

Notice of Annual General Meeting and Explanatory Notes

Kelsian Group Limited

ACN 109 078 257

Date: Tuesday 24th October 2023

Time: 10:00am Adelaide time (ACDT)

Place: Adelaide Convention Centre –
Panorama Rooms, North Terrace,
Adelaide SA 5000

Contents

	Page
Notice of Annual General Meeting	3
Explanatory Notes (which form part of the Notice of Meeting)	8
Proxies and Voting	19

Accompanying Documents

1. Proxy Form

A letter has been sent to all shareholders setting out a URL for viewing or downloading this Notice and the accompanying documents electronically (**Shareholder Letter**). A hard copy version of the Notice has been sent to those who elected to receive the Notice in hard copy prior to dispatch date. If you are a shareholder who did not receive a hard copy Notice or a Shareholder Letter by email or post and did not receive a URL to this Notice and a Proxy Form, please contact the Share Registry (see below for details).

Important Dates

Voting Entitlement date: 6:30 p.m., Adelaide time on Sunday 22nd October 2023
Deadline for return of Proxy Forms: 10:00 a.m., Adelaide time on Sunday 22nd October 2023
Date and time of Meeting: 10:00 a.m., Adelaide time on Tuesday 24th October 2023

Meeting Procedure

The Meeting will be conducted by the Chair, subject to the discretion of the Chair to adjourn or reconvene the Meeting. Each resolution will be voted on separately and conducted by a poll.

Share Registry Details

Boardroom Pty Limited
Level 8, 210 George Street
Sydney, NSW, 2000

Contact

T: 1300 737 760
F: +61 2 9290 9655

Email : enquiries@boardroomlimited.com.au
www.boardroomlimited.com.au

For personal use only

Notice of Annual General Meeting

Notice is hereby given that the Kelsian Group Limited (**Kelsian** or **Company**) Annual General Meeting of Shareholders (**AGM** or **Meeting**) will be held on **Tuesday 24th October 2023 at 10:00 a.m.** Adelaide time (ACDT) at the Adelaide Convention Centre (Panorama Rooms), North Terrace, Adelaide.

Attached to and forming part of this Notice of Meeting are the Explanatory Notes that provide shareholders with background information and further details in understanding the reasons for and the effect of the Resolutions if approved. This information is presented in accordance with the regulatory requirements of the *Corporations Act 2001* (Cth) (**Corporations Act**).

If you are unable to attend the Meeting in person, you are requested to complete the Proxy Form enclosed with this Notice to participate and vote in the Meeting.

Proxy and Voting

Kelsian encourages all shareholders to cast their votes at the Meeting by appointing a proxy (preferably the Chair of the Meeting) (**Chair**) ahead of the Meeting by completing the Proxy Form accompanying the Notice of Meeting (**Proxy Form**).

The entitlement for Members to vote at the Meeting will be determined by reference to those persons on the register of Members of the Company (**Members**) as at 6.30 p.m. Adelaide time (ACDT) on Sunday 22nd October 2023.

The Proxy Form and the power of attorney or other authority (if any) under which it is signed (or a certified copy) must be received by the Company at least 48 hours before the time for holding the Meeting (being no later than 10:00 a.m. Adelaide time (ACDT) on Sunday 22nd October 2023) at the Company's share registry, Boardroom Pty Ltd:

🖥️ **Online** www.votingonline.com.au/klsagm2023

📠 **By Fax** + 61 2 9290 9655

✉️ **By Mail** Boardroom Pty Limited
GPO Box 3993,
Sydney NSW 2001 Australia

👤 **In Person** Level 8, 210 George Street,
Sydney NSW 2000 Australia

Questions and Speaking at the Meeting

Shareholders and proxyholders may lodge questions prior to the Meeting via the AGM page hosted by our share registry www.boardroomlimited.com.au/agm/kelsian2023 or by email to company.secretary@kelsian.com by close of business on Monday 23 October 2023.

Shareholders and proxyholders may also speak and ask questions during the Meeting. The Chair of the Meeting will endeavour to address as many of the more frequently raised relevant questions and comments as possible during the course of the Meeting. However, there may not be sufficient time available at the Meeting to address all of the questions and comments raised. Please note that individual responses will not be sent to shareholders.

Interpretation

A number of defined terms are used in the Notice of Meeting. These terms are contained in the Notice of Meeting, Explanatory Notes and the Proxy Form.

Future alternative arrangements

If it becomes necessary to make future alternative arrangements for holding the Meeting, we will give shareholders as much notice as practicable. Shareholders should monitor the Company's websites and ASX announcements where updates will be provided if it becomes necessary or appropriate to make alternative arrangements for holding or conduct of the Meeting.

For personal use only

Agenda

Ordinary Business of the Meeting

1. CONSIDERATION OF FINANCIAL STATEMENTS

To receive and consider the financial report, the Chair's report and the Auditor's report for the year ended 30th June 2023.

Each year, we are required to communicate information to shareholders, including annual reports, notices of meetings and other advices. The Corporations Legislation Amendment (Simpler Regulatory System) Act 2007 provides us with the ability to make the annual financial report available on a website and provide a hard copy of the annual report only to those Members who elect to receive it in that form, subject to certain administrative requirements. We have made the 2023 Annual Report available online at: <https://www.kelsian.com/annual-reports>

2. ADOPTION OF REMUNERATION REPORT

To consider and if thought fit to pass the following motion as a non-binding ordinary resolution:

"That the Remuneration Report, as set out in the Directors' Report for the Company and its controlled entities for the financial year ended 30th June 2023, be adopted".

Note: the vote on this resolution is advisory only and does not bind the Directors or the Company.

Voting Exclusion Statement for Resolution 2

In accordance with Section 250R(4) of the Corporations Act, the Company will disregard any votes cast (in any capacity) on Resolution 2 by any Key Management Personnel, the details of whose remuneration are included in the Remuneration Report (**KMP**), and any closely related party (as defined in the Corporations Act) (**Closely Related Party**) of such Key Management Personnel.

However, a person described above may cast a vote on Resolution 2 if the vote is not cast on behalf of a person described above and either:

- (a) the person does so as proxy appointed in writing that specifies how the proxy is to vote on the proposed resolution; or
- (b) the Chair of the Meeting is appointed as proxy and the Proxy Form does not specify the way the proxy is to vote on the resolution and expressly authorises the Chair to exercise the proxy even if the resolution is connected directly or indirectly with the remuneration of a member of the Key Management Personnel.

The Company need not disregard a vote if it is cast by the person chairing the Meeting as proxy for a person who is entitled to vote, in accordance with the stated voting intentions of the Chair of the Meeting.

3. RE-ELECTION OF DIRECTOR – MR. JEFFREY ELLISON AM

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

"That Mr Jeffrey Ellison AM, who retires in accordance with clauses 59.1 and 59.4 of the Company's Constitution and ASX Listing Rule 14.4, be re-elected as a Director of the Company."

4. RE-ELECTION OF DIRECTOR – MR. NEIL SMITH

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

"That Mr Neil Smith, who retires in accordance with clauses 59.1 and 59.4 of the Company's Constitution and ASX Listing Rule 14.4, be re-elected as a Director of the Company."

5. RE-ELECTION OF DIRECTOR – MR. LANCE HOCKRIDGE

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

"That Mr Lance Hockridge, who retires in accordance with clauses 59.1 and 59.4 of the Company's Constitution and ASX Listing Rule 14.4, be re-elected as a Director of the Company."

Special Business of the Meeting

6. RATIFICATION OF ISSUE OF PLACEMENT SHARES UNDER ASX LISTING RULE 7.1

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

“That, for the purposes of ASX Listing Rule 7.4 and for all other purposes, shareholders ratify the issue of 24,341,032 shares in the capital of the Company on the terms set out in the Explanatory Notes accompanying the Notice of Meeting.”

Voting Exclusion Statement for Resolution 6

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

- a person or entity who participated in the issue; or
- an associate of that person.

However, this does not apply to a vote cast in favour of Resolution 6 by:

- a person as proxy or attorney for a person who is entitled to vote on Resolution 6, in accordance with directions given to the proxy or attorney to vote on Resolution 6 in that way; or
- the chair of the meeting as proxy or attorney for a person who is entitled to vote on Resolution 6 in accordance with a direction given to the chair to vote on Resolution 6 as the chair decides; or
- a holder acting solely in a nominee, trustee, custodial or other fiduciary capacity on behalf of a beneficiary providing 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 Resolution 6 in accordance with directions given by the beneficiary to the holder to vote in that way.

7. INCREASE IN NON-EXECUTIVE DIRECTORS' FEE POOL

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

“That, for the purposes of clause 62.1 of the Company’s Constitution, ASX Listing Rule 10.17 and for all other purposes, the aggregate amount of remuneration that may be paid in any financial year to the Company’s non-executive Directors be increased by \$500,000, from \$1,250,000 to \$1,750,000.”

Voting Exclusion Statement for Resolution 7

The Company will disregard any votes cast in favour of Resolution 7 by or on behalf of:

- a Director of the Company; and
- an associate of a Director of the Company.

However, this does not apply to a vote cast in favour of Resolution 7 by:

- a person as proxy or attorney for a person who is entitled to vote on Resolution 7 in accordance with directions given to the proxy or attorney to vote on Resolution 7 in that way; or
- the Chair of the Meeting as proxy or attorney for a person who is entitled to vote on Resolution 8 in accordance with a direction given to the Chair to vote on Resolution 7 as the Chair decides; or
- a holder acting solely in a nominee, trustee, custodial or other fiduciary capacity on behalf of a beneficiary providing 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 Resolution 7 in accordance with directions given by the beneficiary to the holder to vote in that way.

Further, for the purposes of the Corporations Act, a person appointed as a proxy must not vote, on the basis of that appointment, if the person is either:

- a member of the Key Management Personnel for the Company or, if the Company is part of a consolidated entity, for the entity; or
- a Closely Related Party of such a member,

and the appointment does not specify the way the proxy is to vote on Resolution 7.

However, the Company will not disregard a vote if:

- the person is the Chair of the Meeting at which Resolutions 7 is voted on; and
- the appointment expressly authorises the Chair to exercise the proxy even if Resolutions 7 is connected directly or indirectly with the remuneration of a member of the Key Management Personnel for the Company or, if the Company is part of a consolidated entity, for the entity.

The Chair of the Meeting intends to cast undirected proxies in favour of Resolutions 7.

In appointing the Chair as proxy, Shareholders may also choose to direct the Chair to vote against Resolution 7.

If you are a member of the Key Management Personnel for the Company or, if the Company is part of a consolidated entity, for the entity, or a Closely Related Party of such a member and purport to cast a vote other than as permitted above, that vote will be disregarded by the Company (as indicated above) and you may be liable for breaching the voting restrictions that apply to you under the Corporations Act.

8. APPROVAL OF GRANT OF PERFORMANCE RIGHTS TO THE MANAGING DIRECTOR & GROUP CHIEF EXECUTIVE OFFICER

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

“That, for the purposes of ASX Listing Rule 10.14 and for all other purposes, the grant to Mr Clinton Feuerherdt, the Managing Director & Group Chief Executive Officer, of 104,162 Performance Rights under the Kelsian Group Rights Plan on the terms set out in the Explanatory Notes accompanying the Notice of Meeting, be approved.”

9. APPROVAL OF GRANT OF RESTRICTED RIGHTS TO THE MANAGING DIRECTOR & GROUP CHIEF EXECUTIVE OFFICER

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

“That, for the purposes of ASX Listing Rule 10.14 and for all other purposes, the grant to Mr Clinton Feuerherdt, the Managing Director & Group Chief Executive Officer, of 18,031 Restricted Rights under the Kelsian Group Rights Plan on the terms set out in the Explanatory Notes accompanying the Notice of Meeting, be approved.”

Voting Exclusion Statement for Resolutions 8 and 9

The Company will disregard any votes cast in favour of Resolutions 8 and 9 by or on behalf of:

- a person referred to in ASX Listing Rule 10.14.1, 10.14.2 or 10.14.3 who is eligible to participate in the Kelsian Group Rights Plan (including Mr Clinton Feuerherdt); and
- an associate of that person.

However, this does not apply to a vote cast in favour of Resolutions 8 and 9 by:

- a person as proxy or attorney for a person who is entitled to vote on Resolutions 8 and 9 in accordance with directions given to the proxy or attorney to vote on Resolutions 8 and 9 in that way; or
- the chair of the meeting as proxy or attorney for a person who is entitled to vote on Resolutions 8 and 9 in accordance with a direction given to the chair to vote on Resolutions 8 and 9 as the chair decides; or
- a holder acting solely in a nominee, trustee, custodial or other fiduciary capacity on behalf of a beneficiary providing 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 Resolutions 8 and 9 in accordance with directions given by the beneficiary to the holder to vote in that way.

Further, for the purposes of the Corporations Act, a person appointed as a proxy must not vote, on the basis of that appointment, if the person is either:

- a member of the Key Management Personnel for the Company or, if the Company is part of a consolidated entity, for the entity; or
- a Closely Related Party of such a member,

and the appointment does not specify the way the proxy is to vote on Resolutions 8 and 9

However, the Company will not disregard a vote if:

- the person is the Chair of the Meeting at which Resolutions 8 and 9 is voted on; and
- the appointment expressly authorises the Chair to exercise the proxy even if Resolutions 8 and 9 is connected directly or indirectly with the remuneration of a member of the Key Management Personnel for the Company or, if the Company is part of a consolidated entity, for the entity.

The Chair of the Meeting intends to cast undirected proxies in favour of Resolutions 8 and 9.

In appointing the Chair as proxy, Shareholders may also choose to direct the Chair to vote against Resolutions 8 and 9 or to abstain from voting.

If you are a member of the Key Management Personnel for the Company or, if the Company is part of a consolidated entity, for the entity, or a Closely Related Party of such a member and purport to cast a vote other than as permitted above, that vote will be disregarded by the Company (as indicated above) and you may be liable for breaching the voting restrictions that apply to you under the Corporations Act.

10. OTHER BUSINESS

To transact any other business that may be brought forward in accordance with the Company's Constitution.

The Explanatory Notes attached to this Notice form part of this Notice. A detailed explanation of the background and reasons for the proposed resolutions are set out in the Explanatory Notes.

By order of the Board.



Joanne McDonald
Company Secretary
22 September 2023

Explanatory Notes

The Explanatory Notes accompany the Notice of Annual General Meeting for Kelsian Group Limited ACN 109 078 257 (**Company** or **Kelsian**) to be held on Tuesday 24th October 2023 at 10:00am., Adelaide time (ACDT) at the Adelaide Convention Centre (Panorama Rooms), North Terrace, Adelaide.

Information relevant to the business to be considered at the Annual General Meeting is provided in these Explanatory Notes and shareholders should read this document in full.

AGENDA ITEM 1 – CONSIDERATION OF FINANCIAL STATEMENTS

The financial statements for consideration at the AGM are included in the Company's 2023 Annual Report and consist of the financial statements of the Company for the financial year ended 30th June 2023, the notes to those financial statements, the Directors' Report, the Directors' Declaration and the Auditor's report including their Independence Statement.

The 2023 Annual Report is available on Kelsian's website at <https://www.kelsian.com/annual-reports> and via www.boardroomlimited.com.au/agm/kelsian2023.

Neither the *Corporations Act 2001* (Cth) (**Corporations Act**) nor the Company's Constitution requires the Members to vote on the financial statements or the accompanying reports. However, Members will be given the opportunity to raise questions or comments on the financial statements at the AGM:

- by lodging written questions **prior** to the Meeting via www.boardroomlimited.com.au/agm/kelsian2023 or email to company.secretary@kelsian.com;
- during the Meeting by attending the meeting or appointing a proxy to attend the meeting on your behalf.

In addition, Members will be given the opportunity to ask the Company's auditor, Ernst & Young, questions relevant to the conduct of the audit, the independence of the auditor, Kelsian's accounting policies and the preparation and content of the auditor's report by any of the means set out above.

AGENDA ITEM 2 – ADOPTION OF REMUNERATION REPORT

The Remuneration Report contained in the Company's 2023 Annual Report is required to be considered by Members in accordance with section 250R of the Corporations Act. The Remuneration Report, which details Kelsian's policy on remuneration of non-executive directors, executive directors and key executives is set out in the Company's 2023 Annual Report.

The vote on the adoption of the Remuneration Report is advisory only and is not binding. However, the Board will consider the outcome of the vote and comments made by Members on the Remuneration Report at the Meeting when reviewing the Company's remuneration policies and practices.

Further, if 25% or more of votes that are cast are voted against the adoption of the Remuneration Report at two consecutive AGMs, Members will be required to vote at the second AGM on a 'Board spill resolution' to determine whether another meeting should be held within 90 days at which all of the Company's Directors (other than a Managing Director) must stand for re-election.

At the 2022 AGM, the Company's Remuneration Report for the year ended 30 June 2022 did not receive a 'no' vote of 25% or more.

A voting exclusion statement for Resolution 2 is in the Notice of Meeting.

Link between remuneration outcomes and performance

The Remuneration Report explains how Kelsian's performance for the 2023 financial year has driven remuneration outcomes for our key executives. Kelsian has delivered growth and illustrated cost base resilience in what has otherwise been a challenging year of persistent labour shortages and a highly inflationary environment. Further detail can be found in the 2023 Annual Report.

Directors' Recommendation

The Board recommends that shareholders vote in favour of the Remuneration Report. A voting exclusion statement for this Resolution is contained in the Notice of Meeting. The Chair of the Meeting intends to vote undirected proxies in favour of Resolution 2.

Important information for Members:

In accordance with sections 250R(4) and (5) of the Corporations Act, the Chair will not vote any undirected proxies in relation to this resolution unless the shareholder expressly authorises the Chair to vote in accordance with the Chair's stated voting intentions. Please note that if the Chair of the Meeting is your proxy (or becomes your proxy by default), by completing the Proxy Form accompanying the Shareholder Letter, you will expressly authorise the Chair to exercise your proxy on this Resolution even though it is connected directly or indirectly with the remuneration of a member of Key Management Personnel for the Company, which includes the Chair. You should be aware that the Chair of the Meeting intends to vote undirected proxies in favour of the adoption of the Remuneration Report.

Alternatively, if you appoint the Chair as your proxy, you can direct the Chair to vote for or against or abstain from voting on Resolution 2 by marking the appropriate box on the Proxy Form.

As a further alternative, shareholders can nominate as their proxy for the purposes of Resolution 2, a proxy who is not a member of the Company's Key Management Personnel or any of their Closely Related Parties. That person would be permitted to vote undirected proxies (subject to the ASX Listing Rules).

AGENDA ITEM 3 – RE-ELECTION OF MR. JEFFREY ELLISON AM

Jeffrey Ellison AM B.ACC, FCA, FAICD

In accordance with clauses 59.1 and 59.4 of the Company's Constitution and Listing Rule 14.4, Mr Jeffrey Ellison AM will retire at the Annual General Meeting and being eligible, offers himself for re-election.

Mr Ellison holds a Bachelor of Arts Degree in Accounting from the University of South Australia, is a Fellow of the Institute of Chartered Accountants Australia and New Zealand and the Australian Institute of Company Directors. He previously held the position of Chief Executive Officer of Kelsian Group Limited since 1997 and was appointed Managing Director in 2008. Mr Ellison retired as Managing Director and CEO on 16 January 2020 and following a month of transition as an Executive Director, became a non-executive director from 17 February 2020. He was subsequently appointed Acting Chair with effect from 1 July 2020 and Chair on 23 February 2021.

Mr Ellison is Deputy Chair of Tourism Australia and Chair of Hayborough Investment Partners Pty Ltd. Mr Ellison is a former Board member of the South Australian Tourism Commission, Tourism and Transport Forum Australia, the Adelaide Convention Centre and the South Australian Botanic Gardens and State Herbarium Board. Mr Ellison was a member of the Company's People, Culture and Remuneration Committee from February to October 2022 and is considered by the Board to be a non-independent Director.

Directors' Recommendation

The Directors (other than Mr Ellison who makes no recommendation) unanimously recommend that shareholders approve Resolution 3 for the re-election of Mr Jeffrey Ellison AM as a Director of the Company. The Chair of the Meeting intends to cast undirected proxies in favour of this Resolution.

AGENDA ITEM 4 – RE-ELECTION OF MR. NEIL SMITH

Neil Smith MTM, B. ARTS, FCILT

In accordance with clauses 59.1 and 59.4 of the Company's Constitution and Listing Rule 14.4, Mr Neil Smith will retire at the Annual General Meeting and being eligible, offers himself for re-election.

Mr Smith was one of the founding shareholders and the former Chairman of the Transit Systems Group prior to the acquisition by Kelsian. He has over 30 years of commuter transport operations experience.

Mr Smith commenced his career within the Sydney bus industry, before acquiring a number of bus operations in rural NSW and then Queensland. Mr Smith was a founding shareholder of Tower Transit.

Mr Smith holds a Bachelor of Arts Degree and a Masters of Transport Management from the University of Sydney and is a Fellow of the Chartered Institute of Transport and Logistics.

Mr Smith joined the Board in 2020 and is considered by the Board to be a non-independent Director.

Directors' Recommendation

The Directors (other than Mr Smith who makes no recommendation) unanimously recommend that shareholders approve Resolution 4 for the re-election of Mr Neil Smith as a Director of the Company. The Chair of the Meeting intends to cast undirected proxies in favour of this Resolution.

AGENDA ITEM 5 – RE-ELECTION OF MR. LANCE HOCKRIDGE

Lance Hockridge FCILT, FIML, MAICD

In accordance with clauses 59.1 and 59.4 of the Company's Constitution and Listing Rule 14.4, Mr Lance Hockridge will retire at the Annual General Meeting and being eligible, offers himself for re-election.

Mr Hockridge has extensive international experience in the transportation, manufacturing and logistics sectors with a focus on safety, operational and financial transformation of businesses.

Mr Hockridge was previously the Managing Director and CEO of Aurizon Holdings Limited (2010 to 2016) following the demerger of Queensland Rail and QR National from a government owned railway to an ASX50 company. Other notable accomplishments as an executive include the oversight of BHP's global transport business, together with key roles in financial and operational reform in the heavy industrial sector and leading a major turnaround for BlueScope Steel's North American operations.

Mr Hockridge is Chair and Director of AVADA Group Limited as well as Chair of the Salvation Army Queensland Advisory Council, and an active advocate for diversity in the workforce.

Mr Hockridge joined the Board in July 2021, is a member of the Audit, Risk & Sustainability Committee, Chair of the People, Culture and Remuneration Committee and is considered by the Board as an independent Director.

Directors' Recommendation

The Directors (other than Mr Hockridge who makes no recommendation) unanimously recommend that shareholders approve Resolution 5 for the re-election of Mr Lance Hockridge as a Director of the Company. The Chair of the Meeting intends to cast undirected proxies in favour of this Resolution.

AGENDA ITEM 6 – RATIFICATION OF ISSUE OF PLACEMENT SHARES UNDER ASX LISTING RULE 7.1

Resolution 6 seeks shareholder ratification pursuant to ASX Listing Rule 7.4 for the issue of a total of 24,341,032 shares in the Company.

Background

On 15 March 2023, the Company announced to ASX the acquisition of All Aboard America! Holdings, Inc. (AAHI) and associated equity raising to partially fund the acquisition. The equity raising included a placement of 24,341,032 shares to institutional investors (**Institutional Placement**) on 24 March 2023 (**Issue Date**).

ASX Listing Rules

Broadly speaking, and subject to a number of exceptions, ASX Listing Rule 7.1 limits the amount of equity securities that a listed company can issue without the approval of its shareholders over any 12-month period to 15% of the fully paid ordinary securities it had on issue at the start of that period.

The issue of the Institutional Placement shares does not fit within any of these exceptions and, as it has not yet been approved by the Company's shareholders, it effectively uses up part of the 15% limit in ASX Listing Rule 7.1, reducing the Company's capacity to issue further equity securities without shareholder approval for the 12-month period following the Issue Date.

ASX Listing Rule 7.4 allows the shareholders of a listed company to approve an issue of equity securities after it has been made or agreed to be made. If they do, the issue is taken to have been approved under ASX Listing Rule 7.1 and so does not reduce the company's capacity to issue further equity securities without shareholder approval under that rule.

The Company wishes to retain as much flexibility as possible to issue additional equity securities into the future without having to obtain shareholder approval for such issues under ASX Listing Rule 7.1.

To this end, Resolution 6 seeks shareholder approval to the issue of the Institutional Placement shares under and for the purposes of ASX Listing Rule 7.4.

If Resolution 6 is passed, the issue of the Institutional Placement shares will be excluded in calculating the Company's 15% limit in ASX Listing Rule 7.1, effectively increasing the number of equity securities it can issue without shareholder approval over the 12-month period from the Issue Date.

If Resolution 6 is not passed, the issue of the Institutional Placement shares will be included in calculating the Company's 15% limit in ASX Listing Rule 7.1, effectively decreasing the number of equity securities it can issue without shareholder approval over the 12-month period following the Issue Date.

Information required by ASX Listing Rule 7.5

ASX Listing Rule 7.5 requires that the following information be provided to shareholders for the purpose of obtaining shareholder approval pursuant to ASX Listing Rule 7.4:

- (a) The Institutional Placement was issued to institutional investors who were identified through a bookbuild process, which involved Macquarie Capital (Australia) Limited and Taylor Collison Limited, acting as joint lead managers, seeking interest to participate in the Institutional Placement from non-related parties of the Company. No institutional investor who participated in the Institutional Placement:
 - i. was issued with more than 1% of the Company's total issued share capital under the Institutional Placement;
 - ii. is a related party of the Company;
 - iii. is a member of the Company's Key Management Personnel;
 - iv. is a substantial shareholder in the Company;
 - v. is an advisor to the Company; or
 - vi. an associate of any of the above.
- (b) The total number of shares issued under the Institutional Placement was 24,341,032.
- (c) The Institutional Placement was fully paid ordinary shares issued on the same terms as all other shares on issue in the Company.
- (d) The Institutional Placement was issued on 24 March 2023.
- (e) The Institutional Placement was issued at an issue price of \$5.55 per share.
- (f) The Institutional Placement was to raise approximately \$135 million to partially fund the AAAHI acquisition.
- (g) A voting exclusion statement for Resolution 6 is included in the Notice of Meeting.

Directors' Recommendation

The Directors unanimously recommend that shareholders approve Resolution 6. A voting exclusion statement for this Resolution is contained in the Notice of Meeting. The Chair of the Meeting intends to cast undirected proxies in favour of this Resolution.

AGENDA ITEM 7 – INCREASE IN NON-EXECUTIVE DIRECTORS' FEE POOL

Resolution 7 seeks shareholder approval, for the purposes of ASX Listing Rule 10.17 and for all other purposes, for the Company to be authorised to increase by \$500,000, the maximum aggregate amount of fees per financial year available to be paid to all non-executive Directors, from \$1,250,000 to \$1,750,000 per financial year.

The Kelsian Board considers that it is reasonable and appropriate at this time to seek an increase in the remuneration pool for non-executive Directors for the following reasons:

- the growth, and expected future growth, of the Company means increased responsibilities for non-executive Directors, including in light of the recent acquisition of All Aboard America! Holdings, Inc;
- noting the need for orderly succession planning, the non-executive Directors' fees may in the future need to be increased to attract and retain new Directors of a calibre to effectively guide and monitor the business of the Company;
- to allow the Board, should the need arise from time to time, to appoint additional non-executive Directors to ensure the Board has the appropriate skills, independence, diversity and experience;
- to remunerate non-executive Directors appropriately for the expectations placed on them both by the Company and the regulatory environment in which it operates; and
- the Directors have benchmarked the size of the proposed fee pool against listed companies in Australia of similar size and complexity and consider the increase in the total aggregate fees to be reasonable.

The maximum aggregate fees payable to non-executive Directors was last increased in December 2019.

No securities in the Company have been issued to any of the Company's non-executive Directors under ASX Listing Rule 10.11 or 10.14 with the approval of shareholders within the last 3 years.

Directors' Recommendation

The Directors unanimously recommend that shareholders approve Resolution 7. A voting exclusion statement for this Resolution is contained in the Notice of Meeting. The Chair of the Meeting intends to cast undirected proxies in favour of this Resolution.

AGENDA ITEM 8 – APPROVAL OF GRANT OF PERFORMANCE RIGHTS TO THE MANAGING DIRECTOR & GROUP CHIEF EXECUTIVE OFFICER

Resolution 8 seeks Shareholder approval for the grant of Performance Rights to the Managing Director and Group Chief Executive Officer.

Background

The Company operates the Kelsian Group Rights Plan (**KGRP**) under which eligible executives may receive grants of Rights (which may be Performance Rights, Restricted Rights or Service Rights).

Performance Rights, being rights to acquire fully paid ordinary shares in the Company (**Shares**), subject to meeting certain performance and service conditions, are proposed to be granted to Mr Clinton Feuerherdt, the Managing Director and Group Chief Executive Officer (**MD & Group CEO**). Performance Rights are proposed because they create alignment between the MD & Group CEO and ordinary shareholders, but do not provide him with the full benefits of share ownership such as dividend and voting rights unless and until the Rights vest.

The Performance Rights form the long-term component of the MD & Group CEO's remuneration arrangements. The Performance Rights will be subject to achievement of financial performance conditions (Total Shareholder Return, Earnings Per Share Growth) over a three-year performance period.

The Board considers it is important that the remuneration of the MD & Group CEO, and members of the Executive Leadership Team, including any long-term incentive, be on the same terms to ensure a coordinated and consistent effort to achieving the Company's goals. In September 2023 the Company invited members of the Executive Leadership Team to apply for Performance Rights on similar terms to those proposed to be offered to Mr Feuerherdt.

Approvals sought

Listing Rule 10.14

ASX Listing Rule 10.14 requires shareholder approval to be obtained where an entity issues, or agrees to issue, securities under an employee incentive scheme to a director of the entity, an associate of the director, or a person whose relationship with the entity or associate of the director is, in ASX's opinion, such that approval should be obtained.

The MD & Group CEO was appointed as a Director of the Company on 3 July 2023. Accordingly, for the purpose of ASX Listing Rule 10.14, shareholders are asked to approve the grant of 104,162 Performance Rights to the MD & Group CEO as a long-term incentive referable to the FY24–FY26 performance periods, on the terms summarised in the table below under the heading "Key Terms of Performance Rights".

Approval of Resolution 8 will also result in the Performance Rights granted to the MD & Group CEO being included as an exception to the approval requirements of ASX Listing Rule 7.1 due to Exception 14 in Listing Rule 7.2. This means the Performance Rights granted to the MD & Group CEO, and any Shares issued on vesting of those Performance Rights, will not use up part of the 15% limit available under ASX Listing Rule 7.1. If shareholder approval is not obtained to Resolution 8, then the Board proposes to provide the same number of Performance Rights to the MD & Group CEO, but those Performance Rights would be subject to a condition that they must then be settled in cash or through on-market purchases of Shares, if they vest. No loan will be provided to the MD & Group CEO with respect to the issue of the Performance Rights.

Chapter 2E of the Corporations Act

Chapter 2E of the Corporations Act regulates the provision of financial benefits to related parties by a public company. Section 208 of the Corporations Act prohibits a public company giving a financial benefit to a related party unless one of a number of exceptions apply.

A "financial benefit" is defined in the Corporations Act in broad terms and includes the grant of equity incentives by a public company.

Under the Corporations Act, a director of a company is a related party of that company. As the MD & Group CEO is a recipient under the KGRP and a Director, financial benefits will be given by the Company when the Performance Rights are granted to the MD & Group CEO.

Section 211 of the Corporations Act provides an exception to the prohibition in section 208 of the Corporations Act where the financial benefit is given to a related party as an officer of the Company and to give the remuneration would be reasonable given the circumstances of the Company and the related party's circumstances (including the responsibilities involved in the office or employment) (**Reasonable Remuneration Exception**).

The Kelsian Board considers that the grant of the Performance Rights to the MD & Group CEO contemplated by Resolution 8 falls within the Reasonable Remuneration Exception given the circumstances of the Company and the position held by the MD & Group CEO.

Accordingly, the Kelsian Board have determined not to seek shareholder approval for the purpose of section 208 of the Corporations Act for the grant of the Performance Rights contemplated by Resolution 8. Shareholder approval must nonetheless be obtained pursuant to ASX Listing Rule 10.14.

Information required by Listing Rule 10.15

Pursuant to and in accordance with the requirements of Listing Rule 10.15, the following information is provided in relation to Resolution 8:

- (a) Approval is required by ASX Listing Rule 10.14.1 as the Performance Rights will be issued to Mr Clinton Feuerherdt, who is a Director of the Company.
- (b) It is proposed that 104,162 Performance Rights will be granted to the MD & Group CEO.
- (c) The terms of the Performance Rights are summarised in the table below under the heading "Key Terms of Performance Rights".
- (d) The Performance Rights will be granted on or about November 2023, but in any event within 1 month of the AGM.
- (e) The issue price of the Performance Rights will be nil. Accordingly, no funds will be raised from the issue of the Performance Rights.
- (f) The purpose of the issue of the Performance Rights is to appropriately remunerate the MD & Group CEO and to encourage the MD & Group CEO to have greater involvement in the achievement of the Company's objectives.
- (g) The current total remuneration package for the MD & Group CEO is set out below:

Remuneration Element	Max Remuneration Opportunity
Fixed Remuneration (inclusive of Base Salary and Superannuation)	\$992,025
Short Term Incentive – FY24 grant	\$868,073
LTI – Performance Rights FY24-FY26 grant	\$602,828

- (h) There are no other material terms of the agreement under which the Performance Rights will be issued to the MD & Group CEO which are not summarised in this document.
- (i) A voting exclusion statement for Resolution 8 is in the Notice of Meeting.

Details of any securities issued under the KGRP will be published in the Company's annual report relating to the period in which they are 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 became entitled to participate in any issue of securities under the KGRP after Resolution 8 is approved and who were not named in the Notice of Meeting will not participate until approval is obtained under that rule.

Key terms of Performance Rights

Key Terms of the Performance Rights

An overview of the key terms of the proposed grant of Performance Rights to the MD & Group CEO is set out below:

Number of Rights	The MD & Group CEO will be granted 104,162 Performance Rights under the KGRP.
Date of grant	The Performance Rights will be granted on or about November 2023, but in any event within 1 month of the AGM.
How is the award delivered?	The rights are in the form of Performance Rights over ordinary shares in the Company for no consideration. The Performance Rights carry neither rights to dividends nor voting rights.
What is the quantum of the award and what allocation methodology is used?	The quantum of Performance Rights granted to the Group CEO is determined by his Base Salary; the applicable multiplier; and the face value of Kelsian shares, calculated as the 10-day volume-weighted average price (VWAP) at the date of release of full-year results for the financial year prior to the year of grant of rights. For FY24 the Group CEO's maximum potential award of Performance Rights is 62.5% of Base Salary.
What are the performance conditions?	Overarching Gate: The Company's TSR must be positive. There are two tranches of Performance Rights with the following weighting of performance conditions, referred to as vesting conditions: <ul style="list-style-type: none"> • Tranche 1: Earnings Per Share Compound Annual Growth Rate (EPS CAGR): earnings per share compound annual growth rate, 50% weighting at target performance. • Tranche 2: Indexed Total Shareholder Return (iTSR): Total Shareholder Return (TSR) measured against companies in the ASX200 Total Return Index, 50% weighting at target performance. There is also a service condition that is met if employment with Kelsian is continuous for the period commencing on or around the grant date until the date the Performance Rights vest.
What is EPS CAGR?	EPS CAGR is a method for calculating the compound annual growth rate in the Company's earnings per common share, calculated on a fully diluted basis from continuing operations.
What is iTSR?	TSR is a method for calculating the return shareholders would earn if they held a notional number of shares over a period of time. iTSR measures the growth in a company's share price together with the value of dividends during the period, assuming that all of those dividends are reinvested into new shares. This growth is measured against the applicable index for Kelsian at the commencement of the first year of the measurement period for the Performance Rights. For FY24 this is the ASX 200 Total Return Index.
Why were the performance conditions selected?	In selecting the performance conditions and the structure of the tranches the Board goes through a process of consultation with external advisers, reviewing market trends and the company's strategic objectives in structuring the KGRP. The Board then reviews the performance conditions annually to determine the appropriate hurdles based on Kelsian's strategy and prevailing market practice. Service-based conditions are used to encourage retention. Following its annual review of the most appropriate measures to align the interests of shareholders and management the Board selected the following: <ul style="list-style-type: none"> • TSR as an external measure of long-term return performance with the strongest link to shareholder returns. • EPS CAGR as a measure of incentivising growth to reflect long-term growth yields for shareholders.
What is the performance period?	The performance period for the Performance Rights is three financial years commencing 1 July of each applicable financial year.

What level of relative EPS and iTSR performance is required for the Rights to vest?	For Performance Rights granted in FY24 half of the Performance Rights will only vest where the EPS CAGR performance is as follows:	
	EPS CAGR (annualised) of Kelsian	Percentage of Performance Rights that vest
	Less than 5%	Nil
	5%	50% of rights vest
	Greater than 5% but less than 10%	Between 50% and 100% of rights vest
	10% and above	100% of rights vest
	For Performance Rights granted in FY24 half of the Performance Rights will only vest where the TSR performance of the Company relative to the Total Return Index for the financial year in which the Performance Rights granted, measured over the performance period is as follows for FY24.	
	TSR of Kelsian relative to ASX200 Total Return Index	Percentage of Performance Rights that vest
	Less than Index TSR	Nil
	Index TSR	50% of rights vest
	Greater than Index TSR but less than 10% above Index TSR	Between 50% and 100% of rights vest
	Greater than Index TSR + 10%	100% of rights vest
	Kelsian intends to employ an independent organisation to calculate the TSR at the time of potential vesting of any Performance Rights to ensure an objective assessment of the relative TSR comparison.	
What happens to Performance Rights granted under the KGRP when the Executive ceases employment?	If the MD & Group CEO's employment is terminated for cause, or due to resignation, all unvested Performance Rights will lapse, unless the Board determines otherwise. In all other circumstances, unless the Board decides otherwise, a pro-rata portion of the MD & Group CEO's Performance Rights, calculated in accordance with the proportion of the performance period that has elapsed, will remain on foot, subject to the performance condition as set by the Board. If and when the Performance Rights vest, shares will be allocated in accordance with the KGRP rules and any other condition of the grant.	
Can Kelsian clawback awards of Performance Rights?	<p>In the event of serious misconduct or a material misstatement in the Company's financial statements, the Board may:</p> <ul style="list-style-type: none"> Reset the vesting conditions and/or alter the performance period applying to the award, Deem all awards which have not vested to have lapsed or been forfeited, Deem all or any shares following the vesting of an award to have lapsed or been forfeited; and/or Where shares have been allocated to the MD & Group CEO and have been subsequently sold, require the MD & Group CEO to repay the net proceeds of such as sale to the extent this can be done in accordance with the relevant laws. 	
What happens in the event of a change in control?	In the event of a change in control, the Board will exercise its discretion, and determine the treatment of the unvested awards which may include a pro-rata vesting.	

Additional information for Resolution

Previous awards of Performance Rights to the MD & Group CEO are as follows:

Description	Date granted	Number of Performance Rights
1/7/2019-30/6/2022 performance period	12/06/20	156,392 (vested on 31 August 2022)
1/7/2020-30/6/2023 performance period	21/12/20	100,604 (vested on 31 August 2023)
1/7/2021-30/6/2024 performance period	25/10/21	60,115
1/7/2022-30/6/2025 performance period	06/12/22	109,622

No amount was paid by the MD & Group CEO for these Performance Rights.

Directors' Recommendation

The Directors (other than Mr Feuerherdt who makes no recommendation) unanimously recommend that shareholders approve Resolution 8 for the grant of 104,162 Performance Rights to Mr Feuerherdt. A voting exclusion statement for this Resolution is contained in the Notice of Meeting. The Chair of the Meeting intends to cast undirected proxies in favour of this Resolution.

AGENDA ITEM 9 – APPROVAL OF GRANT OF RESTRICTED RIGHTS TO THE MANAGING DIRECTOR & GROUP CHIEF EXECUTIVE OFFICER

Resolution 9 seeks Shareholder approval for the grant of Restricted Rights to the Managing Director & Group CEO.

Background

For FY23, the short-term performance incentives (**STI**) program is designed to align the strategic objectives of the Company and its operating business units with the performance hurdles of executives.

Kelsian's Strategic Pillars of safety, people, customer, growth, technology & innovation, ESG, and operational excellence underpin the setting of objectives for both financial and non-financial performance objectives of the Company. STI payments are granted to executives based on specific annual financial and operational targets and the achievement of set objectives which include stretch targets for both financial and non-financial goals.

The specific objectives set are chosen to drive outcomes and behaviours that support the safe operation and delivery of Kelsian's strategy and lead to the creation of long-term growth in shareholder value.

The financial targets set are based on Group Earnings Before Interest and Tax and is the primary financial measure against which management and the Board assess the short-term financial performance of Kelsian.

In FY23, non-financial performance objectives were further tailored to each executive, to ensure executives focus on objectives with the largest contribution to the business. Each of these performance objectives was weighted according to the level of impact on Kelsian. STI payments are "at-risk" cash components paid to executives when agreed targets have been met, however, are discretionary and do not form part of the employment contract.

STI awards are paid in cash and for FY23, a deferral component applicable to 50% of the STI payments arising from the financial STI measure, which in turn comprises 25% of the total STI award, will be applied to KMP, including the MD & Group CEO.

Deferral of a portion of STI into equity was introduced in FY23 using Restricted Rights to meet the deferred STI component. Using equity rights for the award of a portion of the STI further aligns the MD & Group CEO's interests with those of shareholders. For STI amounts awarded and deferred into Restricted Rights, the rights are fully vested at grant date and are granted under the Kelsian Group Rights Plan (**KGRP**). For Restricted Rights to be issued for the FY23 financial component, the Restricted Rights are subject to an exercise restriction until 31 August 2024 and have no service requirement applicable.

Resolution 9 is being put to shareholders to obtain approval for the grant of Restricted Rights to Mr Clinton Feuerherdt, the MD & Group CEO. The proposed grant of 18,031 Restricted Rights relates to the deferral component of FY23 STI award to the MD & Group CEO's remuneration package and is made under the KGRP.

Approvals sought

Listing Rule 10.14

ASX Listing Rule 10.14 requires shareholder approval to be obtained where an entity issues, or agrees to issue, securities under an employee incentive scheme to a director of the entity, an associate of the director, or a person whose relationship with the entity or associate of the director is, in ASX's opinion, such that approval should be obtained.

The MD & Group CEO was appointed as a Director of the Company on 3 July 2023. Accordingly, for the purpose of ASX Listing Rule 10.14, shareholders are asked to approve the grant of 18,031 Restricted Rights to the Group CEO as the deferred component of his FY23 STI award, on the terms summarised in the table below under the heading "Key Terms of Restricted Rights".

For personal use only

Approval of Resolution 9 will also result in the Restricted Rights granted to the MD & Group CEO being included as an exception to the approval requirements of ASX Listing Rule 7.1 due to Exception 14 in Listing Rule 7.2. This means the Restricted Rights granted to the MD & Group CEO, and any Shares issued on exercise of those Restricted Rights, will not use up part of the 15% limit available under ASX Listing Rule 7.1. If shareholder approval is not obtained to Resolution 9, then the Board proposes to either provide the same number of Restricted Rights to the MD & Group CEO, but those Restricted Rights would be subject to a condition that they must then be settled in cash or through on-market purchases of Company shares, upon exercise. No loan will be provided to the MD & Group CEO with respect to the issue of the Restricted Rights.

Chapter 2E of the Corporations Act

Chapter 2E of the Corporations Act regulates the provision of financial benefits to related parties by a public company. Section 208 of the Corporations Act prohibits a public company giving a financial benefit to a related party unless once of a number of exceptions apply.

A “financial benefit” is defined in the Corporations Act in broad terms and includes the grant of equity incentives by a public company.

Under the Corporations Act, a director of a company is a related party of that company. As the MD & Group CEO is a recipient under the KGRP and a Director, financial benefits will be given by the Company when the Restricted Rights are granted to the MD & Group CEO.

Section 211 of the Corporations Act provides an exception to the prohibition in section 208 of the Corporations Act where the financial benefit is given to a related party as an officer of the Company and to give the remuneration would be reasonable given the circumstances of the Company and the related party’s circumstances (including the responsibilities involved in the office or employment) (**Reasonable Remuneration Exception**).

The Kelsian Board considers that the grant of the Restricted Rights to the MD & Group CEO contemplated by Resolution 9 falls within the Reasonable Remuneration Exception given the circumstances of the Company and the position held by the MD & Group CEO.

Accordingly, the Kelsian Board have determined not to seek shareholder approval for the purpose of section 208 of the Corporations Act for the grant of the Restricted Rights contemplated by Resolution 9. Shareholder approval must nonetheless be obtained pursuant to ASX Listing Rule 10.14.

Information required by Listing Rule 10.15

Pursuant to and in accordance with the requirements of Listing Rule 10.15, the following information is provided in relation to Resolution 9:

- (a) Approval is required by ASX Listing Rule 10.14.1 as the Restricted Rights will be issued to Mr Clinton Feuerherdt, who is a Director of the Company.
- (b) It is proposed that 18,031 Restricted Rights will be granted to the MD & Group CEO, representing 50% of the financial component short term incentive awarded for FY23 to the MD & Group CEO.
- (c) The terms of the Restricted Rights are summarised in the table below under the heading “Key Terms of Restricted Rights”.
- (d) The Restricted Rights will be granted on or about November 2023, but in any event within 1 month of the AGM.
- (e) The issue price of the Restricted Rights will be nil. Accordingly, no funds will be raised from the issue of the Restricted Rights.
- (f) The purpose of the issue of the Restricted Rights is to satisfy the deferral component of the MD & Group CEO’s FY23 STI awards and to further align the MD & Group CEO’s interests with those of shareholders.
- (g) The current total remuneration package for the MD & Group CEO is set out below:

Remuneration Element	Max Remuneration Opportunity
Fixed Remuneration (inclusive of Base Salary and Superannuation)	\$992,025
Short Term Incentive – FY24 grant	\$868,073
LTI – Performance Rights FY24-FY26 grant	\$602,828

- (h) There are no other material terms of the agreement under which the Restricted Rights will be issued to the MD & Group CEO which are not summarised in this document.

(i) A voting exclusion statement for Resolution 9 is in the Notice of Meeting.

Details of any securities issued under the KGRP will be published in the Company's annual report relating to the period in which they are 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 became entitled to participate in any issue of securities under the KGRP after Resolution 9 is approved and who were not named in the Notice of Meeting will not participate until approval is obtained under that rule.

Key terms of Restricted Rights

Key Terms of the Restricted Rights

An overview of the key terms of the proposed grant of Restricted Rights to the MD & Group CEO is set out below:

Number of Rights	The MD & Group CEO will be granted 18,031 Restricted Rights under the KGRP.
Date of grant	The Restricted Rights will be granted on or about November 2023, but in any event within 1 month of the AGM.
What are the general terms?	The rights are in the form of Restricted Rights over ordinary shares in the Company for no consideration. The Restricted Rights are granted fully vested but cannot be exercised until 31 August 2024. Restricted Rights carry neither rights to dividends nor voting rights.
What is the quantum of the award and what allocation methodology is used?	The Restricted Rights form the deferred equity component of the MD & Group CEO's short term STI remuneration arrangements. Deferral into Restricted Rights (rather than cash award) applies to 50% of the financial component, which in turn comprises 25% of the total STI award. In FY23 the MD & Group CEO was awarded total STI remuneration of \$437,982. The quantum of Restricted Rights to be granted was calculated using the 10-day volume average weighted price of the Company's shares from 31 August 2023 (being the date after the release of the Company's FY23 full year results) to deliver the deferred amount awarded, being \$110,482. This results in 18,031 Restricted Rights.
What happens to Restricted Rights granted if the MD & Group CEO ceases employment?	The Restricted Rights are fully vested at grant date and do not include a service requirement. Subject to certain exceptions, the MD & Group CEO will be permitted to exercise Restricted Rights if his employment ceases prior to the expiry of the exercise restriction, being 31 August 2024.
Can Kelsian clawback awards of Restricted Rights?	In the event of serious misconduct or a material misstatement in the Company's financial statements, the Board may: <ul style="list-style-type: none"> • Deem all Restricted Rights which have not been exercised to have lapsed or been forfeited, • Where shares have been allocated to the MD & Group CEO and have been subsequently sold, require the MD & Group CEO to repay the net proceeds of such as sale to the extent this can be done in accordance with the relevant laws.
What happens in the event of a change in control?	In the event of a change in control, the Board will exercise its discretion, and determine the treatment of the unexercised Restricted Rights.

Additional information for Resolution

The MD & Group CEO has not previously been issued with Restricted Rights. The MD & Group CEO has previously been issued with Performance Rights under the KGRP as set out above in the Explanatory Notes for Resolution 8.

Directors' Recommendation

The Directors (other than Mr Feuerherdt who makes no recommendation) unanimously recommend that shareholders approve Resolution 9 for the grant of 18,031 Restricted Rights to Mr Feuerherdt. A voting exclusion statement for this Resolution is contained in the Notice of Meeting. The Chair of the Meeting intends to cast undirected proxies in favour of this Resolution.

Proxies and Voting

Determination of Shareholders' Right to Vote

For the purposes of this Meeting, shares will be taken to be held by persons who are registered as Members as at 6:30 p.m. Adelaide time (ACDT) on Sunday 22nd October 2023. Accordingly, transactions registered after that time will be disregarded in determining shareholders entitled to attend and vote at the Meeting.

Voting by poll

All resolutions at the Meeting will be voted on by poll.

Voting in Person

If you are proposing to attend the Meeting and vote, there is no need for you to take any further action at this time.

Voting by Corporate Representative

Body corporate Members should complete an "Appointment of Corporate Representative Form" to enable a person to attend the Meeting on their behalf. This form can be obtained from the Boardroom's website at <https://boardroomlimited.com.au/investor-forms/>

Appointment of a proxy

We strongly recommend you appoint the Chair of the Meeting as your proxy and that you actively direct your proxy how to vote on each item of business by marking the appropriate boxes on the Proxy Form.

A shareholder who is entitled to cast two or more votes may appoint not more than two proxies to attend and vote at the AGM on that shareholder's behalf. A proxy need not be a shareholder of the Company. If you appoint two proxies, you may specify the proportion or number of votes each proxy is appointed to exercise. If no such proportion is specified, each proxy can exercise half of the shareholder's voting rights.

If the appointment of a proxy directs the proxy to vote on an item of business in a particular way, the proxy may only vote on that item as directed. However, unless the proxy is required by law to vote, the proxy may decide not to vote on that item. All directed proxies that are not voted on a poll at the AGM will automatically default to the Chair, who is required to vote the proxies as directed. Any undirected proxies on a given resolution may be voted on by the appointed proxy as they choose, subject to voting exclusions as described previously.

In the case of shares jointly held by two or more persons, any joint holder may appoint a proxy but if more than one is present at the Meeting (either in person or by proxy or attorney or representative) the joint holder whose name appears first in the Company's share register shall alone be entitled to vote in respect of those shares.

Members who wish to appoint a proxy may do so by returning a completed Proxy Form in addition to the power of attorney or other authority (if any) under which it is signed (or a certified copy) to the Company through its share registry.

Lodging a Proxy Form

To be effective, the completed Proxy Form, together with any relevant power of attorney, must be received at the Company's share registry - Boardroom Pty Limited - not less than 48 hours before the time for holding the Meeting, which is 10:00 am Adelaide time (ACDT) on Sunday 22nd October 2023. Members can also submit their proxy voting instructions on-line at <http://www.votingonline.com.au/clsagm2023>.

The Proxy Form can be returned either by:

- 🖥️ **Online** www.votingonline.com.au/klsagm2023
- 📠 **By Fax** + 61 2 9290 9655
- ✉️ **By Mail** Boardroom Pty Limited
GPO Box 3993,
Sydney NSW 2001 Australia
- 👤 **In Person** Level 8, 210 George Street
Sydney NSW 2000 Australia

Asking questions – before and at the Meeting

You can submit a question or comment **prior** to the Meeting via the AGM page hosted by our share registry at www.boardroomlimited.com.au/agm/kelsian2023 or by email to company.secretary@kelsian.com

Written questions (including questions to the Auditor) should be submitted no later than close of business on the business day before the Meeting, being Monday 23rd October 2023. Written questions to the Auditor should relate to the content of the Auditor’s Report and the conduct of the Audit.

Shareholders and proxyholders may also speak and ask questions during the Meeting, by registering on arrival at the location for the Meeting.

The Chair of the Meeting will endeavour to address as many of the more frequently raised relevant questions and comments as possible during the course of the Meeting. However, there may not be sufficient time available at the Meeting to address all of the questions and comments raised. Please note that individual responses will not be sent to shareholders.

The Auditor will also be in attendance at the Meeting.

For personal use only

All Correspondence to:

✉ By Mail Boardroom Pty Limited
GPO Box 3993
Sydney NSW 2001 Australia

📠 By Fax: +61 2 9290 9655

💻 Online: www.boardroomlimited.com.au

☎ By Phone: (within Australia) 1300 737 760
(outside Australia) +61 2 9290 9600

YOUR VOTE IS IMPORTANT

For your vote to be effective it must be recorded **before 10:00am (ACDT) on Sunday 22 October 2023.**

📱 TO VOTE ONLINE

STEP 1: VISIT <https://www.votingonline.com.au/klsagm2023>

STEP 2: Enter your Postcode OR Country of Residence (if outside Australia)

STEP 3: Enter your Voting Access Code (VAC):

📲 BY SMARTPHONE



Scan QR Code using smartphone
QR Reader App

📄 TO VOTE BY COMPLETING THE PROXY FORM

STEP 1 APPOINTMENT OF PROXY

Indicate who you want to appoint as your Proxy.

If you wish to appoint the Chair of the Meeting as your proxy, mark the box. If you wish to appoint someone other than the Chair of the Meeting as your proxy please write the full name of that individual or body corporate. If you leave this section blank, or your named proxy does not attend the meeting, the Chair of the Meeting will be your proxy. A proxy need not be a securityholder of the company. Do not write the name of the issuer company or the registered securityholder in the space.

Appointment of a Second Proxy

You are entitled to appoint up to two proxies to attend the meeting and vote. If you wish to appoint a second proxy, an additional Proxy Form may be obtained by contacting the company's securities registry or you may copy this form.

To appoint a second proxy you must:

- 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.
- return both forms together in the same envelope.

STEP 2 VOTING DIRECTIONS TO YOUR PROXY

To direct your proxy how to vote, mark 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 securities are to be voted on any item by inserting the percentage or number that you wish to vote in the appropriate box or boxes. If you do not mark any of the boxes on a given item, your proxy may vote as he or she chooses. If you mark more than one box on an item for all your securities your vote on that item will be invalid.

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 the company's securities registry.

STEP 3 SIGN THE FORM

The form **must** be signed as follows:

Individual: This form is to be signed by the securityholder.

Joint Holding: where the holding is in more than one name, all the securityholders should sign.

Power of Attorney: to sign under a Power of Attorney, you must have already lodged it with the registry. Alternatively, attach a certified photocopy of the Power of Attorney to this form when you return it.

Companies: this form must be signed by a Director jointly with either another Director or a Company Secretary. Where the company has a Sole Director who is also the Sole Company Secretary, this form should be signed by that person. **Please indicate the office held by signing in the appropriate place.**

STEP 4 LODGEMENT

Proxy forms (and any Power of Attorney under which it is signed) must be received no later than 48 hours before the commencement of the meeting, therefore by **10:00am (ACDT) time on Sunday, 22 October 2023.** Any Proxy Form received after that time will not be valid for the scheduled meeting.

Proxy forms may be lodged using the enclosed Reply Paid Envelope or:

📱 Online <https://www.votingonline.com.au/klsagm2023>

📠 By Fax + 61 2 9290 9655

✉ By Mail Boardroom Pty Limited
GPO Box 3993,
Sydney NSW 2001 Australia

👤 In Person Boardroom Pty Limited
Level 8, 210 George Street
Sydney NSW 2000 Australia

Attending the Meeting

If you wish to attend the meeting please bring this form with you to assist registration.

Your Address
This is your address as it appears on the company's share register. If this is incorrect, please mark the box with an "X" and make the correction in the space to the left. Securityholders sponsored by a broker should advise their broker of any changes.
Please note, you cannot change ownership of your securities using this form.

PROXY FORM

STEP 1 APPOINT A PROXY

I/We being a member/s of **Kelsian Group Limited** (Company) and entitled to attend and vote hereby appoint:

the **Chair of the Meeting (mark box)**

OR if you are **NOT** appointing the Chair of the Meeting as your proxy, please write the name of the person or body corporate (excluding the registered securityholder) you are appointing as your proxy below

or failing the individual or body corporate named, or if no individual or body corporate is named, the Chair of the Meeting as my/our proxy at the Annual General Meeting of the Company to be held at the **Adelaide Convention Centre, Panorama Rooms, North Terrace, Adelaide SA 5000 on Tuesday 24 October 2023 at 10:00am (ACDT)** and at any adjournment of that meeting, to act on my/our behalf and to vote in accordance with the following directions or if no directions have been given, as the proxy sees fit.

Chair of the Meeting authorised to exercise undirected proxies on remuneration related matters: If I/we have appointed the Chair of the Meeting as my/our proxy or the Chair of the Meeting becomes my/our proxy by default and I/we have not directed my/our proxy how to vote in respect of Resolution 2,7,8 & 9, I/we expressly authorise the Chair of the Meeting to exercise my/our proxy in respect of these Items even though Resolution 2,7,8 & 9 is connected with the remuneration of a member of the key management personnel for the Company. The Chair of the Meeting will vote all undirected proxies in favour of all Items of business (including Resolution 2,7,8 & 9). If you wish to appoint the Chair of the Meeting as your proxy with a direction to vote against, or to abstain from voting on an item, you must provide a direction by marking the 'Against' or 'Abstain' box opposite that resolution.

STEP 2 VOTING DIRECTIONS
* If you mark the Abstain box for a particular item, you are directing your proxy not to vote on your behalf on a show of hands or on a poll and your vote will not be counted in calculating the required majority if a poll is called.

		For	Against	Abstain*
Resolution 2	Adoption of Remuneration Report	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Resolution 3	To re-elect Mr Jeffrey Ellison AM as a Director	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Resolution 4	To re-elect Mr Neil Smith as a Director	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Resolution 5	To re-elect Mr Lance Hockridge as a Director	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Resolution 6	Ratification of Issue of Placement Shares Under ASX Listing Rule 7.1	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Resolution 7	Increase in Non-Executive Directors' Fee Pool	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Resolution 8	Approval of Grant of Performance Rights to The Managing Director & Group Chief Executive Officer	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Resolution 9	Approval of Grant of Restricted Rights to The Managing Director & Group Chief Executive Officer	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

STEP 3 SIGNATURE OF SECURITYHOLDERS
This form must be signed to enable your directions to be implemented.

Individual or Securityholder 1	Securityholder 2	Securityholder 3
<div style="border: 1px solid black; height: 30px; width: 100%;"></div>	<div style="border: 1px solid black; height: 30px; width: 100%;"></div>	<div style="border: 1px solid black; height: 30px; width: 100%;"></div>
Sole Director and Sole Company Secretary	Director	Director / Company Secretary

Contact Name..... Contact Daytime Telephone..... Date / / 2023

For personal use only