

Notice of Annual General Meeting

Notice is given that the Annual General Meeting of G8 Education Limited (**Company**) will be held on Monday, 29 May 2017 at 11.00am (Brisbane time) at The Sheraton Mirage, 71 Sea World Drive, Main Beach, Gold Coast, Queensland (**Meeting**).

ORDINARY BUSINESS

Financial Statements and Reports

To receive and consider the Company's annual financial report, Directors' report and auditors' report for the financial year ended 31 December 2016.

Resolution 1: Remuneration Report

To consider and, if thought fit, pass the following resolution as a non-binding ordinary resolution in accordance with section 250R(2) of the *Corporations Act 2001* (Cth) (**Corporations Act**):

“That the Remuneration Report for the year ended 31 December 2016 be adopted.”

Voting Exclusion

The Company will disregard any votes cast on this resolution by certain persons. Details of the applicable voting exclusions are set out in the 'Voting Exclusions' section of the Notes to this Notice.

Resolution 2: G8 Education Executive Incentive Plan (GEIP) Approval

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

“That, for the purposes of Listing Rule 7.1 and in accordance with Listing Rule 7.2 (Exception 9) and for all other purposes, the G8 Education Executive Incentive Plan (**GEIP**) as described in section 2.3 of the Explanatory Statement be approved for the issue of securities under the GEIP.”

Short explanation

The Company intends to introduce a new executive incentive scheme, called the G8 Education Executive Incentive Plan (**GEIP**). Shareholder approval of the GEIP is being sought for all purposes under the Corporations Act and the Listing Rules, including Listing Rule 7.2 exception 9, so that securities issued in accordance with the GEIP will be excluded from the calculation of the maximum number of new securities that can be issued by the Company in any 12 month period (which, under the Listing Rules, is currently limited to 15% of securities previously on issue) for a period of three years from the date of such Shareholder approval.

Please refer to section 2.3 of the Explanatory Statement for further information

Voting Exclusion

The Company will disregard any votes cast on this resolution by certain persons. Details of the applicable voting exclusions are set out in the 'Voting Exclusions' section of the Notes to this Notice.

Resolution 3: Issue of Performance Rights to Chief Executive Officer

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

“That approval be given:

- (a) for the purposes of Listing Rule 10.14 and for all other purposes, to the grant of 142,249 Performance Rights to the Company's Chief Executive Officer, Mr Gary Carroll; and
- (b) for the purpose of section 200E of the Corporations Act, to the giving of a benefit to the Company's Chief Executive Officer, Mr Gary Carroll, in connection with any vesting of those Performance Rights on the cessation of Mr Carroll's employment with the Company or a related body corporate of the Company,

in each case under the GEIP and on the basis described in section 2.4 of the Explanatory Statement.”

Short explanation

The Company seeks Shareholder approval to grant Performance Rights to Mr Gary Carroll, CEO, under the GEIP. The Company also seeks Shareholder approval, in the event that Mr Carroll ceases employment with the Company in certain circumstances, for the giving of a termination benefit. Please refer to section 2.4 of the Explanatory Statement for further information.

Voting Exclusion

The Company will disregard any votes cast on this resolution by certain persons. Details of the applicable voting exclusions are set out in the 'Voting Exclusions' section of the Notes to this Notice.

Resolution 4 Re-election of a Director – Brian Hilton Bailison

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

“That Mr Brian Bailison who, having been re-elected on 21 May 2015 as a Director in accordance with the Company’s Constitution, retires as a Director of the Company and being eligible, offers himself for re-election as a Director of the Company, be elected as a Director of the Company.”

Short explanation

Pursuant to Listing Rule 14.5, the Company must hold an election of directors at each annual general meeting. Listing Rule 14.4 provides that a director of an entity must not hold office (without re-election) past the third annual general meeting following the director’s appointment or 3 years, whichever is longer. A director may retire and offer themselves for re-election prior to the expiry of that period. Mr Bailison was last elected as a Director of the Company on 21 May 2015 and, being eligible for re-election, offers himself for re-election as a Director of the Company. Please refer to section 2.5 of the Explanatory Statement for further information.

Voting Exclusion

The candidate may validly cast a vote in respect of the resolution to elect them as a Director. In the interests of good corporate governance, Mr Bailison and his associates will abstain from voting on the resolution relating to his re-election (except as a proxy for a person who is entitled to vote).

Resolution 5 Increase in Non-executive Director Fee Cap

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

"That, for the purpose of Listing Rule 10.17, Article 50(a) of the Company's Constitution and for all other purposes, the maximum aggregate annual amount of Directors' fees that may be paid by the Company to all of its non-executive Directors be increased by \$250,000 from \$850,000 to \$1,100,000."

Short explanation

The Company seeks approval for an increase to the cap amount to manage the addition of a non-executive Director pursuant to the terms of the recent placement to China First Capital Group and to provide flexibility more generally to add skills to the Board composition that may be necessary to best manage the Company in the interests of all Shareholders. There is no current intention to increase amounts paid to individual non-executive Directors. Please refer to section 2.6 of the Explanatory Statement for further information.

Voting exclusion

The Company will disregard any votes cast on this resolution by certain persons. Details of the applicable voting exclusions are set out in the 'Voting exclusions' section of the Notes to this Notice.

By order of the Board of Directors

Mark Graham Johnson, Chair May 2017

Notes to Notice of Meeting

ENTITLEMENT TO VOTE

The Company may specify a time, not more than 48 hours before a general meeting, at which a 'snap-shot' of Shareholders will be taken for the purposes of determining Shareholder entitlements to vote at the Meeting.

The Board has determined that the registered holders of fully paid Shares on **27 May 2017 at 7pm (Brisbane time)** will be taken to be Shareholders for the purposes of the Meeting and accordingly, will be entitled to attend and vote at the Meeting.

HOW TO VOTE

A Shareholder who is entitled to attend and vote at the Meeting may do so:

- in person;
- by proxy;
- by corporate representative (if the Shareholder is a corporation); or
- by attorney.

VOTING IN PERSON

A Shareholder who is entitled to attend and vote at the Meeting may vote in person by attending the Meeting on Monday, 29 May 2017 at 11.00am (Brisbane time) at The Sheraton Mirage, 71 Sea World Drive, Main Beach, Gold Coast, Queensland.

VOTING BY PROXY

In accordance with Section 249L of the Corporations Act, Shareholders are advised that:

- each Shareholder who is entitled to attend and cast a vote at the meeting has a right to appoint a proxy;
- the proxy need not be a Shareholder of the Company; and
- a Shareholder who is entitled to cast two or more votes may appoint two proxies and may specify the proportion or number of votes each proxy is appointed to exercise. If no proportion or number is specified, then in accordance with Section 249X(3) of the Corporations Act, each proxy may exercise half of the votes. Fractions are disregarded.

If you wish to appoint a proxy and are entitled to do so, please complete and return the attached Proxy Form.

Properly completed and executed Proxy Forms must be received by the Company's registry at the address specified below at least 48 hours before the time notified for the Meeting.

Proxy forms can be lodged by mail, by hand or by facsimile:

Postal Address

Advanced Share Registry Services
PO Box 1156
NEDLANDS WA 6909

Courier Address

Advanced Share Registry Services
110 Stirling Highway
NEDLANDS WA 6009

Facsimile (08) 9262 3723

UNDIRECTED PROXIES

The Chair of the Meeting intends to vote undirected proxy votes in favour of all resolutions (subject to the voting exclusions below).

VOTING BY CORPORATE REPRESENTATIVE

A Shareholder or proxy which is a corporation and entitled to attend and vote at the Meeting may appoint an individual to act as its corporate representative to vote at the Meeting. The appointment must comply with section 250D of the Corporations Act. Evidence of the representative's appointment must be received by the Company's registry at the address specified above at least 48 hours before the time notified for the Meeting. The representative also should bring to the Meeting evidence of his or her appointment.

VOTING BY ATTORNEY

A Shareholder entitled to attend and vote at the Meeting is entitled to appoint an attorney to attend and vote at the Meeting on the Shareholder's behalf. An attorney need not themselves be a Shareholder.

The power of attorney appointing the attorney must be signed and specify the name of each of the Shareholder, the Company and the attorney, and also specify the meeting(s) at which the appointment may be used. The appointment may be a standing one.

To be effective, the power of attorney must also be returned in the same manner, and by the same time, as specified for Proxy Forms.

VOTING EXCLUSIONS

The Corporations Act and the Listing Rules require that certain persons must not vote, and the Company must disregard any votes cast by or on behalf of certain persons, on four of the resolutions to be considered at the Meeting. These voting exclusions are described below.

Resolution 1: Remuneration Report

Votes may not be cast, and the Company will disregard any votes cast, on Resolution 1:

- by or on behalf of any Key Management Personnel whose remuneration details are included in the Remuneration Report, or any of their Closely Related Parties, regardless of the capacity in which the votes are cast; or
- by any person who is a Key Management Personnel as at the time the resolution is voted on at the Meeting, or any of their Closely Related Parties, as a proxy,

unless the votes are cast as a proxy for a person who is entitled to vote on Resolution 1:

- in accordance with a direction in the proxy appointment; or
- by the Chair of the Meeting in accordance with an express authorisation in the proxy appointment to cast the votes even if the resolution is connected directly or indirectly with the remuneration of Key Management Personnel.

Resolution 2: G8 Education Executive Incentive Plan Approval

Votes may not be cast, and the Company will disregard any votes cast, on Resolution 2:

- by any Director who is eligible to participate in the GEIP (being any executive Director), or any of their respective associates, regardless of the capacity in which the votes are cast; or
- by any person who is a Key Management Personnel as at the time the resolution is voted on at the Meeting, or any of their Closely Related Parties, as a proxy,

unless the votes are cast as a proxy for a person who is entitled to vote on Resolution 2:

- in accordance with a direction in the proxy appointment; or
- by the Chair of the Meeting in accordance with an express authorisation in the proxy appointment to cast the votes even if the resolution is connected directly or indirectly with the remuneration of Key Management Personnel, and in accordance with a direction in the proxy appointment to vote as the proxy decides.

Resolution 3: Issue of Performance Rights to Director

Votes may not be cast, and the Company will disregard any votes cast, on Resolution 3:

- by Mr Gary Carroll, or any of his associates, regardless of the capacity in which the votes are cast;
- by any Director who is eligible to participate in the GEIP (being any executive Director), or any of their respective associates, regardless of the capacity in which the votes are cast; or
- by any person who is a Key Management Personnel as at the time the resolution is voted on at the Meeting, or any of their Closely Related Parties, as a proxy,

unless the votes are cast as a proxy for a person who is entitled to vote on Resolution 3:

- in accordance with a direction in the proxy appointment; or
- by the Chair of the Meeting in accordance with an express authorisation in the proxy appointment to cast the votes even if the resolution is connected directly or indirectly with the remuneration of Key Management Personnel, and in accordance with a direction in the proxy appointment to vote as the proxy decides.

Resolution 5 Increase in Non-executive Director Fee Cap

Votes may not be cast, and the Company will disregard any votes cast, on Resolution 5

- by any Director, or any of their associates, regardless of the capacity in which the votes are cast; or
- by any person who is a Key Management Personnel as at the time the resolution is voted on at the Annual General Meeting, or any of their Closely Related Parties, as a proxy,

unless the votes are cast as a proxy for a person who is entitled to vote on Resolution 5

- in accordance with a direction in the proxy appointment; or
- by the Chair of the Meeting in accordance with an express authorisation in the proxy appointment to cast the votes even if the resolution is connected directly or indirectly with the remuneration of Key Management Personnel, and in accordance with a direction in the proxy appointment to vote as the proxy decides.

The Company will also apply the above voting exclusions to persons appointed as attorney by a Shareholder to attend and vote at the Meeting under a power of attorney, as if they were appointed as a proxy.

EXPLANATORY STATEMENT

G8 Education Limited ABN 95 123 828 553

1. Introduction

This Explanatory Statement has been prepared for the information of Shareholders of the Company in connection with the business to be conducted at the Meeting. It forms part of the Notice of Meeting and must be read together with that Notice.

1.1 Purpose of the Meeting

The purpose of the Meeting is to consider and vote on the Resolutions.

1.2 Entire document

Shareholders are encouraged to read this document in its entirety before making a decision on how to vote on the Resolutions being considered at the Meeting. If you have any doubt how to deal with this document, please consult your legal, financial or other professional advisor.

1.3 Glossary

Certain terms and abbreviations used in the Explanatory Statement and the Notice have defined meanings, which are set out in the Glossary of this Explanatory Statement.

1.4 Resolutions are not interdependent

The Resolutions are not interdependent. In the event that one or more of the Resolutions are not approved by Shareholders, the balance of the Resolutions will not be affected.

2. Ordinary Business

2.1 Financial Statements and Reports

- (a) The Corporations Act requires the Company's annual financial report, Directors' report and the auditor's report for the most recent financial year (namely the period ended 31 December 2016) to be tabled at the Meeting. In addition, the Company's Constitution provides for such reports and statement to be received and considered at the Meeting.
- (b) Apart from the matters involving remuneration of Directors which are required to be voted upon, neither the Corporations Act nor the Company's Constitution requires a vote of Shareholders at the Meeting on such reports. However, members are given the opportunity to raise questions with respect to these reports and statements at the Meeting.
- (c) The Company's financial report, Directors' report and auditor's report may be found in the Company's 2016 Annual Report, which has previously been sent to Shareholders and which is also available on the Company's website www.g8education.edu.au.
- (d) Shareholders may submit a written question to the Auditor no less than 5 days prior to the Meeting which relates to the content of the Auditor's report or the conduct of the audit in relation to the financial report to be considered at the meeting.
- (e) The Auditor will be attending the Meeting and will answer written questions received by the deadline specified above.

2.2 Resolution 1 - Remuneration Report

(a) Summary

- (i) Section 250R of the Corporations Act requires that the Remuneration Report be put to the Shareholders for adoption by way of a non-binding vote.
- (ii) The vote of the Shareholders is advisory only and does not bind the Directors or the Company.
- (iii) The Remuneration Report may be found in the Company's 2016 Annual Report which Shareholders received via mail or which Shareholders can access from the Company's website www.g8education.edu.au.
- (iv) Following consideration of the Remuneration Report, Shareholders will be given a reasonable opportunity to ask questions about, or make comments on, the Remuneration Report.

- (v) Please note that the Chair of the Meeting is not permitted to vote undirected proxies for Resolution 1. If you intend to appoint the Chair of the Meeting as your proxy, you should direct your proxy how to vote by ticking the relevant boxes next to each item on the Proxy Form. Please follow the instructions on the Proxy Form.
- (vi) If you do not direct the Chair of the Meeting how to vote on Resolution 1, the Chair will not be able to vote your undirected proxy for Resolution 1.

2.3 Resolution 2: G8 Education Executive Incentive Plan

(a) Introduction

- (i) The Company intends to introduce a new executive incentive scheme, the GEIP, which is presented to Shareholders for approval at the Meeting.
- (ii) Resolution 2 set out in the Notice of Meeting relates to the GEIP which is described in more detail below.

(b) Background

- (i) A summary of the key terms of the GEIP is set out below, and a copy of the terms of the GEIP is available upon request from the Company.
- (ii) Shareholder approval of the GEIP is being sought for all purposes under the Corporations Act and the Listing Rules, including Listing Rule 7.2 exception 9, so that securities issued in accordance with the GEIP will be excluded from the calculation of the maximum number of new securities that can be issued by the Company in any 12 month period (which, under the Listing Rules, is currently limited to 15% of securities previously on issue) for a period of three years from the date of such Shareholder approval.
- (iii) If Resolution 2 is approved by Shareholders, it will have the effect of enabling the securities issued by the Company under the GEIP to be automatically excluded from the formula to calculate the number of securities which the Company may issue within a 12 month period under the Listing Rules.
- (iv) The GEIP is a new executive equity plan developed to meet contemporary equity design standards and to provide the greatest possible flexibility in the design and offer choices available in respect of various new equity schemes.
- (v) The GEIP enables the Company to offer its executives a range of different interests. These interests or 'awards' include options, performance rights, service rights, deferred shares, exempt shares, cash rights and stock appreciation rights.
- (vi) The type of interest that may be offered to executives will be determined by a number of factors, including:
 - the remuneration or incentive purpose of the award;
 - the tax jurisdiction that the participating executive lives and/or works in;
 - the laws governing equity incentives where the participating executive lives and/or works; and
 - the logistics and compliance costs associated with offering equity incentives where the participating executive lives and/or works.
- (vii) Whenever securities are first issued under the GEIP, they may be acquired and held by an Executive Share Scheme Trust (**ESST**). The ESST will be governed by a trust deed (**EST Trust Deed**) outlining the rules of the ESST and the responsibilities of the ESST's trustee, the Company and the participating executives. A copy of any ESST Trust Deed will be available upon request from the Company.

(c) Offers made under the GEIP

No previous offers have been made under the GEIP at the date of the Meeting.

(d) Non-executive Director participation

Non-executive Directors are specifically excluded from participation in the GEIP.

(e) Directors' Recommendation

The Directors unanimously recommend Shareholders vote in favour of Resolution 2 set out in the Notice of Meeting.

(f) **Summary of GEIP Key Terms and Key Policy Settings**

(i) **Eligibility**

The Board has the discretion to determine which executives are eligible to participate in the GEIP. The definition of executive under the terms of the GEIP include any full-time or permanent part time executive or officer or Director (excluding non-executive Directors) of the Company or any related body corporate of the Company.

(ii) **Vesting conditions**

The vesting of any securities issued under the GEIP, excluding any securities issued under an exempt share award or stock appreciation right, if any, may be conditional on the satisfaction of performance and/or service conditions as determined by the Board and advised to executives in their individual personalised offer documents.

(iii) **Exercise of securities**

Vested securities issued under the GEIP will not automatically trigger the exercise of the securities, but a participant will be entitled to exercise in accordance with the terms contained in their individual personalised offer documents.

(iv) **Price**

Securities issued under the GEIP may be issued at no cost to the participants. Options, if offered, may be subject to payment of an exercise price by the participant which is determined by the Board and advised to the participant in their individual personalised offer documents.

(v) **Lapse/forfeiture**

Securities issued under the GEIP will lapse or be forfeited on the earliest of:

- the occurrence of any Clawback Event (as defined in the Company's Clawback Policy, if any, in force from time to time);
- any expiry date applicable to the securities if any Vesting Conditions (as defined in the GEIP Plan Rules) have not been exercised, or waived by the Board;
- any date which the Board determines that Vesting Conditions applicable to the securities are not met or cannot be met;
- the participant dealing in respect of the securities in contravention of the GEIP; and
- the Board determining that a participant is ineligible to hold the office for the purposes of Part 2D.6 of the Corporations Act, or is found to have acted in a manner that the Board considers to constitute gross misconduct,

as set out in the individual personalised offer documents.

(vi) **Board may elect to settle in cash**

If the Board determines that it is not appropriate for tax, legal, regulatory or compliance reasons to issue or transfer Shares upon satisfaction of its obligations under the plan, the Company may make a cash payment to the participant in accordance with the terms of the plan for equivalent value.

(vii) **Waiving the restricted period**

The Board may waive or shorten the restriction period applicable to securities issued under the GEIP to the participant in accordance with the terms of the GEIP.

(viii) **Change of Control**

On the occurrence of a Change of Control of the Company (as defined in the terms of the GEIP), or if in the Board's opinion a Change of Control will occur, the Board will determine, in its sole and absolute discretion, the manner in which vested and unvested securities issued under the GEIP shall be dealt with.

(ix) **Cessation of employment**

Under the individual personalised offer documents, if an executive's employment with the Company (or a related body corporate of the Company) is terminated prior to the vesting of any securities issued under the GEIP, the number of Performance Rights that may vest on cessation of employment for retrenchment or redundancy is calculated on a pro-rata basis using the following formula:

$$\frac{\text{The period, in days, from the date of grant to the date of termination, inclusive}}{\text{The period, in days, from the date of grant to the intended date of vesting, inclusive}} \times \text{No. of Performance Rights issued, or to be issued}$$

The number of Performance Rights that may vest on cessation of employment for death or permanent disability is determined by the Board in its sole discretion.

All Performance Rights will lapse on cessation of employment for resignation or termination with cause.

(x) **No dealing or hedging**

Dealing restrictions apply to securities issued under the GEIP in accordance with the terms of the GEIP, the individual personalised offer documents and the Company's share trading policy. Participants are prohibited from hedging or otherwise protecting the value of unvested securities issued under the GEIP.

(xi) **Rights attaching to Shares**

Shares issued under the GEIP (upon exercise of vested securities issued under the GEIP) will be subject to any restrictions imposed under the terms of the GEIP and otherwise rank equally with the existing Shares on issue at the time of allotment or transfer.

(xii) **Company may issue or acquire shares**

The Company may, in its discretion, either issue new Shares or acquire Shares already on issue, or a combination of both, to satisfy the Company's obligations under the GEIP.

(xiii) **Adjustments**

Prior to the allocation of Shares to a GEIP participant upon exercise of vested securities issued under the GEIP if the Company undergoes a reorganisation of capital, the terms of unvested securities will be changed in order to comply with the Listing Rules. If the Company makes a pro rata bonus issue to Shareholders, the terms of any unexercised securities will change to entitle the participant to one Share plus the number of bonus Shares which would have been issued to the participant if the unexercised securities had been exercised prior to the bonus issue.

(xiv) **Limits on securities issued**

The number of Shares that may be issued under the GEIP is set with regard to the limits prescribed under **ASIC Class Order 14/1000** with respect to employee share scheme offers made without a prospectus. Currently these limits provide that the number of Shares that may be issued, when aggregated with the number of Shares issued during the previous 3 years from Share issues under all executive share schemes established by the Company (including as a result of exercise of options to acquire Shares granted to the previous five years under any such executive share scheme), must not exceed 5% of the total number of Shares on issue, disregarding certain unregulated offers.

(xv) **Continued operation of the plan**

The GEIP may be suspended, terminated or amended at any time by the Board, subject to any resolution of the Company required by the Listing Rules.

2.4 **Resolution 3: Issue of Performance Rights to Chief Executive Officer**

(a) **Introduction**

Resolution 3 seeks Shareholder approval for the granting of 142,249 Performance Rights to the Company's Chief Executive Officer, Mr Gary Carroll, under the GEIP, as well as Shareholder approval for the vesting of the Performance Rights granted to Mr Carroll in the event that Mr Carroll ceases employment with the Company in certain circumstances.

(b) **Why Shareholder approval is being sought**

(i) Listing Rule 10.14 states that a listed company must not permit a director to acquire securities under an employee incentive scheme without Shareholder approval, by ordinary resolution. The purpose of Resolutions 3 is to have Shareholders approve the proposed grant of Performance Rights to the Company's Chief Executive Officer, Mr Gary Carroll, pursuant to the Company's new executive incentive scheme, the GEIP.

(ii) More information about the GEIP is contained in this Explanatory Statement under **Resolution 2**.

(iii) In addition, the Company seeks Shareholder approval pursuant to section 200E of the Corporations Act for vesting of the Performance Rights granted to Mr Carroll in the event that Mr Carroll ceases to be employed by the Company in certain limited circumstances, as specified in Mr Carroll's individual personalised offer document. Such circumstances include redundancy, death or permanent disability.

(iv) Under sections 200B of the Corporations Act, a company may only give a person a "benefit" in connection with their ceasing to hold a managerial or executive office in the company (**Termination Benefit**) if it is approved by Shareholders under section 200E of the Corporations Act (or an exemption applies). The term "benefit" may include the pro rata vesting of Performance Rights in the limited circumstances outlined above, where Mr Carroll ceases to be employed by the Company. The pro rata vesting of Mr Carroll's Performance Rights, in those limited circumstances, may amount to the giving of a Termination Benefit requiring Shareholder approval. As such, Shareholder approval is sought for these purposes.

(v) The number of Performance Rights that may vest on cessation of Mr Carroll's employment for retrenchment or redundancy is calculated on a pro-rata basis using the following formula:

$$\frac{\text{The period, in days, from the date of grant to the date of termination, inclusive}}{\text{The period, in days, from the date of grant to the intended date of vesting, inclusive}} \times \text{No. of Performance Rights issued, or to be issued}$$

The number of Performance Rights that may vest on cessation of Mr Carroll's employment for death or permanent disability is determined by the Board in its sole discretion.

All Performance Rights will lapse on cessation of employment for resignation or termination with cause.

(vi) The value of the Performance Rights may be affected by:

- the market price of the Shares at the time the employment ceases;
- the exercise price applicable to the Performance Rights;
- performance against the performance hurdles at the time the employment ceases;
- part of the service period has elapsed at the time the employment ceases; and
- the number of Performance Rights that lapse on cessation of employment.

(c) **Grant of Performance Rights to Mr Carroll**

The Board's Remuneration Committee has concluded that the remuneration for Mr Carroll (including the proposed grants of Performance Rights) is reasonable and appropriate having regard to the circumstances of the Company and Mr Carroll's duties and responsibilities as Chief Executive Officer of the Company.

(d) **Maximum number of Performance Rights to be issued to Mr Carroll**

If Shareholder approval is granted, the maximum number of Performance Rights that may be granted to Mr Carroll is 142,249.

The number of Performance Rights has been calculated by dividing the \$value of Mr Carroll's strategic LTI opportunity (being \$543,750) by the value of each Performance Right calculated below.

(e) **Value of Performance Rights**

The value of each Performance Right was determined using the 5 day volume weighted average price of the Shares up to and including 10 April 2017, being \$3.82 per Share.

(f) **Price of Performance Rights**

The Performance Rights will be granted at no cost to Mr Carroll. Once the performance hurdles are met (or waived), the Performance Rights will be exercisable at an Exercise Price of \$0.00.

(g) **Number of equity incentives issued under the GEIP, persons entitled to participate in the GEIP, the date that the Company will grant these equity securities and loans**

Subject to Shareholder approval, it is anticipated that the Performance Rights will be granted to Mr Carroll shortly after the Meeting to coincide with the grant of long-term incentives to other selected Company executives in accordance with the Company's remuneration strategy. Irrespective of these intentions, the grant of Mr Carroll's Performance Rights approved by Shareholders under Resolution 3 will be issued no later than 12 months after the date of the Meeting.

(h) **Important Dates**

The following dates are relevant to the Company's proposed grant of Performance Rights to Mr Carroll:

- **Grant Date** – date of approval at Meeting
- **First Exercise Date** – 1 March 2020, subject to satisfaction of the vesting conditions
- **Last Exercise Date** – 30 May 2020, subject to satisfaction of the vesting conditions

(i) **Vesting Conditions**

- (i) Mr Carroll must satisfy the following vesting conditions in order for his Performance Rights to vest:
- continuous service with the Company up to the relevant exercise date; and
 - reported (audited) earnings per share (**EPS**)¹ with compounded annual growth rate (**CAGR**) as set out in table 1 below.

Table 1: Percentage of Performance Rights that vest for each % of EPS CAGR

CAGR of EPS¹ over the three financial years ended 31 December 2019	Percentage of Performance Rights that vest
Less than 10%	0%
10% to 15%	50% -100% (pro rata)
> 15%	100%

¹**Earnings per Share** = Audited Basic Earnings per Share.

- (ii) This vesting condition has been selected by the Board:
- (A) to ensure that the Performance Rights only vest where demonstrable outperformance by the Company is achieved;
 - (B) to align the interests of directors and shareholders; and
 - (C) for simplicity and transparency of calculation.
- (iii) Any Performance Rights which fail to satisfy the above vesting conditions will lapse immediately.

(j) **Other Conditions**

- (i) Mr Carroll's unvested Performance Rights may, in certain circumstances, vest early in accordance with the terms of the GEIP that may apply from time to time, as approved by the Board.
- (ii) No loans will be provided to Mr Carroll by the Company in respect of the Performance Rights.
- (iii) The Performance Rights will be subject to the Company's Clawback Policy.
- (iv) The Shares awarded on vesting of Mr Carroll's Performance Rights may be subject to restriction and any dealing in Shares is subject to the constraints of Australian insider trading laws and the Company's share trading policy.
- (v) Under the terms of the GEIP, Mr Carroll is prohibited from entering into transactions or arrangements which limit the economic risk of holding unvested Performance Rights, including by way of derivatives or similar financial product.
- (vi) If, in the Board's opinion, Mr Carroll has acted fraudulently or dishonestly or is in breach of his material obligations to the Company, the Board may determine that any or all of his unvested Performance Rights will lapse.

(k) **Directors' Recommendation**

The Directors (with Mr Carroll abstaining) unanimously recommend shareholders vote in favour of Resolution 3 set out in the Notice of Meeting.

2.5 Resolution 4- Re-election of a Director – Brian Hilton Bailison

(a) **Background**

- (i) Listing Rule 14.5 provides that an entity which has directors must hold an election of directors at each annual general meeting.
- (ii) Listing Rule 14.4 provides that a director of an entity must not hold office (without re-election) past the third annual general meeting following the director's appointment or 3 years, whichever is longer. A director may retire and offer themselves for re-election prior to the expiry of that period.
- (iii) Pursuant to Article 47(a) of the Company's Constitution, a director must retire from office by no later than the longer of the third annual general meeting of the Company or 3 years, following that director's last election or appointment. A director may retire and offer themselves for re-election prior to the expiry of that period. Under Article 47(c), a director who retires under Article 47(a) is eligible for re-election.

- (iv) Mr Bailison was last elected as a Director of the Company on 21 May 2015 and, being eligible for re-election, offers himself for re-election as a Director of the Company.

(b) **Summary of Experience**

A summary of Mr Bailison's experience and qualifications appear below.

Brian has over 15 years experience in finance, corporate finance and operations from senior roles in listed and unlisted businesses in South Africa and Australia, including senior positions at Rand Merchant Bank Limited (South Africa's largest banc-assurance business), the Ivany Investment Group (diversified investment group) and Payce Consolidated Limited (diversified property group).

Brian holds Bachelor of Commerce and Bachelor of Accounting (Cum Laude) degrees from the University of Witwatersrand and is a member of the Institute of Chartered Accountants of Australia.

Brian is Chairman of G8 Education's Audit and Risk Management Committee and member of the Nomination Committee.

Brian has excellent experience and has contributed notably to the GEM group.

(c) **Directors' Recommendation**

The Directors (with Mr Bailison abstaining) unanimously recommend shareholders vote in favour of the re-election of Mr Bailison.

2.6 Resolution 5- Increase in Non-executive Director Fee Cap

(a) **Background**

- (i) Under Listing Rule 10.17, the Company must not increase the total aggregate amount of Directors' fees payable by the Company to all of its non-executive Directors without the approval of shareholders.
- (ii) The Company's Constitution limits the aggregate amount of Directors' fees which the Company may pay to the non-executive Directors to an amount or value determined by the Board which does not in any financial year exceed in aggregate the amount last determined by the Company in general meeting.
- (iii) The current maximum aggregate annual amount of Directors' fees payable to the Company's non-executive Directors of \$850,000 was approved by Shareholders at the Company's 2015 Annual General Meeting. Details of the remuneration paid to the Company's non-executive Directors during the financial year ended 31 December 2016 are set out in the Remuneration Report.
- (iv) Shareholder approval is sought to increase the maximum aggregate annual amount of Directors' fees that may be paid by the Company to all of its non-executive Directors by \$250,000 to \$1,100,000. This increase is sought to manage the addition of a non-executive Director pursuant to the terms of the recent placement to China First Capital Group and to provide flexibility more generally to add skills to the Board composition that may be necessary to best manage the Company in the interests of all Shareholders. There is no current intention to increase amounts paid to individual non-executive Directors.

(b) **Directors' Recommendation**

Mr Gary Carroll and Mr Chris Scott, as executive Directors of the Company, recommend that Shareholders vote in favour of Resolution 5. The non-executive Directors do not make a recommendation as to how Shareholders should vote on the resolution, as each of the non-executive Directors has a personal interest in the subject matter of the resolution.

GLOSSARY

Term	Definition
ASX	ASX Limited.
Board	The Company's Board of Directors.
Closely Related Parties	In relation to a member of the Key Management Personnel, means: <ul style="list-style-type: none"> (a) a spouse or child of the member; (b) a child of the member's spouse; (c) a dependent of the member or member's spouse; (d) anyone else who is one of the member's family and may be expected to influence the member, or be influenced by the member, in the member's dealing with the Company; (e) a company which the member controls; or (f) a person prescribed by the <i>Corporations Regulations 2001</i> (Cth).
Company	G8 Education Limited.
Corporations Act	<i>Corporations Act 2001</i> (Cth).
Director	A director of the Company.
Explanatory Statement	The explanatory statement accompanying and forming part of the Notice of Meeting.
GEIP	The G8 Education Executive Incentive Plan.
Key Management Personnel	Has the same meaning as in the accounting standard AASB 124 and, generally speaking, includes those persons having authority and responsibility for planning, directing and controlling the activities of the Company, directly or indirectly, including any Director (whether executive or otherwise) of the Company and all Company executives reporting to the Company's Managing Director and Chief Executive Officer.
Listing Rules	The listing rules of ASX.
Meeting	The annual general meeting of the Company to be held at the time and place specified in the Notice of Meeting.
Notice of Meeting	The Company's notice of annual general meeting and accompanying Explanatory Statement.
Performance Rights	The performance rights issued to an employee of the Company under, and in accordance with the terms of, the GEIP.
Proxy Form	The proxy form that accompanies the Notice of Meeting.
Remuneration Report	The remuneration report for the Company contained in the Company's 2016 Annual Report.
Resolutions	The resolutions to be put to Shareholders at the Meeting, as set out in the Notice of Meeting.
Share	A fully paid ordinary share in the capital of the Company.
Shareholder	A holder of a Share.

PROXY FORM

Annual General Meeting

G8 Education Limited

A.B.N. 95 123 828 553



G8 Education^{ltd}

I/We, _____, of _____ being a member(s) of G8 Education Limited
(Insert Member Name/s) (Insert Member Address)

and entitled to attend and vote hereby appoint

A the **Chairperson of the Meeting (mark box)** OR if you are NOT appointing the Chairperson of the Meeting as your proxy, please write the name of the person or body corporate (excluding the registered Shareholder) you are appointing as your proxy

or failing the person/body corporate named, or if no person/body corporate is named, the Chairperson of the Meeting, as my/our proxy to act generally at the meeting on my/our behalf and to vote in accordance with the following instructions (or if no directions have been given, as the proxy sees fit) at the Annual General Meeting of the Company to be held at **11.00am (Brisbane time) on 29 May 2017**, at the **Sheraton Mirage, Main Beach, Gold Coast, Queensland** and at any adjournment of that meeting.

Where I/we have appointed the Chairperson as my/our proxy (or where the Chairperson becomes my/our proxy by default), I/we expressly authorise the Chairperson to exercise my/our proxy on all Resolutions (except where I/we have indicated a different voting intention below) even though a Resolution may be connected directly or indirectly with the remuneration of a member of the Key Management Personnel.

Where more than one proxy is to be appointed or where voting intentions cannot be adequately expressed using this form an additional form of proxy is available on request from the share registry. Proxies will only be valid and accepted by the Company if they are signed and received no later than 48 hours before the meeting, being **11.00am (Brisbane time) on 27 May 2017**. I/We acknowledge that the Chairperson of the Meeting intends to vote undirected proxies in favour of all items of business.

B To direct your proxy how to vote on any resolution please in the appropriate box below.

	For	Against	Abstain*
Resolution 1 - Remuneration Report	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Resolution 2 - G8 Education Executive Incentive Plan	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Resolution 3 - Issue of Performance Rights to Chief Executive Officer	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Resolution 4 - Re-election of a Director – Brian Hilton Bailison	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Resolution 5 - Increase in Non-executive Director Fee Cap	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

* If you mark the Abstain box for a particular item of business, you are directing your proxy not to vote on your behalf on a show of hands or on a poll and your votes will not be counted in computing the required majority on a poll.

If no direction is given above, I/we authorise my/our proxy to vote or abstain as my/our proxy thinks fit in respect of each item of business (including any procedural resolution) to be considered by the meeting and any adjournment of that meeting.

C SIGNATURE OF SECURITYHOLDERS – THIS MUST BE COMPLETED

Securityholder 1 (individual) Sole Director and Sole Company Secretary

Joint Securityholder 2 (individual) Director/Company Secretary (Delete one)

Joint Securityholder 3 (Individual) Director

This form should be signed by the Shareholder. If a joint holding, both Shareholders must sign. If signed by the Shareholder's attorney, the power of attorney must have been previously noted by the registry or a certified copy attached to this form. If executed by a company, the form must be executed in accordance with the company's constitution and the Corporations Act. Please indicate the office held by signing in the appropriate place.

IMPORTANT

Please complete this form where indicated (A), (B), & (C) and return to Advanced Share Registry Services:

Postal Address	Advanced Share Registry Services PO Box 1156 NEDLANDS WA 6909	Address	Advanced Share Registry Services 110 Stirling Highway NEDLANDS WA 6009
Facsimile Number	(08) 9262 3723		

To be valid, your proxy appointment must be received by **11.00am (Brisbane time) on 27 May 2017**.

Notes:

STEP A Appointment of Proxy

Indicate here who you want to appoint as your proxy

If you wish to appoint the Chair of the Meeting (**Chair**) as your proxy, mark the box. If you wish to appoint someone other than the Chair as your proxy please write the full name of that individual or body corporate in the space provided. If you leave this section blank, or your named proxy does not attend the meeting, the Chair will be your proxy. A proxy need not be a security holder of the Company.

Proxy which is a Body Corporate

Where a body corporate is appointed as your proxy, the representative of that body corporate attending the meeting must have provided an 'Appointment of Corporate Representative' prior to admission. An Appointment of Corporate Representative Form can be obtained from Advanced Share Registry Services.

Appointment of a Second Proxy

You are entitled to appoint up to two proxies to attend the Meeting and vote on a poll. If you wish to appoint a second proxy, an additional Proxy Form may be obtained from Advanced Share Registry Services.

To appoint a second proxy you must:

- (a) Complete two Proxy Forms. On each Proxy Form state the percentage of your voting rights or the number of securities applicable to that form. If the appointments do not specify the percentage or number of votes that each proxy may exercise, each proxy may exercise half your votes. Fractions of votes will be disregarded.
- (b) Return both Proxy Forms together in the same envelope.

STEP B Voting Directions to your Proxy

You can tell your Proxy how to vote

To direct your proxy how to vote, place a mark in one of the boxes opposite each item of business. All your securities will be voted in accordance with such a direction unless you indicate only a portion of voting rights are to be voted on any item by inserting the percentage or number of securities you wish to vote in the appropriate box or boxes.

If you mark more than one box opposite an item of business, then your vote on that item will be invalid. If you do not mark any of the boxes opposite an item of business, then your proxy may exercise your vote as he or she chooses in respect of that item of business.

However, if you wish to appoint as your proxy a Director or other member of the Key Management Personnel of the Company (other than the Chair) or a Closely Related Party of a member of the Key Management Personnel of the Company, you must specify how he or she should vote on Resolution 1, Resolution 2, Resolution 3 and Resolution 5 by completing the 'For', 'Against' or 'Abstain' boxes opposite each of those items of business on the Proxy Form. If you do not do that, your proxy will not be able to vote on your behalf for those items of business.

If you appoint the Chair as your proxy, but do not complete any of the boxes 'For', 'Against' or 'Abstain' opposite an item of business on the Proxy Form, the Chair intends to exercise your vote in favour of the item of business.

If you wish to appoint the Chair as proxy with a direction to vote against, or to abstain from voting on, an item of business you should specify this by completing the 'Against' or 'Abstain' boxes opposite the item of business on the Proxy Form.