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Notice is given that the Annual General Meeting of SG Fleet Group Limited (the Company) will be held on Tuesday, 27 October 2020 at the SCG Meeting Room, SG Fleet Group Limited, Level 2, Building 3, 20 Bridge Street, Pymble, NSW commencing at 3.00 pm AEDT.

### Business of the Meeting

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

To receive and consider the Financial Report of the Company and the Reports of the Directors and Auditor for the financial year ended 30 June 2020.

#### 2. Remuneration Report

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

"That the Remuneration Report for the financial year ended 30 June 2020 be adopted".

Note: A voting exclusion statement applies to this resolution. The vote on this resolution is advisory only and does not bind the Directors or the Company.

#### 3. Re-election of Graham Maloney

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

"That Graham Maloney, who retires by rotation and being eligible, be re-elected as a Director of the Company".

#### 4. Grant of Options and Performance Rights to the Chief Executive Officer

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

"That approval be given for all purposes, including ASX Listing Rule 10.14, to grant the Company's Chief Executive Officer, Robbie Blau, 1,326,510 Options and 107,555 Performance Rights as his long term incentive award for the financial year ended 30 June 2020 under the Company's Equity Incentive Plan, on the terms set out in the Explanatory Notes to this Notice of Meeting."

"That approval be given for all purposes, including ASX Listing Rule 10.14, to grant the Company's Chief Executive Officer, Robbie Blau, 1,326,510 Options and 115,349 Performance Rights as his long term incentive award for the financial year ending 30 June 2021 under the Company's Equity Incentive Plan, on the terms set out in the Explanatory Notes to this Notice of Meeting."

Note: A voting exclusion statement applies to this resolution.

#### 5. Grant of Options and Performance Rights to the Chief Financial Officer

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

"That approval be given for all purposes, including ASX Listing Rule 10.14, to grant the Company's Chief Financial Officer, Kevin Wundram, 497,441 Options and 40,333 Performance Rights as his long term incentive award for the financial year ended 30 June 2020 under the Company's Equity Incentive Plan, on the terms set out in the Explanatory Notes to this Notice of Meeting."

"That approval be given for all purposes, including ASX Listing Rule 10.14, to grant the Company's Chief Financial Officer, Kevin Wundram, 497,441 Options and 43,256 Performance Rights as his long term incentive award for the financial year ending 30 June 2021 under the Company's Equity Incentive Plan, on the terms set out in the Explanatory Notes to this Notice of Meeting."

Note: A voting exclusion statement applies to this resolution.

Further information about each item of business is set out in the Explanatory Notes accompanying and forming part of this Notice of Meeting.

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## Voting Exclusions

### Item 2 (Remuneration Report)

In accordance with the Corporations Act 2001 (Cth) (Corporations Act), the Company will disregard any votes cast on Item 2:

- (a) by or on behalf of a member of the Company's key management personnel (KMP) named in the Remuneration Report and their closely related parties (such as close family members or any controlled entities), regardless of the capacity in which the votes are cast; and
- (b) as a proxy by a person who is a member of the KMP on the date of the Annual General Meeting and their closely related parties.

However, the Company will not disregard any votes if they are cast as proxy for a person entitled to vote on Item 2:

- (a) in accordance with a direction on the Proxy Form; or
- (b) by the Chairman of the Meeting pursuant to an express authorisation to vote as the proxy decides, even though Item 2 is connected with the remuneration of the Company's KMP.

### Item 4 (Grant of Options and Performance Rights to the Chief Executive Officer)

In accordance with the ASX Listing Rules and the Corporations Act, the Company will disregard any votes cast:

- (a) in any capacity on Item 4 by or on behalf of Robbie Blau or any of his associates; and
- (b) as a proxy on Item 4 by a person who is a member of the KMP on the date of the Annual General Meeting and their closely related parties.

However, the Company will not disregard any votes if they are cast as proxy for a person entitled to vote on Item 4:

- (a) in accordance with a direction on the Proxy Form; or
- (b) by the Chairman of the Meeting pursuant to an express authorisation to vote as the proxy decides, even though the relevant Item is connected with the remuneration of the Company's KMP.

### Item 5 (Grant of Options and Performance Rights Options to the Chief Financial Officer)

In accordance with the ASX Listing Rules and the Corporations Act, the Company will disregard any votes cast:

- (a) in any capacity on Item 5 by or on behalf of Mr Kevin Wundram or any of his associates; and
- (b) as a proxy on Item 5 by a person who is a member of the KMP on the date of the Annual General Meeting and their closely related parties.

However, the Company will not disregard any votes if they are cast as proxy for a person entitled to vote on Item 5:

- (a) in accordance with a direction on the Proxy Form; or
- (b) by the Chairman of the Meeting pursuant to an express authorisation to vote as the proxy decides, even though the relevant Item is connected with the remuneration of the Company's KMP.

Dated 17 August 2020

By order of the Board

**Tawanda Mutengwa**

Company Secretary

# Notes on Voting

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## Voting Entitlement

The Board has determined that persons who are registered as holding shares in the Company at 7.00 pm (AEDT) on Sunday, 25 October 2020 will be entitled to attend and vote at the Meeting. Share transfers registered after that time will be disregarded in determining entitlements to attend and vote.

## Voting at the Meeting

It is intended that voting on each of the proposed resolutions at this meeting will be conducted by poll, rather than a show of hands. On a poll, each shareholder present in person or by proxy has one vote for each fully paid ordinary share in the Company they hold.

## Voting by proxy

A shareholder entitled to attend and vote at the Annual General Meeting is entitled to appoint a proxy to attend and vote instead of the shareholder. A proxy need not be a shareholder, and may be an individual or a body corporate.

A shareholder who is entitled to cast two or more votes may appoint two proxies and may specify the proportion or number of votes which each proxy is appointed to exercise. Otherwise, each proxy will be entitled to exercise half of the shareholder's votes.

If you wish to appoint a proxy, please complete and submit the Proxy Form accompanying this Notice of Annual General Meeting, by following the instructions contained in the Proxy Form.

Shareholders can direct their proxy how to vote by following the instructions on the Proxy Form, and are encouraged to do so.

## Appointing a member of the KMP to act as your proxy

If a shareholder appoints a member of the Company's KMP (which includes Directors) or one of the KMP's closely related parties (such as close family members or any controlled entities) as proxy, they will not be able to cast the shareholder's votes on Item 2, unless they are directed how to vote on the relevant Item(s) or the Chairman of the Meeting is appointed as proxy.

If the Chairman of the Meeting is appointed as a shareholder's proxy or becomes their proxy by default, and the shareholder does not mark a voting box for Item 2, then by completing and submitting the Proxy Form, the shareholder will be expressly authorising the Chairman of the Meeting to exercise the proxy in respect of the relevant Item(s) as the Chairman decides, even though the Item is connected with the remuneration of the Company's KMP.

The Chairman of the Meeting intends to vote all available proxies in favour of each item of business.

# Notes on Voting

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## How to lodge a Proxy Form

Proxy Forms may be lodged with the Company's Share Registry in one of the following ways:

Online: [www.votingonline.com.au/sgfagm2020](http://www.votingonline.com.au/sgfagm2020)

Mail: Boardroom Pty Limited  
GPO Box 3993  
Sydney NSW 2001  
Australia

Hand delivery: Boardroom Pty Limited  
Level 12, 225 George Street  
Sydney NSW 2000  
Australia

Fax: +61 2 9290 9655

To be effective, your Proxy Form (and any Power of Attorney or other authority under which it is signed or a certified copy), must be received no later than 48 hours prior to the Annual General Meeting (i.e. no later than 3.00pm (AEDT) on Sunday, 25 October 2020).

## Attorneys

Where a shareholder appoints an attorney to act on their behalf at the Meeting, this appointment must be made by a duly executed power of attorney. The power of attorney must be provided prior to admission to the Meeting.

## Corporations

If a body corporate is a shareholder or 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.

Evidence of the appointment of a corporate representative must be received prior to admission to the Meeting.

## Explanatory Notes

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These Explanatory Notes have been prepared to help shareholders understand the business to be put to shareholders at the 2020 Annual General Meeting.

### Item 1 – Financial Report, Directors’ Report and Auditor’s Report

As required by the Corporations Act, the Financial Report, Directors’ Report and Auditor’s Report of the Company for the financial year ended 30 June 2020 will be laid before the Annual General Meeting. There is no requirement for shareholders to vote on this Item.

Shareholders will be provided with the opportunity to ask questions or raise comments about the Reports or the management of the Company. Also, a reasonable opportunity will be given to shareholders 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 Report and the independence of the auditor in relation to the conduct of the audit.

### Item 2 – Remuneration Report

Under the Corporations Act, the Company is required to submit its Remuneration Report for adoption by shareholders at the Annual General Meeting.

The Company’s Remuneration Report for the financial period ended 30 June 2020 is set out in the Directors’ Report which forms part of the Company’s 2020 Annual Report, a copy of which was provided to shareholders with this Notice of Annual General Meeting.

The Remuneration Report discusses matters including the remuneration policy of the Company, the remuneration paid to Directors and executives who are members of the Company’s KMP, and the relationship between remuneration of those Directors and executives and performance.

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, as set out in the Notice of Meeting.

### Board recommendation for Item 2

The Directors recommend that shareholders vote in favour of the resolution to adopt the Remuneration Report.

### Item 3 – Re-election of Mr Graham Maloney

Rule 8.1(d) of the Company’s Constitution provides that a Director of the Company must not hold office (without re-election) past the third annual general meeting following the Director’s last election or re-election.

As this is the third Annual General Meeting of the Company since Mr Maloney was re-elected, he retires, and being eligible, offers himself for re-election.

The experience, qualifications and other information about Mr Maloney are set out below.

Mr Maloney was originally appointed to the Board on 15 January 2014 and was re-elected at the Annual General Meeting of the Company held on 20 November 2014, and further re-elected at the Annual General Meeting of the Company held on 24 October 2017. Mr Maloney is an Independent Non-Executive Director and is Chairman of the Audit and Risk Committee.

Mr Maloney has over 40 years of experience in financial services, including superannuation, life insurance, commercial banking, investment banking and stock broking. He is the CEO of Stratagm, which he established in 2009 to provide strategic and financial advisory services to both businesses and individuals. Mr Maloney’s experience includes roles as a Division Director at Macquarie Capital and as Group Treasurer at National Australia Bank.

Mr Maloney’s qualifications are a Bachelor of Arts from the University of Sydney, Associate of the Institute of Actuaries of Australia, Fellow of the Australian Institute of Company Directors.

## Explanatory Notes

### Board recommendation for Item 3

The Directors (Mr Maloney abstaining) recommend that shareholders vote in favour of the re-election of Mr Maloney as a Director.

### Items 4 and 5 – Grant of Options and Performance Rights as FY2020 LTI and FY2021 award to Chief Executive Officer and Chief Financial Officer

ASX Listing Rule 10.14 requires the Company to obtain shareholder approval for the issue of securities to a director under an employee incentive scheme. The Company is seeking shareholder approval for the grant of Options and Rights to Mr Robbie Blau, Chief Executive Officer (CEO), and to Mr Kevin Wundram, Chief Financial Officer (CFO), as their Long Term Incentive (LTI) awards for FY2020 and FY2021 under the Company's Equity Incentive Plan (Plan).

The Board approved the grant of the FY2020 LTI in October 2019, but this approval was not granted in time for this item to be included in the 2019 AGM Notice of Meeting.

These LTI awards are designed to align the interests of the CEO and CFO with the interests of shareholders by providing the opportunity to receive an equity interest in the Company by granting Options and Rights.

75% of the LTI Opportunity for each of Mr Blau and Mr Wundram will be granted by way of Options and 25% of the LTI Opportunity will be granted by way of Performance Rights, as set out in the table below.

	FY2020 LTI	FY2021 LTI
Number of Performance Rights and Options	Mr Blau <ul style="list-style-type: none"><li>• 1,326,510 Options</li><li>• 107,555 Performance Rights</li></ul> Mr Wundram <ul style="list-style-type: none"><li>• 497,441 Options</li><li>• 40,333 Performance Rights</li></ul>	Mr Blau <ul style="list-style-type: none"><li>• 1,326,510 Options</li><li>• 115,349 Performance Rights</li></ul> Mr Wundram <ul style="list-style-type: none"><li>• 497,441 Options</li><li>• 43,256 Performance Rights</li></ul>
Performance period	two-year performance period commencing on 1 July 2020 and ending of 30 June 2022	three-year performance period commencing on 1 July 2020 and ending of 30 June 2023
Vesting period	vesting will occur on the date the results for the financial year ended 30 June 2022, and subject to approval of the Board	vesting will occur on the date the results for the financial year ended 30 June 2023, and subject to approval of the Board

As the Options and Rights will form part of Mr Blau's and Mr Wundram's remuneration, they will be granted at no cost to Mr Blau and Mr Wundram.

The number of Options to be granted to each executive has been determined by dividing the relevant LTI opportunity (60% of Mr Blau's total fixed remuneration and 45% of Mr Wundram's total fixed remuneration) that will be awarded as Options (75%) by the value of the Options (which has been determined by a valuation prepared by an independent expert).

Similarly, the number of Performance Rights to be granted to each executive has been determined by dividing the relevant LTI opportunity that will be awarded as Performance Rights (25%) by the value of the Performance Rights (which has been determined by a valuation prepared by an independent expert).

### Performance condition

The LTI awards to Mr Blau and Mr Wundram will be subject to an Underlying Earnings Per Share (EPS) performance condition. The Underlying EPS performance condition will be tested based on the compound annual growth rate (CAGR) of the Company's Underlying EPS over the relevant performance period adjusted for the impact of securitisation. The impact of securitisation has been excluded because the Board has set the implementation of securitization as a strategic imperative for the business, however securitization will adversely impact the profitability of the Group in the short-term due to the transition from up-front income to annuity income on that portion of the lease portfolio.

Calculation of the CAGR of the Underlying EPS and achievement against the performance condition will be determined by the Nomination and Remuneration Committee in its absolute discretion, having regard to any matters that it considers relevant.

The percentage of Options and Rights in each component that vest (and become exercisable, in the case of the Options), if any, will be determined by reference to the following vesting schedule, subject to any adjustments for abnormal or unusual profit items that the Nomination and Remuneration Committee, in its discretion, considers appropriate:

Company's CAGR of Underlying EPS over the Performance Period that applies to the relevant component	% of Options or Rights in a component that vest (and become exercisable, in the case of Options)
Less than 3% CAGR	Nil
3% CAGR (threshold performance)	60%
Between 3% and 7% CAGR	60% to 100%
7% CAGR or above (stretch performance)	100%

Testing of each component is expected to occur shortly after the end of the relevant performance period. Any Options or Rights that do not vest on the relevant test date will lapse and there is no retesting of the award.

### Vesting and exercise of Rights and Options

Each Share Option and each Share Right entitles Mr Blau and Mr Wundram to one ordinary share in the Company on vesting (and exercise, in the case of Options), although the Board retains the discretion to pay a cash-equivalent payment instead where it considers it appropriate (for example, where a Share Option or Share Right vests or is exercised after cessation of employment).

Options may be exercised up to the third anniversary of the vesting date and if they are not exercised by this time, they will lapse. An exercise price of \$1.68 per Share Option is payable to exercise the Options in cleared funds or under a cashless exercise mechanism approved by the Board.

### Dividend and voting rights

Prior to vesting and exercise, Options and Rights do not entitle Mr Blau or Mr Wundram to any dividends or voting rights.

### Cessation of employment

Where the employment of Mr Blau or Mr Wundram is terminated for cause, all unvested Options and Performance Rights and vested but unexercised Options will automatically lapse. In all other circumstances of cessation of employment, unvested Options and Performance Rights will remain on foot and subject to the original terms and vested but unexercised Options will be exercisable for 3 months from the date of cessation. However, the Board retains a discretion to lapse some or all of the unvested Options and Performance Rights in certain circumstances.

# Explanatory Notes

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## Change of control

Where there is a takeover bid or the Board considers there is likely to be a change of control or an event that should otherwise be treated in accordance with the change of control rule in the Plan Rules (for example, a delisting), the Board has the discretion to accelerate vesting of some or all of the Options and Performance Rights. Where only some of the Options and Performance Rights are vested on a change of control, the remainder of the Options and Performance Rights will immediately lapse. If a change of control occurs before the Board exercises its discretion:

- a pro rata portion of unvested Options and Performance Rights will vest immediately and the Board retains a discretion to determine whether the remainder vest or lapse; and
- vested but unexercised Options will remain exercisable for a period notified by the Board.

## Preventing inappropriate or unfair benefits

The Options and Rights are subject to forfeiture or “clawback” provisions that the Board may apply in certain circumstances to ensure that neither Mr Blau or Mr Wundram do not obtain an inappropriate or unfair benefit, for example, if there is a material misstatement in a Group company’s accounts.

## Timing of awards of Options and Rights

Subject to shareholder approval, the Options and Performance Rights are expected to be granted under the Plan immediately after the Annual General Meeting in October 2020 and in any event within 12 months of the Meeting.

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

- Mr Blau and Mr Wundram are the only Directors (or associates of a Director) that are entitled to participate in the Equity Incentive Plan, and both fall under Rule 10.14.1.
- No loan will be made by the Company in relation to the acquisition of Options and Performance Rights by Mr Blau or Mr Wundram.
- If approval is given under ASX Listing Rule 10.14, approval will not be required under ASX Listing Rule 7.1. This means that the Options and Performance Rights granted to Mr Blau and Mr Wundram and any shares issued pursuant to this approval will not use up any or part of the 15% available under ASX Listing Rule 7.1.
- Details of any securities issued under the scheme will be published in the annual report of the entity relating to the period in which they were issued, along with a statement that approval for the issue was obtained under listing rule 10.14.
- Any additional persons covered by listing rule 10.14 who become entitled to participate in an issue of securities under the scheme after the resolution is approved and who were not named in the notice of meeting will not participate until approval is obtained under that rule.

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

## Board recommendation for Items 4 and 5

The Non-Executive Directors recommend that shareholders vote in favour of Items 4 and 5.