

## Notice of Annual General Meeting

InvestSMART Group Limited ACN 111 772 359

(ASX:INV)

**Important information:** Shareholders should read this Notice of Meeting and Explanatory Memorandum in full. This Notice of Meeting does not take into account the individual investment objectives, financial situation or particular needs of any person. If you are in any doubt about the action you should take, please consult your stockbroker, solicitor, accountant or other professional adviser without delay.

Notice is given that the 2023 Annual General Meeting (**Meeting**) of InvestSMART Group Limited ACN 111 772 359 (**InvestSMART** or the **Company**) will be held as follows:

<b>Date</b>	Wednesday, 22 November 2023
<b>Time</b>	10.30am (AEDT)
<b>Location</b>	BDO Australia Level 11, 1 Margaret St, Sydney NSW 2000

## 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 2023.

## Resolutions

### Resolution 1: Directors' Remuneration Report

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

**Voting Exclusion Statement:** 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.

In the interests of corporate governance, the Directors abstain from making a recommendation in relation to Resolution 1.

### Resolution 2: Re-election of Mr Michael Shepherd AO as Director

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

- 2 'That Mr Michael Shepherd AO, who retires in accordance with the Company's Constitution and Listing Rule 14.5 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 2.

## Special Business

### Resolution 3: Approval to issue new EDSP Shares to Mr Ron Hodge

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

- 3 'That for the purposes of sections 259B and 260C of the Corporations Act and ASX Listing Rule 7.2 (exception 14) and ASX Listing Rule 10.14 and for all other purposes, Shareholders approve the issue of

new EDSP shares to Mr Ron Hodge in accordance with the terms set out in the Explanatory Memorandum’.

**Voting Exclusion Statement:** The Company will disregard any votes cast in favour of this resolution by:

- (a) Mr Hodge or an associate of Mr Hodge; and
- (b) a person referred to in rule 10.14.1, 10.14.2 or 10.14.3 who is eligible to participate in the EDSP and any associate of those persons.

However, this does not apply to a vote cast in favour of Resolution 3 by:

- (a) a person as proxy or attorney for a person who is entitled to vote on Resolution 3, in accordance with the directions given to the proxy or attorney to vote on Resolution 3 in that way; or
- (a) the Chair of the Meeting as proxy or attorney for a person who is entitled to vote on Resolution 3, in accordance with a direction given to the Chair to vote on the Resolution as the Chair of the Meeting decides; or
- (b) a holder acting solely in a nominee, trustee, custodial or other fiduciary capacity on behalf of a beneficiary provided the following conditions are met:
  - (i) the beneficiary provides written confirmation to the holder that the beneficiary is not excluded from voting, and is not an associate of a person excluded from voting, on Resolution 3; and
  - (ii) the holder votes on Resolution 3 in accordance with directions given by the beneficiary to the holder to vote in that way.

In accordance with section 250BD of the Corporations Act 2001 (Cth), a vote must not be cast on Resolution 3 as a proxy by Mr Ron Hodge at the date of the AGM, or a closely related party of Mr Ron Hodge, unless it is cast as proxy for a person entitled to vote in accordance with their directions.

This restriction on voting undirected proxies does not apply to the Chair of the Meeting where the proxy appointment expressly authorises the Chair of the Meeting to exercise undirected proxies even if the resolution is connected, directly or indirectly, with the remuneration of Mr Ron Hodge.

The Directors (with Mr Hodge abstaining) unanimously recommend that you vote in favour of Resolution 3.

By order of the Board



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Catherine Teo  
Company Secretary

Dated: 20 October 2023

## HOW TO PARTICIPATE IN THE ANNUAL GENERAL MEETING

The InvestSMART Group Limited (the **Company**) Annual General Meeting will be held at 10.30am on Wednesday 22 November 2023 at the offices of BDO Australia, located at Level 11, 1 Margaret Street, Sydney NSW 2000.

<b>Participation</b>	<p><b><u>Your vote is important</u></b></p> <p><b>The business of the meeting affects your shareholding.</b></p> <p>You can participate in the Meeting by:</p> <ol style="list-style-type: none"><li>1. Attending the Meeting at the time and date set out above to ask questions and vote in person.</li><li>2. Submitting your questions to the Company Secretary prior to the Meeting by emailing <a href="mailto:investorrelations@investsmart.com.au">investorrelations@investsmart.com.au</a>. Please let us know in your email if you cannot attend the Meeting in person and we will ensure that we respond to your question by phone or email.</li><li>3. Submitting your proxies.</li></ol> <p><b>InvestSMART strongly urges all shareholders to submit their proxies</b></p>
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### QUESTIONS FOR THE COMPANY

Regardless of how you intend to participate in the Meeting, Shareholders are encouraged to submit questions in advance of the Meeting to the Company.

- Questions must be submitted to the Company Secretary by email to [investorrelations@investsmart.com.au](mailto:investorrelations@investsmart.com.au) at least 48 hours before the Meeting.
- Questions to the auditor (BDO) must be submitted no later than the fifth business day before the day on which the Meeting is held under section 250PA(1) Corporations Act. Questions to the auditor are to be submitted by email to [investorrelations@investsmart.com.au](mailto:investorrelations@investsmart.com.au)

The Company will also provide Shareholders that attend the meeting in person with the opportunity to ask questions during the Meeting in respect to the formal items of business as well as general questions in respect to the Company and its business.

### VOTING

Voting on each of the proposed resolutions at the Meeting will be conducted by poll.

If you cannot attend the Meeting, there will be no voting by electronic means on the day of the Meeting. The Board strongly urges the Company's Shareholders to submit their proxies ahead of the Meeting.

#### Voting by proxy

Shareholders who wish to participate and vote at the AGM are strongly encouraged to complete and submit their proxies as early as possible.

Your proxy instruction must be received not later than 48 hours before the commencement of the Meeting. Proxy Forms received later than this time will be invalid.

To vote by proxy:

1. **ONLINE:** lodge the Proxy Form online at <https://investor.automic.com.au/#/loginsah> by following the below instructions: Login to the Automic website using the holding details as shown on the Proxy Form. Click on 'Meetings' – 'Vote'.  
  
To use the online lodgement facility, Shareholders will need their holder number (Securityholder Reference Number (SRN) or Holder Identification Number (HIN)) as shown on the front of the Proxy Form.
2. **BY EMAIL:** Scan a copy of your completed Proxy Form to: [meetings@automicgroup.com.au](mailto:meetings@automicgroup.com.au).
3. **IN PERSON:** please complete and sign the enclosed Proxy Form, and deliver the Proxy Form:

(a) by hand to the share registry, Automic Group  
Level 5, 126 Phillip Street  
Sydney NSW 2000

OR

(b) by post to the share registry, Automic Group  
GPO Box 5193  
Sydney NSW 2001

#### **VOTING EXCLUSIONS**

Certain resolutions in the Notice of Meeting are subject to voter exclusions. The voter exclusions are set out below each resolution in the Notice of Meeting.

#### **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, 20 November 2023 at 10.30am (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 Glossary to 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.

#### **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)

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This Explanatory Memorandum accompanies the notice of Annual General Meeting of the Company to be held at 10.30am (AEDT) on Wednesday 22 November 2023.

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.

## Ordinary Business

### 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 questions by email to the Chairman about the management of the Company or to the Company's auditor, BDO, 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 questions for the auditor 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 received by 5:00pm on Wednesday, 15 November 2023. Please send any written questions for BDO by email to [investorrelations@investsmart.com.au](mailto:investorrelations@investsmart.com.au).

### 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: Re-election of Mr Michael Shepherd AO SF Fin, MAICD**

- 12 Mr Michael Shepherd AO 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.
- 13 Michael 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.
- 14 Mr Shepherd is currently Chairman of Navigator Global Investments Limited (a listed investment management company, commenced 16/12/2009) 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, Financial Services Institute of Australasia, after being a director of that body between 2001 and 2009, including 2 years as National President.
- 15 Mr Shepherd is currently Chairman of the Company's Audit, Risk and Compliance Committee and Chairman of the Company's Nomination and Remuneration Committee.

**Directors' recommendation**

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

## Special Business

**Resolution 3: Approval to issue new EDSP Shares to Mr Ron Hodge**

**Background**

- 17 Resolution 3 seeks Shareholder approval for the purposes of Sections 259B and 260C of the Corporations Act, Listing Rule 7.2 (exception 14), Listing Rule 10.14 and for all other purposes.
- 18 Mr Ron Hodge, as Managing Director of the Company, currently holds the following EDSP shares, as approved by Shareholders at the Company's 2020, 2021 and 2022 Annual General Meetings. These EDSP shares have no performance conditions.

	Number of EDSP shares	Vesting date	Maturity date	Allocation Price
Tranche 1	1,522,222	30/11/2020	30/11/2025	0.15
Tranche 2	1,522,222	30/11/2021	30/11/2026	0.20
Tranche 3	1,522,222	30/11/2022	30/11/2027	0.30
Tranche 4	210,000	08/12/2021	01/09/2026	0.25
Tranche 5	120,000	08/12/2022	21/09/2027	0.34

Tranche 1, Tranche 2 and Tranche 3 EDSP Shares were issued with Shareholder approval at the Company's 2020 AGM.

Tranche 4 EDSP Shares were issued with Shareholder approval at the Company's 2021 AGM. Tranche 5 EDSP Shares were issued with Shareholder approval at the Company's 2022 AGM.

- 19 The Company seeks Shareholder approval for the issue of 166,667 EDSP Shares at an allocation price of \$0.145 per share to Mr Ron Hodge which will vest immediately on issue, with an associated loan of \$0.145 per share, repayable five years after issue.

#### Listing Rules and Corporations Act requirements

- 20 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 exception 14 of Listing Rule 7.2, Listing Rule 7.1 does not apply to issues of securities made with the approval of Shareholders under Listing Rule 10.14.
- 21 Listing Rule 10.14 requires a company to obtain Shareholder approval for the issue of equity securities to directors of the company under an employee incentive scheme. Mr Ron Hodge is a director of the Company and therefore Shareholder approval is sought for the issue of Shares under the Company's EDSP to Mr Ron Hodge.
- 22 The Board has also considered Chapter 2E Corporations Act. Chapter 2E of the Corporations Act requires that for a public company, or an entity that the public company controls, to give a financial benefit to a related party of the public company, the public company or entity must:
- (a) obtain the approval of the public company's members in the manner set out in sections 217 to 227 of the Corporations Act; and
  - (b) give the benefit within 15 months following such approval,
- unless the giving of the financial benefit falls within an exception set out in sections 210 to 216 of the Corporations Act.
- 23 The issue of the EDSP Shares to Mr Ron Hodge constitutes giving a financial benefit and Mr Ron Hodge is a related party of the Company by virtue of being a Director.
- 24 However, the Board has determined that the reasonable remuneration exemption under section 211 Corporations Act applies to Resolution 3 on the basis that:
- (a) the terms of the EDSP apply equally to all employees and eligible directors; and
  - (b) the issue of EDSP shares to Mr Ron Hodge is otherwise reasonable considering he is the Managing Director of the Company and for the reasons stated in this Explanatory Memorandum.
- 25 In accordance with Listing Rule 10.15, Shareholders are advised of the following particulars:



- (a) Mr Ron Hodge is the Managing Director of the Company and as such falls within Listing Rule 10.14.1;
- (b) it is proposed that 166,667 new fully paid ordinary Shares under the EDSP at an allocation price of 14.5 cents per share, be issued to Mr Ron Hodge, no later than three months after the date of this Annual General Meeting;
- (c) for the year ended 30 June 2023 Mr Hodge received \$320,767 (including superannuation, accrued annual leave, accrued long service leave and share-based payments in director's fees);
- (d) to date, Mr Hodge has been issued EDSP shares as set out in paragraph 18;
- (e) a summary of the key terms of the EDSP Rules is outlined in schedule 1;
- (f) Mr Hodge will receive a loan from the Company in connection with the proposed issue of the 166,667 EDSP Shares to him. The material terms of the loan are as follows:
  - (i) the loan is an interest free, non-recourse loan for \$24,167 from the Company for the sole purpose of acquiring EDSP Shares in the Company;
  - (ii) Mr Hodge will be required to repay the loan or forfeit shares issued within five years of the issue of the EDSP Shares;
  - (iii) if Mr Hodge retires as a director or is removed as a director of the Company then he may choose to either repay the loan or forfeit EDSP Shares;
  - (iv) Mr Hodge will be entitled to any dividends paid on the EDSP Shares;
  - (v) the EDSP Shares are restricted while the loan remains outstanding;
- (g) details of any equity securities issued to any director under the EDSP will be published in the Company's annual report relating to the period in which they were issued, along with a statement that approval for the issue was obtained under Listing Rule 10.14; and
- (h) any additional persons covered by Listing Rule 10.14 who become entitled to participate in an issue of equity securities under the EDSP after Resolution 3 is approved and who are not named in this notice of meeting will not participate until Shareholder approval is obtained under Listing Rule 10.14.

26 Section 260B of the Corporations Act restricts a company from financially assisting a person to acquire shares in the Company without shareholder approval, subject to exceptions. One such exception is where a resolution has been passed at a general meeting by shareholders approving the employee share scheme under which the financial assistance is given. Shareholder approval of the EDSP was granted for this purpose at the 2022 annual general meeting of the Company.

27 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. Shareholder approval of the EDSP was granted for this purpose at the 2022 annual general meeting of the Company.

### **Resolution 3**

28 If Resolution 3 is passed, the Company will be able to proceed with the issue of the EDSP Shares to Mr Ron Hodge as contemplated by this Explanatory Memorandum. As approval pursuant to Listing Rule 7.1 is not

required for the issue of the EDSP Shares (because approval is being obtained under Listing Rule 10.14), the issue of the EDSP Shares will not use up any of the Company's 15% annual placement capacity.

- 29 If Resolution 3 is not passed, the Company will not be able to proceed with the issue of the EDSP Shares to Mr Ron Hodge and the Company may make a cash payment in lieu of EDSP Shares.
- 30 A voting exclusion statement is included in the Notice of Meeting. Resolution 3 is an ordinary resolution, which requires a simple majority of votes cast by Shareholders present and entitled to vote on the resolution.

**Directors' recommendation**

- 31 The Directors (Mr Ron Hodge abstaining) unanimously recommend that you vote in favour of this Resolution 3.

# Glossary

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

Definition	Meaning
Annual General Meeting or Meeting	means the Company's annual general meeting the subject of this Notice of Meeting.
Annual Report	means the 2023 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.
EDSP	Employee and Director Share Plan approved by Shareholders on 23 November 2022.
Explanatory Memorandum	means the explanatory memorandum attached to the Notice of Meeting.
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.
Meeting	means the 2023 Annual General Meeting of the Company described in the Notice of Meeting.
Notice of Meeting	means this notice of meeting and includes the Explanatory Memorandum.
Related Parties	the meaning given to that term under ASX Listing Rule 19.
Remuneration Report	means the section of the Directors' report for the 2023 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.

# Schedule 1

## Summary of the InvestSMART Employee and Director Share Plan Rules

Who is eligible to participate?	All full time and part time employees and all Directors of the Company are eligible to participate in the EDSP.
How will Shares under the EDSP be allocated?	The Board may determine the number of Shares that are to be allocated to each eligible participant under the EDSP in its absolute discretion, having regard to the participant's: <ul style="list-style-type: none"> <li>• length of service;</li> <li>• position and remuneration; and</li> <li>• any other matters considered relevant by the Board.</li> </ul>
What are the rights attaching to Shares issued under the EDSP?	Shares issued under this Plan will, from the date of allotment, rank equally with all other issued Shares in all respects including with respect to voting rights and entitlements to participate in dividends, future rights and bonus issues. These rights apply even if the Shares are subject to the holding lock.
How does the EDSP work?	<ol style="list-style-type: none"> <li>1. Participants will be invited to participate in the EDSP by the Board.</li> <li>2. The invitation will describe the number of Shares and the terms attaching to those Shares, including the application price at which the Shares are to be issued to the participant.</li> <li>3. The Company will provide a loan to the participant equivalent to the application price multiplied by the number of Shares issued to the participant.</li> <li>4. All Shares issued under the EDSP are subject to a holding lock, meaning that the Shares cannot be traded, until the applicable vesting date. After the vesting date, participants may elect to dispose of their Shares however, the loan must be repaid by the participant within 7 days of disposal of the Shares.</li> </ol>
What happens if a participant ceases to work for the Company?	<ol style="list-style-type: none"> <li>5. While the Shares have not vested and the loan remains unpaid: <ol style="list-style-type: none"> <li>(a) if a participant is dismissed by the Company for cause or resigns from service of the Company, then that participant automatically forfeits all interest in the Shares and the Company is entitled to buy back and cancel the Shares held by that participant;</li> <li>(b) if a participant is made redundant by the Company, then the participant is able to retain the Shares and the loan remains in place.</li> </ol> </li> <li>6. After the Shares have vested and the loan remains unpaid, if a participant is dismissed by the Company for cause or resigns from service of the Company, then the Company may at its discretion: <ol style="list-style-type: none"> <li>(a) require the participant to repay the loan; or</li> <li>(b) apply a restriction on disposal over the Shares until the loan is repaid.</li> </ol> </li> </ol>
Are loans provided to participants?	<ol style="list-style-type: none"> <li>7. The EDSP involves the Company providing non-recourse loans to eligible participants for the sole purpose of acquiring shares. When a loan is made to an eligible employee under the EDSP, until that loan is repaid, the Company will have a lien over the Shares to which the loan relates.</li> </ol>