration arrangements in place for non-executive Directors, executive Directors and senior management; and
  - (b) explains Board policies in relation to the nature and value of remuneration paid to non-executive Directors, executives and senior managers within the Company.
- 10 The Chair will give Shareholders a reasonable opportunity to ask questions about, or to make comments on, the Remuneration Report.

#### **Directors' Recommendation**

- 11 As the resolution relates to matters including the remuneration of the Directors, the Board, as a matter of corporate governance and in accordance with the spirit of section 250R(4) Corporations Act, makes no recommendation regarding this resolution.

#### **Resolution 2: Re-election of Brent Paddon**

- 12 Brent Paddon retires from office under rule 19.3(b) of the Constitution and Listing Rule 14.4 and stands for re-election.
- 13 Brent is a co-founder and Director of the Company. He has over twenty years of experience in telecommunications and IT services sectors and graduated from QUT in 1996 with a bachelor of IT. He also completed a Graduate Diploma in Business Administration from QUT in 2008. Brent held a senior management role at Web Central, worked for Pipe Networks and founded Brisbane Internet Technology, which was sold to Asia Online.

#### **Directors' Recommendation**

- 14 The Directors (with Brent Paddon abstaining), unanimously recommend the election of Brent Paddon to the Board.

## **Special Business**

#### **Resolution 3: Approval of additional 10% capacity under Listing Rule 7.1A**

- 15 Listing Rule 7.1 allows the Company to issue a maximum of 15% of its capital in any 12 month period without requiring Shareholder approval. In accordance with Listing Rule 7.1A, eligible entities (companies that are outside the S&P/ASX 300 index and that also have a market capitalisation of \$300 million or less) can issue a further 10% of the Company's share capital over a 12 month period following the Annual General Meeting (provided Shareholder approval is obtained at the Annual General Meeting) on a non-pro rata basis.
- 16 The Company falls within the eligibility criteria required by Listing Rule 7.1A. For illustrative purposes, the Company's market capitalisation was \$192m based on a closing price of \$4.35 on 16 October 2018.

- 17 The number of shares that may be issued (if Shareholder approval is obtained at the Annual General Meeting) will be determined in accordance with the following formula prescribed in Listing Rule 7.1A.2:

**(A x D) – E**

**A** is the number of fully paid shares on issue 12 months before the date of issue or agreement:

- plus the number of fully paid shares issued in the 12 months under an exception in Listing Rule 7.2;
- plus the number of partly paid shares that became fully paid in the 12 months;
- plus the number of fully paid shares issued in the 12 months with approval of holders of shares under Listing Rule 7.1 and 7.4. This does not include an issue of fully paid shares under the entity's 15% capacity pursuant to Listing Rule 7.1 without Shareholder approval; and
- less the number of fully paid shares cancelled in the 12 months.

**D** is 10%.

**E** is the number of equity securities issued or agreed to be issued under Listing Rule 7.1A.2 in the 12 months before the date of the issue or agreement to issue that are not issued with the approval of Shareholders under Listing Rule 7.1 or 7.4.

- 18 Additional disclosure obligations are imposed when the special resolution is proposed, when securities are issued and when any further approval is sought. For the purposes of Listing Rule 7.3A the Company provides the following information:

<b>Minimum price at which the equity securities may be issued</b>	The issue price of each Share must be no less than 75% of the volume weighted average price for the Shares calculated over the 15 trading days on which trades in that class were recorded immediately before: <ul style="list-style-type: none"> <li>(a) the date on which the price at which the securities are to be issued is agreed; or</li> <li>(b) if the securities are not issued within 5 trading days of the date in paragraph (a), the date on which the securities are issued.</li> </ul>
<b>Risk of economic and voting dilution</b>	An issue of shares under Listing Rule 7.1A involves the risk of economic and voting dilution for existing ordinary security holders. The risks include: <ul style="list-style-type: none"> <li>(a) the market price for Shares may be significantly lower on the issue date than on the date of the approval under Listing rule 7.1A; and</li> <li>(b) the equity securities may be issued at a price that is at a discount to the market price for the Shares on the issue date.</li> </ul> <p>In accordance with Listing Rule 7.3A.2 a table describing the notional possible dilution, based upon various assumptions as stated, is set out below.</p>



<p><b>Date by which the Company may issue the securities</b></p>	<p>The period commencing on the date of the Annual General Meeting at which approval is obtained and expiring on the first to occur of the following:</p> <ul style="list-style-type: none"> <li>(a) the date which is 12 months after the date of the annual general meeting at which approval is obtained; and</li> <li>(b) the date of the approval by holders of the Company's ordinary securities of a transaction under Listing Rules 11.1.2 or 11.2.</li> </ul> <p>The approval under Listing Rule 7.1A will cease to be valid in the event that holders of the Company's ordinary securities approve a transaction under Listing Rules 11.1.2 or 11.2.</p>
<p><b>Purposes for which the equity securities may be issued, including whether the Company may issue them for non-cash consideration</b></p>	<p>It is the Board's current intention that any funds raised pursuant to an issue of securities will be applied towards the Company's growth strategies. This would principally include:</p> <ul style="list-style-type: none"> <li>(a) acquisitions; and</li> <li>(b) geographic expansion.</li> </ul> <p>The Company reserves the right to issue shares for non-cash consideration, including as non-cash consideration for any acquisition.</p>
<p><b>Details of the Company's allocation policy for issues under approval</b></p>	<p>The Company's allocation policy is dependent on the prevailing market conditions at the time of any proposed issue pursuant to Listing Rule 7.1A. The identity of the allottees will be determined on a case-by-case basis having regard to the factors including but not limited to the following:</p> <ul style="list-style-type: none"> <li>(a) the methods of raising funds that are available to the Company including but not limited to, rights issues or other issues in which existing security holders can participate;</li> <li>(b) the effect of the issue of the Listing Rule 7.1A shares on the control of the Company;</li> <li>(c) the financial situation and solvency of the Company; and</li> <li>(d) advice from corporate, financial and broking advisers (if applicable).</li> </ul> <p>The allottees under the Listing Rule 7.1A facility have not been determined as at the date of this Notice of Meeting but may include existing substantial Shareholders and/or new Shareholders who are not related parties or associates of a related party of the Company.</p>
<p><b>Previous approvals under Listing Rule 7.1A</b></p>	<p>Approval was previously obtained at the Company's 2017 AGM, on 28 November 2017.</p>

**Information under Listing Rule 7.3A.6(a):**

- 19 The table below shows the total number of equity securities issued in the past 12 months preceding the date of the Annual General Meeting and the percentages those issues represent of the total number of equity securities on issue at the commencement of the 12 month period.

	Shares	Performance Rights	Total
<b>Equity securities on issue at the commencement of the 12 month period</b>	43,530,800	200,000	43,730,800
<b>Equity securities issued in the prior 12 month period</b>	6,780,686	99,732	6,880,418
<b>Percentage previous issues represent of total number of equity securities on issue at commencement of 12 month period</b>	15.58%	49.87%	15.73%

**Information under Listing Rule 7.3A.6(b):**

- 20 The table below sets out specific details for each issue of equity securities that has taken place in the 12 month period preceding the date of the AGM.

Date of issue	1 November 2017	26 February 2018	18 April 2018	23 August 2018
<b>Number issued</b>	382,721	50,000	34,920	50,000
<b>Class and type of equity security</b>	Ordinary shares	Ordinary shares	Ordinary shares	Ordinary shares
<b>Summary of terms</b>	Shares rank pari passu with all other fully paid ordinary shares.	Shares rank pari passu with all other fully paid ordinary shares.	Shares rank pari passu with all other fully paid ordinary shares.	Shares rank pari passu with all other fully paid ordinary shares.
<b>Names of persons who received securities or basis on which those persons were determined</b>	Vendor of VPN Solutions Pty Ltd, pursuant to share purchase agreement.	Vesting of performance Rights issue to key management personnel.	Shares granted to staff pursuant to the terms of the Employee Share Plan.	Vesting of performance Rights issue to key management personnel.
<b>Price at which equity securities were issued</b>	\$2.04	Nil	Nil	Nil
<b>Discount to market price (if any):</b>	N/A	N/A	N/A	N/A
<b>For cash issues</b>				
<b>Total cash consideration received:</b>	N/A	N/A	N/A	N/A
<b>Amount of cash consideration spent:</b>	N/A	N/A	N/A	N/A
<b>Use of cash consideration:</b>	N/A	N/A	N/A	N/A
<b>Intended use for remaining amount of cash (if any):</b>	N/A	N/A	N/A	N/A

<b>Date of issue</b>	19 October 2018	31 October 2018	31 October 2018	1 April 2018
<b>Number issued</b>	5,000,000	695,653	567,392	99,732
<b>Class and type of equity security</b>	Ordinary shares	Ordinary shares	Ordinary shares	Performance Rights
<b>Summary of terms</b>	Shares rank pari passu with all other fully paid ordinary shares.	Shares rank pari passu with all other fully paid ordinary shares.	Shares rank pari passu with all other fully paid ordinary shares.	Require achievement of service tenure & performance hurdles including EPS growth from 2017 to 2020.
<b>Names of persons who received securities or basis on which those persons were determined</b>	Placement to Institutional and Sophisticated Investors.	Vendors of VPN Comlinx Pty Ltd, pursuant to share purchase agreement.	Vendor of Access Digital Networks Pty Ltd, pursuant to share purchase agreement.	Rights granted to staff pursuant to the terms of the Employee Share Plan.
<b>Price at which equity securities were issued</b>	\$4.30	Nil	Nil	Nil
<b>Discount to market price (if any):</b>	5c	N/A	N/A	N/A
<b>For cash issues</b>				
<b>Total cash consideration received:</b>	\$21,500,000	N/A	N/A	N/A
<b>Amount of cash consideration spent:</b>	\$21,500,000	N/A	N/A	N/A
<b>Use of cash consideration:</b>	Acquisition of Comlinx Pty Ltd & Access Digital Networks Pty Ltd	N/A	N/A	N/A
<b>Intended use for remaining amount of cash (if any):</b>	N/A	N/A	N/A	N/A

### Information under Listing Rule 7.3A.2

- 21 The table below shows the dilution of existing Shareholders on the basis of the current market price of Shares and the current number of ordinary securities for variable "A" calculated in accordance with the formula in Listing Rule 7.1A.2 as at the date of this Notice.
- 22 The table also shows:
- (a) two examples where variable "A" has increased, by 50% and 100%. Variable "A" is based on the number of ordinary securities the Company has on issue. The number of ordinary securities on issue may increase as a result of issues of ordinary securities that do not require Shareholder approval (for example, a pro rata entitlements issue or scrip issued under a takeover offer) or future specific placements under Listing Rule 7.1 that are approved at a future Shareholders' meeting; and
  - (b) two examples of where the issue price of ordinary securities has decreased by 50% and increased by 100% as against the current market price.

Variable 'A' in Listing Rule 7.1A.2		Dilution		
		\$ 2.18 50% decrease in Issue Price	\$ 4.35 Issue Price	\$ 8.70 100% increase in Issue Price
Current Variable A* 50,311,486 Shares	10% Voting Dilution	5,031,149 shares	5,031,149 shares	5,031,149 shares
	Funds raised	\$ 10,942,748	\$ 21,885,496	\$ 43,770,992
50% increase in current Variable A* 75,467,229 Shares	10% Voting Dilution	7,546,723 shares	7,546,723 shares	7,546,723 shares
	Funds raised	\$ 16,414,122	\$ 32,828,244	\$ 65,656,488
100% increase in current Variable A* 100,622,972 Shares	10% Voting Dilution	10,062,297 shares	10,062,297 shares	10,062,297 shares
	Funds raised	\$ 21,885,496	\$ 43,770,992	\$ 87,541,984

\*Note: Current Variable A refers to the calculation required by Listing Rule 7.1A.2 which, in the Company's case, equates to the current issued share capital of the Company.

23 The table has been prepared on the following assumptions:

- (a) the Company issues the maximum number of Shares available under the 10% Listing Rule 7.1A approval;
- (b) no options are exercised to convert into Shares before the date of the issue of the Shares available under Listing Rule 7.1A;
- (c) the 10% voting dilution reflects the aggregate percentage dilution against the issued share capital at the time of issue. This is why the voting dilution is shown in each example as 10%;
- (d) the table does not show an example of dilution that may be caused to a particular Shareholder by reason of a share issue under Listing Rule 7.1A, based on that Shareholder's holding at the date of the Annual General Meeting;
- (e) the table shows only the effect of issues of equity securities under Listing Rule 7.1A, not under the 15% placement capacity under Listing Rule 7.1;
- (f) the issue of Shares under Listing Rule 7.1A consists only of Shares; and
- (g) the issue price is \$4.35 being the closing price of the Shares on ASX on 16 October 2018.

24 As at the date of the Notice of Meeting, the Company has on issue 50,311,486 Shares. Subject to Shareholder approval being obtained for Resolution 3, the Company will have capacity to issue the following equity securities as at the date of the Annual General Meeting:

- (a) 7,546,722 Shares (under Listing Rule 7.1); and

(b) 5,031,148 Shares (under Listing Rule 7.1A).<sup>1</sup>

25 Listing Rule 7.1A requires Resolution 3 to be passed as a special resolution. A special resolution needs approval by at least 75% of the votes cast by members entitled to vote on the resolution.

#### **Directors' recommendation**

26 The Directors unanimously recommend that you vote in favour of this resolution.

#### **Resolution 4 - Approval of Performance Rights Plan**

27 A key component of remuneration provided to employees and executives are long-term incentives. Long-term incentives ensure employees have part of their remuneration align with shareholder success.

28 One of the key foundations of the Company's equity incentive program is the Company's Performance Rights Plan (**PRP**). The PRP is designed to:

(a) align employee incentives with shareholders' interest;

(b) assist employee attraction and retention; and

(c) encourage share ownership by employees.

29 The PRP has been adopted since the Company's listing in December 2015. Under the PRP, participants are issued performance rights which enable them to acquire shares in the Company, subject to the satisfaction of certain vesting conditions.

#### **Shareholder Approval**

30 ASX Listing Rule 7.1 allows the Company to issue a maximum of 15% of its capital in any 12 month period without requiring shareholder approval. Pursuant to Listing Rule 7.2, Exception 9, an issue under an employee incentive plan will not count toward a company's 15% limit provided the plan was approved by shareholders within three years before the date of the securities being issued. The PRP has not been renewed since it was adopted on the Company's listing in December 2015. Approval is therefore sought under that rule and the following information is included for compliance with Listing Rule 7.2, Exception 9.

31 299,732 performance rights have been issued under the PRP since it was adopted on the Company's listing in December 2015.

#### **Summary of the Terms of the PRP**

##### **Eligibility**

32 The PRP will be open to eligible participants (including employees, executives, Directors and consultants) of the Company or any of its subsidiaries who the Board designates as being eligible.

##### **Grant of performance rights**

33 Performance rights will be offered to eligible participants for no consideration under the PRP. The offer must be in writing and specify, amongst other things, the number of performance rights for

---

<sup>1</sup> The actual number of Shares the Company will have capacity to issue under Listing Rule 7.1A may vary and will be determined at the date of issue in accordance with Listing Rule 7.1A.2 (as illustrated in the table above).

which the participants may accept, the date on which the performance rights vest and any conditions to be satisfied before vesting, and any other terms attaching to the rights.

### **Vesting conditions**

- 34 The Board may specify any vesting conditions which must be satisfied before a performance right vests.

### **Vesting of performance rights**

- 35 The performances rights vest subject to the satisfaction of any vesting conditions or any other conditions contained in the offer and upon which each performance right shall entitle an eligible participant to receive one share after the vesting date.

### **Lapse**

- 36 Unless the Board determines otherwise, unvested performance rights shall lapse upon the occurrence of specified events contained in the PRP rules and summarised below.

<b>Event</b>	<b>Treatment of performance rights</b>
Eligible participant's lawful termination from employment with the group or consultancy arrangement with the group	Rights lapse immediately
Eligible participant's resignation or vacation from the Board, employment or consultancy with the group	Rights lapse immediately
Eligible participant being made redundant	Rights do not lapse
Eligible participant becomes disabled and (in the opinion of a medical practitioner nominated by the Board) is unable to perform their normal duties	Rights do not lapse
Death of the eligible participant	Rights do not lapse
Eligible participant loses control of their permitted nominee	Rights lapse immediately unless they are transferred to the eligible participant

### **Rights of participants**

- 37 Performance rights issued under the PRP do not entitle the holder to notice of, or to vote at, or attend Shareholders' meetings, or to receive any dividends declared by the Company. Should the Company undergo a reorganisation or reconstruction of capital or any other such change, the terms of the rights will be correspondingly changed to the extent necessary to comply with the Listing Rules.
- 38 In the event of a change of control, the Board shall have discretion to deal with the performance rights, including allowing accelerated vesting of the rights.

### **Change of control**

- 39 If a change of control trigger event occurs (e.g. a person acquiring voting power in more than 50% of the ordinary shares in the Company, lodgement with ASIC of an order of the court in connection with a scheme of arrangement, the Company disposes of the whole or a substantial part of its assets or undertaking), then, unless the Board decides otherwise, the vesting date of

all performance rights is the date on which the change of control trigger event occurs, or another date the Board decides.

### **Disposal restrictions and holding locks**

- 40 If an offer contains a disposal restriction (being a restriction on the creation of a security interest in, or the transfer, assignment, disposal or otherwise dealing with, a share issued on vesting of a performance right), the participant must comply with the disposal restriction in relation to all shares issued on vesting of a performance right for the period specified in the offer. A disposal restriction ceases to apply immediately upon a change of control trigger event occurring.
- 41 If the shares issued on the vesting of performance rights are subject to a disposal restriction, the Company may implement any procedure (including a holding lock) it considers appropriate to ensure the disposal restriction is complied with for the period specified in the offer.

### **Quotation**

- 42 Performance rights will not be quoted on the ASX. The Company will apply for official quotation of any Shares issued under the PRP.

### **Ranking of shares**

- 43 A share issued on the vesting of performance rights ranks equally with all existing shares of that class from the date of allotment.

### **Assignment**

- 44 Performance rights are not transferable or assignable without the prior written approval of the Board.

### **Governing law**

- 45 Queensland law governs the PRP and the rights of participants under the PRP.

### **Administration**

- 46 The PRP will be administered by the Board which has an absolute discretion to determine appropriate procedures for its administration and resolve questions of fact or interpretation and formulate special terms and conditions (subject to the Listing Rules) in addition to those set out in the PRP.

### **Termination and amendment**

- 47 The PRP may be terminated or suspended at any time by the Board and that termination or suspension will not have any effect on or prejudice the rights of any participant holding performance rights at that time.
- 48 The PRP may be amended at any time by the Board except an amendment which would:
- (a) have the effect of materially adversely affecting or prejudicing the rights of any participant holding performance rights at that time, except for amendments:
    - (i) to comply with the Constitution, Corporations Act, Listing Rules or any other law affecting the maintenance or operation of the PRP;
    - (ii) to correct a manifest error;

- (iii) to address potential adverse tax implications affecting the PRP arising from changes to laws relating to taxation, the interpretation of laws relating to taxation by the relevant governmental authorities (including the release of any ruling), courts or tribunals; or
- (b) effect a change to increase the number of Shares to which a participant is entitled on vesting or change the vesting date unless permitted by the Corporations Act and the Listing Rules.

### **Directors' recommendation**

- 49 The Directors abstain, in the interest of good corporate governance, from making a recommendation in relation to this resolution.

### **Resolution 5 - Approval of Employee Share Plan**

- 50 In addition to the PRP, another key foundation of the Company's equity incentive program is the Company's Share Plan (**Share Plan**). The Plan is designed to:
- (a) align employee incentives with shareholders' interest;
  - (b) assist employee attraction and retention; and
  - (c) encourage share ownership by employees.
- 51 The Share Plan has been adopted since the Company's listing in December 2015. Under the Share Plan, participants are issued shares in the Company.

### **Shareholder Approval**

- 52 ASX Listing Rule 7.1 allows the Company to issue a maximum of 15% of its capital in any 12 month period without requiring shareholder approval. Pursuant to Listing Rule 7.2, Exception 9, an issue under an employee incentive plan will not count toward a company's 15% limit provided the plan was approved by shareholders within three years before the date of the securities being issued. The Share Plan has not been renewed since it was adopted on the Company's listing in December 2015. Approval is therefore sought under that rule and the following information is included for compliance with Listing Rule 7.2, Exception 9.
- 53 113,720 shares have been issued under the Share Plan since it was adopted on the Company's listing in December 2015.

### **Summary of the Terms of the Share Plan**

#### **Eligibility**

- 54 The Share Plan will be open to eligible employees of the Company or any of its subsidiaries who the Board designates as being eligible.

#### **Grant of shares**

- 55 An offer to participate in the plan will be in such form and contain such content as the Board determines but will, in each case, include:
- (a) the number of shares for which that eligible employee may subscribe or acquire; and
  - (b) the amount payable (if any) for the subscription or acquisition of a share or how it is calculated.



- 56 As soon as practicable after an acceptance given by an eligible employee has been accepted by the Board, the Company will issue or cause to be transferred to a participant the number of Shares applied for by the participant pursuant to the acceptance.

### **Rights attaching to Shares**

- 57 Shares acquired under the Share Plan carry all of the same rights and obligations of other Shares, except for any rights attaching to shares by reference to a record date prior to the date of issue or transfer.

### **Quotation**

- 58 The Company must apply for quotation on the official list of the ASX for shares acquired under the Share Plan. Any costs incurred in obtaining that official quotation shall be borne by the Company.

### **Disposal restrictions and holding locks**

- 59 Except as provided in the Share Plan, a participant may not dispose of any interest in a share issued or transferred to it under the Share Plan until the earlier of:
- (a) the end of the period of three years (or any longer period specified in an offer) commencing on the date of issue or transfer of the share;
  - (b) the date on which the participant is no longer employed by a group member; and
  - (c) the end of any other period determined by the Board in accordance with relevant law.
- 60 The Company may implement any procedure it considers appropriate to ensure the restriction on disposal is complied with for the relevant period.
- 61 Unless the Board decides otherwise, a disposal restriction ceases to apply immediately upon a change of control trigger event occurring.

### **Governing law**

- 62 Queensland law governs the Share Plan and the rights of participants under the Share Plan.

### **Administration**

- 63 The Share Plan will be administered by the Board which has an absolute discretion to determine appropriate procedures for its administration and resolve questions of fact or interpretation and formulate special terms and conditions (subject to the Listing Rules) in addition to those set out in the Share Plan.

### **Termination and amendment**

- 64 The Share Plan may be terminated or suspended at any time by the Board.
- 65 The Share Plan may be amended at any time by the Board except an amendment which would:
- (a) have the effect of materially adversely affecting or prejudicing the rights of any participant holding shares at that time, except for amendments:
    - (i) to comply with the Constitution, Corporations Act, Listing Rules or any other law affecting the maintenance or operation of the Plan;

- (ii) to correct a manifest error;
  - (iii) to address potential adverse tax implications affecting the Plan arising from changes to laws relating to taxation, the interpretation of laws relating to taxation by the relevant governmental authorities (including the release of any ruling), courts or tribunals; or
- (b) effect a change to the number of shares to which a participant is entitled unless permitted by the Corporations Act and the Listing Rules.

### **Directors' recommendation**

- 66 The Directors abstain, in the interest of good corporate governance, from making a recommendation in relation to this resolution.

### **Resolution 6: Renewal of proportional takeover bid provisions**

- 67 Rule 15 of the Constitution includes proportional takeover approval provisions which enable the Company to refuse to register securities acquired under a proportional takeover bid unless a resolution is passed by shareholders in general meeting approving the offer. Under the Corporations Act, proportional takeover provisions expire after three years from adoption or renewal and may then be renewed.
- 68 The Company is seeking shareholder approval to renew these provisions under the Corporations Act. The proportional takeover bid provisions are identical to those included in the Company's current Constitution which have not been the subject of a prior renewal. The Corporations Act requires the Company to provide Shareholders with an explanation of the proportional takeover approval provisions as set out below.

### **What is a proportional takeover bid**

- 69 A proportional takeover bid is a takeover offer sent to Shareholders but only for a specified portion of each shareholder's securities. Accordingly, if a Shareholder accepts in full the offer under a proportional takeover bid, it will dispose of the specified portion of its securities in the Company and retain the balance of the securities.

### **Effect of renewal**

- 70 If renewed, under existing rule 15 and if a proportional takeover offer is made to Shareholders, the Board is required to convene a meeting of Shareholders to vote on a resolution to approve the proportional takeover. That meeting must be held at least 14 days before the offer under the proportional takeover bid closes.
- 71 The resolution is taken to have been passed if a majority of securities voted at the meeting, excluding the securities of the bidder and its associates, vote in favour of the resolution. If no resolution is voted on at least 14 days before the close of the offer, the resolution is deemed to have been passed. Where the resolution approving the offer is passed or deemed to have been passed, transfers of securities resulting from accepting the offer are registered provided they otherwise comply with the Corporations Act, the Listing Rules, the ASIC Operating Rules and the Constitution. If the resolution is rejected then, under the Corporations Act, the offer is deemed to be withdrawn.

### **Reasons for proposing the resolution**

- 72 The Directors consider that Shareholders should have the opportunity to renew rule 15 in the Constitution. Without rule 15 a proportional takeover bid for the Company may enable effective control of the Company to be acquired without Shareholders having the opportunity to dispose of

all of their securities to the bidder. Shareholders could be at risk of passing control to the bidder without payment of an adequate control premium for all their securities whilst leaving themselves as part of a minority interest in the Company.

- 73 Without rule 15, if there was a proportional takeover bid and Shareholders considered that control of the Company was likely to pass, Shareholders would be placed under pressure to accept the offer even if they did not want control of the Company to pass to the bidder. Renewing rule 15 of the Constitution will make this situation less likely by permitting Shareholders to decide whether a proportional takeover bid should be permitted to proceed.

#### **No knowledge of present acquisition proposals**

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

#### **Potential advantages and disadvantages**

- 75 The renewal of rule 15 will enable the Directors to formally ascertain the views of Shareholders about a proportional takeover bid. Without these provisions, the Directors are dependent upon their perception of the interests and views of Shareholders. Other than this advantage, the Directors consider that renewal of rule 15 has no potential advantages or potential disadvantages for them, as they remain free to make a recommendation on whether a proportional takeover offer should be accepted.
- 76 The Directors consider that renewing rule 15 benefits all Shareholders in that they will have an opportunity to consider a proportional takeover bid and then attend or be represented by proxy at a meeting of Shareholders called specifically to vote on the proposal. Accordingly, Shareholders are able to prevent a proportional takeover bid proceeding if there is sufficient support for the proposition that control of the Company should not be permitted to pass under the proportional takeover bid. Furthermore, knowing the view of Shareholders assists each individual shareholder to assess the likely outcome of the proportional takeover bid and whether to accept or reject that bid.
- 77 As to the possible disadvantages to Shareholders renewing rule 15, it may be argued that the proposal makes a proportional takeover bid more difficult and that proportional takeover bids will therefore be discouraged. This may reduce the opportunities which Shareholders may have to sell all or some of their securities at a premium to persons seeking control of the Company and may reduce any takeover speculation element in the Company's share price. Rule 15 may also be considered an additional restriction on the ability of individual Shareholders to deal freely on their securities.
- 78 The Directors consider that there are no other advantages and disadvantages for Directors and Shareholders which arose during the period during which the proportional takeover approval provisions have been in effect, other than those discussed in this section.
- 79 On balance, the Directors consider that the possible advantages outweigh the possible disadvantages so that the renewal of rule 15 is in the interest of Shareholders.

#### **Directors' recommendation**

- 80 The Directors unanimously recommend you vote in favour this resolution.

# Glossary

## Over the Wire Holdings Limited ACN 151 872 730

<b>Annual General Meeting</b>	means the Company's annual general meeting the subject of this Notice of Meeting.
<b>ASIC</b>	means the Australian Securities and Investments Commission.
<b>ASX</b>	means ASX Limited ACN 008 624 691 or the securities exchange operated by it (as the case requires).
<b>Board</b>	means the board of directors of the Company.
<b>Company</b>	means Over the Wire Holdings Limited ACN 151 872 730.
<b>Constitution</b>	means the constitution of the Company.
<b>Corporations Act</b>	means the <i>Corporations Act 2001</i> (Cth).
<b>Corporations Regulations</b>	means the <i>Corporations Regulations 2001</i> (Cth).
<b>Directors</b>	means the directors of the Company.
<b>Explanatory Memorandum</b>	means the explanatory memorandum attached to the Notice of Meeting.
<b>Financial Report</b>	means the financial report of the Company for the year ended 30 June 2018.
<b>Key Management Personnel</b>	means those persons having authority and responsibility for planning, directing and controlling the activities of the Company, directly or indirectly, including any Director (whether executive or otherwise).
<b>Listing Rules</b>	means the listing rules of ASX.
<b>Notice of Meeting</b>	means the notice of meeting and includes the Explanatory Memorandum.
<b>PRP</b>	means the Company's performance rights plan the subject of approval under resolution 4.
<b>Remuneration Report</b>	means the section of the Directors' report for the 2018 financial year that is included under section 300A(1) Corporations Act.
<b>Share Plan or Employee Share Plan</b>	means the Company's employee share plan the subject of approval under resolution 5.
<b>Shares</b>	means the existing fully paid ordinary shares in the Company.
<b>Shareholder</b>	means a person who is the registered holder of Shares.