

---

**15 October 2015**

Dear Shareholder,

On behalf of the Board of Directors, I am pleased to enclose the Notice of Meeting for the 3P Learning 2015 Annual General Meeting to be held on Thursday 19 November 2015 at 2.00PM (Sydney time) at KPMG, Auditorium, Ground Floor, 10 Shelley Street, Sydney, NSW 2000.

At the Meeting, Tim Power, CEO and I will review the Company's performance during the year to 30 June 2015 and outline our plans for the future prior to consideration of the business as detailed in the enclosed Notice of Meeting. A copy of each presentation will be posted on the 3P Learning website: [www.3plearning.com/investors/](http://www.3plearning.com/investors/)

If you are able to attend the Meeting, please bring the proxy form with you as the bar coding on this form will enable shareholders to be registered easily. Registration will be available from 1:30pm.

If you are unable to attend the Meeting, I encourage you to vote either by using the attached proxy form or by lodging your vote online at [www.linkmarketservices.com.au](http://www.linkmarketservices.com.au).

A person intending to attend the Meeting and vote on shares held in the name of a company must bring an authority from the company, signed by the company in favour of the person attending.

Directors and management look forward to your attendance at the Meeting.

Yours sincerely,



**Samuel Weiss**

Chairman

The Annual General Meeting of 3P Learning Limited will be held on Thursday, 19 November 2015, commencing at 2.00PM (Sydney time) at KPMG, Auditorium, Ground Floor, 10 Shelley Street, Sydney NSW 2000.

## Items of business

### 1. Financial Statements and Reports

To receive and consider the Financial Report and the Reports of the Directors and Auditor for the year ended 30 June 2015.

No resolution is required for this item of business.

### 2. Remuneration Report

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

'To adopt the Remuneration Report for the year ended 30 June 2015.'

Note:

- The vote on this resolution is advisory only and does not bind the Directors of the Company.
- A voting exclusion applies to this resolution.

The Directors unanimously recommend that shareholders vote in favour of this resolution.

### 3. Approval of Equity Incentive Plan

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

"That approval be given for all purposes (including under Listing Rule 7.2 and section 200B of the Corporations Act) for approval of the Equity Incentive Plan."

- Note: A voting exclusion applies to this resolution.

### 4. Re-election of Director – Claire Hatton

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

'That Ms Claire Hatton, being a Director who is retiring in accordance with the Company's constitution, and being eligible, offers herself for re-election, is re-elected as a Director of the Company.'

# Notice of Meeting

The re-election of Ms Claire Hatton is unanimously recommended by the Board.

**Jonathan Kenny**

**Company Secretary** 15th October 2015

## Item 1: Financial Report and Reports of Directors and Auditor

In accordance with section 317 of the Corporations Act 2001, the Financial Report, Directors' Reports and Auditor's Report for the year ended 30 June 2015 will be put before the AGM. These Reports are in the 3P Learning Limited Annual Report and can be accessed on our website at: <http://cdn.3plearning.com/wp-content/uploads/2015/08/3PL-Full-year-results-Financial-Year-ending-30-June-2015.pdf>

This item does not require a formal resolution and no vote will be held on it. Shareholders will, however, be given a reasonable opportunity to ask the Board, management or the Auditor questions about these Reports during discussion time.

## Item 2: Remuneration Report

Shareholders are asked to adopt the Remuneration Report for the year ended 30 June 2015. The Remuneration Report is in the Directors Report in the 3P Learning Limited 2015 Annual Report (Refer pages 4 – 10 and can be accessed on the Company's website at: <http://cdn.3plearning.com/wp-content/uploads/2015/08/3PL-Full-year-results-Financial-Year-ending-30-June-2015.pdf> )

The Directors trust that the Remuneration Report assists you to understand the 3P Learning Limited remuneration structure and compensation objectives.

Under the Corporations Act 2001, the vote on this resolution is advisory only and does not bind the Board. However, the Board will take into account the outcome of the vote and any comments made by shareholders when reviewing the Company's remuneration policies.

Shareholders should note that if 25% or more of votes cast on this resolution are against adoption of the Remuneration Report, the first element in the Board spill provisions introduced in 2011 (known generally as the 'two strikes rule') will be triggered. This will require a resolution on whether to hold a further meeting to spill the board (a 'spill resolution') to be put to shareholders at the 2016 Annual General Meeting if a 'second strike' occurs at the 2016 Annual General Meeting.

### ***Voting exclusions***

Voting exclusions apply to this resolution, as set out in the Notice of Meeting.

## **Recommendation**

The Directors unanimously recommend that shareholders vote in favour of the adoption of the Remuneration Report.

The Chairman of the AGM intends to vote all available and undirected proxies in favour of this resolution.

## **Item 3: Approval of Equity Incentive Plan**

### **Long Term Incentive Arrangements**

#### **Background to the Plan**

The Board has consulted widely about the construction of the executive incentive compensation arrangements with several remuneration advisors and with the HayGroup. The purpose of the Equity Incentive Plan ("**Plan**") is to incentivise senior executives who are in a position to impact the revenue growth and earnings of the company to achieve results that are consistent with the objectives of our shareholders. The Company operates in a global marketplace for online learning that is rapidly changing and growing at a substantial rate every year.

Management and the Board have set internal growth targets that are ambitious but reflect the need for the Company to establish a leading market share in its key markets before competitors do so. The scale of the growth, and the somewhat unpredictable nature of when it will occur means that setting financial targets well into the future is likely not to be very accurate. The Board has determined that the financial hurdle to test the vesting of Performance Rights granted as a long-term incentive should be at the end of the current financial year, but that the vesting should be deferred for three years from grant with a further year of escrow beyond that. The benefit of the multi-year deferral is that executives will be incentivised to continue to achieve superior financial returns even after the financial hurdle has been achieved. The Company has in place good leaver and bad leaver provisions to ensure that executives cannot leave prematurely and expect to receive the benefits associated with their Performance Rights.

No awards have been granted under the Plan as at the date of this Notice but it is intended that participation will be offered to senior executives of the Company for FY16 onwards. Non-executive directors will not be eligible to participate in the Plan. Timothy Wheaton Power, who is the sole executive director of the Company, is the only director who is eligible to participate in the Plan.

## **Summary of Plan terms**

In accordance with Listing Rule 7.2, a summary of the terms of the Plan is as follows.

- The Board may determine to grant awards to Senior Executives in the form of Options or Performance Rights.
- Each Performance Right is a conditional right to acquire one ordinary share in the Company ("**Share**") for no payment. The Performance Rights will be granted for no consideration.
- Each Option is a conditional right to acquire one Share on exercise by payment of an exercise price determined by the Board during a limited exercise period.
- Awards may be granted in tranches with different vesting periods and will be subject to performance hurdles (in addition to continued employment) as determined by the Board (see below).
- Unless otherwise determined by the Board, the awards will lapse upon the occurrence of any of the following:
  - the participant ceases to be an employee of the group;
  - a takeover, scheme of arrangement or reconstruction affects the Company;
  - any vesting conditions become incapable of satisfaction or are determined by the Board not to be satisfied; or
  - the holder of Awards defaults in any material respect under the rules of the Plan.
- The Board may determine that the awards will vest, lapse or remain outstanding in accordance with the Rules upon the occurrence of certain events such as the participant's retirement, redundancy, permanent disability or death or where there is a change of control, takeover offer, scheme of arrangement or voluntary winding up of the Company. On the occurrence of a change of control, takeover offer or scheme of arrangement the Board may also accelerate the exercise period of any vested Options.
- Under the terms of the Plan, the Board may settle vested Performance Rights and exercised Options by the payment of a cash amount equal to the market price of the relevant securities.
- Under the terms of the Plan, the Board may grant Performance Rights or Options which entitle the holder to receive payments equal in value to the dividends they would have received had they held the shares which they may acquire if and when their Performance Rights vest or Options are exercised. The Board has no current intention of granting Performance Rights or Options with dividend equivalency rights.
- The Board may amend the rules of the Plan (for example, to address or take advantage of regulatory or tax positions in Australia or overseas).

Awards granted under the Plan are subject to both the rules of the Plan and the terms of the specific grant.

The Board's current intention is to grant Performance Rights under the Plan. The Board has not yet determined whether it will satisfy its obligations on vesting of the Performance Rights by issuing new shares, delivering shares that are acquired on-market or by paying a cash amount equal to the market price of the shares.

## ***Participation in new issues of Shares***

In accordance with Listing Rule 6.19, it is noted that the holder of an Option or a Performance Right cannot participate in a new issue of Shares without exercising the Option or the Performance Right vesting.

## ***Proposed terms of FY16 offers***

The Board proposes to grant Performance Rights to Senior Executives as a long-term incentive in respect of the FY16 year on the following terms:

- **Vesting:** The Performance Rights will vest following the release of the Company's financial results for the year ended 30 June 2018 if the Company's earnings per share ("**EPS**") for the financial year ended 30 June 2016 is equal to or greater than a target amount set by the Board.

The percentage of Performance Rights that vest, if any, will be determined over the Performance Period by reference to the following vesting schedule:

<b>Company's EPS for FY2016</b>	<b>% of Performance Rights that vest</b>
Less than threshold	Nil
Threshold	50%
Between threshold and stretch	Straight line vesting between 50%-100%
Stretch	100%

The threshold and stretch targets for the Company's FY2016 EPS have been set by the Board in the context of ambitious growth targets. These target and stretch thresholds will be advised in the Remuneration Report for FY16 as this detail is commercially sensitive.

In accordance with the rules of the Plan, a participant's Performance Rights will ordinarily lapse if they cease to be an employee of the Group prior to the release of the Company's financial results for the year ended 30 June 2018.

- **Escrow:** All of the Shares delivered to participants on the vesting of their Performance Rights will be subject to a trading restriction for one year from the

vesting date. This means that in the ordinary course, the earliest a participant will be able to deal with their Shares will be the 12 month anniversary of the release of Company's financial results for the year ended 30 June 2019.

### ***Additional terms and restrictions***

In the event of any capital reorganisation of the Company (including bonus issues, other pro rata issues or corporate reconstruction), the participant's Performance Rights will be adjusted, as set out in the Rules. In general, it is intended that the participant will not receive any advantage or disadvantage from such an adjustment not received by holders of Securities and any adjustment must be consistent with the Listing Rules and Corporations Act.

Performance Rights will not attract voting rights in respect of Shares until the Performance Rights vest and Shares are allocated, whether or not the Shares are subject to an escrow. Income tax will be the responsibility of the participants.

A participant may not sell, assign, transfer or otherwise deal with, or grant a security interest over Performance Rights without the prior written approval of the Board. Performance Rights may lapse immediately on any purported sale, assignment, transfer, dealing or grant of security interest. In addition, it is contrary to the Company's Securities Trading Policy and the law for participants to seek or enter into derivative contracts that hedge their exposure to movements in the price of Shares while they hold Performance Rights that have not vested.

Following vesting, disposal of Shares allocated under the Plan will be subject to the Company's Security Trading Policy.

### ***Regulatory requirements for Item 3***

While Shareholder approval of equity incentive schemes is not required it is considered best practice to do so. There is also a benefit having regard to the placement limit under Listing Rule 7.1 which provides that the Company must not issue or agree to issue more than 15% of its issued capital in any 12 month period without Shareholder approval. Listing Rule 7.2 provides an exception to this rule where Shares are issued under an employee incentive scheme and Shareholders have approved the issue of Shares under that scheme (as an exception to Listing Rule 7.1) within three years before the date of issue of the Shares.

Shareholder approval is being sought for the issue of Awards under the Plan and, on the vesting or exercise of those Awards, the issue of Shares in the next three years for the purposes of Listing Rule 7.1. The effect of such approval being granted is that the number of Shares issued under the Plan will not be included in determining whether any further issues of Shares in the next three years will breach the 15% limit under Listing Rule 7.1 in respect of

any 12 month period. This will allow the Company to maintain flexibility to raise funds in the future.

In addition, if approval is given, any benefits received under the Plan by participants that are directors of the Company (currently the only director entitled to participate is Timothy Wheaton Power) or who hold an executive or managerial office upon their cessation of employment will not be prohibited under the retirement benefit provisions of section 200B of the Corporations Act. Benefits may include the Board using its discretion to determine that a participant's Awards:

- will not lapse on the cessation of their employment but will be retained and vest as if they remained an employee ; or
- will vest on their cessation of employment (which will usually only occur in limited circumstances such as where they are made redundant or retire as set out in the rules of the Plan and as described above).

The value of the benefit such a participant may receive as a result of the early vesting or non-lapse of their Awards for the purposes of the retirement benefit provisions of the Corporations Act cannot be ascertained at the date of this Notice as it will be necessarily determined by the number of Awards vesting or not lapsing and the market value of Shares at that date. However, the key matters, events or circumstances which will, or are likely to affect the number of Awards that the Board determines should vest or not lapse on a participant's cessation of employment and the calculation of the value of those Awards include:

- the number of Awards held by the executive under the Plan at the time of their cessation of employment;
- the market price of Shares at the time of their cessation of employment; and
- the number or proportion of Awards held by the executive which the Board determines should vest or not lapse (which will in turn depend upon factors which may include:
  - the participant's performance since the Awards were granted;
  - the length of time that has lapsed since the Awards were granted;
  - the extent to which the performance conditions have been satisfied at the time the participant ceases employment;
  - the financial performance of the Company and the business or support area in which the participant works;
  - the seniority level of the participant; and
  - the circumstances in which the participant leaves the Company.

## ***Recommendation in respect of Item 3***

The Directors (other than Mr Timothy Wheaton Power who has a direct interest and abstained from consideration of the matter) unanimously recommend that Shareholders vote in favour of Item 3.

The Chairman of the AGM intends to vote all available and undirected proxies in favour of this resolution.

## ***Voting exclusions***

Voting exclusions apply to this resolution, as set out in the Notice of Meeting.

## **Item 4: Re-election of Director –Claire Hatton**

Ms Claire Hatton was appointed to the Board on 2 June 2014.

Background biographical details of Ms Claire Hatton are as follows:

**Title:** Independent Non - Executive Director

**Qualifications:** BSc, MBA, GAICD

**Experience and Expertise:** Over 20 years of global experience in strategy, sales, marketing and operations. Significant experience in the digital and technology market. Previously held senior roles at Google, Travelport and Zuji.com.

**Other current directorships:** None

**Former directorships (last 3 years):** None

**Special responsibilities:** Member of the Nomination and Remuneration Committee and Member of the Audit & Risk Committee.

**Interest in shares:** Direct holding of 25,000 ordinary shares

## ***Recommendation***

The re-election of Ms Claire Hatton is unanimously recommended by the Board.

## **Quorum and voting**

The constitution of the Company provides that at least 3 shareholders present in person or by proxy constitute a quorum. The quorum must be present at all times during the meeting. If a quorum is not present within 15 minutes after the scheduled time for the meeting, the meeting will be adjourned. The Directors of the Company have decided that the adjourned meeting will be held immediately after the adjournment. Members present (being at least

two) in person or by proxy 30 minutes after the commencement of the adjourned meetings will constitute a quorum. On a show of hands each shareholder present in person or by proxy has one vote. On a poll:

- each shareholder present in person has one vote for each share held by them; and
- each person present as proxy, attorney or representative of a shareholder has one vote for each share held by the shareholder that the person represents; and
- each shareholder who has duly lodged a valid direct vote in respect of the relevant resolution has one vote for each share held by them.

The ordinary resolutions of the Company must be passed by more than 50% of the total votes cast on the resolution by shareholders present in person or by proxy and entitled to vote.

## Individuals

If you plan to attend the meeting, we ask that you arrive at the meeting venue at least 30 minutes prior to the designated time so we record your attendance and provide you with your voting/admission card.

## Corporations

In order to vote on a show of hands at the meetings, a shareholder who is a corporation must appoint a person to act as its representative or appoint a proxy. The appointment of a corporate representative must comply with Sections 250D and 253B of the Corporations Act. The representative should bring to the meetings evidence of his or her appointment including any authority under which it is signed.

## Voting exclusions - Resolutions 2 and 3

The Company will disregard any votes cast (in any capacity) on Resolution 2 by and on behalf of:

- a member of the key management personnel ("**KMP**") of the Company (including the Directors) as disclosed in the 2015 Remuneration Report ; and
- a closely related party of a KMP (such as a close family member members and any companies the person controls), whether as a shareholder or as a proxy.

However, a vote may be cast on Resolution 2 by a KMP, or a closely related party of a KMP, if:

- the vote is cast as a proxy on behalf of a person who is not also a KMP or a closely related party of a KMP and the proxy appointment is in writing and specifies how the proxy is to vote on Resolution 2; or

- the KMP is the chair of the meeting casting the vote as a proxy and their appointment expressly authorises the chair to exercise the proxy even though Resolution 2 is connected directly or indirectly with the remuneration of a member of the KMP of the Company.

The Company will disregard any votes cast on Resolution 3 if they are cast by Timothy Wheaton Power or his associates.

Mr Power and his associates will not have their votes on Resolution 3 disregarded if:

- they are acting as a proxy for a person who is entitled to vote, in accordance with the directions on a proxy form; or
- they are chairing the meeting as proxy for a person who is entitled to vote, in accordance with a direction on a proxy form to vote as the proxy decides.

In addition, under the Corporations Act, a vote must not be cast on Resolution 3, by a KMP, or a closely related party of a KMP, acting as proxy, if their appointment does not specify the way the proxy is to vote on the resolution. However, this voting exclusion does not apply if the KMP is the Chairman of the Meeting acting as proxy and their appointment expressly authorises the Chairman of the Meeting to exercise the proxy even though the resolution is connected directly or indirectly with the remuneration of a member of the KMP.

## Voting by Proxy

Your personalised proxy form and a reply-paid envelope accompany this Notice.

A registered member entitled to attend and vote at the Meeting is entitled to appoint one or two proxies, to attend and vote on their behalf at the Meeting. A proxy need not be a registered holder.

Where two proxies are appointed, neither proxy may vote on a show of hands and each proxy should be appointed to represent a specified proportion of the member's voting rights. If the proxy appointments do not specify the proportion of the member's voting rights that each proxy may exercise, each proxy may exercise half of the member's votes.

To be effective, proxy forms must be received online or by using the reply paid envelope (included with this Notice) or by post, facsimile or delivery at the offices of the Company's Share Registrar, as follows:

**Online:** Login to the Link website using the holder details as shown on the Voting Form. Select "Voting" and follow the prompts to lodge your vote. To use the online lodgement facility, shareholders will need their Holder Identifier (Securityholder Reference Number (SRN) or Holder Identification Number (HIN) as shown on the front of the Voting Form). You will be taken to have signed your proxy form if you lodge it in accordance with the instructions given on the website.

**By Post:** IPE Limited  
Link Market Services Limited  
Locked Bag A14  
Sydney South NSW 1235 Australia;

**By Facsimile:** 61 2 9287 0309; or

**Delivery to:** Link Market Services Limited  
1A Homebush Bay Drive,  
Rhodes NSW 2138

**by 2:00p.m. EST on Tuesday, 17 November 2015.** Proxy forms received after this time will be invalid.

The proxy form enables a shareholder to vote for or against, or abstain from voting on a resolution. A shareholder may direct the proxy holder how to vote in respect of each resolution.

The Chairman of the Meeting intends to vote undirected proxies in favour of all items of business.

## Voting Entitlement

Pursuant to Corporations Regulations 7.11.37 and 7.11.38, and the ASX Settlement Operating Rules, the Board has determined that, subject to the voting exclusion above, the holding of each shareholder for the purposes of ascertaining the voting entitlements for the AGM will be the entitlement of that person set out in the Company register as at 7.00 pm (Sydney time) on Tuesday, 17 November 2015. Share transfers registered after that time will be disregarded in determining entitlements to vote at the AGM.

## Discussions and asking questions

Discussions at the meeting will take place on all items of business set out in the Notice of Meeting. Shareholders will have the opportunity to ask questions at the meeting of the Company and also of the Auditor.

---

To ensure that as many Shareholders as possible have the opportunity to speak, we ask you to observe the following courtesies:

- it would be appreciated if questions are kept as short as possible; and
- speakers are requested to restrict themselves to two questions or comments initially. Others may have waited some time to speak. If time permits, anyone wishing to speak more than once will be given a subsequent opportunity.

Shareholders who are unable to attend the meeting or who prefer to register questions in advance are invited to do so. All questions must be sent to and received by the Company no later than five (5) business days before the date of the meetings. Any questions should be directed to <http://www.3plearning.com/investors/shareholders/>. The most frequently asked questions, together with answers, will be made available online <http://www.3plearning.com/investors/shareholders/>.