



Notice of Annual General Meeting and Explanatory Statement

For the Annual General Meeting to be held on Thursday 15 November 2018, commencing at 11:00am (Sydney time) in the

Isaac Nichols Auditorium
219-241 Cleveland Street
Strawberry Hills, NSW 2012

This page intentionally left blank

Notice of Annual General Meeting

Notice is hereby given that the Annual General Meeting of Isentia Group Limited will be held at 11.00 am on Thursday, 15 November 2018, in the Isaac Nichols Auditorium, 219-241 Cleveland Street, Strawberry Hills, Sydney NSW 2012.

Item 1: Financial Report and Directors' and Auditor's Report

To receive and consider the Financial Report, including the Directors' Declaration, the related Directors' Report and Auditor's Report of the Group for the year ended 30 June 2018 (contained in the 2018 Annual Report).

Item 2: Adoption of Remuneration Report

To receive, consider and, if thought fit, adopt the Remuneration Report for the year ended 30 June 2018 (contained in the 2018 Annual Report) by passing the following ordinary resolution:

“That the Remuneration Report that forms part of the Directors' Report of the Group for the financial year ended 30 June 2018 be adopted.”

Item 3: Election of Director – Douglas Snedden

To consider and, if thought fit, pass the following ordinary resolution:

“That Douglas Snedden, being a Director of the Company who retires in accordance with the Company's Constitution, and being eligible, is elected as a Director of the Company.”

Item 4: Election of Director – Travyn Rhall

To consider and, if thought fit, pass the following ordinary resolution:

“That Travyn Rhall, being a Director of the Company who retires in accordance with the Company's Constitution, and being eligible, is elected as a Director of the Company.”

Item 5: Election of Director – Justin Kane

To consider and, if thought fit, pass the following ordinary resolution:

“That Justin Kane, being a Director of the Company who retires in accordance with the Company's Constitution, and being eligible, is elected as a Director of the Company.”

Item 6: Approval of Grant of Engagement Rights to Edward Harrison

To consider and, if thought fit, pass the following ordinary resolution:

“That approval is given, for the purposes of ASX Listing Rule 10.14 and all other purposes, to the grant of Engagement Rights to the Company's Chief Executive Officer and Managing Director Edward Harrison on the terms summarised in the Explanatory Notes to this Notice of Meeting”

Item 7: Holding a Spill Meeting

Condition for Item 7: *Item 7 will only be considered at the Annual General Meeting if it is unclear whether less than 25% of the votes cast on Item 2 are against the adoption of the Remuneration Report. The Explanatory Statement further explains the circumstances in which Item 7 will be put to the meeting.*

To consider and, if thought fit, pass the following resolution as an ordinary resolution

"That, subject to and conditional on at least 25% of the votes cast on Item 2 being against the adoption of the Company's Remuneration Report for the financial year ended 30 June 2018, and as required by the Corporations Act:

- (a) a meeting of the Company's members be held within 90 days of the date of the 2018 Annual General Meeting (Spill Meeting);**
- (b) all of the Directors who were Directors when the resolution to approve the Directors' Report for the year ended 30 June 2018 was passed (excluding the Managing Director) cease to hold office immediately before the end of the Spill Meeting; and**
- (c) resolutions to appoint persons to offices that will be vacated immediately before the end of the Spill Meeting be put to the vote at the Spill Meeting."**

Voting Exclusions

Items 2 and 7

The Company will disregard any votes cast (in any capacity) by a member of the Company's key management personnel (**KMP**) named in the Remuneration Report for the financial year ended 30 June 2018, or by a closely related party of any such member, on the proposed resolutions in Items 2 and 7 unless:

- the vote is cast as proxy for a person entitled to vote in accordance with a direction on the proxy form; or
- the vote is cast by the Chair of the Meeting where he has been expressly authorised to do so.

Item 6

The Company will disregard any votes cast in favour of the resolution in item 6 by or on behalf of:

- Edward Harrison; or
- any associate of Edward Harrison

unless:

- the vote is cast as proxy for a person entitled to vote in accordance with a direction on the proxy form; or
- the vote is cast by the Chair of the Meeting where he has been expressly authorised to do so.

By order of the Board

Jacquie Shanahan
Company Secretary
12 October 2018

Information for Shareholders

Explanatory Statement

This Notice of Meeting should be read in conjunction with the attached Explanatory Statement. The Explanatory Statement forms part of this Notice of Meeting.

How to Vote

Shareholders may vote by attending the Meeting in person, by proxy or authorised corporate representative.

Voting Entitlements

The Company has determined, in accordance with the Corporations Regulations 2001 (Cth), that Shares quoted on the ASX at 7.00pm (Sydney time) on **Tuesday, 13 November 2018** shall be taken, for the purposes of the Meeting, to be held by the persons who held them at that time. Accordingly, those persons are entitled to attend and vote (if not excluded) at the Meeting.

Voting in Person

To vote in person attend the Meeting on the date and at the place set out in this notice. The Meeting will commence at 11:00am (Sydney time) on Thursday, 15 November 2018.

Voting by Corporate Representative

A corporation may elect to appoint a representative to attend and vote at the Meeting in accordance with the Corporations Act in which case the Company will require a Certificate of Appointment of Corporate Representative executed in accordance with the Corporation Act. The Certificate is to be lodged with the Company before the Meeting or at the registration desk on the day of the Meeting.

Shareholders can download and complete the 'Appointment of Corporate Representative' form from the Link Market Services website:

<https://www.linkmarketservices.com.au/corporate/InvestorServices/Forms.html>

Voting by Proxy

A Shareholder who is entitled to vote at the Meeting may appoint a proxy.

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. If the Shareholder appoints two proxies and the appointment does not specify the proportion or number of the Shareholder's votes each proxy may exercise, each proxy may exercise one half of the Shareholder's votes. If the Shareholder appoints two proxies, neither may vote on a show of hands if both proxies are present at the Meeting.

A proxy need not be a Shareholder of the Company.

The proxy form must be signed by the Shareholder or the Shareholder's attorney. Proxies given by corporations must be executed in accordance with the Corporations Act.

To be valid, a duly completed proxy form and the power of attorney or other authority (if any) under which it is signed (or an attested copy of it) must be received by the Company by no later than 11:00am (Sydney time) on Tuesday, 13 November 2018, being not less than 48 hours prior to the commencement of the Meeting. Any proxy form received after that time will not be valid.

Proxy forms can be received:

- **Online** by logging onto linkmarketservices.com.au using the holding details as shown on the proxy form. Select 'Voting' and follow the prompts to lodge your vote. To use the online lodgement facility, Shareholders will need their "Holder Identifier" (Securityholder Reference Number (SRN) or Holder Identification Number (HIN) as shown on the proxy form).
- **By post** to Link Market Services Limited, Locked Bag A14, Sydney South NSW 1235.
- **By fax** on +61 2 9287 0309.
- **By hand** to Link Market Services, 1A Homebush Bay Drive, Rhodes NSW 2138.

Enquiries

Shareholders are invited to contact the Company Secretary, Jacquie Shanahan at companysecretary@isentia.com if they have any queries in respect of the matters set out in these documents. For general Shareholder enquiries, please contact Link Market Services on 1300 554 474 or registrars@linkmarketservices.com.au.

[This space is intentionally left blank]

Explanatory Statement

This Explanatory Statement and all of its attachments are important documents. They should be read carefully. If you have any questions regarding the matters set out in this Explanatory Statement or the preceding Notice, please contact the Company Secretary, Jacque Shanahan at companysecretary@isentia.com or your professional advisor without delay.

This Explanatory Statement has been prepared for the Shareholders of the Company in connection with the Annual General Meeting of the Company to be held at 11:00am (Sydney time) on Thursday, 15 November 2018.

Item 1: Financial Report and Directors' and Auditor's Report

This item deals with the presentation of the Annual Financial Report, Directors' Report and the Auditor's Report for the Group for the financial year ended 30 June 2018. In accordance with the Corporations Act, Shareholders will be given a reasonable opportunity to ask questions or make comments on these reports and on the business, operations and management of the Group.

The Annual Financial Report, including the Directors' Declaration, the related Directors' Report and Auditor's Report of the Group for the year ended 30 June 2018 are contained in the 2018 Annual Report. An electronic copy of the 2018 Annual Report is available at www.isentia.com/investor-centre/financial-reports or a printed copy can be requested by emailing companysecretary@isentia.com or calling +61 2 9318 4000.

During discussion on this item the Group Auditor will be present and available to answer questions relevant to the conduct of the audit, the preparation and content of the Auditors Report, the accounting policies adopted by the Group in relation to the preparation of financial statements or the independence of the auditor in relation to the conduct of the audit.

No resolution is required to be moved in respect of this item of business.

Item 2: Adoption of Remuneration Report

The Remuneration Report (which forms part of the Directors' Report in the 2018 Annual Report) contains information relating to the Group's remuneration policy, remuneration framework and remuneration outcomes for directors and Key Management Personnel for the year ended 30 June 2018.

As required by the Corporations Act, a resolution will be put to Shareholders to adopt the Remuneration Report. Shareholders should be aware that the vote on this resolution is advisory only and is not binding on the Board. However, the Board will take the outcome of the vote into consideration when reviewing the remuneration practices and policies of the Company.

At last year's AGM, more than 25% of the votes cast in respect of the resolution to adopt the 2017 Remuneration Report were voted against that resolution. Because the votes "against" exceeded 25% of the votes cast, the Company recorded what is known as a "first strike" under

the executive remuneration provisions of the Corporations Act 2001. To see the Company's response to the "first strike", please refer to the "Letter from the Chair of the Nomination and Remuneration Committee" which appears in the 2018 Annual Report at the commencement of the Remuneration Report and section 1 of the Remuneration Report.

If (and only if) the votes against the 2018 Remuneration Report represent at least 25% of the votes cast, the Company will receive a "second strike". Under the Corporations Act, if the Company receives a second strike, a resolution must be put to shareholders, allowing shareholders, if they so choose, to pass a resolution to hold fresh elections for directors (**Spill Resolution**). Item 8 sets out the Spill Resolution. If the resolution in Item 8 is passed, then it will be necessary for the Board to convene a further general meeting (**Spill Meeting**) of the Company within 90 days of the AGM in order to consider the composition of the Board (see Item 8 of the Explanatory Statement for more details).

During discussion on this item of business, there will be an opportunity for shareholders to ask questions about, or comment on, the Remuneration Report.

If the Chair of the Meeting is a proxy and the relevant shareholder does not direct the Chair how to vote on the resolution by marking either the "for", "against" or "abstain" box opposite Resolution 2, the relevant shareholder will be authorising the Chair to vote in favour of Resolution 2.

Directors Recommendation

The Directors unanimously recommend that Shareholders vote in favour of the adoption of the Remuneration Report.

The Chairman of the Board intends to vote all available open proxies in favour of the adoption of the Remuneration Report.

Item 3: Election of Director – Douglas Snedden

Item 3 seeks Shareholder approval for the election of Douglas Snedden as a Director of the Company.

Mr Snedden was appointed by the Board as an Independent Non – Executive Director and Chair of the Board on 23 November 2017. Mr Snedden assumed the role of Executive Chairman in the period 24 May 2018 to 6 August 2018. As a Director appointed since the last AGM, Mr Snedden offers himself for election in accordance with Rule 58.2 of the Company's Constitution.

In addition to his role as Chairman, Mr Snedden is a member of the Nomination and Remuneration Committee and the Audit and Risk Committee

Mr Snedden is also Chairman of Odyssey House NSW, the McGrath Foundation and the Chris O'Brien Lifehouse. He is a director of ASX listed OFX Limited (ASX:OFX), the Securities Industry Research Centre of Asia-Pacific (Sirca) Limited and Frisk Pty Ltd. He is also a member of the National Library of Australia Council.

Mr Snedden has over 30 years' experience in finance, consulting, strategic management and outsourcing and previously worked as Country Managing Director of Accenture Australia.

Mr Snedden holds a Bachelor of Economics and Accounting, Australia National University and is a member of the Australian Institute of Company Directors.

Directors Recommendation

The Directors (other than Mr Snedden) unanimously recommend that Shareholders vote in favour of the election of Doug Snedden.

Item 4: Election of Director – Travyn Rhall

Item 4 seeks Shareholder approval for the election of Travyn Rhall as a Director of the Company.

Mr Rhall was appointed by the Board as an Independent Non – Executive Director on 20 July 2018. As a Director appointed since the last AGM, Mr Rhall offers himself for election in accordance with Rule 58.2 of the Company's Constitution.

Mr Rhall is a member of the Nomination and Remuneration Committee and the Audit and Risk Committee

Mr Rhall has over 30 years' experience leading businesses operating across Europe, Asia Pacific, North and South America, Africa, and the Middle East. Most recently, he was Global CEO of Kantar Insights, a division of Kantar, the data investment management arm of WPP plc, an FTSE100 media, marketing and communications group. From 2006 to 2015, Mr Rhall was Regional CEO of Millward Brown for Africa, Middle East and Asia Pacific, and then Global CEO.

Mr Rhall holds a Bachelor of Arts (Hons) in Statistics from Macquarie University and a Graduate Diploma in Economics from the Australian National University and is a Fellow of the Australian Institute of Company Directors and the Market and Social Research Society of Australia.

Directors Recommendation

The Directors (other than Mr Rhall) unanimously recommend that Shareholders vote in favour of the election of Travyn Rhall.

Item 5: Election of Director – Justin Kane

Item 5 seeks Shareholder approval for the election of Mr Justin Kane as a Director of the Company.

Mr Kane was appointed by the Board as a Non – Executive Director on 20 July 2018. As a Director appointed since the last AGM, Mr Kane offers himself for election in accordance with Rule 58.2 of the Company's Constitution.

Mr Kane is a member of the Nomination and Remuneration Committee.

Mr Kane is Director of Research and a Founding Partner of Gilead Capital LP, an investment management firm located in New York. Gilead Capital is the company's largest shareholder and at the date of this report owns 15.4% of issued capital. Mr Kane has extensive experience in the investment management and technology industries.

Mr Kane holds a Master of Business Administration from University of Chicago Booth School of Business and a Bachelor of Arts in Philosophy (High Honors) from Swarthmore College, (McCabe Scholar and Phi Beta Kappa).

Directors Recommendation

The Directors (other than Mr Kane) unanimously recommend that Shareholders vote in favour of the election of Justin Kane.

Item 6: Grant of Engagement Rights to Edward Harrison

Item 6 seeks shareholder approval for the grant of rights to acquire fully paid ordinary shares in the Company to the Chief Executive Officer and Managing Director, Edward Harrison, being the deferred equity, "sign on" component of Mr Harrison's employment agreement (details of which were announced to the ASX on 6 July 2018). The offer of deferred equity to Mr Harrison is intended to align the interests of Mr Harrison with the interests of shareholders and to serve as a both a long term and retention incentive.

The deferred equity was agreed to be in the form of rights to acquire fully paid ordinary shares in the Company (**Engagement Rights**) under the Company's Long Term Incentive Plan (**Plan**).

Number of Engagement Rights

It is proposed that Mr Harrison be granted 934,494 Engagement Rights. In accordance with the terms of Mr Harrison's employment agreement, this number has been determined by dividing the dollar value of Mr Harrison's total fixed remuneration (\$676,000) by the volume-weighted average price of the Company's shares over the five trading days immediately prior to the announcement of Mr Harrison's appointment to the ASX on 6 July 2018 (0.7234cps). The Engagement Rights will be granted for nil consideration.

Grant of Rights

If shareholder approval is obtained the Engagement Rights will be granted shortly after the AGM and in any event no later than twelve months following the AGM. If shareholder approval is not obtained the Board has the reserved right to make a cash payment equal to the dollar value of Mr Harrison's total fixed remuneration in lieu of the allocation of Engagement Rights.

Vesting Period

Engagement Rights granted will be subject to a two year vesting period commencing on 6 August 2018 (the date of commencement of Mr Harrison's employment with the Group) and ending on 6 August 2020 (**Vesting Period**).

Vesting Conditions

Engagement Rights are subject to a service condition during the Vesting Period that is, Mr Harrison remaining employed by the Group throughout, and up to the end of, the Vesting Period. No other performance conditions apply to the Engagement Rights.

Issue of Shares and Restrictions on Shares

If the vesting conditions attaching to the Engagement Rights are satisfied, Mr Harrison will be allocated fully paid ordinary shares in the Company without any further action required on his part. Shares may either be issued or acquired on-market to satisfy Engagement Rights that vest. In certain limited circumstances, the Board may use a discretion to settle the Engagement Rights in cash instead of Shares.

Escrow Period on Shares

Shares allocated to Mr Harrison upon Engagement Rights vesting will be subject to a 12 month escrow period from the Vesting Date (**Escrow Period**). During the Escrow Period, Mr Harrison is restricted from disposing of, granting a security interest over or otherwise dealing with the Shares. Subject to the requirements of the Company's Securities Trading Policy, Mr Harrison is free to deal in the Shares allocated once the Escrow Period ends.

Treatment of Engagement Rights and Shares on cessation of employment.

Subject to the Board's discretion to determine otherwise:

- where Mr Harrison resigns or his employment is terminated for cause, all unvested Engagement Rights will lapse;
- where Mr Harrison is terminated for any other reason, any unvested Engagement Rights will remain on foot and will vest or lapse in the ordinary course. Shares allocated on the vesting of such Rights will be subject to the Escrow Period; and
- where Mr Harrison's employment ends for any reason in the Escrow Period, Mr Harrison is entitled to retain all Shares allocated subject to the escrow and restrictions on dealing for the duration of the Escrow Period.

Rights attaching to Engagement Rights

Engagement Rights do not carry any voting rights or entitlements to receive dividends during the Vesting Period. Any dealing in respect of an Engagement Right is prohibited unless the Board determines otherwise or the dealing is required by law. "Dealing" includes sales, transfers, assignments, options, swaps and hedges relating to a security. In the event the Company makes a bonus issue or pro-rata rights issue to shareholders or undertakes a capital

reorganisation, the Board may make any adjustments it considers appropriate to the terms of the Engagement Rights in order to minimise or eliminate any material advantage or disadvantage that results from any such action.

Change of control

Subject to the Board exercising its discretion to treat unvested Engagement Rights differently, where there is a change of control, all unvested Engagement Rights will immediately vest and any dealing restrictions on Shares allocated, including escrow, will immediately cease.

Clawback

The Board retains discretion at all times to reduce or extinguish the Engagement Rights granted and/or Shares issued while they remain subject to escrow to prevent an inappropriate benefit being obtained by Mr Harrison. Examples of where an inappropriate benefit could be considered include where Mr Harrison commits an act of fraud, major negligence or misconduct.

Other Required Information – ASX Listing Rules

Mr Harrison is the only person referred to in ASX Listing Rule 10.14 (directors and their associates) who is entitled to participate in the Engagement Rights and the Plan. There is no loan scheme in relation to the Engagement Rights or the Plan. Mr Harrison has not as yet received any securities under the Plan.

Former Managing Director and Chief Executive Officer, John Croll, was the only person referred to in ASX Listing Rule 10.14 (directors and their associates) who received securities under the Plan since the last approval in November 2016. In November 2016 shareholders approved the grant of 498,627 Options to Mr Croll. Details of the Options granted to Mr Croll in November 2016 are set out in the Notice of Annual General Meeting and Explanatory Statement lodged with the ASX on 14 October 2016. The Options granted in November 2016 were for nil consideration. All Options granted to Mr Croll lapsed upon his resignation in February 2018.

Directors Recommendation

The Directors (other than Mr Harrison) unanimously recommend that Shareholders vote in favour of the grant of Engagement Rights to Mr Harrison.

Item 7: Holding a Spill Meeting

The Corporations Act provides that if at least 25% of the votes cast on the adoption of the Remuneration Report at two consecutive AGMs are against adopting the Remuneration Report, shareholders will have the opportunity to vote on a "Spill Resolution".

At last year's Annual General Meeting, at least 25% of the votes cast on the resolution to adopt the Remuneration Report were against adopting the report.

If it is unclear during the meeting that less than 25% of the votes cast on Item 2 are against the adoption of the Remuneration Report, Item 7 will be put to the meeting and voted on as required by section 250V of the Corporations Act (Spill Resolution). In the event that this Item is passed, it will only be effective if, once the formal results of the poll conducted on Item 2 are settled, at least 25% of the votes

cast on Item 2 are against the adoption of the Remuneration Report.

If it is clear during the meeting that less than 25% of the votes cast on Item 2 are against adopting the Remuneration Report at this year's Annual General Meeting, then there will be no second strike and Item 7 will not be put to the meeting.

If put, the Spill Resolution will be considered as an ordinary resolution.

Shareholders should note that if the Spill Resolution is passed:

- the Company will convene a general meeting of members to be held within 90 days of the date of this year's Annual General Meeting (Spill Meeting); and
- each of Douglas Snedden, Fiona Pak-Poy, Travyn Rhall and Justin Kane, who were directors when the last directors' report was approved by the board (Relevant Directors), will cease to hold office immediately before the end of the Spill Meeting.

Each Relevant Director is eligible to seek re-election as a director of the Company at the Spill Meeting.

Even if Douglas Snedden, Travyn Rhall and Justin Kane are elected at the AGM they will still be subject to the Spill Resolution and will need to be re-elected at the Spill Meeting if they are to remain as directors. However, Ed Harrison, as CEO and Managing Director, is excluded from the requirement to retire and stand for election at the Spill Meeting.

Shareholders should be aware that if the Spill Resolution is passed the convening of a Spill Meeting will result in the Company incurring material additional expense in conducting the meeting as well as the potential disruption to its focus on core business operations. Shareholders should also note that there are no voting exclusions applicable to the resolutions appointing directors at the Spill Meeting.

Directors' Recommendation

The Directors unanimously recommend shareholders vote AGAINST the resolution to convene a Spill Meeting if Item 7 is put to shareholders.

Glossary

"ASX" means ASX Limited (ABN 98 008 624 691) or the Australian Securities Exchange, as appropriate.

"Auditor" means Deloitte Touche Tohmatsu (ABN 74 490 121 060).

"Board" means the board of directors of the Company.

"Company" or "Isentia" means Isentia Group Limited (ABN 31 167 541 568).

"Constitution" means the constitution of the Company.

"Corporations Act" means the *Corporations Act 2001* (Cth).

"Director" means a director of the Company.

"Financial Report" means the annual financial report of the Group for the year ended 30 June 2018.

"Group" means the Company and its controlled entities.

"Listing Rules" means the listing rules of the ASX.

"Meeting" means the annual general meeting convened by this Notice.

"Notice" means the notice of Meeting.

"Shareholder" means a holder of one or more Shares.

"Shares" means fully paid ordinary shares in the Company.

End of Explanatory Statement