

Notice of Annual General Meeting

InvestSMART Group Limited ACN 111 772 359

(ASX: INV)

Notice of Annual General Meeting

InvestSMART Group Limited ACN 111 772 359

Notice is given that the Annual General Meeting of InvestSMART Group Limited ACN 111 772 359 (**Company**) will be held at:

Location	Australian Institute of Company Directors, NSW Business Centre and Member Lounge, Level 2, 18 Jamison St, Sydney, NSW 2000
Date	Wednesday, 21 November 2018
Time	10.00am (AEDT)

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 resolution 1.

Election of Mr Kevin Moore

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

- 2 'That Mr Kevin Moore, who retires in accordance with the Company's Constitution, Listing Rule 14.4 and being eligible, be elected as a Director of the Company.'

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

The Directors (with Mr Moore abstaining) unanimously recommend that you vote in favour of resolution 2.

Re-election of Mr Michael Shepherd

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

- 3 'That Mr Michael Shepherd, who retires by rotation in accordance with the Company's Constitution, Listing Rule 14.4 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 Mr Shepherd abstaining) unanimously recommend that you vote in favour of resolution 3.

Re-election of Mr Paul Clitheroe

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

- 4 'That Mr Paul Clitheroe, who retires by rotation in accordance with the Company's Constitution, Listing Rule 14.4 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 Mr Clitheroe abstaining) unanimously recommend that you vote in favour of resolution 4.

Special Business

Approval of amended Employee Share Ownership Plan Rules

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

- 5 'That for the purposes of sections 259B and 260C of the Corporations Act and Listing Rule 7.2 exception 9 and for all other purposes, Shareholders approve the amended Employee Share Ownership Plan Rules as set out in Schedule 1 of the Explanatory Memorandum.'

The Directors unanimously recommend that you vote in favour of resolution 5.

Amending Company Constitution

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

- 6 The Company Constitution be amended by deleting rule 18.3(a) and inserting the following:

'(a) At every AGM any director who is required under the Listing Rules to retire must do so, and if eligible, may stand for re-election'.

The Directors unanimously recommend that you vote in favour of resolution 6.

Dated: 19 October 2018

By order of the Board

A handwritten signature in black ink, appearing to read 'G. Winberg', written over a horizontal line.

Grant C Winberg
Company Secretary

VOTING EXCLUSIONS

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 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.

Listing Rules

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

Resolution 5 - Approval of amended Employee Share Ownership Plan Rules

a director of the Company (except one who is ineligible to participate in any employee incentive scheme in relation to the Company) or an associate of such person.

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.

DETERMINATION OF ENTITLEMENT TO VOTE

The Company has determined pursuant to regulation 7.11.37 of the *Corporations Regulations 2001* (Cth) that the persons eligible to vote at the Meeting are those who are registered as Shareholders on Monday, 19 November 2018 at 7.00pm (AEDT) (being 48 hours before the Meeting).

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 Boardroom Pty Ltd, GPO Box 3993, Sydney, NSW 2001.
- (e) To be effective, proxy forms must be received by the Company at its registered office or deposited at or faxed to the share registry no later than 48 hours prior to the Meeting.
- (f) If you have any queries, including how to cast your votes, please contact 02 9223 3866 (within Australia) or +61 2 9223 3866 (outside Australia) during business hours.

VOTING INTENTIONS OF THE CHAIRMAN

The Chairman intends to vote undirected proxies on, and in favour of, all the proposed resolutions.

Explanatory Memorandum

InvestSMART Group Limited ACN 111 772 359 (**Company**)

This Explanatory Memorandum accompanies the notice of Annual General Meeting of the Company to be held at 10.00am (AEDT) on 21 November 2018 at the Australian Institute Of Company Directors, NSW Business Centre and Member Lounge, Level 2, 18 Jamison St, Sydney, NSW 2000.

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 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, Ernst & Young, 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 Wednesday, 14 November 2018. Please send any written questions for Ernst & Young to:

The Company Secretary
Mr Grant C Winberg
PO Box Q744, Queen Victoria Building, NSW 1230

or via email to: winberg@wtasap.com

Resolution 1: Directors' Remuneration Report

- 6 The Remuneration Report is contained in the Annual Report. 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 Chairman 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: Election of Mr Kevin Moore FAICD, MCIM, JP

- 12 Listing Rule 14.5 provides that the Company must hold an election of Directors at each annual general meeting. Listing Rule 14.4 and Rule 18.2(a) of the Constitution stipulate that where a Director is either appointed to fill a casual vacancy or as an addition to the existing Directors, the Director only holds office until the end of the next annual general meeting following their appointment.
- 13 As announced on 28 November 2017, following the Company's annual general meeting in 2017, Mr Moore was appointed as a non-executive Director on 1 December 2017. Accordingly, Mr Moore retires from office in accordance with the above provisions and stands for election.
- 14 Mr Moore has multinational board and governance experience, specialising in digital marketing, and is a growth director with a focus on \$10 to \$100 million businesses. Mr Moore is a fellow of the Australian Institute of Company Directors and a member of the Chartered Institute of Marketing. Mr Moore holds a Diploma in International and Export Marketing from Henley, The Management College, at The University of Reading.
- 15 Mr Moore has a corporate career with director level marketing and general management experience across 30 countries, with success in launching and growing Australian and Global brands. Mr Moore's private company career saw him build a small technology based retail marketing business into the sector leader in ANZ, and clients that include Apple, Woolworths and Coles.
- 16 Mr Moore's non-executive responsibilities include the chairmanship of CROSSMARK Asia Pacific, owned by Private Equity Firm Warburg Pincus, Chairman of digital marketing company, The Now Communications Group, and a director of the physical and digital events company, Now Asia, based in Singapore.

Directors' recommendation

17 The Directors (with Mr Moore abstaining) unanimously recommend the election of Mr Moore to the Board.

Resolution 3: Re-election of Mr Michael Shepherd AO

- 18 Mr Michael Shepherd is retiring from office in accordance with Listing Rule 14.4 and Rule 18.3(a) of the Company's Constitution and stands for re-election.
- 19 Mr Shepherd has had a successful career in financial services over more than 40 years. He was a director of ASX Limited and group between 1988 and 2007, including a term as vice-chairman between 1993 and 2007. Mr Shepherd was also chairman of the ASX Derivatives Board and chairman of the ASX Market Rules Committee.
- 20 Mr Shepherd is currently chairman of Navigator Global Investments Limited (a listed investment management company) and a member of the Responsible Entity Compliance Committee of UBS Global Asset Management (Australia) Limited. He is also a senior fellow and life member of Financial Services Institute of Australasia, after being a director of that body between 2001 and 2009, including two years as national president.

Directors' recommendation

- 21 The Directors (with Mr Shepherd abstaining) unanimously recommend the re-election of Mr Shepherd to the Board.

Resolution 4: Re-election of Mr Paul Clitheroe AM Bachelor of Arts (UNSW), SNF Fin, CFP

- 22 Mr Paul Clitheroe is retiring from office in accordance with Listing Rule 14.4 Rule 18.3(a) of the Company's Constitution and stands for re-election.
- 23 Mr Clitheroe was a founding director of leading financial planning firm ipac and has been involved in the investment industry since he graduated from the University of New South Wales in the late 1970s. From 1993 to 2002 Mr Clitheroe hosted the popular Channel 9 program, Money. Since 1999, Mr Clitheroe has been the chairman and chief commentator of Money Magazine. He writes personal finance columns for metropolitan, suburban and regional newspapers across Australia. Mr Clitheroe has been a media commentator and conference speaker for more than 30 years and is regarded as one of Australia's leading experts in the field of personal investment strategies and advice.
- 24 Mr Clitheroe is chairman of Monash Absolute Investment Company Ltd and a director of Wealth Defender Equities Ltd, both ASX-listed investment companies. He is also chairman of the Australian Government Financial Literacy Board, chairman of Financial Literacy Australia, chairman of the youth anti-drink driving body, RADD, and a member of the Sydney University Medical School Advisory Board. In 2011, Macquarie University appointed Mr Clitheroe as chair of Financial Literacy.

Directors' recommendation

- 25 The Directors (with Mr Clitheroe abstaining) unanimously recommend the re-election of Mr Clitheroe to the Board.

Special Business

Resolution 5: Approval of amended Employee Share Ownership Plan Rules

Background

- 26 Resolution 5 seeks Shareholder approval for the purposes of sections 259B and 260C of the Corporations Act, Listing Rule 7.2 exception 9 and for all other purposes. If Shareholders approve this resolution 5, the Listing Rule approval will remain valid for three years after the date of this Annual General Meeting.
- 27 The ESOP was first approved by Shareholders on 29 November 2016. At the time, the Company already had the LTIP in place. The Board considered it appropriate at that stage of development of the Company to introduce an employee incentive arrangement which would provide meaningful incentive to employees and maximise Shareholder value.

Amendment

- 28 Under the ESOP Rules, the Board may amend any or all of the Rules. The Board is not constrained in amending the ESOP Rules by the fact that an amendment will or may adversely affect the rights of one or more Participating Employees. It is proposed that the ESOP Rules will be amended to give the board discretion to determine the value of the shares issued under the ESOP, which may be at a price that is greater than the Market Value.
- 29 The current ESOP Rules only allow the Board to issue Shares at the Market Value at the time the offer to participate in the ESOP is made to the Relevant Employee. Market Value is defined as:
- (a) the volume weighted average of the prices at which those shares are traded on that stock exchange during the one-month period up to that day; or
 - (b) if no shares are traded on that stock exchange during that one-month period, the last price at which an offer to buy is made on that stock exchange during that period.
- 30 As the Company Share price is relatively illiquid, a small number of Share trades can have a large impact on the eventual Market Value used to issue Shares to employees under the ESOP. Allowing Directors to issue Shares from time to time at prices higher than the Market Value will avoid unnecessary dilution of existing Shareholders, while still providing a Share price linked incentive to employees. Employees do not have to participate in the ESOP if they so choose.

Listing Rules and Corporations Act requirements

- 31 Listing Rule 7.1 provides that a company must not, without shareholder approval, issue or agree to issue more equity securities during any 12 month period than that amount which represents 15% of the number of fully paid ordinary securities on issue at the commencement of that 12 month period. Under Listing Rule 7.2, Listing Rule 7.1 does not apply to issues of securities under the ESOP, if within 3 years of the date on which the securities are issued, Shareholders approve the issue of securities under the ESOP as an exception to Listing Rule 7.1.
- 32 In accordance with Listing Rule 7.2, Shareholders are advised of the following particulars:
- (a) a summary of the key terms of the ESOP are outlined in Schedule 1;
 - (b) the voting exclusion statement for this resolution 5 is outlined in the Notice of Meeting; and

- (c) the number of Shares issued and cancelled under the ESOP since the date of the last approval, being 29 November 2016, is:
- (i) 5,820,000 fully paid ordinary Shares issued to the managing director and employees of the Group resulting from the Loan by the Company of \$1,804,200 on 28 December 2016;
 - (ii) 700,000 fully paid ordinary Shares issued to employees resulting from the Loan by the Company of \$178,500 on 6 September 2017; and
 - (iii) 1,810,000 fully paid ordinary Shares relating to the ESOP were repurchased and cancelled since 28 December 2016 and related Loans by the Company of \$556,425 were cancelled.

33 The ESOP involves the Company providing non-recourse loans to eligible participants for the sole purpose of acquiring shares. The Corporations Act restricts a company from financially assisting a person to acquire shares in the company without shareholder approval. Accordingly, as part of resolution 5, the Company is seeking Shareholder approval for the purposes of section 260C Corporations Act to provide loans to eligible participants in connection with the issue of Shares under the ESOP.

34 Section 259B(1) Corporations Act prohibits a company taking security over its own shares, except as permitted by section 259B(2) Corporations Act, which authorises a company to take security over shares in itself under an employee share scheme which has been approved by shareholders. When a loan is made to an eligible employee under the ESOP, until that loan is repaid, the Company will have a lien over the Shares to which the loan relates. As part of resolution 5 the Company is seeking Shareholder approval for the purposes of section 259B Corporations Act to take security over its own shares as part of the loan arrangements for eligible participants in connection with the issue of Shares under the ESOP.

Directors' recommendation

The Directors unanimously recommend that you vote in favour of this resolution 5.

Resolution 6: Amending Company Constitution

Background

35 The Company proposes to amend its existing Constitution to replace the existing Rule 18.3(a). The proposed amendment will align the director retirement and rotation provisions in the Constitution with the Listing Rules.

Proposed amendment

36 The Company proposes to make the following amendments to the Constitution:

Current Rule 18.3(a)	Proposed Rule 18.3(a)
<p>'18.3 Retirement of directors</p> <p>(a) At every AGM if the number of directors, after excluding:</p> <p>(i) a director who is a managing director; and (ii) a director appointed by the directors under rule 18.2 and standing for election, is five or less, then two of the remaining</p>	<p>'18.3 Retirement of directors</p> <p>(a) At every AGM any director who is required under the Listing Rules to retire must do so, and if eligible may stand for re-election.'</p>

Current Rule 18.3(a)	Proposed Rule 18.3(a)
directors must retire from office or, if the number is more than five, one-third of those directors (to the nearest whole number) must retire from office.'	

- 37 To become effective, in accordance with section 136(2) of the Corporations Act, this resolution 6 must be passed as a special resolution, that is, a resolution passed by at least 75% of the votes cast by Shareholders entitled to vote on the resolution.
- 38 This amendment to the Constitution will allow the Company to run the Annual General Meetings efficiently, with a re-election process appropriate for a small company.

Directors recommendation

- 39 The Directors unanimously recommend that you vote in favour of this resolution 6.

Glossary

InvestSMART Group Limited ACN 111 772 359

Capitalised terms in this Notice of Meeting and Explanatory Memorandum have the meaning set out below:

Definition	Meaning
Acquisition Date	has the meaning given to the term in the ESOP.
Annual General Meeting or Meeting	means the Company's annual general meeting the subject of this Notice of Meeting.
Annual Report	means the 2018 annual report of the Company.
ASX	means ASX Limited ACN 008 624 691 or the securities exchange operated by it (as the case requires).
Board	means the board of directors of the Company.
Closely Related Parties	has the meaning given to the term in the Corporations Act.
Company or InvestSMART Group Limited	means InvestSMART Group Limited ACN 111 772 359.
Constitution	means the constitution of the Company.
Corporations Act	means the <i>Corporations Act 2001</i> (Cth).
Directors	means the directors of the Company.
Eligible Participant or Eligible Employees	has the meaning given to the term in the ESOP Rules.
Employee Share Ownership Plan or ESOP	means the plan outlined in resolution 5 of this Explanatory Memorandum with and its Rules outlined in Schedule 1.
ESOP Rules	means the rules of the ESOP summarised in Schedule 1 of this Explanatory Memorandum.
Explanatory Memorandum	means the explanatory memorandum attached to the Notice of Meeting.
Financial Assistance	has the meaning given to the term in the ESOP Rules.
Group	means the Company and any subsidiary of the Company.
Holding Lock	has the same meaning as the Listing Rules.
Invitation	has the meaning given to the term in the ESOP.
Key Management Personnel	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).
Listing Rules	means the listing rules of ASX.

Definition	Meaning
Loan	has the same meaning given to the term set out in the LTIP or ESOP (as applicable).
Loan Agreement	has the same meaning give to the term set out in the ESOP Rules.
Long Term Incentive Plan or LTIP	means the Company's employee share scheme introduced in 2013.
Market Value	has the meaning set out in paragraph 29 of the Explanatory Memorandum.
Notice of Meeting	means this notice of meeting and includes the Explanatory Memorandum.
Participating Employee	means an employee of the Company who is participating in the ESOP.
Remuneration Report	means the section of the Directors' report for the 2018 financial year that is included under section 300A(1) Corporations Act.
Shareholder	means a person who is the registered holder of Shares.
Shares	means the existing fully paid ordinary shares in the Company.
Tranche	takes its meaning from the LTIP or ESOP (as applicable).

Schedule 1

Key terms of the amended ESOP Rules

Rule	Summary
Operation of the ESOP	The ESOP must be operated in accordance with these Rules. The Board has power (and absolute discretion) to exercise and delegate this power, which must be exercised in the best interest of the Company and the Group. The Board may rely on independent advice in relation to its powers under the ESOP Rules, and the Board may delegate its power at any time. A decision by the Board is final and binding.
Eligibility	<p>The Board may decide that Invitations will be issued on different terms to different employees. In making this decision the Board may have regard to:</p> <ul style="list-style-type: none"> • the employee's length of service with the Company; • the employee's position and remuneration; • whether the participation would be unlawful; • any other matters the Board considers relevant.
Invitations	<p>The Board has discretion, from time to time, to invite employees to participate the ESOP (to be given in writing). Shares will be offered at Market Value, or at a higher price as determined by the Board in their absolute discretion, on the date specified in the Invitation as the Acquisition Date. The Invitation must specify:</p> <ul style="list-style-type: none"> • the number of Shares being offered; • the acquisition price of the Shares or method of determining the price at which Shares should be offered; • the applicable Holding Lock period; • the time, if any, to accept the Invitation; • financial assistance offered by way of Loan agreement; • the proposed Acquisition Date; • any instructions in relation to making an application to participate in the ESOP; and • any other information specific to the Invitation or required under applicable law. <p>If the Board exercises its discretion to offer shares at a higher price, it will notify the affected Eligible Employees as soon as possible.</p>
Applications	<p>An Eligible Employee must accept an Invitation by delivering an application form and accompanying documents to the Company and any instructions under the Invitation. Acceptance of an Invitation by the Company amounts to Employee Participation. The Board has discretion:</p> <ul style="list-style-type: none"> • to accept or reject an application form;

Rule	Summary
	<ul style="list-style-type: none"> not to allow Shares to be acquired by any or all of Eligible Employees; or to vary the number of dollar value of Shares that can be acquired by each Eligible Employee relative to the number of dollar value stated in the Invitation. <p>If any of Board exercises the above discretion, it must notify the affected Eligible Employees as soon as practicable.</p>
Entitlements	Share entitlements are set out in the Invitation, and such Shares are to be registered in the name of the Participating Employee.
Method of acquisition and quotation of Shares	Shares are issued in accordance with the ESOP, and rank equally with all other issued Shares of the Company.
Disposal restrictions and forfeiture conditions	<p>Shares issued to Participating Employees are subject to a Holding Lock. During this time Shares cannot be dealt with or transferred. Upon completion of the Holding Lock period, the Board must cause release of those Shares from the Holding Lock. While the Shares are subject to a Holding Lock, the Board may exercise its discretion to determine whether the Participating Employee forfeits their interest in the Shares if the Participating Employee:</p> <ul style="list-style-type: none"> is dismissed from employment or resigns; or commits misappropriation or fraud in relation to the affairs of the Group. <p>If this is the case, Shares will be bought back by the Company pursuant to an employee share buy back. Sale proceeds will be used to offset Financial Assistance owing on the Shares.</p> <p>The Board may in the event of a takeover, and in any other circumstance at its absolute discretion, determine that, subject to early repayment of the Financial Assistance under Rule 9.9, the Holding Lock be released prior to the end of the Holding Lock period.</p>
Financial Assistance	<p>Financial Assistance may be offered to Participating Employees. Where an offer of Financial Assistance is made, a Loan Agreement must be provided. No interest is payable on Financial Assistance.</p> <p>Repayment of Financial Assistance will occur as follows:</p> <ul style="list-style-type: none"> Financial Assistance is repayable by the Participant at the end of the term of the Loan Agreement as determined by the Board, unless it is required to be repaid at an earlier date owing to the operation of these ESOP Rules; and Financial Assistance will become immediately due and payable on total and permanent disability of the Participating Employee or upon the death, or if the Participating Employee is dismissed has resigned or is subject to a disentitling event. <p>By accepting Financial Assistance, the Participating Employees authorises the Company:</p>

Rule	Summary
	<ul style="list-style-type: none"> • in its absolute discretion to sell any rights other than dividends which the Participating Employee may otherwise receive in respect of the Shares and to apply all proceeds thereof in reduction of the Financial Assistance; and • in its absolute discretion to direct any capital return which the Participant Employee may otherwise receive in respect of the Shares and to apply all proceeds thereof in reduction of the Financial Assistance. <p>The Company shall accept in full and complete satisfaction of the Participating Employee's indebtedness in relation to the Financial Assistance:</p> <ul style="list-style-type: none"> • the total amount of all moneys owing by the Participating Employee to the Company under the Loan Agreement; or • the transfer of the Shares held by the Participating Employee to the Company. <p>Where the value of the Shares is less than the total amount of Financial Assistance owing, no further amount is payable by the Participating Employee or recoverable by the Company. Where the Participating Employee sells Shares in order to pay any money owing to the Company, where the proceeds of sale exceed the amount owed to the Company, the Participating Employee shall retain proceeds. The Board may, at its absolute discretion, determine that a Participating Employee may repay the Financial Assistance other than as permitted under the Invitation and Loan Agreement.</p>
Security for financial assistance	Participating Employee must deliver, with the application form, an executed but undated share transfer form in respect of the Shares.
Cessation of employment	The Company will appoint the Company secretary or the Participating Employee's nominee to execute all the required documents in relation to the Shares (with some exceptions) in the event the Participating Employee is dismissed, has resigned or a disentitling event applies to the Participating Employee.
Liquidity event	If a liquidity event occurs then, if the Board decides that the ESOP will not continue, the ESOP may be terminated in accordance with Rule 16 of the ESOP and, subject to repayment of all Financial Assistance owing in respect of them, Shares may be dealt with in accordance with the Company's Constitution.
Transfer	Participating Employees cannot transfer their Shares or dispose of their Shares (except to the extent the ESOP Rules permit).
Limit on capital	Capital issued under the ESOP must comply with Listing Rule 7.1 requirements and relevant provisions under the Corporations Act.
Amendment of the ESOP	The Board may amend the ESOP by resolution to the extent it does not adversely affect the rights of one or more Participating Employees.

Rule	Summary
Termination of suspension of the ESOP	The ESOP may be terminated or suspended by the Board at any time. Participating Employees may not claim compensation as a result of termination or suspension of the ESOP.
Rights of Participating Employees	<p>The ESOP Rules:</p> <ul style="list-style-type: none"> • do not confer the right to continue as an employee; • do not confer the right of an employee to be an Eligible Participant or Participating Employee; • affects any rights the Group Company may have to terminate the employment of an Eligible Participant or Participating Employee; • may be used to increase damages in any action brought against any Group Company in respect of any such termination of employment, including, without limitation, for unfair or constructive dismissal. In particular, Participating Employees have no rights to claim compensation or damages in respect of any loss of entitlements resulting from any such termination that may affect the Participating Employee's interests in respect of Shares; or • confers any responsibility or liability on any Group Company or its directors, officers, employees, representatives or agents in respect of any taxation liabilities of the Eligible Participants or Participating Employees.
Connection with other plans	Participation in the ESOP does not impact participation in other incentive or operative schemes operated by the Group Company unless the terms of that other scheme provide otherwise.
Costs	Costs in relation to the administration of the Plan will be paid by the Company unless the Board decides otherwise. Where the Board decides that Participating Employees should pay these costs, the Board must inform the Participating Employees prior to allocation of these expenses. Participating Employees will be liable for brokerage and tax associated with their participation in the ESOP.

All Correspondence to:

- ✉ **By Mail** Boardroom Pty Limited
GPO Box 3993
Sydney NSW 2001 Australia
- 📠 **By Fax:** +61 2 9290 9655
- 💻 **Online:** www.boardroomlimited.com.au
- ☎ **By Phone:** (within Australia) 1300 737 760
(outside Australia) +61 2 9290 9600

YOUR VOTE IS IMPORTANT

For your vote to be effective it must be recorded **before 10:00am (AEDT) on Monday 19 November 2018.**

🖨 TO VOTE ONLINE

- STEP 1: VISIT** <https://www.votingonline.com.au/invagm2018>
- STEP 2: Enter your Postcode OR Country of Residence (if outside Australia)**
- STEP 3: Enter your Voting Access Code (VAC):**

📱 BY SMARTPHONE



Scan QR Code using smartphone
QR Reader App

TO VOTE BY COMPLETING THE PROXY FORM

STEP 1 APPOINTMENT OF PROXY

Indicate who you want to appoint as your Proxy.

If you wish to appoint the Chair of the Meeting as your proxy, mark the box. If you wish to appoint someone other than the Chair of the Meeting as your proxy please write the full name of that individual or body corporate. If you leave this section blank, or your named proxy does not attend the meeting, the Chair of the Meeting will be your proxy. A proxy need not be a securityholder of the company. Do not write the name of the issuer company or the registered securityholder in the space.

Appointment of a Second Proxy

You are entitled to appoint up to two proxies to attend the meeting and vote. If you wish to appoint a second proxy, an additional Proxy Form may be obtained by contacting the company's securities registry or you may copy this form.

To appoint a second proxy you must:

- (a) complete two Proxy Forms. On each Proxy Form state the percentage of your voting rights or the number of securities applicable to that form. If the appointments do not specify the percentage or number of votes that each proxy may exercise, each proxy may exercise half your votes. Fractions of votes will be disregarded.
- (b) return both forms together in the same envelope.

STEP 2 VOTING DIRECTIONS TO YOUR PROXY

To direct your proxy how to vote, mark one of the boxes opposite each item of business. All your securities will be voted in accordance with such a direction unless you indicate only a portion of securities are to be voted on any item by inserting the percentage or number that you wish to vote in the appropriate box or boxes. If you do not mark any of the boxes on a given item, your proxy may vote as he or she chooses. If you mark more than one box on an item for all your securities your vote on that item will be invalid.

Proxy which is a Body Corporate

Where a body corporate is appointed as your proxy, the representative of that body corporate attending the meeting must have provided an "Appointment of Corporate Representative" prior to admission. An Appointment of Corporate Representative form can be obtained from the company's securities registry.

STEP 3 SIGN THE FORM

The form **must** be signed as follows:

Individual: This form is to be signed by the securityholder.

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

Power of Attorney: to sign under a Power of Attorney, you must have already lodged it with the registry. Alternatively, attach a certified photocopy of the Power of Attorney to this form when you return it.

Companies: this form must be signed by a Director jointly with either another Director or a Company Secretary. Where the company has a Sole Director who is also the Sole Company Secretary, this form should be signed by that person. **Please indicate the office held by signing in the appropriate place.**

STEP 4 LODGEMENT

Proxy forms (and any Power of Attorney under which it is signed) must be received no later than 48 hours before the commencement of the meeting, therefore by **10:00am (AEDT) on Monday, 19 November 2018.** Any Proxy Form received after that time will not be valid for the scheduled meeting.

Proxy forms may be lodged using the enclosed Reply Paid Envelope or:

- 💻 **Online** <https://www.votingonline.com.au/invagm2018>
- 📠 **By Fax** + 61 2 9290 9655
- ✉ **By Mail** Boardroom Pty Limited
GPO Box 3993,
Sydney NSW 2001 Australia
- 👤 **In Person** Boardroom Pty Limited
Level 12, 225 George Street,
Sydney NSW 2000 Australia

Attending the Meeting

If you wish to attend the meeting please bring this form with you to assist registration.

☐**Your Address**

This is your address as it appears on the company's share register. If this is incorrect, please mark the box with an "X" and make the correction in the space to the left. Securityholders sponsored by a broker should advise their broker of any changes.

Please note, you cannot change ownership of your securities using this form.

PROXY FORM**STEP 1 APPOINT A PROXY**

I/We being a member/s of **InvestSMART Group Limited** (Company) and entitled to attend and vote hereby appoint:

☐

the **Chair of the Meeting (mark box)**

OR if you are **NOT** appointing the Chair of the Meeting as your proxy, please write the name of the person or body corporate (excluding the registered securityholder) you are appointing as your proxy below

or failing the individual or body corporate named, or if no individual or body corporate is named, the Chair of the Meeting as my/our proxy at the Annual General Meeting of the Company to be held at the **Australian Institute Of Company Directors, NSW Business Centre and Member Lounge, Level 2, 18 Jamison St, Sydney NSW 2000 on Wednesday, 21 November 2018 at 10:00am (AEDT)** and at any adjournment of that meeting, to act on my/our behalf and to vote in accordance with the following directions or if no directions have been given, as the proxy sees fit.

Chair of the Meeting authorised to exercise undirected proxies on remuneration related matters: If I/we have appointed the Chair of the Meeting as my/our proxy or the Chair of the Meeting becomes my/our proxy by default and I/we have not directed my/our proxy how to vote in respect of Resolutions and 5, , I/we expressly authorise the Chair of the Meeting to exercise my/our proxy in respect of these Resolutions even though Resolutions 1 and 5, are connected with the remuneration of a member of the key management personnel for the Company.

The Chair of the Meeting will vote all undirected proxies in favour of all Items of business (including Resolutions 1 and 5,). If you wish to appoint the Chair of the Meeting as your proxy with a direction to vote against, or to abstain from voting on an item, you must provide a direction by marking the 'Against' or 'Abstain' box opposite that resolution.

STEP 2 VOTING DIRECTIONS

* If you mark the Abstain box for a particular item, you are directing your proxy not to vote on your behalf on a show of hands or on a poll and your vote will not be counted in calculating the required majority if a poll is called.

		For	Against	Abstain*
Resolution 1	To Adopt the Remuneration Report	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Resolution 2	To elect Mr Kevin Moore as a Director	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Resolution 3	To re-elect Mr Michael Shepherd as a Director	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Resolution 4	To re-elect Ms Paul Clitheroe as a Director	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Resolution 5	Approval of amended Employee Share Ownership Plan Rules	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Resolution 6	Amending Company Constitution	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

STEP 3 SIGNATURE OF SECURITYHOLDERS

This form must be signed to enable your directions to be implemented.

Individual or Securityholder 1

Sole Director and Sole Company Secretary

Securityholder 2

Director

Securityholder 3

Director / Company Secretary

Contact Name.....

Contact Daytime Telephone.....

Date / / 2018