



2014 NOTICE OF  
ANNUAL GENERAL MEETING  
CABCHARGE AUSTRALIA LIMITED  
ABN 99 001 958 390

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*ON THE MOVE*

# CHAIRMAN'S LETTER

15 October 2014

Dear Shareholder

On behalf of the Board of Cabcharge Australia Limited (**Company** or **Cabcharge**), I would like to invite you to attend the Annual General Meeting on Wednesday 26 November 2014 (**AGM** or **Meeting**).

The AGM will be held at the InterContinental Hotel, 117 Macquarie Street, Sydney NSW 2000. The AGM will commence at 11:00am (AEST) with registration available from 10:15am (AEST).

The Notice of Meeting for the AGM commences on page 2 and lists the items of business to be considered at the AGM. Background information on Resolutions 1 to 9 is contained in the Explanatory Notes accompanying the Notice of Meeting on pages 6 to 11. This year, an individual shareholder, Mr Stephen Mayne, has nominated himself for election to the Board (Resolution 4). The Board has determined that it does not support Mr Mayne's election as set out on page 7 of the Explanatory Notes.

A Proxy Form is included in this information pack. The Proxy Form contains a barcode to assist with the registration process at the Meeting and so you should bring this with you to facilitate registration on the day of the Meeting. If you are not attending the Meeting, we would still like you to participate in the AGM by returning your completed Proxy Form to Link Market Services no later than 11:00am (AEST) on Monday 24 November 2014. Please refer to the Notice of Meeting for further information.

I thank you for your support and look forward to seeing you at the AGM.

Yours sincerely



**Russell Balding, AO**  
Chairman

**Notice is given that the Annual General Meeting of Cabcharge Australia Limited will be held:**

**Date:** Wednesday  
26 November 2014

**Time:** 11:00am (AEST)

**Venue:** InterContinental Hotel,  
117 Macquarie Street,  
Sydney, NSW 2000

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# ITEMS OF BUSINESS

## ORDINARY BUSINESS

### A. FINANCIAL STATEMENTS AND REPORTS

To receive and consider the Consolidated Financial Statements, the Directors' Report and the Auditor's Report for the Company and its controlled entities' for the financial year ended 30 June 2014.

### B. ELECTION OF DIRECTORS

To consider and, if thought fit, pass the following Resolutions 1 to 4 (inclusive) as ordinary resolutions:

#### BOARD ENDORSED CANDIDATES

#### Resolution 1: Re-election of Russell Balding

"That Russell Balding who retires from the office of Director pursuant to Rule 6.1(f)(ii) of the Constitution of the Company and being eligible and having offered himself for re-election, is re-elected as a Director of the Company."

#### Resolution 2: Election of Rodney Gilmour

"That Rodney Gilmour, having been appointed to the office of Director since the Company's last annual general meeting and who retires pursuant to Rule 6.1(e) of the Constitution of the Company and being eligible, and having offered himself for election, is elected as a Director of the Company."

## SPECIAL BUSINESS

### D. INCREASE AGGREGATE FEE POOL FOR NON-EXECUTIVE DIRECTORS

#### Resolution 7: Approval to increase aggregate fee pool for Non-Executive Directors

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

"That for the purposes of ASX Listing Rule 10.17, the Constitution of the Company and for all other purposes, the aggregate amount of fees that may be paid to Non-Executive Directors as a whole be increased from A\$800,000 to A\$1,300,000 per annum (an increase of A\$500,000), effective from 1 July 2014."

#### Resolution 3: Election of Richard Millen

"That Richard Millen, having been appointed to the office of Director since the Company's last annual general meeting and who retires pursuant to Rule 6.1(e) of the Constitution of the Company and being eligible, and having offered himself for election, is elected as a Director of the Company."

#### NON BOARD ENDORSED CANDIDATE

#### Resolution 4: Election of Stephen Mayne

"That Stephen Mayne, who offers himself for election to the office of Director pursuant to Rule 6.1(m)(iii) of the Constitution of the Company, is elected as a Director of the Company."

### C. REMUNERATION REPORT

#### Resolution 5: Adoption of the Remuneration Report

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

"That for the purposes of section 250R(2) of the *Corporations Act 2001 (Cth)*, and for all other purposes, approval is given for the adoption of the Remuneration Report as contained in the Company's Directors' Report for the year ended 30 June 2014."

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

#### Resolution 6: Spill Resolution

*Resolution 6 is a conditional resolution and a contingent poll will be held. The resolution will be deemed to have been withdrawn and the result of the contingent poll will not be valid if Resolution 5 passes on a majority of more than 75%. Please refer to the Explanatory Notes for further information.*

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

"Subject to Resolution 5 not being passed by more than 75% of votes cast at the Annual General Meeting, that within 90 days of the date of this resolution another meeting of shareholders (**Spill Meeting**) be held and those Directors of the Company prescribed by section 250V(1)(b) of the *Corporations Act 2001 (Cth)* will cease to hold office immediately prior to the end of the Spill Meeting and resolutions to appoint persons to fill those vacancies be put at the Spill Meeting."

### E. LONG TERM INCENTIVE PLAN

#### Resolution 8: Adoption of Long Term Incentive Plan

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

"That the Company's Long Term Incentive Plan be approved for all purposes, on the terms which are described in the Explanatory Notes."

#### Resolution 9: Approval of Grant of Rights to the Chief Executive Officer

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

"That, approval be given for the issue of 43,036 Rights to the Chief Executive Officer, Mr Andrew Skelton, under the Company's Long Term Incentive Plan, on the terms summarised in the Explanatory Notes."

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## VOTING EXCLUSION STATEMENTS

### C. REMUNERATION REPORT

The Company will disregard any votes cast on Resolution 5 in accordance with sections 250BD and 250R of the *Corporations Act 2001 (Cth) (Act)* or on Resolution 6 in accordance with section 250V(2) of the Act:

- by or on behalf of a member of the key management personnel, including a Director (collectively, **KMP**) whose remuneration is included in the Remuneration Report; or
- by or on behalf of a closely related party (such as close family members and any controlled companies) of a member of KMP whose remuneration is included in the Remuneration Report.

However, the Company need not disregard a vote cast on Resolution 5 or Resolution 6 if it is cast as a proxy for a person who is entitled to vote in accordance with the directions (for, against or abstain) on the proxy appointment.

Please note that if you appoint the Chairman of the meeting as your proxy and you do not direct your proxy how to vote on Resolutions 5 or 6 on the proxy form, you will be expressly authorising the Chairman to exercise your proxy even if the resolution/s is/are connected directly or indirectly to the remuneration of a KMP which includes the Chairman of the meeting.

### D. INCREASE AGGREGATE FEE POOL FOR NON-EXECUTIVE DIRECTORS

For the purposes of the ASX Listing Rules, the Company will disregard any votes cast on Resolution 7 by:

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

However, the Company need not disregard a vote if it is cast by a person as proxy for a person who is entitled to vote, in accordance with the direction on the proxy form, or it is cast by the person chairing the meeting as proxy for a person who is entitled to vote, in accordance with a direction on the proxy form to vote as the proxy decides.

The Company will also disregard any votes cast on Resolution 7 in accordance with section 250BD of the Act:

- by or on behalf of a member of the KMP;
- by or on behalf of a closely related party (such as close family members and any controlled companies) of a member of the KMP.

However, the Company need not disregard a vote cast on Resolution 6 if it is cast as a proxy for a person who is entitled to vote in accordance with the directions (for, against or abstain) on the proxy appointment.

Please note that if you appoint the Chairman of the meeting as your proxy and you do not direct your proxy how to vote on Resolution 7 on the proxy form, you will be expressly authorising the Chairman to exercise your proxy even if the resolution is connected directly or indirectly to the remuneration of a KMP which includes the Chairman of the meeting.

### E. LONG TERM INCENTIVE PLAN

The Company will disregard any votes cast on Resolutions 8 and 9 by the CEO and any of his associates.

Further, a vote must not be cast on Resolutions 8 or 9 by any member of the KMP of the Company, or a closely related party of any member of the KMP, that is appointed as proxy, if his or her appointment does not specify the way in which the proxy is to vote.

However, the Company need not disregard a vote on Resolutions 8 or 9 (and that person is not prohibited from voting) if the vote is cast:

- as proxy for a person who is entitled to vote on the relevant resolution in accordance with a direction on the proxy form; or
- by the Chairman of the meeting (who may be a KMP) as a proxy for a person who is entitled to vote in accordance with an express authority to vote undirected proxies as the Chair sees fit.

Please note if you appoint the Chair of the Meeting as your proxy on Resolutions 8 or 9, you can direct the Chair how to vote on those resolutions (by marking the relevant boxes on the proxy form). If you do not direct the Chair how to vote on Resolutions 8 or 9, you give the Chair your express authority to vote your undirected proxy (even if the resolution is connected, directly or indirectly, with the remuneration of the KMP) in which case, the Chair will vote in favour of this item of business.

If you intend to appoint a member of the KMP, such as the CEO or one of the directors, as your proxy (or a KMP's closely related party or an associate of the CEO as your proxy), please ensure that you direct them how to vote on the proposed Resolutions 8 or 9.

## NOTES

### DETERMINATION OF SHAREHOLDERS' RIGHTS TO VOTE

For the purpose of the meeting, the Directors have determined that those shareholders holding shares at 7.00pm (AEST time) on Monday, 24 November 2014 will be voting members of the meeting.

### EXPLANATORY NOTES

The Explanatory Notes section forms part of this Notice of Meeting.

### PROXIES

Please note that:

- A shareholder entitled to attend and vote is entitled to appoint not more than two proxies;
- If a shareholder appoints two proxies and does not specify the proportion or number of votes each proxy may exercise, each of the proxies may exercise half the shareholder's votes;
- If a shareholder appoints two proxies, neither proxy may vote on a show of hands, however both proxies will be entitled to vote on a poll (subject to voting exclusions);
- A proxy need not be a shareholder of the Company;
- A proxy can either be an individual or a body corporate. Should you appoint a body corporate as your proxy, that body corporate will need to ensure that it:
  - Appoints an individual as its corporate representative to exercise its power at meetings, in accordance with section 250D of the Act, and
  - Provides satisfactory evidence of the appointment of its corporate representative prior to commencement of the meeting; and
- Proxy forms must be lodged at least 48 hours prior to the meeting.

A proxy form accompanies this Notice. If the proxy form is signed by a person as an attorney, the power of attorney (or a certified copy) under which the proxy was signed must be lodged with the proxy form.

Directed proxies (being those where the proxy has been directed to vote for, against or to abstain) not voted will default to the person chairing the meeting who must exercise those proxies as directed.

### APPOINTMENT OF THE CHAIRMAN OR OTHER KEY MANAGEMENT PERSONNEL AS YOUR PROXY

Due to voting exclusions referred to in the Notice, a shareholder that intends to appoint the Chairman, any other Director or Key Management Personnel (collectively, **KMP**), or their closely related parties as proxy, are encouraged to direct the proxy on how to vote on the resolutions contained in Items C, D and E, by marking either 'For', 'Against' or 'Abstain' opposite that resolution on the proxy form.

### HOW THE CHAIRMAN WILL VOTE UNDIRECTED PROXIES

The Chairman intends to vote any undirected proxy in favour of all resolutions except for Resolution 4 and conditional Resolution 6. The Chairman intends to vote any undirected proxy **against** Resolution 4 and also **against** Resolution 6, if this resolution is considered at the Annual General Meeting.

### PROXY VOTING BY KMP (OTHER THAN THE CHAIRMAN)

Any undirected proxy given to a Director (other than the Chairman) or other member of the KMP (or any of their closely related parties) will not be voted on Resolutions 5, 6, 7, 8 and 9. To allow such a proxy to vote on these resolutions, the shareholder must specify how the proxy should vote by ticking 'For', 'Against', or 'Abstain' opposite that resolution on the proxy form.

### LODGE MENT OF PROXIES

- To be valid, the proxy form (together with any power of attorney) must be received by the Company's Share Registry, Link Market Services Limited, by 11:00am on Monday, 24 November 2014. We request that you return the proxy form in the reply-paid envelope provided. Alternatively, please post the proxy form to Locked Bag A14, Sydney South, NSW 1235 in sufficient time so it reaches Link Market Services by that time and date.
- The proxy form can also be sent via facsimile by 11:00am (AEST) on Monday, 24 November 2014 to Link Market Services on 02 9287 0309 in Australia or +61 2 9287 0309 if you are overseas.
- You may lodge your proxy online by logging on to [www.linkmarketservices.com.au](http://www.linkmarketservices.com.au), select 'Voting' and follow the prompts.

### CORPORATE REPRESENTATION

Any corporate member wishing to appoint a person to act as its representative at the meeting may do so by providing that person with a letter or certificate, executed in accordance with the corporate member's Constitution, authorising that person to act as the company's representative; or a copy of the resolution, certified by the Secretary or Director of the corporate member, appointing the representative.

By order of the Board



**Chip Beng Yeoh**  
Company Secretary

15 October 2014

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# EXPLANATORY NOTES

The Explanatory Notes have been prepared to assist shareholders with their consideration of items of business proposed in the accompanying Notice of Meeting.

## A. FINANCIAL STATEMENTS AND REPORTS

The *Corporations Act 2001 (Cth) (Act)* requires the Company's financial statements, Directors' Report and Auditor's Report for the last financial year to be received at the Annual General Meeting. The financial statements and the reports are contained in the 2014 Annual Report. If you have elected to receive a hard copy of the Annual Report, please refer to the Annual Report enclosed. Otherwise, the 2014 Annual Report can be accessed on the Company's website at [www.cabcharge.com.au/corporategovernance](http://www.cabcharge.com.au/corporategovernance)

While no resolution is required for this item, shareholders will be given the opportunity to ask questions and make comments on the financial statements and reports. The Company's Auditor will be present at the meeting and shareholders will have the opportunity to ask the Auditor questions in relation to the conduct of the audit, the Auditor's Report, the Company's accounting policies and the independence of the Auditor.

## B. ELECTION OF DIRECTORS

### BOARD-ENDORSED CANDIDATES

#### Resolution 1: Re-election of Russell Balding

Pursuant to Rule 6.1(f)(ii) of the Constitution of the Company, Mr Russell Balding being last elected at the 2011 Annual General Meeting will retire at the Annual General Meeting and will offer himself for re-election.

Russell Balding was first appointed an Independent Non-Executive Director on 6 July 2011 and Independent Chairman of the Board on 12 May 2014. Mr Balding is also the Deputy Chairman of Destination NSW, a Director of ComfortDelGro Cabcharge Pty Ltd, CityFleet Networks Ltd (UK), The Trust Company (Sydney Airport) Limited and a Board Member of Racing NSW. Mr Balding previously chaired the Visitor Economy Taskforce, established by the NSW Government to develop a tourism and events strategy to double overnight visitor expenditure to NSW by 2020.

Previously, Mr Balding has also served on the Boards of NSW Business Chamber Limited, ThoroughVision Pty Ltd (TVN), Tourism NSW and the Transport and Tourism Advisory Board. He was CEO of Sydney Airport Corporation Limited from 2006 to 2011, Managing Director of the Australian Broadcasting Corporation (ABC) from 2002 to 2006 and prior to that ABC's Director of Funding, Finance and Support Services. Mr Balding was also the Director of Finance of the NSW Roads and Traffic Authority. He is a past State President and currently a Fellow of CPA Australia, and a member of the Australian Institute of Company Directors.

#### Resolutions 2 to 3 (inclusive): Election of Rodney Gilmour and Richard Millen

Pursuant to Rule 6.1(e) of the Constitution of the Company, Messrs Rodney Gilmour and Richard Millen who were appointed by the other Directors since the last annual general meeting, will retire at the Annual General Meeting and will offer themselves for election.

Rodney Gilmour was appointed a Non-Executive Director on 4 June 2014. Mr Gilmour is the Chair of NSW Telecommunications Authority and has held various leadership roles as CEO and on the Boards of public and private sector organisations in transport, business and economic development, and health and community service sectors. This has included policy and regulatory oversight of the taxi, hire car and business industries across Australian State/Territory jurisdictions. Mr Gilmour is a Fellow of the Australian Institute of Company Directors and a Fellow of the Australian Institute of Management. From July 2012 to April 2014 Mr Gilmour provided Corporate Affairs consulting services to Cabcharge.

Richard Millen was appointed an Independent Non-Executive Director on 4 June 2014. Mr Millen has extensive experience in transactions, corporate finance and accounting. Mr Millen spent over 30 years with PricewaterhouseCoopers and led its first Corporate Finance practice and subsequently the broader Advisory practice of the firm. Mr Millen has a strong background in corporate responsibility, having led PricewaterhouseCoopers' internal Corporate Responsibility agenda in Australia from 2005 to 2011, and globally from 2007 to 2010. Mr Millen is also a Director of Australia for UNHCR and a Director of Youth Off the Streets. Mr Millen holds a MA Hons Jurisprudence (Law) from Oxford University and is a member of the Institute of Chartered Accountants in Australia.

The retirements and any re-elections/elections will take effect from the conclusion of the Annual General Meeting, pursuant to Rule 6.1(j) of the Constitution of the Company.

### Recommendation

The Directors recommend that shareholders vote in favour of each of the Resolutions 1 to 3 (inclusive).

### NON-BOARD ENDORSED CANDIDATE

#### Resolution 4: Election of Mr Stephen Mayne

In accordance with Rule 6.1(m)(iii) of the Constitution of the Company, an external non-Board endorsed candidate, Mr Stephen Mayne, has submitted himself for election.

#### Information provided by Stephen Mayne

Mr Mayne has provided the following information about his biographical details and platform. This information has not been independently verified by the Company, and the Board does not endorse the platform on which Mr Mayne is standing.

"Stephen Mayne, age 45. Bcom (Melb). Stephen Mayne is a Walkley Award winning business journalist, internet entrepreneur, shareholder advocate and councillor at the City of Melbourne, where he chairs the Finance and Governance committee.

He knows government processes well from spending more than 5 years as an elected councillor and having served as a press secretary for Victoria's Kennett Government in the 1990s.

He was the founder of Crikey.com, Australia's best-known independent ezine and currently publishes the corporate governance ezine [www.maynereport.com](http://www.maynereport.com).

Until recently, Stephen was Policy and Engagement Coordinator for the Australian Shareholders' Association where he engaged widely with public companies on governance matters.

His non-executive board experience includes 3 years on Manningham City Council, 16 months on the Australian Shareholders' Association board, the past two years on the City of Melbourne and 3 years on the Manningham Centre Association board, a residential care service provider.

Mr Mayne is offering himself as a new independent director with a strong governance background who can assist Cabcharge implement cultural change after the death of its former founder.

He supports Cabcharge's current strategy, the new management team and the board renewal process which is in progress.

However, in light of remuneration report protests in recent years, it is important the board strengthen its engagement with shareholders and recognises the legitimate interests of institutional shareholders on governance, remuneration and board matters.

If elected, Mr Mayne undertakes to work constructively and collegiately with the board and management team to maximise shareholder value in an environment of heightened governance, independence and transparency."

#### **Reasons the Board does not support Mr Mayne's election**

The Board does not believe that it is in the best interests of shareholders that Mr Mayne be elected as a member of the Board and recommends that shareholders vote against Resolution 4.

The Cabcharge Board reiterates the advice to shareholders that it has established a Corporate Governance Committee to assist it with succession planning, Board renewal and the identification and nomination of potential Directors.

#### **Recommendation**

The Directors recommend that shareholders vote against Resolution 4.

### **C. REMUNERATION REPORT**

#### **Resolution 5: Adoption of the Remuneration Report**

Section 250R(2) of the Act requires that a listed company put to shareholders at an AGM the Remuneration Report contained in the Directors' Report for adoption by way of a non-binding vote.

The Remuneration Report is set out on pages 40 to 51 of the 2014 Annual Report (**Remuneration Report**).

#### **Resolution 6: Spill Resolution**

Resolution 6 is subject to the result of Resolution 5.

Resolution 6 (**Spill Resolution**) is required to be included in this Notice of Meeting by Division 9 of Part 2G.2 of the Act because the adoption of the Remuneration Report contained in the Company's 2013 Annual Report was passed on a majority of less than 75% at the 2013 Annual General Meeting.

If, at this AGM, Resolution 5 is not passed, or passes but not by more than 75% of the votes cast, then the Company is required to put the Spill Resolution to a vote.

To allow the Company to progress the business of this AGM without the need for any adjournment to consider the results of the vote on Resolution 5, the Company will proceed to put the Spill Resolution to a vote on a conditional basis. A contingent poll will be held on this basis. The result of the vote on the Spill Resolution will only be valid if Resolution 5 is not passed, or passes but not by more than 75% of the votes cast. Conversely, if Resolution 5 passes on a majority of more than 75%, the Spill Resolution will be deemed withdrawn and any votes cast on the Spill Resolution prior to the withdrawal of the Spill Resolution will be treated as invalid.

#### **Majority required for Spill Resolution**

The Spill Resolution will be carried by ordinary majority (more than 50%). If the Spill Resolution is valid and carried, a Spill Meeting must be held within 90 days of the passing of the Spill Resolution.

#### **The Spill Meeting**

If a Spill Meeting is held, the Directors who will cease to hold office immediately before the end of the Spill Meeting (unless they resign before the Spill Meeting) will be, pursuant to section 250V(1)(b)(i) of the Act:

- Mr Russell Balding\*
- Mr Donald McMichael
- Mr Neill Ford
- Mr Rodney Gilmour\*
- Mr Richard Millen\*

\*This assumes these Directors are re-elected/elected at this Annual General Meeting.

Each of these Directors is eligible to stand for re-election at the Spill Meeting and intends to seek re-election.

The Spill Meeting, if required, will be subject to separate notice in accordance with the Constitution of the Company and the Act. Nominations for director appointments at the Spill Meeting may be made in accordance with the Constitution of the Company and may include the Directors listed above.

A voting exclusion applies to Resolutions 5 and 6, and is set out in the Notice of Meeting. These voting exclusions will not apply to the Spill Meeting and all shareholders will be entitled to vote on the Director appointments at the Spill Meeting.

#### **Recommendation**

The Directors recommend that shareholders vote in favour of Resolution 5 and against Resolution 6.

### **D. INCREASE AGGREGATE FEE POOL FOR NON-EXECUTIVE DIRECTORS**

#### **Resolution 7: Approval to increase aggregate fee pool for Non-Executive Directors**

##### **(a) Proposal for increase**

It is proposed that the fee pool for Non-Executive Directors be increased from A\$800,000 to A\$1,300,000 per annum (an increase of A\$500,000), effective from 1 July 2014. The fee pool is inclusive of statutory entitlements (including superannuation).

In accordance with the ASX Listing Rules and the Constitution, the Company must not increase the aggregate fee pool for Non-Executive Directors' remuneration without the approval of shareholders.

##### **(b) Reasons for the proposed increase**

As a result of the structural changes to the Board and the desire of shareholders to enhance the governance oversight, capability and capacity of the Board, an increase in the aggregate fee pool is proposed. The current aggregate Non-Executive Director fee pool limit of A\$800,000 per annum has not been altered for seven years with it last being increased at the Company's 2007 Annual General Meeting. Since 2007 however, the duties and expectations of the Board have significantly altered.

At the time of the 2007 Annual General Meeting and until recently, the Company had an Executive Chairman whose remuneration was not included in the Non-Executive Director fee pool. The Company appointed Russell Balding as its Independent Chairman from 12 May 2014. Accordingly, the Chairman's fees will now be included in the Non-Executive Director fee pool.

The reasons for the increase are:

- To ensure the Company has the ability to attract and retain high calibre NEDs with the appropriate skills, expertise and competencies.
- To accommodate the Non-Executive Chairman (previously a Chairman and CEO role).
- To create capacity to appoint additional NEDs, if necessary.
- To allow for some growth in future NED fees to remain market competitive
- The Board believes the proposed increase in the aggregate fee pool is appropriate for the Company.

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There have been no securities issued to a NED under Listing Rule 10.11 or 10.14 at any time within the preceding 3 years.

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

## E. LONG TERM INCENTIVE PLAN

### Resolution 8: Adoption of Long Term Incentive Plan

#### Background

During the 2014 financial year, the Corporate Governance Committee undertook a review of the Company's long term incentive arrangements for executives and agreed in principle to proceed with a new long term incentive plan. The Board has since approved the adoption of the Company's Long Term Incentive Plan (**Plan**).

The new Plan is the Company's principal vehicle to grant long term incentive awards and forms what the Board considers to be a key element of the Company's total remuneration strategy for key employees. Awards under the Plan may be in the form of Rights or Options.

The primary objectives of the Plan are to:

- align the interests of key employees with those of Company shareholders;
- attract, motivate and retain key employees;
- deliver reward to key employees in the form of shares in the Company; or
- allow key employees the opportunity to be shareholders in the Company.

#### Approvals sought

Shareholders are asked to approve the adoption of the Company's new Plan, which is summarised below. Shareholder approval is not required under ASX Listing Rules to adopt the Plan, however, approval is being sought as a matter of good and transparent corporate governance.

In addition, ASX Listing Rule 7.1 provides that an ASX listed entity must not issue equity securities that total more than 15% of its fully paid ordinary shares in a 12 month period without shareholder approval (**15% Rule**). Under Listing Rule 7.2, shareholders may approve the issue of equity securities (such as Rights and Options) under an employee incentive scheme as an exception to the 15% Rule.

The Rights and Options awarded under the Plan will be counted towards the Company's 15% Rule capacity however, the number of equity securities proposed to be issued under the Plan would have minimal impact on the Company's 15% Rule capacity in any event.

#### Key terms

A summary of the key terms of the Plan is set out in **Annexure A**.

A copy of the Plan Rules will be available for inspection at the Company's registered office during normal business hours.

As this is a new Plan, no Rights or Options have been issued under it to date. Separate shareholder approval is being sought for the grant of Rights to the Chief Executive Officer (see Explanatory Notes for Resolution 9 below).

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

#### Recommendation

The Directors recommend that shareholders vote in favour of Resolution 8.

### Resolution 9: Approval of Grant of Rights to the Chief Executive Officer

#### Overview of Rights grant under LTI component of remuneration

During the 2014 financial year, the Company established its Long Term Incentive (**LTI**) Plan (**Plan**) as part of its executive remuneration strategy (as described in the Explanatory Notes for Resolution 8). Under the Plan, eligible executives may be offered Rights to acquire shares in the Company subject to the satisfaction of certain performance conditions.

A more detailed overview of the Plan can be found in the Explanatory Notes for Resolution 8.

#### Why is shareholder approval being sought?

The CEO, Mr Skelton is not a Director, and shareholder approval is not required under the ASX Listing Rules. Rather, shareholder approval is being sought for the proposed grant of Rights to the CEO as a matter of good and transparent corporate governance.

Accordingly, shareholders are asked to approve the grant of 43,036 Rights to the CEO for the 2015 financial year (**FY2015 grant**), on the terms and conditions set out in the Explanatory Notes. Should shareholder approval not be received, the Board will consider alternative approaches to compensate the CEO for the LTI remuneration component.

Further details of the CEO's executive remuneration package can be found in the Remuneration Report.

#### Key terms of the Rights grant

A brief overview of the key terms of the proposed grants to the CEO is set out in **Annexure B**.

A voting exclusion statement applicable to this resolution is set out in the Notice of Meeting.

#### Recommendation

The Directors consider the grant of Rights to the CEO to be appropriate in all the circumstances and recommend that shareholders vote in favour of the grant.

# ANNEXURES

## ANNEXURE A: SUMMARY OF THE KEY TERMS OF THE LONG TERM INCENTIVE PLAN (PLAN)

Term	Detail
Purpose	The Plan will operate to allow the Board to grant equity awards in the form of Rights or Options as part of the long term incentive component of remuneration, as determined by the Board from time to time.
Rights and Options	<p>Each Right is a right to acquire one ordinary share in the Company upon satisfaction of the vesting conditions, as determined by the Board (or an equivalent cash amount).</p> <p>Each Option is a right to acquire one ordinary share in the Company upon satisfaction of the vesting conditions, as determined by the Board, and payment of the applicable exercise price (or an equivalent cash amount).</p> <p>Each grant will specify the minimum and maximum number or value of shares in the Company that the participant may receive upon vesting of Rights and exercise of Options.</p> <p>Unless the Board determines otherwise, no consideration is payable by the participant for the grant of Rights or Options.</p>
Eligible participants	<p>The Board may grant Rights and/or Options to executives and other selected employees of the Company. In general, the Board will invite participation from those executives and employees who have capacity to impact the long term performance of the Company.</p> <p>No Non-Executive Director of the Company is eligible to participate in the plan or any other employee incentive scheme of the Company.</p>
Vesting conditions and performance period	<p>The Board may determine vesting conditions, which may include performance and/or service conditions that must be satisfied before the Rights and Options vest.</p> <p>The vesting conditions will be measured and tested over a period determined by the Board. It is intended that the performance period will be a period of four years.</p>
Other terms	The Board may determine the terms of the Rights and Options, including whether any price is payable for the grant of Rights or Options, the exercise price of Options, and any other vesting or lapsing conditions.
Entitlements	<p>Rights and Options do not carry any dividend or voting rights prior to vesting of Rights or exercise of Options.</p> <p>The Rights and Options are non-transferable, except in limited circumstances or with the consent of the Board.</p>
Allocation of shares upon vesting	<p>The Company may issue new shares or procure the acquisition of shares on-market to satisfy vested Rights or Options that have been exercised.</p> <p>The Company may also operate an employee share trust to acquire, hold or provide shares for the purposes of the Plan.</p> <p>No trading restriction will be placed on shares allocated following vesting of Rights or exercise of Options, subject to the Company's Share Trading Policy, unless the Board determines otherwise.</p>
Cessation of employment	<p>Where a participant ceases employment with the Company prior to the end of the vesting period, the treatment will depend on the circumstances of cessation.</p> <p>Where the participant ceases employment due to resignation, termination for cause or poor performance, all unvested Rights and Options will lapse at cessation.</p> <p>Where a participant ceases employment for any other reason prior to the Rights or Options vesting, unvested Rights and Options will generally continue on-foot and be tested at the end of the original performance period against the relevant vesting conditions. However, the Board has discretion to apply another treatment that it deems appropriate in the circumstances (including that a pro-rata or another number of Rights or Options may vest either at cessation or at the end of the original performance period, or that some or all of the Rights or Options lapse).</p>
Change of control	<p>Where a change of control event occurs prior to vesting of Rights or Options, unless the Board determines otherwise, a pro-rata number of the Rights or Options will vest (based on the vesting period elapsed and the extent to which the vesting conditions have been met at the time of the event).</p> <p>The Company also has specific rules in relation to divestments, with the Board having the discretion to determine an appropriate treatment for participants in the event of the divestment of a material part of the business (as determined by the Board).</p>
Clawback	In the event of fraud, dishonesty or material misstatement of financial statements, the Board may make a determination, including lapsing unvested Rights or unexercised Options or 'clawing back' shares allocated upon vesting of Rights or exercise of Options, to ensure that no unfair benefit is obtained by a participant.
Adjustment of awards	The Board has discretion to adjust the number of Rights or Options in the event of a variation of capital or other corporate transaction to ensure participants do not enjoy a windfall gain or suffer a material detriment as a result of the variation (and in accordance with the ASX Listing Rules).

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Term	Detail
Administration of Plan	<p>The Plan may be administered either by the Board or an external party, including using a trust to acquire, hold, or provide shares to satisfy the awards.</p> <p>The Board is given the power to make all required determinations under the Plan and to waive or modify the application of the terms of the Plan and the Rights or Options granted under it as it considers appropriate.</p>

## ANNEXURE B: OVERVIEW OF THE KEY TERMS OF PROPOSED GRANTS TO THE CEO

Term	Detail																		
Details of the proposed FY2015 grant	<p>The proposed FY2015 grant for Mr Skelton is for 43,036 Rights.</p> <p>The grant represents the long term incentive component of the CEO remuneration package.</p> <p>The maximum number of Rights has been calculated based on 25.9% of the CEO's current annual fixed remuneration. The grant value has then been divided by the volume weighted average market price (<b>VWAP</b>) of the Company's shares over the 5 day period immediately preceding the performance period. Thereafter, the number of Rights granted will depend on the annual award potential and the applicable VWAP calculation.</p>																		
Entitlements	<p>Each Right is a right to acquire one ordinary share in the Company (or an equivalent cash amount), subject to the achievement of the performance conditions set out below.</p> <p>The Rights do not carry any dividend or voting rights prior to vesting.</p> <p>The Rights are non-transferable, except in limited circumstances or with the consent of the Board.</p>																		
Date of grant	<p>If shareholder approval is obtained, the Rights will be granted to Mr Skelton as soon as practicable after the AGM, but in any event, within 12 months of the AGM.</p>																		
Performance hurdles	<p>The Rights are subject to two performance hurdles which are independent and will be tested separately.</p> <p><b>(1) TSR performance</b></p> <p>67% of the Rights will be subject to a TSR hurdle, based on the Company's absolute total shareholder return (<b>TSR</b>) performance tested at the end of the applicable performance period (<b>TSR Hurdle</b>). The TSR hurdle is tested by measuring the Company's TSR performance against a threshold value of 9% annual effective total shareholder return per Cabcharge share and a maximum value of 11% annual effective total shareholder return per Cabcharge share.</p> <p>The percentage of Rights subject to the TSR Hurdle that vest, if any, will be determined by reference to the Company's performance over the performance period.</p> <table border="1"> <thead> <tr> <th>Cabcharge TSR Performance</th> <th>Rights subject to TSR Hurdle that vest (%)</th> </tr> </thead> <tbody> <tr> <td>11% return p.a. or more</td> <td>100%</td> </tr> <tr> <td>At 9% return p.a. and less than 11% return p.a.</td> <td>Straight-line vesting between 50% and 100% of the award</td> </tr> <tr> <td>Less than 9% return p.a.</td> <td>0%</td> </tr> </tbody> </table> <p>The Board retains discretion to adjust the TSR Hurdle to ensure that Mr Skelton (and all other Plan participants) are neither advantaged nor disadvantaged by matters outside management's control that affect achievement of the hurdle.</p> <p><b>(2) Strategic milestone</b></p> <p>33% of the Rights will be subject to the achievement of key strategic milestones specific to the Company's business (<b>Strategic Hurdle</b>) of annual growth in Turnover (an internal strategic measure) calculated using the value of taxi hire charges (fares) processed through the Cabcharge Payment System and any net service fees.</p> <p>The percentage of Rights subject to the Strategic Hurdle that vest, if any, will be determined by the Board.</p> <table border="1"> <thead> <tr> <th>Strategic performance</th> <th>Rights subject to turnover hurdle that vest (%)</th> </tr> </thead> <tbody> <tr> <td>At or above the CPI + 2% (at 30 June 2015) or 5%, (whichever is higher)</td> <td>100%</td> </tr> <tr> <td>CPI (at 30 June 2015) or 3% (whichever is higher) and below CPI + 2% (at 30 June 2015) or 5%, (whichever is higher)</td> <td>Straight-line vesting between 50% and 100% of the award</td> </tr> <tr> <td>Equal to the CPI (at 30 June 2015) or 3% (whichever is higher)</td> <td>50%</td> </tr> <tr> <td>Below the threshold of CPI (at 30 June 2015) or 3% (whichever is higher)</td> <td>0%</td> </tr> </tbody> </table>	Cabcharge TSR Performance	Rights subject to TSR Hurdle that vest (%)	11% return p.a. or more	100%	At 9% return p.a. and less than 11% return p.a.	Straight-line vesting between 50% and 100% of the award	Less than 9% return p.a.	0%	Strategic performance	Rights subject to turnover hurdle that vest (%)	At or above the CPI + 2% (at 30 June 2015) or 5%, (whichever is higher)	100%	CPI (at 30 June 2015) or 3% (whichever is higher) and below CPI + 2% (at 30 June 2015) or 5%, (whichever is higher)	Straight-line vesting between 50% and 100% of the award	Equal to the CPI (at 30 June 2015) or 3% (whichever is higher)	50%	Below the threshold of CPI (at 30 June 2015) or 3% (whichever is higher)	0%
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Equal to the CPI (at 30 June 2015) or 3% (whichever is higher)	50%																		
Below the threshold of CPI (at 30 June 2015) or 3% (whichever is higher)	0%																		

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Term	Detail
Performance hurdles (continued)	<p>The Board retains discretion to consider performance against the Strategic Hurdle to ensure Mr Skelton (and other Plan participants, as appropriate) is neither advantaged nor disadvantaged by matters outside management's control that affect achievement of the Strategic Hurdle.</p> <p>Regulatory changes (for example, those effected by the Victorian Government or announced by the New South Wales Minister for Transport on 3 October 2014 relating to the capping of services fees paid to taxi operators) will be one of the factors considered by the Board when the performance condition is tested. The Board will consider the impact capping services fees had on turnover growth, with the aim of ensuring Plan participants are neither advantaged nor disadvantaged by the regulatory changes. It is not always possible to predict the impact of a regulatory change in advance.</p> <p>The Board's decisions regarding levels of performance and remuneration outcomes will be communicated to shareholders in each Remuneration Report relating to the immediately preceding performance period.</p>
Performance period and vesting	<p>The performance period is four years, commencing 1 July 2014 and ending on 30 June 2018. However, as the Company's full-year results will not be announced to the market until after the end of the performance period, Rights will not vest until after the release of the results.</p> <p>Any Rights that do not vest following testing of the performance hurdles at the end of the performance period will lapse.</p>
Allocation of shares upon vesting	<p>Following testing of the applicable performance conditions and determination of the level of vesting of Rights, one fully paid share in the Company will be allocated in relation to each Right which vests.</p> <p>The Company's obligation to allocate shares on vesting may be satisfied by issuing new shares, acquiring shares on market or transferring shares from an employee share trust.</p>
Trading restrictions	<p>Shares allocated on vesting of Rights will not be subject to any further trading restrictions, subject to complying with the Company's Share Trading Policy.</p>
Price payable for securities	<p>No amount will be payable in respect of the allocation of Rights, nor in respect of any shares granted upon vesting of the Rights.</p>
Cessation of employment	<p>If the CEO ceases employment with the Company before the end of the performance period, the treatment of his Rights will depend on the circumstances of cessation.</p> <p>Where the CEO ceases employment due to resignation, termination for cause or poor performance, all unvested Rights and Options will lapse at cessation.</p> <p>Where the CEO ceases employment for any other reason prior to the Rights or Options vesting, unvested Rights and Options will generally continue on-foot and be tested at the end of the original performance period against the relevant performance conditions. However, the Board has discretion to apply another treatment that it deems appropriate in the circumstances in accordance with the Plan Rules.</p>
Other information	<p>No Non-Executive director of the Company is eligible to participate in the Plan or any other employee incentive scheme of the Company.</p> <p>As the Plan is a newly established Plan, no Rights have been granted under the Plan.</p> <p>There is no loan scheme in relation to the grant of Rights.</p> <p>The CEO is prohibited from hedging the share price exposure in respect of Rights during the performance period applicable to those Rights.</p> <p>If shareholder approval is obtained, further details of the Rights granted to the CEO under the LTI Plan in the 2015 financial year will be provided in the Remuneration Reports for the years ending 30 June 2015 to 2018 respectively.</p>

