



NOTICE OF 2016 ANNUAL GENERAL MEETING

VOCUS COMMUNICATIONS LIMITED
ACN 084 115 499

Notice is given that the 2016 Annual General Meeting ("AGM") of the members of Vocus Communications Limited ("Vocus" or the "Company") will be held at The Grace Hotel, 77 York Street, Sydney New South Wales at 11 am (AEDT) on Tuesday 29 November 2016.

The Explanatory Notes which accompany and form part of this Notice of Annual General Meeting contain important information in connection with the proposed resolutions. **Please read them carefully.**

Unless otherwise specified, defined terms are set out in the Glossary to the Explanatory Notes.

ORDINARY BUSINESS

1 Consideration of the 2016 Financial Statements and Reports

To receive and consider the Company's financial statements and reports for the financial year ended 30 June 2016.

2 Adoption of the 2016 Remuneration Report

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

That the Remuneration Report for the year ended 30 June 2016 be adopted.

Please note that this resolution is advisory only and does not bind the Directors or the Company. Please also note that a voting exclusion applies to this resolution and the Company will disregard any votes cast on this resolution by certain persons. Details of the voting exclusion applicable to this resolution are set out in the Explanatory Notes for this Item, accompanying and forming part of this Notice of 2016 Annual General Meeting.

3 Election and Re-election of Directors

To consider, and if thought fit, pass the following resolutions as separate **ordinary resolutions**:

- (a) *That Mr Jon Brett, who retires by rotation in accordance with clause 40.2 of the Company's Constitution and ASX Listing Rule 14.4, and being eligible, be re-elected as a Director of the Company.*
- (b) *That Mr Vaughan Bowen, who was appointed as a Director since the date of the last Annual General Meeting of the Company and who has held office until the date of this Annual General Meeting, and being eligible, be re-elected as a Director of the Company in accordance with clause 39.2 of the Company's Constitution.*
- (c) *That Mr Craig Farrow, who was appointed as a Director since the date of the last Annual General Meeting of the Company and who has held office until the date of this Annual General Meeting, and being eligible, be re-elected as a Director of the Company in accordance with clause 39.2 of the Company's Constitution.*
- (d) *That Mrs Rhoda Phillippo, who was appointed as a Director since the date of the last Annual General Meeting of the Company and who has held office until the date of this Annual General Meeting, and being eligible, be re-elected as a Director of the Company in accordance with clause 39.2 of the Company's Constitution.*
- (e) *That Mr Michael Simmons, who was appointed as a Director since the date of the last Annual General Meeting of the Company and who has held office until the date of this Annual General Meeting, and being eligible, be re-elected as a Director of the Company in accordance with clause 39.2 of the Company's Constitution.*

4 Approval of Long Term Incentive Plan

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

That, for the purposes of ASX Listing Rule 7.2 (Exception 9), the issue of securities under the Vocus Communications Limited Long Term Incentive Plan, as described in Item 4 of the Explanatory Notes accompanying and forming part of this Notice of 2016 Annual General Meeting, be approved.

Please note that a voting exclusion applies to this resolution and the Company will disregard any votes cast on this resolution by certain persons. Details of the voting exclusion applicable to this resolution are set out in the Explanatory Notes for this Item, accompanying and forming part of this Notice of 2016 Annual General Meeting.

5 Approval of Grant of Performance Rights to Vaughan Bowen

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

That, for the purposes of ASX Listing Rule 10.14 and for all other purposes, the grant of 100,000 Performance Rights to Vaughan Bowen, an Executive Director of the Company, under the Vocus Communications Limited Long Term Incentive Plan, be approved.

Please note that a voting exclusion applies to this resolution and the Company will disregard any votes cast on this resolution by certain persons. Details of the voting exclusion applicable to this resolution are set out in the Explanatory Notes for this Item, accompanying and forming part of this Notice of 2016 Annual General Meeting.

SPECIAL BUSINESS

6 Change of Company Name

To consider, and if thought fit, pass the following resolution as a special resolution:

That, for the purposes of section 157(1) of the Corporations Act 2001 (Cth) and for all other purposes, the Company change its name from "Vocus Communications Limited" to "Vocus Group Limited".

7 Non-Executive Director Remuneration

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

That, for the purposes of clause 43.1 of the Company's Constitution and the ASX Listing Rules, the aggregate maximum remuneration that may be paid or provided to the Non-Executive Directors of the Company as a whole in any financial year be increased by A\$600,000 per annum, to A\$1,700,000 per annum, with the increase to take effect on and from the date this resolution is passed and to apply pro rata to the financial year ending 30 June 2017.

Please note that a voting exclusion applies to this resolution and the Company will disregard any votes cast on this resolution by certain persons. Details of the voting exclusion applicable to this resolution are set out in the Explanatory Notes for this Item, accompanying and forming part of this Notice of 2016 Annual General Meeting.

CONTINGENT ITEM OF BUSINESS

8 Contingent Item: Financial Assistance

*If the Share Sale and Purchase Agreement between Vocus and Nextgen Bidco Pty Limited ACN 162 568 952 dated 29 June 2016 has not been terminated by 11.00am (AEDT) on the date of this Annual General Meeting, the Chairman will put the resolution immediately below to vote at the Annual General Meeting, to be passed as a **special resolution**.*

To consider, and if thought fit, pass the following resolution as a **special resolution**:

That, in accordance with section 260B(2) of the Corporations Act 2001 (Cth), approval is given for the provision of financial assistance proposed to be given by:

- (a) Nextgen Networks Group Pty Limited
ACN 162 547 337 (**Nextgen**);
- (b) Skiron HoldCo Pty Limited
ACN 166 750 385 (**Skiron**);
- (c) ASC International Group Pty Limited
ACN 162 547 364 (**ASC**); and
- (d) any other subsidiary of Nextgen, Skiron or ASC,
(each a **Target Group Member**) in connection with the acquisition by Vocus, or a Subsidiary of Vocus, of all of the issued securities in Nextgen, Skiron and ASC, and indirectly in each other Target Group Member, as described in Item 8 of the Explanatory Notes accompanying and forming part of this Notice of 2016 Annual General Meeting.

By Order of the Board



Ashe-lee Jegathesan

Company Secretary

27 October 2016

EXPLANATORY NOTES TO NOTICE OF ANNUAL GENERAL MEETING

2 Adoption of 2016 Remuneration Report

General

The Company's Remuneration Report provides information regarding the policy and structure for remunerating the Key Management Personnel of the Company, including details of remuneration paid in the financial year ended 30 June 2016.

The Chairman will give shareholders a reasonable opportunity at the Annual General Meeting to ask questions about or to make comments on the Remuneration Report.

The vote on the Remuneration Report (**Remuneration Resolution**) is advisory and does not bind the Company. However, the Company will consider the vote on the Remuneration Resolution in determining its future policies and structures of remunerating the Key Management Personnel of the Company.

Legal disclosure

As noted above, the vote on the Remuneration Report is advisory and does not bind the Company.

However, sections 250U and 250V of the Corporations Act provide in summary that:

- (a) if, at a subsequent Annual General Meeting (Later Annual General Meeting), at least twenty-five percent (25%) of the votes cast on a resolution that the Remuneration Report be adopted are against the adoption of that Remuneration Report; and
- (b) at the immediately preceding Annual General Meeting (**Earlier Annual General Meeting**), at least twenty-five percent (25%) of the votes cast on a resolution that the Remuneration Report be adopted were against the adoption of that Remuneration Report,

then the Company must put to vote at the Later Annual General Meeting a spill resolution in (**Spill Resolution**). The Spill Resolution may be passed as an ordinary resolution.

If the Spill Resolution is passed, the Company is required by section 250W of the Corporations Act to hold the Spill Meeting within ninety (90) days after the Spill Resolution is passed. All of the Company's Directors (excluding any Managing Director of the Company who may, in accordance with the ASX Listing Rules, continue to hold office indefinitely without being re-elected to the office) cease to hold office immediately before the end of the Spill Meeting and may stand for re-election at the Spill Meeting. This is commonly referred to as the "2 strikes rule".

At the 2015 Annual General Meeting, less than twenty-five percent (25%) of the eligible votes cast were against the adoption of the 2015 Remuneration Report put to vote under section 250R(2) of the Corporations Act.

Accordingly, a Spill Resolution will not be put to the meeting during this Annual General Meeting but may be put to the meeting at next year's Annual General Meeting if at least twenty-five percent (25%) of the votes cast on a resolution that the Remuneration Report be adopted are against the adoption of that Remuneration Report at this year's, and next year's Annual General Meeting.

Voting Exclusion Statement

A voting exclusion applies to the voting on the Remuneration Resolution.

No votes may be cast in respect of the Remuneration Report:

- (a) by or on behalf of a member of the Key Management Personnel, the details of whose remuneration are included in the Remuneration Report, or any of their closely related parties, regardless of the capacity in which the vote is cast; or
- (b) by any person who is a member of the Key Management Personnel as at the time the resolution is voted on at the Annual General Meeting, or any of their closely related parties, as a proxy, unless the vote is cast:
 - (c) as proxy for a person otherwise entitled to vote, in accordance with an express direction; or

- (d) by the Chairman as proxy for a person otherwise entitled to vote and:
- (i) the appointment does not specify the way the proxy is to vote on the Remuneration Resolution; and
 - (ii) the appointment of the Chairman as proxy expressly authorises the Chairman to exercise the proxy in respect of the Remuneration Resolution even though it is connected directly or indirectly with the remuneration of the Key Management Personnel.

The Company will disregard any votes cast by a person in contravention of this voting exclusion.

Board Recommendation

The Board unanimously recommends that shareholders vote in favour of Item 2.

The vote on the Remuneration Resolution will be by way of poll.

The Chairman of this Annual General Meeting intends to vote all undirected proxies in favour of the Remuneration Resolution.

3 Election and Re-election of Directors

Overview

At this Annual General Meeting, Mr Jon Brett retires by rotation, and being eligible, offers himself for re-election, in accordance with clause 40.2 of Vocus' Constitution and ASX Listing Rule 14.4.

Separately, Mr Vaughan Bowen, Mr Craig Farrow, Mrs Rhoda Phillippo, Mr Michael Simmons, who each were appointed by the Board as directors of Vocus in connection with the implementation of the M2 Scheme in February 2015, now each offer themselves to shareholders for election as a director of Vocus, in accordance with clause 39.2 of Vocus' Constitution.

To assist shareholders make an informed decision on these separate resolutions, relevant biographical and background information in respect of each director standing for election or re-election (as the case may be) including their relevant qualifications, experience and skills, is set out below.

Statement of Independence

The Board has formed the view that each director standing for election or re-election, other than Mr

Bowen, is an independent director. Reasons for this view are set out in Vocus' 2016 Corporate Governance Statement, which has been disclosed to the ASX pursuant to ASX Listing Rule 4.7.4 and published on the Corporate Governance page of Vocus' website.

MR JON BRETT

Non-Executive Independent Director

B.Com. B.Acc. M.Com. CA(SA)

Vocus – June 2010, First Wine Fund Limited - August 1998

Mr Brett is a highly respected business leader with decades of experience within publicly listed companies, in director, CEO and senior management roles. Mr Brett was formerly an executive director at Investec Wentworth Private Equity Limited, the non-executive deputy president of the National Roads and Motoring Association (NRMA) and, in the mid 1990s, was the CEO of Techway Limited, which pioneered internet banking in Australia.

Mr Brett was originally appointed to the Board of Vocus on 29 August 1998. Prior to June 2010, the operations and business of Vocus (then known as First Wine Fund Limited and subsequently, as First Opportunity Fund Limited) involved the provision of capital to companies. Accordingly, it is considered that it would be appropriate to regard Mr Brett as having effectively been appointed to the Board of Vocus in June 2010.

Within the last three years, Mr Brett was a director of Godfrey's Limited (resigned in July 2016) and The PAS Group Limited. Mr Brett has held no other listed company directorships.

Mr Brett is the chair of the Audit Committee and a member of the Risk Committee.

MR VAUGHAN BOWEN

Executive Director

B Com, MAICD

22 February 2016

Mr Bowen co-founded M2 in late 1999, was appointed Managing Director upon incorporation, and successfully steered M2 from a start-up technology enterprise to a large scale, fast-growing and profitable national telecommunications company. Vaughan transitioned from the Managing Director / Chief Executive Officer role into the role of Executive Director in October 2011, following a 12 year period leading M2. In his role as Executive Director at Vocus, Mr Bowen's focus is on identifying and executing strategic acquisitions.

Mr Bowen has an impressive track record in this area, demonstrated by his identification and execution of a number of transformational acquisitions including Primus Telecom, Dodo and New Zealand based Call Plus Group.

Mr Bowen is a member of the Australian Institute of Company Directors, was named as a finalist in the Entrepreneur of the Year Southern Region in 2004 and 2009 and in 2012 was awarded ACOMMS Communications Ambassador for outstanding contributions to the telecommunications industry. Mr Bowen is also Chairman of the Telco Together Foundation, a charitable foundation focusing on the telecommunications industry, which he created and seeded in 2011.

Within the last three years, Mr Bowen was an Executive Director of M2 Group Ltd, which implemented a merger with the Company by way of scheme of arrangement in February 2016. Mr Bowen has held no other listed company directorships within the last three years.

MR CRAIG FARROW

Craig Farrow

Non-Executive Independent Director

B Ec, Dip FS, CPMgr, SA Fin, FCA, FAICD

22 February 2016

Mr Farrow is Chairman/Partner of Brentnalls SA, Chartered Accountants and former National Chairman of the Brentnalls National Affiliation of Accounting Firms. In 2012, Mr Farrow held the position of President of the Institute of Chartered Accountants in Australia and in 2013, Mr Farrow was Executive Chair of the CAANZ amalgamation project for ICAA and NZICA. Currently, Mr Farrow acts as a director and Board adviser to several private consulting and trading enterprises across the agribusiness, software and manufacturing sectors. Formerly Chairman of the Institute of Chartered Accountant's Public Practice Advisory Committee, Mr Farrow is also highly awarded, including being a Fellow of the Governor's Leadership Foundation and receiving the Institute of Chartered Accountants 1999 National President's Award for services to the Institute and the profession.

Within the last three years, Mr Farrow was a Non-Executive Director and Chairman of M2 Group Ltd, which implemented a merger with the Company by

way of scheme of arrangement in February 2016. Mr Farrow has recently been appointed as a non-executive director of Bulletproof Group Limited (ASX: BPF). Mr Farrow has held no other listed company directorships within the last three years.

MRS RHODA PHILLIPPO

Non-Executive Independent Director

MSC, AICD

22 February 2016

Mrs Phillippo is a globally experienced executive with more than 30 years' experience in the telecommunications and IT sectors, including senior management positions in commercial, engineering and operations with British Telecom PLC; as CEO of Optimisation New Zealand, a software development business; and as General Manager of Telecom/Gen-i's (now "Spark") enterprise Trans-Tasman business. Mrs Phillippo's experience in the energy industry includes a role as Transition Director with Shell in New Zealand (now Z Energy) for H.R.L. Morrison & Co and recently as Managing Director of Infratil Energy Australia, leading the successful sale of the business in September 2014. Mrs Phillippo was previously COO of HRL Morrison & Co. She is currently Executive Chair of Vix Technology, Chair of Snapper Services Ltd and a non-Executive director on the Board of Vix Investments, Kiwibank and Linq. She is also an Alternate Director for the Future Fund's investment in Perth Airport.

Within the last three years, Mrs Phillippo was a Non-Executive Director of M2 Group Ltd, which implemented a merger with the Company by way of scheme of arrangement in February 2016. Mrs Phillippo has held no other listed company directorships within the last three years.

MR MICHAEL SIMMONS

Non-Executive Independent Director

B Com, FCPS, ACIS

22 February 2016

Mr Simmons brings to the Board considerable experience in the telecommunications sector, having been a Board member of the M2 Group Ltd and having previously held the position of Chief Executive Officer of ASX-listed SP Telemedia Limited ("SPT Group", now known as TPG Telecom Limited) from its listing in 2001 until 2009. Prior to listing, the SPT Group was a wholly owned Subsidiary of the Washington H. Soul Pattinson Limited controlled NBN Television Group. He served

in executive roles for nearly 26 years within the SPT/ NBN Group of Companies, including as Chief Financial Officer and Chief Executive Officer. In 2009, Mr Simmons left TPG Telecom to become the Managing Director of TERRiA, a telecommunications consortium of infrastructure-based telecommunications carriers, formed to bid for the contract to build the National Broadband Network. Mr Simmons has and continues to be a shareholder, director and / or adviser to a number of companies operating predominantly in the telecommunications, technology and media industry sectors.

Within the last three years, Mr Simmons was a Non-Executive Director of M2 Group Ltd, which implemented a merger with the Company by way of scheme of arrangement in February 2016. Mr Simmons has held no other listed company directorships within the last three years.

Board Recommendation

The Board (other than the relevant Director in relation to his or her own re-election) unanimously recommends that shareholders vote in favour of each of the five resolutions that comprise this Item 3.

4 Approval of Long Term Incentive Plan

Overview

This Item seeks shareholder approval of the Vocus Communications Limited Long Term Incentive Plan (LTI Plan) for the purposes of ASX Listing Rule 7.2 (Exception 9).

Background to the LTI Plan

The LTI Plan was established in 2015.

The LTI Plan has been developed to assist Vocus to better align the interests of its current and future Executive Directors, and Executive Management and Senior Leadership Teams with the interests of its shareholders, by linking part of their remuneration with the financial performance of Vocus and therefore, drive Vocus' performance.

Under the LTI Plan, Vocus intends to issue Performance Rights to participants at no cost. Each Performance Right, once vested, will entitle the participant to acquire one fully paid ordinary share in Vocus, at no cost to the participant.

The extent to which the remuneration of Vocus' current Executive Director and certain members of Vocus'

Management Team is linked to Vocus' financial performance, is set out in Vocus' Remuneration Report. Shareholders have been asked to approve the Remuneration Report in an advisory capacity, in Item 2 of this Notice of 2016 Annual General Meeting.

Why is shareholder approval sought in respect of the LTI Plan?

In general, ASX Listing Rule 7.1 restricts the number of new securities in Vocus which Vocus can issue in any 12 month period to 15% of the number of fully paid ordinary shares on issue 12 months before the issue date (**Reference Date**), unless shareholder approval has been obtained or an exception applies (**15% Limit Rule**).

ASX Listing Rule 7.2 sets out a number of exceptions to the 15% Limit Rule. One such exception is contained in Exception 9 (**Exception 9**), which is explained in further detail below.

How does Exception 9 operate?

The operation of Exception 9 is two-fold. Firstly, Vocus will be permitted to issue securities under the LTI Plan in circumstances where that issue would otherwise cause Vocus to exceed the 15% Limit Rule. Secondly, any fully paid ordinary shares issued under the LTI Plan within 12 months of a particular Reference Date will effectively be taken to increase the number of fully paid ordinary shares on issue as at that Reference Date for the purposes of determining whether any subsequent issue of securities would comply with the 15% Limit Rule.

What is required for Exception 9 to apply?

Exception 9 will apply to the LTI Plan if, within 3 years before the issue date of securities under the LTI Plan, the holders of ordinary securities in Vocus have approved the issue of securities under the LTI Plan, as an exception to Listing Rule 7.1.

Certain prescribed information must be included in this Notice of 2016 Annual General Meeting, including the following:

- (a) a summary of the terms of the LTI Plan;
- (b) the number of securities issued under the LTI Plan (since the date of any prior approval); and
- (c) a voting exclusion statement.

This information is set out in detail below.

Summary of the terms of the LTI Plan

A summary of the LTI Plan is set out on page 29 and 30 of the Company's Remuneration Report. A summary of the key terms of the LTI Plan are extracted below.

| Term | Summary of Term |
|---|--|
| Terms of Grant | <p>A grant of Performance Rights under the LTI Plan is subject to the rules of the LTI Plan and if relevant, the terms of the specific grant.</p> <p>The Board has a wide discretion to determine any vesting conditions, and the terms of, Performance Rights granted under the LTI Plan.</p> |
| Eligibility to Participate | <p>The persons, or class of persons, eligible to participate in the LTI Plan from time to time, is within the Board's discretion.</p> <p>A person invited to participate in the LTI Plan may request the approval of the Board to renounce the invitation in favour of their associate (which may include a spouse or the trustee of a trust in which the person is a beneficiary). The Board has the absolute discretion to refuse such renunciation.</p> <p>The Board proposes that the grant of Performance Rights under the LTI Plan in this financial year will be limited to its Executive Director (subject to obtaining requisite shareholder approval under the ASX Listing Rules), members of the Executive Team and to the Senior Leadership Team.</p> <p>To avoid doubt, the Board does not propose to invite Non-Executive Directors to participate in the LTI Plan.</p> |
| Trustee | <p>Vocus Blue Pty Ltd (Trustee) acts as trustee of the Vocus Share Plan Trust (established under a Declaration of Trust between Vocus and Vocus Blue Pty Ltd on 9 November 2012).</p> |
| Minimum Vesting Period and Issue Date | <p>The Performance Rights will vest in the following manner:</p> <ul style="list-style-type: none"> • three tranches over three years for the Executive Director; • at the end of a three year performance period, subject to vesting conditions being met, for members of the Executive Team, • at the end of a two year performance period, subject to vesting conditions being met, for all other participants. |
| Vesting Conditions (including Performance Hurdles) | <p>The vesting conditions (which may include time or performance hurdles, or both) in respect of a grant of Performance Rights is determined by the Board in its discretion at the time of the grant of each tranche Performance Rights. The vesting conditions applicable to a grant of Performance Rights will be disclosed annually in Vocus' Annual Report.</p> <p>The vesting conditions currently applicable to Performance Rights issued under the LTI Plan consist of financial measures relating to EPS and TSR. Vesting conditions for future tranches will include a mix of specific financial measures including those based on EPS, TSR, ROI and WACC measures as well as the achievement of certain financial performance targets (for example, the achievement of synergies arising from any acquisition). The actual measures will be determined by the Board in relation to each tranche at the relevant time of grant and set out in the relevant Remuneration Report of the Company relating to the Performance Period and corresponding achievement.</p> |

| Term | Summary of Term |
|------------------------------|--|
| Issue of Shares | On the vesting date of Performance Rights (unless forfeited earlier), Vocus will procure either the issue of fully paid ordinary shares in Vocus to the participant, or the transfer to the participant by the Trustee of shares acquired on-market prior to the vesting date. |
| Maximum Issue | Vocus will not generally issue shares on the vesting of Performance Rights if the total number of Shares that would be issued will exceed the 5% issue limit set out in ASIC Class Order 14-1000. |
| Restrictions | <p>A number of restrictions apply to Performance Rights granted under the LTI Plan. In summary:</p> <ul style="list-style-type: none"> • (Transfers etc.): Performance Rights must not be transferred or encumbered without the Board’s prior approval. Vocus may do such things as necessary to enforce this restriction. • (Securities Trading Policy): Performance Rights, and any shares in Vocus issued upon the exercise of Performance Rights, are subject to the restrictions and limitations in Vocus’ Securities Trading Policy (which was disclosed to the ASX on 3 July 2016 under ASX Listing Rule 12.10) |
| Forfeiture and Expiry | <p>Unless the Board determines otherwise, unvested Performance Rights will expire or be forfeited where:</p> <ul style="list-style-type: none"> • (Serious Misconduct): the participant ceases to be employed by Vocus (or a Related Body Corporate) as a result of the participant’s resignation or termination for serious misconduct. • (Lapse of Vesting Period): the Performance Rights have not vested prior to the end of the specified vesting period or if the Board determines that the vesting conditions are incapable of being satisfied by the end of the vesting period. • (Fraud etc.): the Board determines that the Participant has committed any act of fraud, misappropriation, gross misconduct or any other similar act. • (Specified Occurrence): a fact, matter or circumstances specified at the time of grant as giving rise to a forfeiture of Performance Rights occurs. |
| Change of Control | <p>On the occurrence of a “change of control”, the Board may accelerate the vesting of some or all of the Performance Rights and waive any vesting conditions remaining unsatisfied at that time.</p> <p>A “change of control” occurs if any person (either alone or together with any of their Associates) acquires a Relevant Interest in more than 50% of the issued shares in Vocus, or any similar event which the Board determines, in its discretion, is a change of control.</p> <p>“Associate” and “Relevant Interest” each have the meaning given to those terms in the Corporations Act.</p> |

| Term | Summary of Term |
|--|---|
| <p>Rights attaching to Performance Rights</p> | <p>In summary:</p> <ul style="list-style-type: none"> • (General): A grant of Performance Rights does not confer any right or interest (whether legal or equitable) in shares in Vocus until all vesting conditions have been satisfied or waived by the Board at its discretion. • (New Issues): A participant cannot participate in a new issue of shares or other securities in Vocus to holders of shares in Vocus unless, before the record date for the new issue, the Performance Rights have vested and the underlying shares have been registered in the name of the participant. • (Bonus Issues): If Vocus makes a pro-rata bonus issue of shares or other securities in Vocus (other than an issue in lieu or in satisfaction of dividends or by way of dividend reinvestment), the number of shares the subject of the Performance Rights held by a participant will be increased by the number of shares that the participant would have received if the shares the subject of the Performance Rights had been registered in the name of the participant prior to the record date for the bonus issue). • (Rights Issues): If Vocus makes a pro rata issue of securities (other than a bonus issue) to the holders of shares in Vocus (other than an issue in lieu or in satisfaction of dividends or by way of dividend reinvestment), the number of Performance Rights (or other terms and conditions applicable to the Performance Rights) may be adjusted by the Board in its absolute discretion, subject to the ASX Listing Rules, the Corporations Act and any other applicable law. • (Reorganisations): If Vocus is subject to a reorganisation of its issued ordinary share capital, the number of shares to be delivered on the exercise of Performance Rights may be adjusted by the Board in a manner consistent with the ASX Listing Rules. |
| <p>Administration of the LTI Plan</p> | <p>The LTI Plan is administered by the Board in accordance with the LTI Plan rules. The Board may delegate its rights and discretions to a committee of the Board or to any other person selected by the Board.</p> <p>The exercise by the Board (or its delegates) of its powers or discretions under the LTI Plan rules is final conclusive and binding.</p> |
| <p>Amendment of the LTI Plan</p> | <p>The Board may at any time amend any or all of the provisions of the LTI Plan rules, subject always to the ASX Listing Rules.</p> <p>However, the Board must not amend a provision of the LTI Plan rules if the effect of the amendment reduces the rights of any participant in respect of Performance Rights granted under the LTI Plan prior to the date of the amendment, other than in limited circumstances (such as where the amendment is required to comply with laws or to correct a manifest error or mistake).</p> |
| <p>Termination and Suspension of the LTI Plan</p> | <p>The Board may resolve at any time to terminate, suspend or reinstate the operation of the LTI Plan.</p> |

The number of securities issued under the LTI Plan

As noted above, the LTI Plan was established in 2015 and has not previously been approved by shareholders.

The number of securities issued under the LTI Plan since its inception is 1,371,215 which were issued to certain senior managers of the Company to replace performance rights issued to them by Amcom Telecommunications Limited or M2 Group Ltd, prior to the implementation of their respective schemes of arrangement with the Company. The balance of unvested performance rights as at 30 June 2016 is 927,109, as disclosed on page 29 of the Company's Remuneration Report.

Voting Exclusion Statement

A voting exclusion applies to the voting on **Item 4**.

No votes may be cast on **Item 4** by or on behalf of:

- (a) a director of the Company (except one who is ineligible to participate in any employee incentive scheme in relation to the Company) or an associate of such a person; or
- (b) a member of the Key Management Personnel member as at the time the resolution is voted on at the Annual General Meeting or any of their closely related parties, as a proxy,

unless the vote is cast:

- (c) by the person as proxy for a person otherwise entitled to vote, in accordance with an express direction on the proxy form; or
- (d) by the Chairman as proxy for a person otherwise entitled to vote and:
 - (i) the appointment does not specify the way the proxy is to vote on **Item 4**; and
 - (ii) the appointment of the Chairman as proxy expressly authorises the Chairman to exercise the proxy in respect of **Item 4** even though it is connected directly or indirectly with the remuneration of the Key Management Personnel.

The Company will disregard any votes cast by a person in contravention of this voting exclusion.

Board Recommendation

The Board (other than Mr Bowen) unanimously recommends that shareholders vote in favour of this Item 4.

Mr Bowen abstains from making a recommendation given his personal interest in the outcome of the voting on this Item 4.

The Chairman of this Annual General Meeting intends to vote all undirected proxies in favour of this Item 4.

5 Approval of Grant of Performance Rights to Vaughan Bowen (Executive Director)

Overview

This Item seeks shareholder approval for the grant of 100,000 Performance Rights to Mr Vaughan Bowen, under the LTI Plan, for the purposes of ASX Listing Rule 10.14 and for all other purposes.

Mr Bowen is an Executive Director of the Company and his role and responsibilities are summarised below.

The LTI Plan is described in further detail in the Explanatory Notes to Item 4.

In Vocus' announcement to the ASX on 27 June 2016, Vocus foreshadowed that it will be seeking shareholder approval for the grant of Performance Rights to Mr Bowen.

The role and responsibilities of the Executive Director

Mr Bowen's role and responsibilities reflects his considerable and demonstrated experience in identifying, negotiating and executing strategic merger and acquisition opportunities to deliver value to shareholders. Under the terms of his contract, Mr Bowen's responsibilities include:

- (a) actively evaluating potential opportunities for merger and acquisition activities, in accordance with Vocus' strategic plan;
- (b) direct involvement in the negotiation and structuring of merger and acquisition activities, in conjunction with the Chairman, the Chief Executive Officer and any other Executive Directors from time to time; and
- (c) participating in regularly scheduled meetings relating to Vocus' strategic objectives, including participating in any Board, or Board Committee discussions relating to merger and acquisition activities.

The roles and responsibilities identified above are in addition to his responsibilities as a member of the Board, including preparation for, attending, and actively participating in, meetings of the Board.

The grant of performance rights is proposed in recognition of Mr Bowen's ongoing engagement as an Executive Director, including such reasonable assistance requested in relation to implementation and integration of Vocus' various strategic transactions, and to reflect both the likely shareholder value that is delivered by those transactions and the successful integration of those transactions with existing operations, and the additional workload required of an Executive Director relative to that of a Non-Executive Director. The relativities in the total remuneration payable to the Executive and Non-Executive Directors is set out in the Remuneration Report.

Why is shareholder approval sought to grant Performance Rights?

In general, ASX Listing Rule 10.14 restricts Vocus from permitting any of the following persons to acquire securities in Vocus under an employee incentive scheme without the approval of shareholders, unless an exception applies:

- a Director of Vocus; or
- an Associate of a Director of Vocus; or
- a person whose relationship with Vocus or a person referred to in the bullet points above is, in the ASX's opinion, such that approval should be obtained

This resolution seeks shareholder approval under ASX Listing Rule 10.14.

ASX Listing Rule 10.14 requires that certain information prescribed in ASX Listing Rule 10.15 (or ASX Listing Rule 10.15A), is included in this Notice of 2016 Annual General Meeting.

The information prescribed under ASX Listing Rule 10.15 is set out in the table, and in the voting exclusion statement, which follow below.

Shareholders are requested to note that the LTI Plan referred to in the Explanatory Notes for this Item 5 and in the following table is the same LTI Plan that is summarised in detail in the Explanatory Notes for Item 4.

| Information | Particulars |
|--|---|
| The number of Performance Rights to be granted to Mr Bowen | 100,000 Performance Rights. Each Performance Right, once vested, entitles Mr Bowen to 1 fully paid ordinary share in Vocus. |
| The price for each Performance Right acquired under the LTI Plan | Each Performance Right is granted as part of Mr Bowen's remuneration package. They are offered at no cost. Once the vesting conditions are met (or waived), each Performance Right will automatically vest at no cost. |
| Vesting Conditions for Mr Bowen | The Performance Rights will vest over 3 years in equal proportions. There are no other conditions, other than continued employment with Vocus, which are required to be met in order for the Performance Rights to vest. |
| The details of persons (referred to in ASX Listing Rule 10.14) who have received securities under the LTI Plan | No such person has received any securities under the LTI Plan prior to the date of this Notice of 2016 Annual General Meeting. |
| The details of all persons (Referred to in ASX Listing Rule 10.14) who are eligible to participate in the LTI Plan. | Mr Bowen. |
| The date by which Vocus will issue the Performance Rights. | As soon as practicable, and in any event within 12 months, after the date of this Annual General Meeting. |

For completeness, if shareholder approval is provided to this resolution pursuant to ASX Listing Rule 10.14, the issue of Performance Rights by Vocus to Mr Bowen will not have the effect of contravening ASX Listing Rule 10.11 by virtue of Exception 4 set out in ASX Listing Rule 10.12.

Voting Exclusion Statement

A voting exclusion applies to the voting on **Item 5**.

No votes may be cast on **Item 5** by or on behalf of:

- (a) a director of the Company who is eligible to participate in the LTI or an associate of such a person; or
- (b) a member of the Key Management Personnel as at the time the resolution is voted on at the Annual General Meeting or, or any of their closely related parties, as a proxy,

unless the vote is cast:

- (c) by the person as proxy for a person otherwise entitled to vote, in accordance with an express direction on the proxy form; or
- (d) by the Chairman as proxy for a person otherwise entitled to vote and:
 - (i) the appointment does not specify the way they proxy is to vote on **Item 5**; and
 - (ii) the appointment of the Chairman as proxy expressly authorises the Chairman to exercise the proxy in respect of **Item 5** even though it is connected directly or indirectly with the remuneration of the Key Management Personnel.

The Company will disregard any votes cast by a person in contravention of this voting exclusion.

Board Recommendation

The Board (other than Mr Bowen) unanimously recommends that shareholders vote in favour of this Item 5.

Mr Bowen abstains from making a recommendation given his personal interest in the outcome of the voting on this Item 5.

The Chairman of the Annual General Meeting intends to vote all undirected proxies in favour of this Item 5.

6 Change of Company Name

Overview

This Item seeks shareholder approval to effect a change in the Company's name from "Vocus Communications Limited" to "Vocus Group Limited".

This resolution is a special resolution and can only be passed if at least 75% of the total votes cast by shareholders entitled to vote on the resolution (whether by direct voting or in person, or by proxy, attorney or representative) are voted in favour of this resolution.

Rationale for the resolution

Shareholders will be aware that the nature and scope of the Company's business has expanded following the implementation of the M2 Scheme. Specifically, the implementation of the M2 Scheme has resulted in Vocus' business now including, among other things, an electricity and gas retailing business (operating as 'Dodo Power & Gas' and 'Commander Power') and an insurance business supplying car, travel and home and contents insurance policies (operating as 'Dodo Insurance').

The Board considers the name "Vocus Communications Limited" no longer accurately reflects the expanded nature of the business undertaken by the Vocus Group. Specifically, the business undertaking is no longer limited to communications.

The Board confirms that telecommunications will remain an important core part of Vocus' overall business. The Board is confident that the proposed new name will help to facilitate an improved understanding of Vocus' businesses and growth strategy while retaining the 'Vocus' brand.

Vocus' ASX ticker code will not change from VOC.

Availability of the name Vocus Group Limited

The Vocus Group includes a legal entity known as Vocus Group Pty Ltd ACN 130 364 359 (**Vocus Group**).

Vocus is the sole shareholder of Vocus Group and, subject to and conditional upon the passing of the resolution set out in **Item 6**, intends to pass a resolution to approve the change in the name of Vocus Group from "Vocus Group Pty Ltd" to "Vocus Group Holdings Pty Ltd".

Board Recommendation

The Board unanimously recommends that shareholders vote in favour of Item 6.

7 Non-Executive Director Remuneration

In accordance with clause 43.1 of the Company's Constitution, and subject to the ASX Listing Rules, the Non-Executive Directors, taken as a whole, may be paid or provided remuneration for their services, the total amount or value of which must not exceed the amount fixed by the Company in general meeting from time to time (Pool Limit). The current Pool Limit is A\$1,100,000.

The Board seeks shareholder approval to increase the Pool Limit by A\$600,000 to A\$1,700,000 (**Proposed Pool Limit**), with the increase to take effect on and from the date this resolution is passed and to apply pro rata to the financial year ending 30 June 2017.

The Board confirms, for the purposes of ASX Listing Rule 10.17, that no securities were issued to a Non-Executive Director under ASX Listing Rules 10.11 or 10.14 with the approval of the Company's shareholders at any time during the last three years.

Background to current Pool Limit

The current Pool Limit of A\$1,100,000 was approved by the Company's shareholders at the Company's 2015 Annual General Meeting, with the majority of shareholders voting in favour of the resolution to increase the Pool Limit to A\$1,100,000.

Remuneration included in Pool Limit

Most remuneration that is paid to the Non-Executive Directors is taken into account for the purposes of the Pool Limit, including remuneration paid to a superannuation, retirement or pension fund for a Non-Executive Director and any fees which a Non-Executive Director agrees to sacrifice for other benefits.

However, reimbursement of genuine out-of-pocket expenses (such as travel and accommodation expenses in attending Board meetings) and special exertions for the benefit of the Company which, in the Board's opinion, are outside the scope of ordinary duties of a Director, are not taken into account for the purposes of the Pool Limit.

Details of remuneration paid to Non-Executive Directors for the financial year ended 30 June 2016 are set out in the Company's Remuneration Report.

Reasons for Proposed Pool Limit

The current Pool Limit was approved by shareholders in 2015, prior to the implementation of Vocus' merger with M2 Group Ltd.

The merger with M2 Group Ltd has been transformational for the Company, and propelled the Company into the ASX100.

The Company considers that the increase in the Pool Limit will provide the Company with greater flexibility in providing remuneration for Non-Executive Directors that is consistent with current market based payments. In particular, the Company expects that an increased Pool Limit will enable it to:

- (a) remunerate its existing Non-Executive Directors more equitably, in line with regular external benchmarking on remuneration to be conducted;
- (b) maintain market competitiveness by enabling future increases to be made to the remuneration of Non-Executive Directors;
- (c) maintain a sufficient reserve in the Pool Limit in order to continue to attract new and appropriately skilled and qualified Non-Executive Directors to the Company; and
- (d) recruit high calibre Non-Executive Directors to fill any casual vacancies which arise on the Board from time to time, including the current Director vacancies.

The Company notes that its Constitution permits the Company to appoint up to ten Directors, representing a possible further increase of up to four Non-Executive Directors. This opportunity, together with the flexibility that an increased Pool Limit will provide, is consistent with the Company's well known strategic growth ambitions.

Board Recommendation

The Board (other than each Non-Executive Director) unanimously recommends that shareholders vote in favour of this Item 7.

Each Non-Executive Director abstains from making a recommendation given their personal interest in the outcome of the voting on this Item 7.

The Chairman of this Annual General Meeting intends to vote all undirected proxies in favour of this Item 7.

Voting exclusion statement

A voting exclusion applies to the voting on **Item 7**.

No votes may be cast on **Item 7** by or on behalf of:

- (a) a director or an associate of such person; or
- (b) a member of the Key Management Personnel as at the time the resolution is voted on at the Annual General Meeting or, or any of their closely related parties, as a proxy,

unless the vote is cast:

- (c) by the person as proxy for a person otherwise entitled to vote, in accordance with an express direction on the proxy form; or
- (d) by the Chairman as proxy for a person otherwise entitled to vote and:
 - (i) the appointment does not specify the way the proxy is to vote on **Item 7**; and
 - (ii) the appointment of the Chairman as proxy expressly authorises the Chairman to exercise the proxy in respect of **Item 7** even though it is connected directly or indirectly with the remuneration of the Key Management Personnel.

The Company will disregard any votes cast by a person in contravention of this voting exclusion.

8 Contingent Item: Financial Assistance

Overview

Item 8 (the **Financial Assistance Resolution**) seeks the approval of Vocus' shareholders under section 260B(2) of the Corporations Act for the provision of financial assistance, proposed to be given by:

- (a) Nextgen Networks Group Pty Limited ACN 162 547 337 (**Nextgen**);
- (b) Skiron HoldCo Pty Limited ACN 166 750 385 (**Skiron**);
- (c) ASC International Group Pty Limited ACN 162 547 364 (**ASC**); and
- (d) any other subsidiary of Nextgen, Skiron or ASC, (each a **Target Group Member**) in connection with the acquisition by Vocus, or a Subsidiary of Vocus, of all of the issued securities in Nextgen, Skiron and ASC, and indirectly in each other Target Group Member.

This Financial Assistance Resolution is a special resolution and can only be passed if at least 75% of the total votes cast by shareholders entitled to vote on the resolution (whether by direct voting or in person, or by proxy, attorney or representative) are voted in favour of this resolution.

Contingent Item

The Chairman will put **Item 8** to vote at the Annual General Meeting if the Share Sale and Purchase Agreement between Vocus and Nextgen Bidco Pty Limited ACN 162 568 952 dated 29 June 2016 (**Share Purchase Agreement**) has not been terminated before 11.00am (AEDT) on the date of this Annual General Meeting.

If the Share Purchase Agreement is terminated, Vocus will not directly or indirectly acquire any Target Group Member. Consequently, financial assistance will not be provided by any Target Group Member in connection with Vocus acquiring any issued securities in a Target Group Member.

At the time that this Notice of 2016 Annual General Meeting was submitted for printing, the Acquisition had not completed and the Explanatory Notes for this **Item 8** have been prepared on that basis.

Financial Assistance

Restrictions on companies providing financial assistance

Under section 260A(1) of the Corporations Act, a company may financially assist a person to acquire shares (or units of shares) in the company or a holding company of the company only if:

- (a) giving the assistance does not materially prejudice:
 - (i) the interests of the company or its shareholders; or
 - (ii) the company's ability to pay its creditors; or
- (b) the assistance is approved by shareholders under section 260B of the Corporations Act (and that section also requires advance notice to ASIC); or
- (c) the assistance is exempted under section 260C of the Corporations Act.

A company may be regarded as providing financial assistance if it furnishes something which is needed in order that a transaction be carried out or something in the nature of aid or help for that transaction. The term 'financial assistance' has no technical meaning and requires an examination of the commercial realities of the relevant transactions.

Moreover, financial assistance may be held to have been provided to acquire shares (or units of shares) even if the assistance occurs after the completion of the acquisition, provided that there is some link between the assistance and the acquisition.

Common examples of financial assistance include paying a dividend, debt forgiveness, issuing a debenture, giving a guarantee or granting security over a company's assets to secure another person's liability.

Shareholder approval of financial assistance

Under section 260B(1) of the Corporations Act, shareholder approval for the giving of financial assistance by a company to acquire shares (or units of shares) in the company or a holding company of the company must be given by:

- (a) a special resolution passed at a general meeting of the company, with no votes being cast in favour of the resolution by the person acquiring the shares (or units of shares) or by their associates; or
- (b) a resolution agreed to, at a general meeting, by all ordinary shareholders.

In addition, if the company will be a subsidiary of a listed domestic corporation (such corporation being the **Listed Holding Company**) immediately after the acquisition, then the financial assistance must also be approved by a special resolution passed at a general meeting of the Listed Holding Company.

In the present circumstances, Vocus is, or will be on completion of the Acquisition (defined below), the Listed Holding Company of each Target Group Member.

Purpose

The purpose of the Explanatory Notes on this Item 8 is to explain in further detail the proposed Financial Assistance Resolution which must be passed under section 260B(2) of the Corporations Act to enable each Target Group Member to grant the financial assistance described in these Explanatory Notes.

Particulars of Financial Assistance

The Acquisition

Vocus and Nexgen Bidco Pty Limited (ACN 162 568 952) are parties to a Share Sale and Purchase Agreement dated 29 June 2016 pursuant to which Vocus, or a Subsidiary of Vocus, will acquire all of the shares of Nextgen, Skiron and ASC (the **Acquisition**).

The total consideration for the Acquisition is ~A\$807 million upfront, with deferred consideration of up to A\$54 million.¹

The Acquisition will be funded by:

- (a) a fully underwritten equity capital raising, comprising a pro-rata ~A\$452 million 1-for-8.90 accelerated, renounceable entitlement offer with retail rights trading and an institutional placement of up to ~26.5 million shares to raise ~A\$200 million (the **Capital Raising**); and
- (b) in respect of the balance, by drawing existing debt facilities, further described in the section headed 'Existing Debt Facilities' below.

Further detailed particulars relating to the Acquisition and the Capital Raising were disclosed to the ASX between 29 June 2016 and 19 August 2016 (inclusive), including in the ASX Announcement and accompanying Investor Presentation released to the ASX on 29 June 2016.

At the time that this Notice of 2016 Annual General Meeting was submitted for printing, the Acquisition is expected to complete in October 2016.

Funding Arrangements

Existing Debt Facilities

On 25 May 2016, Vocus, the Commonwealth Bank of Australia and Westpac Banking Corporation (among others) entered into a Syndicated Facility Agreement (the **Syndicated Facility Agreement**).

The debt facilities available under the Syndicated Facility Agreement are, in aggregate, A\$1,070 million and NZ\$160 million (the **Facilities**).

The Facilities have been used to refinance the indebtedness of the Vocus Group, to pay transaction fees and costs associated with such refinance, and generally, are, and will be, used to fund the working capital and general corporate purpose requirements (including letters of credit, bank guarantee, ancillary facility requirements) of the Vocus Group.

The Available Facilities

The Facilities under the Syndicated Facility Agreement are not fully drawn. The available Facilities, together with the proceeds of the Capital Raising, are expected to be sufficient to fund the completion of the Acquisition.

Obligations relating to Guarantors

Under the terms of the Syndicated Facility Agreement, it is required that a certain minimum percentage of the Vocus Group's EBITDA and gross assets be attributable to Guarantors (as defined in the Syndicated Facility Agreement) (**Minimum Guarantor Group Test**).

To satisfy the Minimum Guarantor Group Test, one or more Target Group Members may be required to accede to the Syndicated Facility Agreement as an "Additional Guarantor" by executing an "Accession Letter" and making various representations and warranties and providing various undertakings and covenants as set out in the Syndicated Facility Agreement.

If a Target Group Member accedes as a Guarantor, that Target Group Member will also be required to grant security (**Security**) over some or all of its assets and undertakings, to secure the obligations owed to the financiers under the Syndicated Facility Agreement and each other document described as a "Finance Document" for the purposes of the Syndicated Facility Agreement (**Finance Document**).

The granting of a guarantee of all amounts due under the terms of the debt facilities drawn to fund the Acquisition (including the Facilities provided under the Syndicated Facility Agreement and any refinancing of those Facilities from time to time) and the granting of the Security to secure repayment of such amounts (together, the **Financial Assistance**), may have the effect of the relevant Target Group Member financially assisting in the acquisition of securities in the Target Group Member or a holding company of that Target Group Member for the purposes of section 260A of the Corporations Act.

Accordingly, the Financial Assistance Resolution seeks approval of the Financial Assistance to be provided by each Target Group Member in circumstances where the giving of the Financial Assistance is required or desirable under the terms of the debt facilities drawn to fund the Acquisition (including the Facilities provided under the Syndicated Facility Agreement and any refinancing of those Facilities from time to time), and the Company seeks shareholder approval to the provision of the Financial Assistance by each Target Group Member.

Other support

Each Target Group Member that provides the Financial Assistance may, or may be required to:

- (a) execute, or accede or consent to, any instrument referred to in, or incidental or related to, the Syndicated Facility Agreement and other Finance Documents (including any document to be entered into at any time for the purpose of amending, varying, replacing, restating, novating or supplementing such instruments);
- (b) subordinate its intercompany claims;
- (c) transfer its assets to, or assume other liabilities of, other Vocus Group Members;
- (d) make available directly or indirectly its cash flows (whether through dividends, capital distributions, intercompany loans or otherwise) or other resources in order to enable other Vocus Group Members to comply with their respective obligations under the Syndicated Facility Agreement or other Finance Documents; and
- (e) provide additional support (which may include incurring additional obligations, giving new guarantees or new security interests) in connection with the Syndicated Facility Agreement or other Finance Document, including in connection with any refinancing of amounts owing under or in respect of such agreements or documents.

Other obligations

Additionally, if a Target Group Member accedes to the Syndicated Facility Agreement and consequently, becomes an Additional Guarantor under the Syndicated Facility Agreement, the Target Group Member will be required to comply with the provisions of the Syndicated Facility Agreement which apply to the Guarantors (or Obligors) generally. These provisions may require the Target Group Member to, among others:

- (a) make representations and provide warranties relating to the Target Group Member and Vocus Group Members generally (such as warranties and/or representations relating to events of default, authorisations, ownership of assets, commercial benefit, compliance with laws and taxes);

¹ Based on A\$700 million upfront consideration for the securities in Nextgen Networks Group Pty Limited and US\$80 million (~A\$107 million) upfront consideration for the securities in Skiron HoldCo Pty Ltd, converted to AUD at an FX rate of 0.7466. Additional amounts of up to US\$40 million (~A\$54 million) are payable for the securities in Skiron HoldCo Pty Ltd and ASC International Group Pty Ltd, subject to certain conditions. Transaction costs are excluded. Refer to the announcement made to the ASX on 29 June 2016 in respect of the Acquisition.

- (b) comply with the information undertakings and reporting obligations under the Syndicated Facility Agreement;
- (c) comply with the financial covenants on each relevant calculation date;
- (d) comply with the positive undertakings set out in the Syndicated Facility Agreement (including undertakings related to secured property, compliance with laws, hedging and tax); and
- (e) not contravene the negative undertakings set out in the Syndicated Facility Agreement (including undertakings related to disposals, acquisitions, mergers, maintenance of capital, finance debt, negative pledge and financial accommodation).

Financial Assistance Resolution

Financial assistance approvals

To complete the necessary approvals, shareholders of Vocus are asked to approve the Financial Assistance at this Annual General Meeting.

Effect of the Financial Assistance

The substantial effect of the proposed Financial Assistance on each relevant Target Group Member is that the Target Group Member will have guaranteed all amounts payable under the Syndicated Facility Agreement and each other Finance Document, and will grant Security over some or all of its assets and undertakings to secure the obligations owed to the financiers under the Syndicated Facility Agreement and each other Finance Document.

The advantages and disadvantages of each relevant Target Group Member providing the proposed Financial Assistance are described in further detail below.

Advantages of the Financial Assistance

The principal advantage to a Target Group Member of providing the proposed Financial Assistance is that the relevant Target Group Member will enable or assist Vocus or its Subsidiaries to comply with the Syndicated Facility Agreement and, subject to compliance with the Syndicated Facility Agreement in all other respects, avoid the occurrence of an "Event of Default" under the Syndicated Facility Agreement.

If an "Event of Default" occurs, then among other things, the Facilities may be cancelled in full.

Other advantages of a Target Group Member providing the proposed Financial Assistance include (among others):

- (a) the Target Group Members will have access to, or the benefit of, the Facilities that are made available under the Syndicated Facility Agreement;
- (b) the access to the Facilities will assist the Company to pay certain transactions fees and costs incurred by the Company and certain Target Group Members in connection with the Acquisition;
- (c) the Target Group Members will be able to draw on the capital resources and the management expertise of the new shareholders while retaining existing expertise and knowledge in the industry in which the Target Group Members operate;
- (d) the Target Group Members will be able to advance and develop their respective businesses as a wholly owned Subsidiary of the Company to a greater extent that would have otherwise been the case; and
- (e) the Target Group Members will benefit from synergies, cost savings and the future growth potential that may arise from integration with the Vocus Group.

Disadvantages of the Financial Assistance

The disadvantages of a Target Group Member providing the proposed Financial Assistance include (among others):

- (a) each relevant Target Group Member will become jointly and severally liable for the amounts outstanding under the Syndicated Facility Agreement and each other Finance Document with each other Obligor;
- (b) if an "Event of Default" under the Syndicated Facility Agreement were to occur, the immediate repayment of all amounts outstanding under the Syndicated Facility Agreement and each other Finance Document may be required and a demand may be made under the guarantee granted by each relevant Target Group Member. Further, the Security Trustee may enforce any related Security granted by each relevant Target Group Member. This may result in its winding up or the appointment of a receiver to each relevant Target Group Member's assets and a sale of those assets by the Security Trustee or a receiver which could result in a lower return to it and its sole shareholder than could have been achieved had those assets been sold in the ordinary course of business or had it continued to trade;

- (c) each relevant Target Group Member's assets will be subject to the Security granted by it and its operations and its ability to independently obtain finance from other sources may be restricted by the Security granted by it and the undertakings, representations and warranties given by it under the Syndicated Facility Agreement and each other Finance Document;
- (d) the Syndicated Facility Agreement was entered into on 25 May 2016, prior to the date of the Acquisition, and each relevant Target Group Member may be liable for the obligations of the Obligors under the Syndicated Facility Agreement which have arisen or accrued prior to the date of the Acquisition. The relevant Target Group Member may not have knowledge of such accrued liabilities; and
- (e) each relevant Target Group Member may be subject to the obligations set out above.

To the best of their knowledge and belief, the directors of the Company do not currently believe that any Obligor is likely to default in their respective obligations under the Syndicated Facility Agreement or any other Finance Document.

If Financial Assistance is not approved

If the Financial Assistance Resolution is not approved by the shareholders of the Company in circumstances where one or more Target Group Members are required to accede to the Syndicated Facility Agreement and Security Trust Deed in order for the Obligors to comply with the Minimum Guarantor Group Test, the Obligors may, subject to applicable grace and remedy periods, breach the Syndicated Facility Agreement.

Each Target Group Member will continue to operate as a wholly-owned Subsidiary of the Company and the Company will likely be required to engage with its syndicate of financiers to obtain such consents and/or waivers under, or amendments to, the Syndicated Facility Agreement, which are required to enable ongoing compliance with the Syndicated Facility Agreement. There is no guarantee that such consents, waivers or amendments may be obtained, either at all, or on terms acceptable to the Company or other Obligors. If this should arise, an Event of Default may occur under the Facilities and a demand for repayment of the Facilities may be made against all Obligors.

Prior Notice to ASIC

A copy of this Notice of Annual General Meeting, including the Explanatory Notes, was lodged with ASIC before being despatched to shareholders of the Company, as required by section 260B(5) of the Corporations Act.

Disclosure

In accordance with section 260B(4) of the Corporations Act, the directors of the Company consider that the Explanatory Notes for this Item 8 contain all information known to the Company that would be material to the decision of shareholders on how to vote on the Financial Assistance Resolution, other than information which it would be unreasonable to require the Company to include because it had previously disclosed such information to shareholders of the Company.

As noted above, further detailed particulars relating to the Acquisition and the Capital Raising were disclosed to the ASX between 29 June 2016 and 19 August 2016 (inclusive), including in the ASX Announcement and accompanying Investor Presentation released to the ASX on 29 June 2016.

Board Recommendation

The directors of the Company believe the giving of Financial Assistance as described in these Explanatory Notes are in the best interests and for the commercial benefit of each Target Group Member.

The Board unanimously recommends that shareholders vote in favour of Item 8.

Further Information

Entitlement to vote at Annual General Meeting and Voting Rights

Shareholders registered as at 7.00 pm AEDT on Sunday, 27 November 2016 will be eligible to attend and vote at the Annual General Meeting, subject to any voting exclusions. A shareholder is entitled to cast one vote per share registered to that shareholder.

Poll voting

The Chairman intends that voting on Item 2 will be conducted by poll.

How to vote

You may vote by attending the Annual General Meeting in person, by submitting a direct vote, by authorised corporate representative, or by proxy.

Voting in person

To vote in person, attend the Annual General Meeting on the date and at the place set out in the first page of this Notice of Annual General Meeting. The Annual General Meeting will commence at **11.00am AEDT**.

Direct Voting

In accordance with the Company's Constitution, the Board has determined to accept direct votes for the Annual General Meeting. Direct voting allows a shareholder to lodge their vote directly with Vocus, as an alternative to voting in person, by proxy or by corporate representative.

You may submit a direct vote by completing the 'Direct Voting' section of the enclosed Shareholder Voting Form and returning it by mail or fax. This must be received no later than **11.00 am AEDT on Sunday 27 November 2016**, to be valid.

The Shareholder Voting Form may be lodged:

- (a) **online** at www.investorvote.com.au (instructions on how to lodge online can be found on the Shareholder Voting Form);
- (b) **by return mail** using the reply paid envelope accompanying this Notice;
- (c) **by mail** to Computershare Investor Services Pty Ltd, GPO Box 242 Melbourne Victoria 3001 Australia;
- (d) **by hand delivery** to Computershare Investor Services Pty Ltd, Level 4, 60 Carrington Street, Sydney New South Wales 2000 Australia; or
- (e) **by fax** to 1800 783 447 (within Australia) or +61 3 9473 2555 (outside Australia).

Vocus encourages you to lodge your direct vote electronically, as explained on the Shareholder Voting Form.

Voting by corporate representative

A Shareholder that is a corporation may elect to appoint a representative to attend and vote at the Annual General Meeting in accordance with section 250D of the Corporations Act in which case Vocus will require a certificate of appointment of corporate

representative executed in accordance with the Corporations Act. The certificate is to be lodged with Vocus before the Annual General Meeting or at the registration desk on the day of the Annual General Meeting.

Voting by proxy

You may also choose to appoint a proxy and lodge your vote by completing the 'Proxy' section of the enclosed Shareholder Voting Form and returning it by mail or fax.

Please ensure that your vote or proxy instructions are received no later than **11.00am AEDT on Sunday 27 November 2016**. A proxy may be lodged:

- (a) **online** at www.investorvote.com.au (instructions on how to lodge online can be found on the Shareholder Voting Form);
- (b) **by return mail** using the reply paid envelope accompanying this Notice;
- (c) **by mail** to Computershare Investor Services Pty Ltd, GPO Box 242 Melbourne Victoria 3001 Australia;
- (d) **by hand delivery** to Computershare Investor Services Pty Ltd, Level 4, 60 Carrington Street, Sydney New South Wales 2000 Australia; or
- (e) **by fax** to 1800 783 447 (within Australia) or +61 3 9473 2555 (outside Australia).

Vocus encourages you to lodge your proxy electronically, as explained on the Shareholder Voting Form.

Proxy information

A Shareholder who is entitled to attend and vote at the Annual General Meeting may appoint a proxy. If a Shareholder is entitled to cast two or more votes at the Annual General Meeting, they may appoint two proxies. A proxy need not be a shareholder.

If you require an additional proxy form, the Company will supply it on request.

If a shareholder appoints two proxies, the appointment of the proxies may specify the proportion or the number of that shareholder's votes that each proxy may exercise. If the appointment does not so specify, each proxy may exercise half of the votes. Fractions of votes will be disregarded. On a vote conducted on a show of hands, neither proxy can vote if more than one proxy attends. A proxy's authority to vote is suspended whilst the shareholder is present at the meeting.

A proxy may decide whether to vote on any motion, except where the proxy is required by law or the Company's constitution to vote, or abstain from voting, in their capacity as proxy. If a proxy is directed how to vote on an item of business, the proxy is not required to vote on that item of business but if the proxy does vote on that item of business they must vote on that item only in accordance with the direction. If a proxy is not directed how to vote on an item of business, the proxy may vote as he or she thinks fit.

If a shareholder lodges the Shareholder Voting Form but fails to nominate a proxy, the shareholder will be taken to have appointed the Chairman as the shareholder's proxy by default.

If a shareholder appoints the Chairman as the Shareholder's proxy and does not specify how the Chairman is to vote on an item of business, the Chairman will vote, as proxy for that Shareholder, in favour of that item on a poll. The Chairman will do so even if the item of business is connected directly or indirectly with the remuneration of the key management personnel. In exceptional circumstances, the Chairman may change the way that the Chairman intends to vote such proxies. In such circumstances, the Company will make an immediate announcement to the ASX stating that fact and explaining the reasons for the change of intention.

Questions to the Auditor

In accordance with sections 250PA and 250T of the Corporations Act, shareholders may submit questions to Vocus' auditor, Deloitte Touche Tohmatsu, prior to or at the Annual General Meeting, in respect of the content of the auditor's report or the conduct of the audit for the Annual Financial Report for the financial year ended 30 June 2016.

Written questions must be submitted to the Company. Please send questions to companysecretary@vocus.com.au no later than the fifth business day before the day on which the Annual General Meeting is held. The Company will make the question list available to all shareholders attending the Annual General Meeting.

Further Information

If you have any questions in relation to this Notice of 2016 Annual General Meeting or your Shareholder Voting Form, please contact the Company's share registry, Computershare Limited on 1300 850 505 (within Australia) or +61 3 9415 4000 (outside Australia), or you may email the Company via companysecretary@vocus.com.au.

Glossary

In this document, unless otherwise defined:

ACCC means the Australian Competition and Consumer Commission.

Accession Letter means a document substantially in the form prescribed by the Syndicated Facility Agreement required to be delivered by a Wholly-owned Subsidiary of the Company in order for it to become an Additional Guarantor.

Additional Guarantor means a company which becomes an "Additional Guarantor" in accordance with the Syndicated Facility Agreement.

ASIC means the Australian Securities and Investments Commission.

ASX means the Australian Securities Exchange or the financial market operated by it, as the context requires.

Borrower means a person that is an "Original Borrower" or an "Additional Borrower" under the Syndicated Facility Agreement, unless it has ceased to be a "Borrower" in accordance with the Syndicated Facility Agreement.

Chairman means the Chairman of the AGM.

Closely related party of a KMP member means:

- a spouse or child of the member; or
- a child of the member's spouse; or
- a dependant of the member or of the member's spouse; or
- anyone else who is one of the member's family and may be expected to influence the member, or be influenced by the member, in the member's dealings with the entity; or
- a company the member controls.

Corporations Act means Corporations Act 2001 (Cth).

Financial Assistance Resolution means the special resolution proposed to be passed by the shareholders of the Company, with respect to the approval of the giving of the Financial Assistance by each Target Group Member.

Guarantor means a person that is an Original Guarantor or an Additional Guarantor under the Syndicated Facility Agreement, unless it has ceased to be a Guarantor in accordance with the Syndicated Facility Agreement.

Key Management Personnel or **KMP** means those persons having authority and responsibility for planning, directing and controlling the activities of the Vocus Group, either directly or indirectly. This includes all Directors (executive and non-executive) and certain members of the Executive Team. The KMP for the Vocus Group during the year ended 30 June 2016 are listed on page 31 of the Directors' Report contained in the Company's 2016 Annual Report.

M2 Scheme means the scheme of arrangement pursuant to Part 5.1 of the Corporations Act pursuant to which Vocus acquired, through a Wholly-owned Subsidiary, all of the fully paid ordinary shares in the capital of M2 Group Ltd on 22 February 2016.

Obligor means a Borrower or a Guarantor (or both).

Original Guarantor means a company which is specified as an "Original Guarantor" under the Syndicated Facility Agreement.

Remuneration Report means the Company's Remuneration Report for the financial year ended 30 June 2016, set out on pages 16 to 38 of the Company's Annual Report for the same financial year.

Security Trust Deed means the Security Trust Deed dated on or around 28 May 2012 between M2 Group Ltd, Westpac Banking Corporate as the "Security Trustee" establishing the M2 Telecommunications Security Trust as amended from time to time.


Security Trustee means Westpac Banking Corporation, in its capacity as "Security Trustee" under the Security Trust Deed.

Subsidiary has the meaning given in the Corporations Act, but as if body corporate included any person or entity and for the purposes of which any beneficial interest or unit in a trust will be deemed to be shares. It also includes any entity required by Accounting Standards to be included in the consolidated annual financial report of an entity or which would be required if that entity were a corporation.

Vocus Group means Vocus and each of its Subsidiaries (other than Vocus Blue Pty Ltd) and **Vocus Group Member** means any one of them.

Wholly-owned Subsidiary has the meaning given to that term in the Corporations Act.

Lodge your vote:

 **Online:**
www.investorvote.com.au

 **By Mail:**
Computershare Investor Services Pty Limited
GPO Box 242 Melbourne
Victoria 3001 Australia

Alternatively you can fax your form to
(within Australia) 1800 783 447
(outside Australia) +61 3 9473 2555

For Intermediary Online subscribers only
(custodians) www.intermediaryonline.com

For all enquiries call:
(within Australia) 1300 850 505
(outside Australia) +61 3 9415 4000



Proxy Form

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Vote and view the annual report online

- Go to www.investorvote.com.au or scan the QR Code with your mobile device.
- Follow the instructions on the secure website to vote.

Your access information that you will need to vote:

Control Number:

SRN/HIN:

PLEASE NOTE: For security reasons it is important that you keep your SRN/HIN confidential.

 **For your vote to be effective it must be received by 11.00am (AEDT) Sunday, 27 November 2016**

How to Vote on Items of Business

All your securities will be voted in accordance with your directions.

Appointment of Proxy

Voting 100% of your holding: Direct your proxy how to vote by marking one of the boxes opposite each item of business. If you do not mark a box your proxy may vote or abstain as they choose (to the extent permitted by law). If you mark more than one box on an item your vote will be invalid on that item.

Voting a portion of your holding: Indicate a portion of your voting rights by inserting the percentage or number of securities you wish to vote in the For, Against or Abstain box or boxes. The sum of the votes cast must not exceed your voting entitlement or 100%.

Appointing a second proxy: You are entitled to appoint up to two proxies to attend the meeting and vote on a poll. If you appoint two proxies you must specify the percentage of votes or number of securities for each proxy, otherwise each proxy may exercise half of the votes. When appointing a second proxy write both names and the percentage of votes or number of securities for each in Step 1 overleaf.

A proxy need not be a securityholder of the Company.

Signing Instructions for Postal Forms

Individual: Where the holding is in one name, the securityholder must sign.

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

Power of Attorney: If you have not already lodged the Power of Attorney with the registry, please attach a certified photocopy of the Power of Attorney to this form when you return it.

Companies: Where the company has a Sole Director who is also the Sole Company Secretary, this form must be signed by that person. If the company (pursuant to section 204A of the Corporations Act 2001) does not have a Company Secretary, a Sole Director can also sign alone. Otherwise this form must be signed by a Director jointly with either another Director or a Company Secretary. Please sign in the appropriate place to indicate the office held. Delete titles as applicable.

Attending the Meeting

Bring this form to assist registration. If a representative of a corporate securityholder or proxy is to attend the meeting you will need to provide the appropriate "Certificate of Appointment of Corporate Representative" prior to admission. A form of the certificate may be obtained from Computershare or online at www.investorcentre.com under the help tab, "Printable Forms".

Comments & Questions: If you have any comments or questions for the company or the auditor, please complete and return the accompanying Shareholder Questions Form.

**GO ONLINE TO VOTE,
or turn over to complete the form →**

Change of address. If incorrect, mark this box and make the correction in the space to the left. Securityholders sponsored by a broker (reference number commences with 'X') should advise your broker of any changes.

Proxy Form

Please mark to indicate your directions

STEP 1 Appoint a Proxy to Vote on Your Behalf

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I/We being a member/s of Vocus Communications Limited hereby appoint

the Chairman of the Meeting **OR**

PLEASE NOTE: Leave this box blank if you have selected the Chairman of the Meeting. Do not insert your own name(s).

or failing the individual or body corporate named, or if no individual or body corporate is named, the Chairman of the Meeting, as my/our proxy to act generally at the Meeting on my/our behalf and to vote in accordance with the following directions (or if no directions have been given, and to the extent permitted by law, as the proxy sees fit) at the Annual General Meeting of Vocus Communications Limited to be held at The Grace Hotel, 77 York Street, Sydney NSW 2000 on Tuesday, 29 November 2016 at 11.00am (AEDT) and at any adjournment or postponement of that Meeting.

Chairman authorised to exercise undirected proxies on remuneration related resolutions: Where I/we have appointed the Chairman of the Meeting as my/our proxy (or the Chairman becomes my/our proxy by default), I/we expressly authorise the Chairman to exercise my/our proxy on Items 2, 4, 5 & 7 (except where I/we have indicated a different voting intention below) even though Items 2, 4, 5 & 7 are connected directly or indirectly with the remuneration of a member of key management personnel, which includes the Chairman.

Important Note: If the Chairman of the Meeting is (or becomes) your proxy you can direct the Chairman to vote for or against or abstain from voting on Items 2, 4, 5 & 7 by marking the appropriate box in step 2 below.

STEP 2 Resolutions

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

Ordinary Business

| | | For | Against | Abstain |
|-------|---|--------------------------|--------------------------|--------------------------|
| 2 | Adoption of the Remuneration Report | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |
| 3 (a) | Re-election of Mr Jon Brett as a Director of the Company | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |
| (b) | Re-election of Mr Vaughan Bowen as a Director of the Company | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |
| (c) | Re-election of Mr Craig Farrow as a Director of the Company | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |
| (d) | Re-election of Mrs Rhoda Phillippo as a Director of the Company | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |
| (e) | Re-election of Mr Michael Simmons as a Director of the Company | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |
| 4 | Approval of Long Term Incentive Plan | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |

| | | For | Against | Abstain |
|---|--|--------------------------|--------------------------|--------------------------|
| 5 | Approval of Grant of Performance Rights to Vaughan Bowen | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |

Special Business

| | | | | |
|---|---------------------------------------|--------------------------|--------------------------|--------------------------|
| 6 | Change of Company Name | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |
| 7 | Non-Executive Director Remuneration | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |
| 8 | Contingent Item: Financial Assistance | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |

The Chairman of the Meeting intends to vote undirected proxies in favour of each item of business. In exceptional circumstances, the Chairman of the Meeting may change his/her voting intention on any resolution, in which case an ASX announcement will be made.

SIGN Signature of Securityholder(s) *This section must be completed.*

Individual or Securityholder 1

Sole Director and Sole Company Secretary

Securityholder 2

Director

Securityholder 3

Director/Company Secretary

Contact Name

Contact Daytime Telephone

Date / /