

# INGHAMS GROUP LIMITED

ACN 162 709 506

## NOTICE OF ANNUAL GENERAL MEETING

**NOTICE is given that an Annual General Meeting of the members of INGHAMS GROUP LIMITED ACN 162 709 506 (“Company” or “Ingham’s”) will be held as a virtual meeting on Thursday 5th November 2020 at 10.00am (Sydney time) (“AGM” or the “meeting”).**

Shareholders and proxyholders can listen, vote, make comments and submit questions during the AGM via the online platform at: [agmlive.link/ING20](https://agmlive.link/ING20).

Further details on how to participate in the AGM are set out on the Virtual Meeting Online Guide, available at [investors.ingham.com.au/Investor-Centre/?page=annual-general-meetings](https://investors.ingham.com.au/Investor-Centre/?page=annual-general-meetings).

### ITEMS OF BUSINESS

#### 1. Financial Report

To receive and consider the Financial Report of the Company and its controlled entities and the Reports of the Directors and Auditor for the year ended 27 June 2020.

**To consider and, if thought fit, pass the following resolutions as ordinary resolutions:**

#### 2. Election of Michael Ihlein as Director

That Michael Ihlein be elected as a Director of the Company.

#### 3. Re-election of Jacqueline McArthur as Director

That Jacqueline McArthur be re-elected as a Director of the Company.

#### 4. Re-election of Helen Nash as Director

That Helen Nash be re-elected as a Director of the Company.

#### 5. Remuneration Report

That the Remuneration Report for the year ended 27 June 2020 be adopted.

Note: The vote on this resolution is advisory only and does not bind the Directors or the Company. A voting exclusion applies to this resolution (see section 2 of the notes relating to voting).

#### 6. Approval of grant of performance rights to the Managing Director & CEO under FY20 transformational incentive plan (TIP)

That approval be given for all purposes, including ASX Listing Rule 10.14, for the grant of performance rights to Jim Leighton as his TIP grant for the year ended 27 June 2020 on the terms described in the Explanatory Memorandum accompanying the Notice of Meeting.

Note: A voting exclusion applies to this resolution (see Item 2 of the notes relating to voting).

#### 7. Approval of grant of performance rights to the Managing Director & CEO under FY21 long term incentive plan (LTIP)

That approval be given for all purposes, including ASX Listing Rule 10.14, for the grant of performance rights to Jim Leighton as his LTIP grant for the year ended 26 June 2021 on the terms described in the Explanatory Memorandum accompanying the Notice of Meeting.

Note: A voting exclusion applies to this resolution (see Item 2 of the notes relating to voting).

The notes relating to participating in the meeting online, voting and the Explanatory Memorandum form part of this Notice of Meeting.

By Order of the Board



David Matthews  
Company Secretary  
6 October 2020

## **Notes to Notice of Annual General Meeting**

### **Technical difficulties during virtual AGM**

Technical difficulties may arise during the course of the AGM. The Chairman has discretion as to whether and how the meeting should proceed in the event that a technical difficulty arises. In exercising his discretion, the Chairman will have regard to the number of shareholders impacted and the extent to which participation in the business of the meeting is affected. Where he considers it appropriate, the Chairman may continue to hold the meeting and transact business, including conducting a poll and voting in accordance with valid proxy instructions. For this reason, shareholders are encouraged to lodge a proxy for receipt by 10.00am (Sydney time) Tuesday, 3 November 2020 even if they plan to attend the meeting online.

### **Notes relating to voting**

#### **1. Entitlement to vote**

In accordance with Regulation 7.11.37 of the Corporations Regulations 2001 (Cth), the Board has determined that persons who are registered holders of shares in the Company as at 7.00pm (Sydney time) on Tuesday, 3 November 2020 will be entitled to attend and vote at the meeting as a shareholder. Share transfers registered after that time will be disregarded in determining entitlements to attend and vote at the meeting.

If more than one joint holder of shares is present at the meeting (whether personally, by proxy or by attorney or by representative) and tenders a vote, only the vote of the joint holder whose name appears first on the register will be counted.

The vote on each resolution will be decided on a poll, and each shareholder present in person or by proxy shall have one vote for every fully paid ordinary share held (subject to the restrictions on voting referred to below).

#### **2. Voting exclusions**

##### **Item 5**

The Company will disregard any votes cast on Item 5:

- by or on behalf of a member of the Company's KMP named in the Company's Remuneration Report for the year ended 27 June 2020 or their closely related parties, regardless of the capacity in which the vote is cast; or
- as a proxy by a person who is a member of the Company's KMP at the date of the meeting or their closely related parties,

unless the vote is cast as proxy for a person entitled to vote on Item 5:

- in accordance with a direction given to the proxy to vote on the resolution in that way; or
- by the Chairman of the meeting pursuant to an express authorisation to exercise the proxy even though the resolution is connected with the remuneration of KMP.

##### **Items 6 and 7**

The Company will disregard any votes cast on Items 6 or 7:

- in favour of the resolution by or on behalf of Mr Leighton or any of his associates, regardless of the capacity in which the vote is cast; or
- as a proxy by a person who is a member of the Company's KMP at the date of the meeting or their closely related parties,

unless the vote is cast on Items 6 or 7 (as relevant):

- as proxy or attorney for a person entitled to vote on the resolution in accordance with a direction given to the proxy or attorney to vote on the resolution in that way;
- as proxy for a person entitled to vote on the resolution by the Chairman of the meeting pursuant to an express authorisation to vote as the proxy decides; or
- by a holder acting solely in a nominee, trustee, custodial or other fiduciary capacity on behalf of a beneficiary provided the following conditions are met:
  - 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 the resolution; and
  - the holder votes on the resolution in accordance with directions given by the beneficiary to the holder to vote in that way.

### 3. Proxies

A shareholder entitled to attend and vote at the meeting has a right to appoint a proxy to attend and vote on their behalf. A proxy need not be a shareholder and can be either an individual or a body corporate.

- a. A shareholder can appoint a proxy online at [www.linkmarketservices.com.au](http://www.linkmarketservices.com.au) or by requesting a proxy form from the Company's registry (see section 4 of these notes relating to voting).
- b. A shareholder that is entitled to cast 2 or more votes may appoint 2 proxies and may specify the proportion or number of votes each proxy is appointed to exercise. If no proportion or number is specified, each proxy may exercise half of the shareholder's votes.
- c. If a shareholder appoints a body corporate as a proxy, that body corporate will need to ensure that it:
  - appoints an individual as its corporate representative to exercise its powers at the Meeting, in accordance with section 250D of the Corporations Act; and
  - provides satisfactory evidence of the appointment of its corporate representative prior to commencement of the meeting.
- d. If you wish to indicate how your proxy should vote, please mark the appropriate boxes on the proxy appointment. If you do not direct your proxy how to vote on a particular item of business, you are authorising your proxy to vote as they decide, subject to any applicable voting exclusions.
- e. Unless the Chairman of the meeting is your proxy, members of the Company's KMP (which includes each of the Directors) will not be able to vote as proxy on Items 5, 6, or 7, unless you direct them how to vote. If you intend to appoint a member of the KMP (such as one of the Directors) as your proxy, you should ensure that you direct that person how to vote on Items 5, 6, or 7.
- f. If you intend to appoint the Chairman of the meeting as your proxy, you can direct the Chairman how to vote by marking the boxes for the relevant resolution (for example, if you wish to vote "for", "against" or to "abstain" from voting). However, if you appoint the Chairman of the meeting as your proxy, or they become your proxy by default, and you do not mark a box next to Items 5, 6, or 7, then by submitting the proxy appointment, you will be expressly authorising the Chairman to vote as they see fit in respect of Items 5, 6, and 7 even though these Items are connected with the remuneration of the Company's KMP.
- g. If:
  - a poll is duly demanded at the meeting in relation to a proposed resolution;
  - a shareholder has appointed a proxy (other than the Chairman of the meeting) and the appointment of the proxy specifies the way the proxy is to vote on the resolution; and
  - that shareholder's proxy is either not recorded as attending the meeting or does not vote in accordance with the shareholder's direction on the resolution,the Chairman of the meeting will, before voting on the resolution closes, be taken to have been appointed as the proxy for the shareholder for the purposes of voting on that resolution and must vote in accordance with the written direction of that shareholder.
- h. Please note that the Chairman intends to vote all available proxies in favour of each resolution.

### 4. Lodgement of proxy appointments

To be effective, your proxy appointment (and any power of attorney or other authority under which it is signed) must be received no later than 10.00am (Sydney time) Tuesday, 3 November 2020 at:

<b>Mail:</b> Inghams Group Limited C/ - Link Market Services Limited Locked Bag A14 Sydney South NSW 1235 Australia	<b>By Hand:</b> Inghams Group Limited C/- Link Market Services Limited 1A Homebush Bay Drive, Rhodes NSW 2138; or Level 12, 680 George Street, Sydney NSW 2000
<b>Facsimile:</b> + 61 2 9287 0309	<b>Online:</b> <a href="http://linkmarketservcies.com.au">linkmarketservcies.com.au</a>

## **5. Corporate representatives**

A body corporate that is a shareholder, or which has been appointed as a proxy, may appoint an individual to act as its representative at the meeting. The appointment must comply with the requirements of section 250D of the Corporations Act. The representative should bring to the meeting evidence of his or her appointment, including any authority under which it has been signed, unless it has previously been given to the Company.

## **6. Voting by attorney**

A shareholder entitled to attend and vote may appoint an attorney to act on his or her behalf at the meeting. An attorney may but need not be a member of the Company. An attorney may not vote at the meeting unless the instrument appointing the attorney, and the authority under which the instrument is signed or a certified copy of the authority, are received by the Company in the same manner, and by the same time, as outlined above for proxy appointments.

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**EXPLANATORY MEMORANDUM**  
**for Annual General Meeting of Inghams Group Limited**

**1. Annual Financial Report**

The Corporations Act requires: (i) the reports of the Directors and Auditor; and (ii) the annual Financial Report (including the Financial Statements and Notes) of the Company and its controlled entities for the year ended 27 June 2020, to be laid before the AGM.

The annual Financial Report, Director's report and Auditor's report are contained in the Company's 2020 Annual Report and can be accessed at [www.ingham.com.au](http://www.ingham.com.au).

Neither the Corporations Act nor the Company's Constitution requires a vote of shareholders on this Item. However, shareholders will be given an opportunity to raise questions or comments on the management of the company.

A reasonable opportunity will also be given at the meeting for shareholders as a whole to ask the Company's Auditor questions relevant to the conduct of the audit, the preparation and content of the Auditor's Report, the accounting policies adopted by the Company in relation to the preparation of the financial statements and the independence of the Auditor in relation to the conduct of the audit.

**2. Election of Michael Ihlein as Director**

Mike Ihlein was appointed as a Non-Executive Director on 16 April 2020. Appropriate background checks were completed before Mr Ihlein was appointed to the Board. Under the Company's Constitution he will retire at the conclusion of the meeting and, being eligible, he is nominated for election as a Director at the meeting. Mr Ihlein is Chair of the Finance & Audit Committee and a member of the People & Remuneration Committee of the Company.

Mr Ihlein has significant experience across fast-moving consumer goods and supply-chain logistics companies. He held senior roles at Coca-Cola Amatil Limited including Executive Director and Chief Financial Officer as well as Managing Director, Coca-Cola Amatil Poland. Subsequently he was Executive Director and Chief Financial Officer at Brambles Limited prior to becoming Chief Executive Officer until his retirement. He holds a Bachelor of Business Studies (Accounting) from the University of Technology, Sydney. He is a Fellow of the Australian Institute of Company Directors, CPA Australia and the Financial Services Institute of Australasia.

Mr Ihlein also serves on the Boards of Scentre Group Limited, CSR Limited, Ampol Limited and the not-for-profit mentoring organisation Kilfinan Australia.

The Board considers Mr Ihlein to be independent.

**Recommendation**

The Board (with Mr Ihlein abstaining) recommends that shareholders vote in favour of the election of Michael Ihlein as a Director.

**3. Re-election of Jacqueline McArthur as Director**

Jackie McArthur was appointed as a Non-Executive Director on 19 September 2017 and was elected by shareholders on 31 October 2017. Pursuant to the ASX Listing Rules and the Company's Constitution, Ms McArthur will retire at the conclusion of the meeting and, being eligible, she is seeking re-election as a Director at the meeting. Ms McArthur is Chair of the Risk & Sustainability Committee and a member of the People & Remuneration Committee of the Company.

Ms McArthur has more than 20 years' experience in supply chain and logistics roles globally. She was the Managing Director ANZ for the Martin-Brower Company, a global logistics solutions provider for quick service restaurants and prior to that was the McDonalds Vice President Supply Chain for Asia, Pacific, Middle East and Africa, having also had roles in McDonalds Australia as Senior Vice President Chief Restaurant Support Officer and Vice President Supply Chain Director. Ms McArthur is an Independent Non-Executive Director on the Boards of Tassal Group Limited and InvoCare Limited. She was formerly a Non-Executive Director of Blackmores Ltd.

The Board considers Ms McArthur to be independent.

**Recommendation**

The Board (with Ms McArthur abstaining) recommends that shareholders vote in favour of the re-election of Jacqueline McArthur as a Director.

**4. Re-election of Helen Nash as Director**

Helen Nash was appointed as a Non-Executive Director on 16 May 2017 and was elected by shareholders on 31 October 2017. Pursuant to the ASX Listing Rules and the Company's Constitution, Ms Nash will retire at the conclusion of the meeting and, being eligible, she is seeking re-election as a Director at the meeting. Ms Nash is Chair of the People & Remuneration Committee and a member of the Nominations Committee.

Ms Nash has more than 20 years' executive experience across the Consumer Packaged Goods, Media and Quick Service Restaurants industries. Initially trained as a certified management accountant in the UK, Ms Nash then spent more than 15 years in brands and consumer marketing including the role of CMO for McDonald's Australia and New Zealand. Ms Nash also held the position of Chief Operating Officer for McDonald's Australia where she had strategic, commercial and operational responsibility for the business. Ms Nash is currently an Independent Non-Executive Director of Metcash Ltd and Southern Cross Media Ltd. She was formerly a Non-Executive Director of Pacific Brands Ltd and Blackmores Ltd.

The Board considers Ms Nash to be independent.

#### **Recommendation**

The Board (with Ms Nash abstaining) recommends that shareholders vote in favour of the re-election of Helen Nash as a Director.

### **5. Remuneration Report**

Shareholders will have a reasonable opportunity at the meeting to ask questions about or make comments on the Remuneration Report. The Remuneration Report is contained in the Company's Annual Report and sets out the remuneration policies of the Company and reports on the remuneration arrangements in place for the Company's KMP during the year ended 27 June 2020.

As prescribed by the Corporations Act, the vote on the adoption of the Remuneration Report is advisory only and does not bind the Directors or the Company. However, the Board will take the outcome of the vote and discussion at the meeting into account in setting remuneration policy for future years.

#### **Recommendation**

The Board recommends that shareholders vote in favour of the adoption of the Remuneration Report.

### **6. and 7. Approval of FY20 TIP and FY21 LTIP grants of performance rights to the Managing Director & CEO**

At the Company's 2019 AGM, shareholders were asked to approve a proposed grant of performance rights to Mr Jim Leighton, Managing Director and CEO ("CEO"), under Ingham's annual LTIP. However, following the AGM but prior to the proposed grant being made, market conditions substantially changed and it became apparent that the current formulation of Ingham's LTIP was no longer going to drive the achievement and delivery of the Company's strategy that was anticipated at the time it was developed. Accordingly, the Board determined not to grant the FY20 LTIP award to the CEO and to instead develop an alternative form of incentive for FY20 to be provided in its place.

#### ***Development of TIP as an alternative interim measure for FY20 and new LTIP for FY21***

During FY20, the Board undertook a comprehensive review of the historical long-term incentive arrangements, with a view to more closely linking executives' long-term incentives to the critical strategic objectives of the business. The importance of this review was also reinforced by the COVID-19 pandemic and the clear need for achievement of a range of strategic projects over the near and medium term to ensure the sustainable performance of the business long term.

The outcome of the Board's review has been the development of the Company's transformational incentive plan (the TIP) on an alternative, interim basis to replace the long-term incentive plan for FY20, as well as the development of a new 'go-forward' annual long term incentive plan (the LTIP) for FY21 and future years.

Items 6 and 7 relate to, respectively:

- the FY20 TIP grant of performance rights to the Managing Director & CEO (recognising that the award previously approved by shareholders at the 2019 AGM was not provided to Mr Leighton); and
- the FY21 LTIP grant of performance rights to the Managing Director & CEO for the current financial year.

### ***Proposed grants of performance rights***

Pursuant to ASX Listing Rule 10.14, the Company is seeking shareholder approval for the grant of performance rights to Mr Jim Leighton, Managing Director and CEO (“CEO”), as his FY20 TIP award and FY21 LTIP award.

Under Listing Rule 10.14, a grant of securities to a director or associate of a director requires shareholder approval. Given Mr Leighton is a Director of the Company, shareholder approval is being sought at this meeting as follows:

- **Item 6** relates to the grant of 703,868 performance rights to Mr Leighton as his FY20 TIP award (“FY20 TIP”); and
- **Item 7** relates to the grant of 901,882 performance rights to Mr Leighton as his FY21 LTIP award (“FY21 LTIP”).

The FY20 TIP and FY21 LTIP are designed to align the interests of the CEO with the interests of shareholders by providing the opportunity to receive an equity interest in the Company through the granting of performance rights.

Each performance right granted under the FY20 TIP and FY21 LTIP will entitle the CEO to receive one fully paid ordinary share in the Company, subject to meeting the performance conditions outlined below. Performance rights are used as instruments by the Company because they create alignment between the interests of the CEO and shareholders but do not provide him with the full benefits of share ownership (such as dividend and voting rights) unless and until the performance rights vest.

Subject to receiving shareholder approval at the meeting, the performance rights will be granted to the CEO under the Company’s Equity Incentive Plan (“Plan”) within 12 months of the meeting. If shareholder approval is not obtained, the Board will consider alternative arrangements to appropriately remunerate and incentivise Mr Leighton.

As the performance rights will form part of the CEO’s remuneration, they will be granted at no cost and there will be no amount payable on vesting. The Board retains a discretion to make a cash payment to participants on vesting of the performance rights in lieu of an allocation of shares.

### ***Key terms of the FY20 TIP award (Item 6)***

The key terms of the proposed awards are as follows:

<b>Quantum of award</b>	703,868 performance rights, representing a TIP award with a face value of \$2,250,000 (being 150% of the CEO’s TFR for the relevant financial year).  The number of performance rights to be granted under the FY20 TIP has been calculated by dividing the face value opportunity by \$3.19662, being the volume weighted average price of Ingham’s shares traded on the ASX in the 10 trading days after 27 August 2019 (i.e. the announcement of Ingham’s FY19 annual results). The actual value that the CEO will receive (if any) will depend on whether the performance conditions are achieved.
<b>Performance period</b>	3 years, commencing on 30 June 2019 and ending on or about 25 June 2022.
<b>Performance testing</b>	Performance rights will vest at the end of the relevant performance period, subject to the satisfaction of the performance conditions.  Performance will not be re-tested if the performance conditions are not satisfied at the end of the relevant performance period. Any performance rights that remain unvested at the end of the relevant performance period will lapse immediately.

**Performance conditions**

Before any of the FY20 TIP performance rights are able to vest, two gateways must be achieved:

Tenure	CEO is actively employed for the entire performance period up to and including vesting.
Individual Performance	Individual Performance overall rating at “meets expectations” or above for the entire performance period.

If the gateways are met, the FY20 TIP performance rights will vest subject to the satisfaction of Strategic Objectives and Market Objectives as follows:

Objective Type	Component Description	Component Weighting
<b>Strategic Objectives</b> (50% of award)	<b>Culture:</b> The Culture element assesses progress against a baseline measurement, using the Human Synergistics Organisational Culture Inventory tool. This element is weighted at 15% of performance rights for Target achievement (10% at Threshold; 20% at Stretch achievement; with any outcome below Threshold at nil).	<b>15%</b>
	<b>Cost:</b> The Cost element assesses progress in reducing operational costs by measuring our improvement in net margin before selling and general administration costs. This element is weighted at 20% of performance rights for Target achievement (15% at Threshold; 25% at Stretch achievement; with any outcome below Threshold at nil).	<b>20%</b>
	<b>Consumer:</b> The Consumer element assesses our progress in building brand awareness, through measuring increases in revenue from branded products. This element is weighted at 15% of performance rights for Target achievement (10% at Threshold; 20% at Stretch achievement; with any outcome below Threshold at nil).	<b>15%</b>
<b>Market Objectives</b> (50% of award)	<b>Cumulative EBITDA:</b> The Cumulative EBITDA element assesses achievement against targets for underlying EBITDA over 3 years. This element is weighted at 25% of performance rights for Target achievement (20% at Threshold; 30% at Stretch achievement; with any outcome below Threshold at nil).	<b>25%</b>
	<b>Total Shareholder Return:</b> The TSR element assesses achievement against targets for absolute TSR over 3 years. This element is weighted at 25% of performance rights for Target achievement (20% at Threshold; 30% at Stretch achievement; with any outcome below Threshold at nil).	<b>25%</b>

The plan has straight line vesting between Threshold and Maximum, and while individual components are capable of stretch performance, the overall maximum possible level of vesting is 100% of the award.

Because the targets for the Strategic Objectives and Market Objectives for the FY20 TIP relate to the near, medium and long term strategic business objectives of the Company, they are considered by the Board to be commercially sensitive in the highly competitive markets in which the company operates, where none of the Company’s competitors are listed companies and so do not disclose similar targets to the market. The Board does not believe it is appropriate to disclose those targets. Instead, the Company will disclose the relevant targets retrospectively in Ingham’s Remuneration Report in the year of vesting.

**Key terms of the FY21 LTIP award (Item 7)**

The key terms of the proposed awards are as follows:

<p><b>Quantum of award</b></p>	<p>901,882 performance rights, representing a LTIP award with a face value of \$3,000,000 (being 200% of the CEO's TFR for the relevant financial year).</p> <p>The number of performance rights to be granted under the FY21 LTIP has been calculated by dividing the face value opportunity by \$3.32637896, being the volume weighted average price of Ingham's shares traded on the ASX in the 10 trading days after 21 August 2020 (i.e. the announcement of Ingham's FY20 annual results). The actual value that the CEO will receive (if any) will depend on whether the performance conditions are achieved.</p>																				
<p><b>Performance period</b></p>	<p>3 years, commencing on 28 June 2020 and ending on or about 1 July 2023.</p>																				
<p><b>Performance testing</b></p>	<p>Performance rights will vest at the end of the relevant performance period, subject to the satisfaction of the performance conditions.</p> <p>Performance will not be re-tested if the performance conditions are not satisfied at the end of the relevant performance period. Any performance rights that remain unvested at the end of the relevant performance period will lapse immediately.</p>																				
<p><b>Performance conditions</b></p>	<p>The FY21 LTIP performance rights are subject to the satisfaction of two equally weighted performance conditions:</p> <p><b>Relative total shareholder return ("TSR") (50% of award)</b></p> <p>For this component, the Company's relative TSR will be compared to a comparator group comprising the ASX 200 (excluding companies classified as financial, mining and resources) and vest according to the following schedule:</p> <table border="1" data-bbox="507 1039 1385 1413"> <thead> <tr> <th>Company's relative TSR rank in the comparator group over performance period</th> <th>% of Rights that Vest</th> </tr> </thead> <tbody> <tr> <td>Less than 50th percentile</td> <td>Nil</td> </tr> <tr> <td>At 50th percentile (threshold)</td> <td>50%</td> </tr> <tr> <td>Between 50th and 75th percentile</td> <td>Straight line pro rata Vesting between 50% and 100%</td> </tr> <tr> <td>At 75th percentile or above</td> <td>100%</td> </tr> </tbody> </table> <p><b>Return on invested capital (50% of award)</b></p> <p>For this component, the Company's Underlying Return on Invested Capital pre AASB-16 ("ROIC") will be calculated as the equivalent of net operating profit after tax, divided by average invested capital. ROIC for each of the three years forming the performance period will be averaged to provide an overall outcome.</p> <p>The level of vesting of this component will be determined according to the following schedule:</p> <table border="1" data-bbox="507 1715 1385 2018"> <thead> <tr> <th>Company's ROIC Outcome</th> <th>% of Rights that Vest</th> </tr> </thead> <tbody> <tr> <td>Less than Threshold target</td> <td>Nil</td> </tr> <tr> <td>At Threshold target</td> <td>50%</td> </tr> <tr> <td>Between Threshold and Maximum target</td> <td>Straight line pro rata Vesting between 50% and 100%</td> </tr> <tr> <td>At Maximum target</td> <td>100%</td> </tr> </tbody> </table>	Company's relative TSR rank in the comparator group over performance period	% of Rights that Vest	Less than 50th percentile	Nil	At 50th percentile (threshold)	50%	Between 50th and 75th percentile	Straight line pro rata Vesting between 50% and 100%	At 75th percentile or above	100%	Company's ROIC Outcome	% of Rights that Vest	Less than Threshold target	Nil	At Threshold target	50%	Between Threshold and Maximum target	Straight line pro rata Vesting between 50% and 100%	At Maximum target	100%
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Less than Threshold target	Nil																				
At Threshold target	50%																				
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At Maximum target	100%																				

	<p>Because the targets for the ROIC performance condition for the FY21 LTIP relates to earnings expectations of the Company, they are considered by the Board to be commercially sensitive in the highly competitive markets in which the company operates, where none of the Company's competitors are listed companies and so do not disclose similar targets to the market. The Board does not believe it is appropriate to disclose those targets in the Notice of Meeting. Instead, the Company will disclose the relevant targets retrospectively in Ingham's Remuneration Report in the year of vesting.</p>
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**Common terms of the FY20 TIP and FY21 LTIP**

Under the Plan rules and the terms of offer of the FY20 TIP and FY21 LTIP, the awards will each also have the following common terms:

<b>Voting and dividend entitlements</b>	<p>Performance rights granted under the TIP and LTIP do not carry dividend or voting rights prior to vesting.</p> <p>Shares allocated upon vesting of performance rights carry the same dividend and voting rights as other Ingham's shares.</p>
<b>Cessation of employment</b>	<p>If the CEO ceases employment for cause or due to their resignation, unless the Board determines otherwise, any unvested performance rights will automatically lapse.</p> <p>In all other circumstances, the performance rights remain on foot and subject to the original performance conditions, unless the Board exercises a discretion to treat them otherwise. Where the CEO ceases employment in the first 2 years of the performance period, the Board would generally expect to lapse his entitlements. Where the CEO ceases employment in the third year of the performance period, the Board would generally expect to lapse a pro-rata amount of the performance rights (based on the portion of the performance period not completed).</p>
<b>Change of control</b>	<p>Under the Plan rules and the terms of the TIP and LTIP awards, the Board may determine in its absolute discretion that some or all of CEO's performance rights will vest on a likely change of control.</p>
<b>Clawback</b>	<p>Under the Plan rules and the terms of the TIP and LTIP awards, the Board has clawback powers which it may exercise if, among other things:</p> <ul style="list-style-type: none"> <li>• the CEO has acted fraudulently or dishonestly, has engaged in gross misconduct, brought Ingham's, the Ingham's group or any Ingham's group company into disrepute or breached their obligations to the Ingham's group, or Ingham's is required by or entitled under law or Ingham's policy to reclaim remuneration from the CEO;</li> <li>• there is a material misstatement or omission in the accounts of an Ingham's group company; or</li> <li>• the CEO's entitlements vest or may vest as a result of the fraud, dishonesty or breach of obligations of any other person and the Board is of the opinion that the performance rights would not have otherwise vested.</li> </ul>

<b>Restrictions on dealing</b>	<p>The CEO must not sell, transfer, encumber, hedge or otherwise deal with performance rights.</p> <p>The CEO will be free to deal with the shares allocated on vesting of the performance rights, subject to the requirements of Ingham's Securities Dealing Policy at that time.</p>
<b>Other terms of the Plan</b>	<p>The Board may amend or waive terms under the Plan, subject to the ASX Listing Rules. Subject to the Listing Rules, the Board may make such adjustments to rights awarded under the Plan as the Board considers appropriate in order to minimise or eliminate any material advantage or disadvantage to the CEO resulting from a corporate action such as a capital raising or capital reconstruction. The Remuneration Report in the Company's Annual Report for the financial year ended 27 June 2020 contains further details about the Plan.</p>

***Additional information provided in accordance with ASX Listing Rule 10.15***

- Mr Leighton's total remuneration package for FY2021 is \$6,776,000, comprising \$1,526,000 as total fixed remuneration (inclusive of superannuation) and \$5,250,000 as the maximum amount he can earn as variable remuneration.
- No other Directors (or associates of Directors) have received securities under the Company's TIP.
- Mr Leighton is the only Director (or associate of a Director) entitled to receive performance rights under the TIP.
- This is the first year the TIP is in operation and accordingly Mr Leighton has not previously received performance rights under it. Mr Leighton has previously received 506,862 performance rights under the LTIP for nil consideration in respect of prior year awards.
- No loan will be made by the Company in relation to the acquisition of performance rights.
- Details of performance rights issued under the Plan pursuant to these approvals 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 ASX Listing Rule 10.14. Any additional persons covered by ASX Listing Rule 10.14 who become entitled to participate in an issue of performance rights under the Plan after this resolution is approved and who are not named in this Notice of Meeting will not participate until approval is obtained under that rule.

**Recommendations**

The Board (with Mr Leighton abstaining) recommends that shareholders vote in favour of Items 6 and 7 relating to grants of performance rights to Mr Leighton.