

15 October 2021

**Annual General Meeting of Easton Investments Limited  
to be held on 18 November 2021 at 10:30am AEDT**

Dear Shareholder

I am pleased to advise that the Annual General Meeting (**AGM**) of Easton Investments Limited (**Easton** or the **Company**) will be held at 10:30am (AEDT) on Thursday, 18 November 2021 as a virtual event via Zoom teleconference due to the COVID-19 pandemic and having regard to the health and safety of our shareholders, directors and staff.

**Meeting Materials**

The notice of AGM, the accompanying Explanatory Statement and the Proxy Form (**Meeting Materials**) are being made available to shareholders electronically. You can access the Meeting Materials using the following link:

<https://www.eastoninvestments.com.au/investors>

Easton's 2021 Annual Report can be accessed by using the same link.

**Items of Business to be addressed at the AGM**

As you will note, there are more resolutions to be voted on by shareholders at this year's AGM than usual, amounting to 13 resolutions in all.

Given this, I thought it might be helpful for shareholders if I provided a brief explanation and some context around each of the resolutions, as follows:

- **Resolution 1** – normal prescribed adoption of the Company's Remuneration Report.
  - **Resolutions 2 & 3** – the re-election of 2 non-executive directors, Mr. Carl Scarcella and Mr. Anthony (Tony) McDonald.
  - **Resolutions 4 & 5** – ratification and approval of the issue of shares and options to HUB24 Limited (**HUB24**) which were made earlier in the year as part of a broader transaction with HUB24 and which involved an off-market proportional takeover offer to Easton shareholders.
  - **Resolution 6** – an increase in the maximum aggregate remuneration (**cap**) payable to non-executive directors from \$300,000 to \$500,000. The last cap increase was approved by shareholders in 2015 and the proposed cap increase will give the Company more flexibility to both increase the size of the board of directors and the fixed fees payable to non-executive directors as and when warranted.
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- **Resolution 7** – a change of the Company’s name to ‘Diverger Limited’ as the current name, ‘Easton Investments Limited’, no longer reflects the activities, strategic intent or focus of the Company as a house of prominent brands operating in the Australian wealth and accounting sectors. A refreshed brand with a contemporary look is in keeping with the Company’s reset strategy and acknowledges feedback from shareholders.
- **Resolutions 8, 9, 10, 11, 12 & 13** – all relate to the Company’s long-term incentive plan (**Incentive Plan**), including the grant of performance rights pursuant to the Incentive Plan. By way of further elaboration, I advise that:
  - **Resolution 8** – an ASX requirement to obtain approval to issue securities under the Incentive Plan without taking up the Company’s existing placement capacity.
  - **Resolution 9** – approval to grant 360,066 performance rights to our managing director, Mr. Nathan Jacobsen, as an ‘at risk’ component of Mr. Jacobsen’s remuneration package, agreed to when he joined the Company earlier this year.
  - **Resolutions 10, 11 and 12** – approval to make a special grant of 100,000 performance rights to each of Mr. Scarcella and Mr. McDonald, both non-executive directors, as well as to Mr. Grahame Evans, an executive director and a senior executive in the wealth side of our business. These grants of performance rights provide strong alignment with the Company’s reset strategy and, in the case of the 2 non-executive directors, are one-off and made in lieu of an increase in directors’ fee which remain modest at \$52,500 p.a., which includes all Board committee duties, save and except for an additional payment to Mr. Scarcella of \$10,000 p.a. for chairing a special risk and compliance sub-committee.
  - **Resolution 13** – approval for the accelerated payment of any potential termination benefit arising from the Incentive Plan in certain limited circumstances on termination of employment or engagement with the Company.

In considering the grant of performance rights as proposed by Resolutions 9 to 12, it should be noted that specific vesting conditions apply which will require a significant step-up in scale in line with the Company’s reset strategy to accelerate the Company’s growth over the next 3 years and deliver a significant increase in shareholder value.

The intention is to also make a special grant of similarly hurdled performance rights to a limited number of the Company’s key executives. If required, shareholder approval under the ASX Listing Rules will be obtained at the time of the proposed grant.

The total number of performance rights to be granted will equate to less than 3% of the Company’s issued capital if fully vested, which means that they will not have a material dilutive effect, but will provide strong alignment as the Board and management seek to identify a scale transaction capable of transforming the Company and delivering a significant uplift in shareholder value.

The use of an Incentive Plan to align Boards and management with the interests of shareholders is common practice and is an accepted way of remunerating key persons for out-performance on an “at risk” basis. The vesting conditions attaching to the Company’s performance rights do, in my opinion,



represent out-performance over the vesting period and I would recommend that shareholders refer to the performance conditions that apply to each grant of performance rights as set out in detail in the Explanatory Statement accompanying the Notice of AGM.

As Chairman of the Company, I confirm that I do not intend to participate in the Incentive Plan and recommend that shareholders vote in **favour** of all Resolutions, other than Resolution 6 (increase in the cap) where I must abstain from making a recommendation due to my personal interest in this item.

### **Voting**

I strongly encourage shareholders to vote by completing and submitting your Proxy Form as soon as possible, even if you intend to attend the virtual AGM.

**VOTING IS NOW OPEN.** To vote online, please follow the instructions below:

**STEP 1:** Visit [www.linkmarketservices.com.au](http://www.linkmarketservices.com.au)

**STEP 2:** Enter your Securityholder Reference Number (SRN) – contained in the accompanying Proxy Form

**STEP 3:** Enter your Postcode (if within Australia) OR Country of Residence (if outside Australia)

**STEP 4:** Follow the prompts to vote on each resolution.

**Important Note:** For your voting instructions to be valid and counted towards this AGM, please ensure that your online lodgement is received no later than **10:30 (AEDT) on Tuesday, 16 November 2021**. Voting instructions received after this time will not be valid for the scheduled AGM.

### **Meeting Details**

Instructions on how to join the virtual AGM and attendee registration are set out in the AGM notice of meeting.

Your participation in the AGM is important to us.

### **Electronic Communication**

You can update your communication preference to ensure that you receive all communications from the Company electronically in the future by updating your shareholder details online via Link Market Services [www.linkmarketservices.com.au](http://www.linkmarketservices.com.au). To log in, you will need your SRN and postcode (or country for overseas residents).

Should you have any queries regarding your shareholding or the Company's upcoming AGM, please contact Link Market Services Limited on 1300 554 474.

**Kevin White**  
**Chairman, Easton Investments Limited**

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