

EQT - NOTICE OF ANNUAL GENERAL MEETING

IMPORTANT NOTES REGARDING COVID-19 AND PARTICIPATION IN THE MEETING

The 2021 Annual General Meeting of shareholders of EQT Holdings Limited (Company) is to be held at 11:00am (AEDT) on Friday, 22 October 2021.

In response to Government restrictions and the potential health risks arising from the coronavirus (COVID-19) pandemic, this year the Company's Annual General Meeting will be held online. Shareholders can participate in the Annual General Meeting online via <https://agmlive.link/EQT21>. The online platform will allow shareholders to view the Annual General Meeting, ask questions during the meeting, and vote during the meeting. Further details on how to participate online will be published on the Company's website.

Even if you plan to participate in the Annual General Meeting online, we encourage you to submit a directed proxy vote as early as possible so that your vote will be counted if for any reason you cannot vote on the day. Shareholders can lodge their proxy online at www.linkmarketservices.com.au or complete and return a hard-copy proxy form by 11:00am (AEDT) on Wednesday, 20 October 2021. Proxy forms can be obtained by contacting Link Market Services at 1300 554 474.

Shareholders can also submit written questions before the meeting by logging on to your holding at www.linkmarketservices.com.au and selecting "Voting", by no later than 11:00am (AEDT) on Friday, 15 October 2021.

In addition, shareholders can contact Link Market Services on 1800 990 363 no later than 7:00pm (AEDT) on Wednesday, 20 October 2021 to obtain a personalised PIN to ask a question via the telephone.

In the event that it is necessary for the Company to give further updates, information will be provided on the Company's website and lodged with the Australian Securities Exchange (ASX).

We appreciate your understanding in this challenging time.

Ms Carol Schwartz AO
Chair of the Board
EQT Holdings Limited



NOTICE OF ANNUAL GENERAL MEETING

Notice is given that the 2021 Annual General Meeting of EQT Holdings Limited (the Company) will be held online at <https://agmlive.link/EQT21> on Friday, 22 October 2021 at 11:00am (AEDT).

AGENDA ITEMS

1. Financial Report, Directors' Report and Auditor's Report

To receive and consider the Financial Report, Directors' Report and Auditor's Report for the Company and its controlled entities for the year ended 30 June 2021.

2. Election and Re-election of Directors

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

2.1. "That The Hon. Kelly O'Dwyer, being eligible, be elected as a Director of the Company."

2.2. "That Mr Kevin John Eley, being eligible, be re-elected as a Director of the Company."

3. Adoption of Remuneration Report

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

"That the Remuneration Report for the year ended 30 June 2021 be adopted."

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

4. Approval of granting of Long-Term Incentive Award for Managing Director

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

"That approval be given for the purposes of ASX Listing Rule 10.14 and all other purposes, for the grant of rights as a Long-Term Incentive Award to the Managing Director, Mr Michael Joseph O'Brien, on the terms set out in the Explanatory Memorandum."

A voting exclusion statement applies to this resolution (see section 2 of the notes relating to voting).

5. Approval of alteration to the terms of Company's 2018, 2019 and 2020 Long-Term Incentive Awards for Managing Director

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

"That approval be given for the purposes of ASX Listing Rule 6.23.4 and all other purposes, to amend the terms of the Company's 2018, 2019 and 2020 Long-Term Incentive Awards to the Managing Director, Mr Michael Joseph O'Brien, in the manner set out in the Explanatory Memorandum."

A voting exclusion statement applies to this resolution (see section 2 of the notes relating to voting).

The notes relating to voting and the Explanatory Memorandum form part of this Notice of Annual General Meeting.

Philip Gentry
Company Secretary
EQT Holdings Limited



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 (AEDT) on Wednesday, 20 October 2021 will be entitled to participate at the Annual General Meeting as a shareholder. Share transfers registered after that time will be disregarded in determining entitlements to participate at the Annual General Meeting.

If more than one joint holder of shares is present at the Annual General 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.

All items of business set out in the Notice of Meeting will be decided by way of a poll. On a poll, shareholders have one vote for every fully paid ordinary share held (subject to the restrictions on voting referred to below).

2. Voting exclusions

Resolution 3 – Adoption of Remuneration Report

The Company will disregard any votes cast on resolution 3:

- by or on behalf of a member of the Company's key management personnel (KMP) whose remuneration details are included in the Company's Remuneration Report for the year ended 30 June 2021 or their closely related parties, regardless of the capacity in which the vote is cast; or
- as proxy by a person who is a member of the Company's KMP at the date of the Annual General Meeting or their closely related parties,

unless the vote is cast as proxy for a person entitled to vote on resolution 3:

- in accordance with a direction in the proxy form; or
- by the Chair of the Annual General Meeting pursuant to an express authorisation to exercise the proxy even though resolution 3 is connected with the remuneration of the Company's KMP.

Resolution 4 – Approval of granting of Long-Term Incentive Award for Managing Director

The Company will disregard any votes cast on resolution 4:

- in favour of the resolution by or on behalf of the Managing Director, Mr Michael Joseph O'Brien (being the only Director of the Company eligible for participation in the employee incentive scheme in respect of which shareholder approval is sought) and his associates, regardless of the capacity in which the vote is cast; or
- as proxy by a person who is a member of the Company's KMP at the date of the Annual General Meeting or their closely related parties,

unless the vote is cast on resolution 4:

- 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; or
- by the Chair of the Annual General Meeting as proxy for a person entitled to vote on the resolution, in accordance with an express authorisation to exercise undirected proxies as the Chair 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.

Resolution 5 – Approval of alteration to the terms of Company’s 2018, 2019 and 2020 Long Term Incentive Awards for Managing Director

The Company will disregard any votes cast on resolution 5:

- in favour of the resolution by or on behalf of the Managing Director, Mr Michael Joseph O’Brien and his associates, regardless of the capacity in which the vote is cast; and
- as proxy by a person who is a member of the Company’s KMP at the date of the Annual General Meeting or their closely related parties,

unless the vote is cast on resolution 5:

- 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; or
- by the Chair of the Annual General Meeting as proxy for a person entitled to vote on the resolution, in accordance with an express authorisation to exercise undirected proxies as the Chair 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. Participating in the Annual General Meeting online and live voting online

Shareholders can watch and participate in the Annual General Meeting virtually via computer by entering the following URL in your browser <https://agmlive.link/EQT21>. The Annual General Meeting will be viewable from desktops and laptops.

To participate and vote online you will need your shareholder number and postcode. Proxy holders will need their proxy number which will be provided by Link Market Services no later than 24 hours prior to the Annual General Meeting and following lodgement of the proxy appointment. Online participants should register at least 15 minutes before the Annual General Meeting.

You will be able to live vote during the Annual General Meeting. You will be able to vote for, against or abstain on each item through the online platform.

Further information about how to participate online and the terms and conditions of online participation can be found in the online guide which will be available on the Company’s website at www.eqt.com.au.

4. Technical difficulties when participating online

Technical difficulties may arise during the course of the online meeting. The Chair has discretion as to whether and how the online meeting should proceed in the event that a technical difficulty arises. In exercising her discretion, the Chair will have regard to the number of shareholders impacted and the extent to which participation in the business of the meeting is affected. Where she considers it appropriate, the Chair may continue to hold the online 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 by 11:00am (AEDT) on Wednesday, 20 October 2021 even if they plan to participate in the Annual General Meeting online.



5. Proxies

- a. A shareholder entitled to attend and vote 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 shareholder can appoint a proxy by completing and returning a signed proxy form (see section 7 of these notes relating to voting, and information on the proxy form).
- b. Proxy holders will need their proxy number which will be provided by Link Market Services no later than 24 hours prior to the Annual General Meeting and following lodgement of the proxy appointment.
- c. 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.
- d. 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 Annual General 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 Annual General Meeting.
- e. If you wish to indicate how your proxy should vote, please mark the appropriate boxes on the proxy form. 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.
- f. Unless the Chair of the Annual General 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 resolutions 3, 4 or 5 unless you direct them how to vote. If you intend to appoint any of those persons as your proxy, you should ensure that you direct that person how to vote on resolutions 3, 4 and 5.
- g. If you appoint the Chair of the Annual General Meeting as your proxy or the Chair becomes your proxy by default, you can direct the Chair 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 do not mark a box next to resolutions 3, 4 or 5, then by signing and submitting the proxy form, you will be expressly authorising the Chair to vote as she sees fit in respect of resolutions 3, 4 and 5 even though it is connected with the remuneration of the Company's KMP.
- h. All resolutions will be decided by poll. On a poll, if:
 - a shareholder has appointed a proxy (other than the Chair of the Annual General 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 Annual General Meeting or does not vote on the resolution,the Chair of the Annual General 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.
- i. Please note that for proxies without voting instructions that are exercisable by the Chair of the Annual General Meeting, the Chair intends to vote all available proxies in favour of each resolution.

6. Proxy form

You can submit your proxy online or request a hard-copy proxy form Link Market Services at 1300 554 474. To be effective, your proxy form must be received no later than 11:00am (AEDT) on Wednesday, 20 October 2021 in one of the following ways:

Online www.linkmarketservices.com.au

Mail **Link Market Services**



EQT Holdings Limited
C/- Link Market Services Limited
Locked Bag A14
Sydney South NSW 1235
Australia

Facsimile (within Australia) 02 9287 0309
(outside Australia) +61 2 9287 0309

By hand **Link Market Services Limited**
1A Homebush Bay Drive, Rhodes NSW 2138 or
Level 12, 680 George Street, Sydney NSW 2000

7. 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 Annual General Meeting. The appointment must comply with the requirements of section 250D of the Corporations Act. The representative must ensure that the Company has received evidence of his or her appointment, including any authority under which it has been signed in advance of the Annual General Meeting, unless it has previously been given to the Company.

8. Voting by attorney

A shareholder entitled to attend and vote may appoint an attorney to act on his or her behalf at the Annual General Meeting. An attorney may, but need not, be a member of the Company.

An attorney may not vote at the Annual General 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 forms.

9. Questions for the Company

Shareholders may submit written questions to the Company before the Annual General Meeting. Any prior questions must be received by no later than 11:00am (AEDT) on Friday, 15 October 2021. Please submit your written questions online by logging on to your holding at www.linkmarketservices.com.au and selecting "Voting".

Shareholders will also be able to submit questions online or via the telephone during the meeting.

Shareholders will need to contact Link Market Services on 1800 990 363 no later than 7:00pm (AEDT) on Wednesday, 20 October 2021 to obtain a personalised PIN to ask a question via the telephone.

If your holding cannot be verified by the moderator, you will attend the Annual General Meeting as a visitor and will not be able to ask a question.

To ask a question via telephone please dial 1800 941 125 after 11:00am (AEDT) on the day of the Annual General Meeting. You will receive instructions on how to ask a question from the phone moderator.

More information about how to participate in the Annual General Meeting by telephone is available in the Virtual Meeting Guide available at www.eqt.com.au or by contacting Link Market Services on 1800 990 363.



The Chair will endeavour to address as many of the more frequently raised relevant questions as possible. However, there may not be sufficient time available at the Annual General Meeting to address all of the questions raised. Please note that individual responses will not be sent to any shareholder.

10. Questions for the auditor

Shareholders may submit written questions to the Company's auditor, Deloitte Touche Tohmatsu, regarding the content of the auditor's report for the year ended 30 June 2021 or the conduct of its audit of the annual financial report for the year ended 30 June 2021.

Written questions must be received by the Company by no later than 5:00pm (AEDT) on Friday, 15 October 2021. Please send any written questions to:

Company Secretary
EQT Holdings Limited
Level 1, 575 Bourke Street, Melbourne, Victoria 3000
Email: CSecretary@eqt.com.au

The Company will make available to shareholders participating in the Annual General Meeting copies of the list of questions directed to the auditor that were received in writing and are questions the auditor considers relevant to the auditor's report or the conduct of the audit of the financial report for the year ended 30 June 2021. If written answers are tabled at the Annual General Meeting, they will be made available to shareholders as soon as practicable after the meeting. The auditor is not required to provide individual responses to shareholders.



EXPLANATORY MEMORANDUM

This Explanatory Memorandum has been prepared to help shareholders understand the items of business at the 2021 Annual General Meeting.

1. FINANCIAL REPORT

The Corporations Act requires the Annual Financial Report of the Company for the year ended 30 June 2021 (which includes the financial statements, notes to the financial statements and Directors' declaration), and Directors' Report and the Auditor's Report to be laid before the Annual General Meeting.

Neither the Corporations Act nor the Company's Constitution requires a vote of shareholders on the reports. 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 to shareholders as a whole at the Annual General Meeting 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.

Shareholders can access a copy of the 2021 Annual Report on the Company's website at www.eqt.com.au/investor-centre.

2. ELECTION AND RE-ELECTION OF DIRECTORS

2.1. Election of The Hon. Kelly O'Dwyer

Pursuant to Rule 46(c) of the Company's Constitution, The Hon. Kelly O'Dwyer retires and, being eligible, offers herself for election as a Director.

Ms O'Dwyer was appointed a director in March 2021. Ms O'Dwyer is a member of the Board Risk Committee. The Board considers Ms O'Dwyer to be an independent director.

Ms O'Dwyer is also a Non-Executive Director of Home Consortium Limited (ASX:HMC), HCW Funds Management Limited as responsible entity of HealthCo Healthcare and Wellness REIT (ASX: HCW) and Barrenjoey Capital Partners Group Holdings Pty Ltd. She is also a member of Caulfield Grammar School Council.

Ms O'Dwyer previously served in the Australian Parliament as a Senior Cabinet Minister holding a number of key economic portfolios including Minister for Jobs and Industrial Relations, Minister for Revenue and Financial Services, Minister for Small Business and Assistant Treasurer.

She also served on the Cabinet's Budget Committee (the Expenditure Review Committee) and held the portfolios of Minister for Women, as well as Minister Assisting the Prime Minister with the Public Service.

Prior to entering Parliament, Ms O'Dwyer worked in law, government and finance.

Ms O'Dwyer holds a Bachelor of Arts and a Bachelor of Laws (Hons).

The Board, other than Ms O'Dwyer, has reviewed Ms O'Dwyer's performance and believes that she makes a valuable contribution to the Board, noting her skills, experience and expertise which enhance the Board's ability to oversee the Company's performance and governance.

The Company conducted appropriate background checks on Ms O'Dwyer prior to her appointment and those checks did not reveal any information of concern.

Recommendation

The Board (with Ms O'Dwyer abstaining) recommends that shareholders vote in favour of this resolution.



2.2. Re-election of Mr Kevin John Eley

Pursuant to Rule 47 of the Company's Constitution, Mr Kevin Eley, being an independent Director of the Company, retires by way of rotation and, being eligible, offers himself for re-election as a Director.

Mr Eley has been a director since 2011 and is Chair of the Board Audit Committee and member of the Board Risk Committee.

Mr Eley is a Chartered Accountant with experience in management, finance and investment having worked in Australia and overseas for a major international accounting firm and in the corporate finance divisions of a local and international investment bank. He was Chief Executive Officer for 20 years of listed diversified investment company HGL Limited, where he remains a Non-Executive Director.

Mr Eley is currently a Non-Executive Director of Milton Corporation Limited, HGL Limited and Pengana Capital Group Limited, and a member of The Buttery Charitable Foundation.

The Board, other than Mr Eley, has reviewed Mr Eley's performance and believes that he makes a valuable contribution to the Board, noting his skills, experience and expertise which enhance the Board's ability to oversee the Company's performance and governance.

Recommendation

The Board (with Mr Eley abstaining) recommends that shareholders vote in favour of this resolution.

3. REMUNERATION REPORT

Shareholders will have a reasonable opportunity at the Annual General Meeting to ask questions about or make comments on the Remuneration Report. The Remuneration Report on pages 48 to 63 of the Company's 2021 Annual Report 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 30 June 2021.

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 Annual General Meeting into account in setting remuneration policy for future years.

A voting exclusion statement applies to this resolution, as set out in the Notice of Meeting.

Recommendation

The Board recommends that shareholders vote in favour of this resolution.



4. APPROVAL OF ISSUE OF LONG-TERM INCENTIVE AWARD FOR MANAGING DIRECTOR

Under the EQT Executive Performance Share Plan (**Plan**) the Company grants eligible executives rights to acquire fully-paid ordinary shares in the Company (**Awards**) if vesting conditions are satisfied. The purpose of the Plan is to attract, retain and reward high performing executives.

ASX Listing Rule 10.14.1 requires that shareholder approval be obtained for the acquisition of securities by a director under an employee incentive scheme. Accordingly, the Company is seeking approval to grant 18,750 Awards under the Plan to the Managing Director, Mr Michael O'Brien, in accordance with the Plan, the key terms of which are outlined below. The Awards form Mr O'Brien's 2021/22 (Series 17) Long-Term Incentive (**LTI**).

If shareholder approval is not obtained, the Board will consider alternative arrangements to appropriately remunerate and incentivise the Managing Director, including a cash-based incentive.

Executive remuneration at EQT

The structure of executive remuneration at the Company is a combination of:

- fixed annual remuneration;
- a short-term incentive (STI) payable annually and normally in cash, based on the achievement of certain corporate and personal objectives relative to the Company's annual business plan and strategic goals; and
- a long-term incentive (LTI) awarded in rights to acquire Shares (Awards) subject to pre-agreed targets measured over a three-year performance period.

The intention is to structure executive compensation such that, depending on seniority, a significant proportion of total remuneration is 'at risk' and dependent on corporate and personal performance. The underlying principle is that executive rewards should be aligned to company performance, with executives experiencing higher levels of reward as and when commensurate rewards flow to shareholders.

Mr O'Brien's fixed annual remuneration is currently \$770,000 (Total Employment Cost or TEC).

The components of 'at risk' compensation for Mr O'Brien are as follows:

- STI – up to 60% of TEC, normally payable in cash; and
- LTI – up to 60% of TEC, granted in Awards under the Plan.

Awards issued to Mr O'Brien

It is proposed that Mr O'Brien is granted 18,750 Awards, which has been determined by dividing Mr O'Brien's LTI opportunity (i.e. 60% of Mr O'Brien's TEC equalling \$462,000) by the volume weighted average price (VWAP) of EQT shares traded on the ASX over the 3 months up to and including 30 June 2021 (being \$24.64).

Each Award entitles Mr O'Brien to receive one fully-paid ordinary share in the Company upon vesting. As the Awards will form part of Mr O'Brien's remuneration, there is no price paid or payable on issue of Awards or allocation of shares. The value of the Awards at the time of vesting will depend on the number that vest and the Company's share price at the time of vesting. For example, if the share price at the time of vesting was the same as the VWAP above and all Awards vested the total value at that time would be \$462,000.

The Board retains discretion to make a cash equivalent payment in lieu of an allocation of shares.

Prior to vesting, the Awards do not entitle Mr O'Brien to any dividend or voting rights.



The Company grants the LTI in the form of Awards because they create share price alignment between Mr O'Brien and shareholders but do not provide the full benefits of share ownership (such as dividend and voting rights) unless the Awards vest.

Performance condition applying to Awards

The Award will be subject to an Earnings per Share (EPS) performance condition that will be measured over the three-year measurement period of 1 July 2021 – 30 June 2024.

The achievement of the EPS condition will be determined by reference to the compound annual growth in the Company's EPS, measuring the Company's EPS for the 2023/24 financial year relative to the Company's EPS for the 2020/21 financial year.

EPS is calculated for a financial year by taking the reported net profit after tax for that year and dividing that by the reported weighted average shares on issue during that year.

The percentage of Awards that vest will be determined by reference to the following vesting scale:

- If growth in EQT EPS is less than 4% p.a., then: no Awards vest
- If growth in EQT EPS is 4% p.a., then: 20% of Awards vest
- If growth in EQT EPS is 10% p.a. or higher, then: 100% of Awards vest
- If growth in EQT EPS is between 4% p.a. and 10% p.a., then: a pro-rata number of Awards vest

The Board will determine whether, and the extent to which, the EPS growth measure is met. Any part of the Award that does not vest under the above vesting scale will lapse unless the Board determines otherwise, having regard to the underlying performance of the Company and all relevant circumstances.

The Board retains a broad discretion to adjust at-risk remuneration outcomes (upwards or downwards) so that Awards are appropriate, consistent with supporting sound and effective risk management, aligned with our remuneration principles and to shareholder interests.

The Board's decision as to whether, and the extent to which, Awards vest will be conclusive.

Vesting of Awards

On vesting of any Awards, shares will be allocated to Mr O'Brien. Shares allocated may be subject to a disposal restriction of up to 12 years. Any disposal restriction period will only arise as a result of request by Mr O'Brien to apply such a restriction.

Any variation in the Company's share price over the three-year measurement period, as well as any disposal restriction period, is to the benefit/detriment of Mr O'Brien.

Mr O'Brien has voting and dividend rights in respect of shares received on vesting of his Awards (including any shares subject to a disposal restriction). Mr O'Brien will be free to deal with any shares allocated to him on vesting of his Award, subject to any disposal restriction Mr O'Brien chooses to apply and the requirements of the Group Securities Dealing Policy.

Cessation of employment

Unless the Board determines otherwise, if Mr O'Brien ceases to be employed by the Group due to:

- Death or serious injury, disability or other serious illness which renders him incapable of continuing employment with the Group – the whole of the unvested Award will remain on foot and be subject to the original terms of the offer;
- Redundancy, retirement and agreed separation – unvested Awards shall be reduced in a pro-rata manner and remain on foot and be subject to the original terms of the offer;
- Cause (including unlawful or serious misconduct) – the Award will lapse on cessation of employment; and



- Any other reason – unvested Awards will lapse entirely on the date of cessation of employment and vested Awards will remain subject to the original terms of the offer.

Change of control

Where there is a change of control event, the Board has absolute discretion to determine that some or all of Mr O'Brien's unvested Awards vest and that dealing restrictions cease to apply to any shares allocated.

Malus and clawback

The Board has broad "malus" and "clawback" powers to determine Awards lapse, any Restricted Shares allocated on vesting be forfeited, and to clawback any shares delivered on vesting and any amounts paid, in circumstances where the Board has made a determination, having regard to any facts, matters and circumstances which the Board decides are relevant in its absolute discretion acting in good faith in the interests of the Company.

Ban on Hedging

Except with the Board's prior approval, Mr O'Brien will not be able to enter into a hedging arrangement in respect of any Award or Share.

Termination

The Board may at any time suspend the granting of any Awards under, or terminate the Plan, but without prejudice to any unexpired Awards or Restricted Shares under the Plan.

Other information regarding Awards

- If the resolution is not passed, the Board will consider alternative arrangements to appropriately remunerate and incentivise Mr O'Brien.
- The following Awards have been granted to Mr O'Brien under the Plan in prior years:
 - 2016: 25,288 (Series 12, of which 25,288 vested in 2019);
 - 2017: 24,235 (Series 13, of which 19,629 vested in 2020);
 - 2018: 21,940 (Series 14, of which 5,485 will vest in 2021 subject to shareholders voting in favour of resolution 5);
 - 2019: 16,562 (Series 15); and
 - 2020: 20,352 (Series 16).
- These Awards were granted to Mr O'Brien as his LTI for no cost. Approval is currently not required in respect of any other participants under the Plan.
- If approved, Awards will be issued to Mr O'Brien within 12 months of the Annual General Meeting. There is no price paid or payable for issue of the Award.
- Details of any shares issued under the Plan 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 securities 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 ASX Listing Rule 10.14.
- No loan will be made by the Company in relation to the acquisition of Awards or shares under the Plan.

A voting exclusion statement applies to this resolution, as set out in the Notice of Meeting.

Recommendation

The Board (with Mr Michael O'Brien abstaining) recommends that shareholders vote in favour of this resolution.



5. APPROVAL OF ALTERATION TO THE TERMS OF THE COMPANY'S 2018, 2019 AND 2020 LONG TERM INCENTIVE AWARDS FOR MANAGING DIRECTOR

Under the EQT Executive Performance Share Plan (Plan) the Company grants eligible executives (being members of EQT's Executive Leadership Team) rights to acquire fully paid ordinary shares in the Company (**Awards**) if vesting conditions are satisfied. The purpose of the Plan is to attract, retain and reward high performing executives.

This resolution relates to the rights to fully paid ordinary shares that have been granted to the Managing Director as part of the following Awards:

- 2018/2019 Long-Term Incentive (LTI) (**2018 LTI**);
- 2019/2020 LTI (**2019 LTI**); and
- 2020/2021 LTI (**2020 LTI**).

Shareholder approval has been obtained for each of these Awards to the Managing Director, and the Notice of Meeting has included a summary of relevant terms for each Award.

In the interests of good governance and transparency, the Company is seeking shareholder approval to include as a term of these Awards a specific discretion to adjust vesting outcomes (where needed) to appropriately reflect Company performance over the relevant period and having regard to the Company's guiding remuneration principles.

Reason for seeking approval

The 2020 financial year was very challenging, and whilst the Company has responded as responsibly as possible, the impact of COVID-19 is still ongoing. This has highlighted the need for Board discretion in order to ensure vesting outcomes of 'at risk' remuneration remain appropriate in the circumstances, including with respect to the Company's underlying performance and the performance of the Managing Director. The Board considers that this is important in order to attract and retain high performing executives, and to maintain appropriate alignment of shareholder and executive interests in periods such as the current time where there is significant uncertainty and instability affecting markets.

The Board has this type of discretion in respect of the short-term incentive awards that are tested annually, and has exercised its discretion to adjust downwards the FY21 vesting outcomes for the Managing Director and other members of the Executive Leadership Team because of the difficulty of setting budgets at the peak of uncertainty caused by the global pandemic (see section 'Company performance and reward' of the Company's 2021 Remuneration Report for further details).

The Board believes it is appropriate to apply a similar discretion in respect of the LTI Awards that are granted to the Managing Director and other members of the Executive Leadership Team so that Awards are appropriate, consistent with supporting sound and effective risk management, and aligned to shareholder interests. While the Company will continue to use its best efforts to set performance conditions for its LTI Awards that align with its guiding remuneration principles, it believes that including such a discretion as a term of the LTI Awards is prudent to ensure that alignment between shareholder and executive remuneration outcomes is achieved in practice. For reasons outlined below, the Board is of the view that an adjustment should be made to the vesting outcome for the 2018 LTI to allow 25% of the 2018 Awards for the Managing Director to vest.

ASX Listing Rule 6.23.4 requires that shareholder approval be obtained for a change to the terms of any existing grants of rights. Given the summary of terms put to shareholders seeking approval of the Managing Director's 2018 LTI, 2019 LTI and 2020 LTI did not reference a specific discretion to adjust performance outcomes, the Company is seeking shareholder approval to include this as a term of his 2018, 2019 and 2020 LTI Awards. For the 2021/22 LTI, the Board has incorporated a clear discretion into the terms of the Managing Director's Award, as summarised in the explanatory notes to resolution 4.



If shareholder approval is not obtained, the Board will still have the ability to rely on discretions that exist under the current terms of the 2018, 2019 and 2020 LTI Awards. However, in the interests of clarity, transparency and good governance, the Board would prefer to secure approval for a specific adjustment discretion linked to ensuring appropriate vesting outcomes.

Proposed use of discretion

If shareholder approval is obtained for the incorporation of the additional discretion into the terms of the Managing Director's 2018, 2019 and 2020 LTI Awards, the Board will have the ability to adjust the vesting outcomes for these Awards (upwards or downwards) in circumstances where such an adjustment is seen as appropriate. In determining whether to exercise its discretion, the Board would have regard to factors such as:

- The Company's guiding remuneration principles as set out on page 54 of the Company's 2021 Annual Report;
- The performance of the Company over the relevant period;
- The performance of the Managing Director over the relevant period; and
- The need to align vesting outcomes with sound and effective risk management and shareholder interests.

2018 LTI

The Company obtained shareholder approval for the Managing Director's 2018 LTI Award at the 2018 Annual General Meeting. The 2018 LTI Award reached the end of its three-year performance period on 30 June 2021. The performance criteria for minimum vesting of the 2018 LTI was 5% growth p.a. in Earnings per Share across the three-year measurement period. Notwithstanding the impact of COVID-19 and recent market volatility, the Company's financial performance and shareholder returns during the measurement period were strong and materially exceeded the performance of its peers. The Company achieved an Earnings per Share growth of 3.3% p.a., and Total Shareholder Return over the three-year period of 44.8%, which the Board considers to be a very good result given the level of instability across global and local markets and the impact on economic activity.

The Board does not believe that a zero-vesting outcome for the 2018 LTI would be a fair outcome for the Managing Director in all the circumstances, including having regard to the downward adjustment made to the FY21 short-term incentive. As such, if shareholder approval is obtained, the Board proposes to vest 25% of 2018 LTI Awards for Mr O'Brien, which equates to 5,485 shares, and would deliver an equivalent vesting outcome as achievement of the minimum vesting level under the Earnings per Share performance criteria.

A voting exclusion statement applies to this resolution, as set out in the Notice of Meeting.

Recommendation

The Board (with Mr Michael O'Brien abstaining) recommends that shareholders vote in favour of this resolution.