

## Notice of Annual General Meeting

Notice is given that the 2018 Annual General Meeting of Redbubble Ltd (**Company**) will be held on Wednesday 24 October 2018, commencing at 5.00pm (Melbourne time). The meeting will be held at Level 10, 271 Collins Street, Melbourne, Victoria 3000, Australia. The meeting will also be webcast. The details for joining the webcast will be circulated in the lead up to the meeting. The explanatory statement which accompanies this notice describes the matters to be considered at the AGM.

### AGENDA:

#### ORDINARY BUSINESS:

##### Financial Statements and Reports:

To receive and consider the Financial Report of the Company (being the audited financial report for the Company and its consolidated entities for the financial year ended 30 June 2018) and the reports of the Directors and the Auditor (Ernst & Young).

The Financial Report can be viewed on the Redbubble Investor Centre website at: [shareholders.redbubble.com](http://shareholders.redbubble.com) on the 'Annual Reports' page under the 'Reports, Results & Presentations' tab.

##### Resolution 1: Remuneration Report

To consider, and if thought fit, pass the following resolution as a non-binding ordinary resolution:  
*'That the Remuneration Report for the year ended 30 June 2018 be adopted.'*

The Remuneration Report can be viewed on the Redbubble Investor Centre website at: [shareholders.redbubble.com](http://shareholders.redbubble.com) on the 'Annual Reports' page under the 'Reports, Results & Presentations' tab.

##### Resolution 2: Election of Mr. Greg Lockwood as a Director

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

*'That, Mr Greg Lockwood, who retires in accordance with the Company's Constitution and ASX Listing Rules and being eligible offers himself for election as a Director of the Company, be elected as a Director of the Company.'*

##### Resolution 3: Election of Ms. Jennifer Macdonald as a Director

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

*'That, Ms. Jennifer Macdonald who, having been appointed by the Board as a Director since the last AGM, retires in accordance with the Company's Constitution and ASX Listing Rules and being eligible offers herself for election as a Director of the Company, be elected as a Director of the Company.'*

##### Resolution 4: Election of Ms. Anne Ward as a Director

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

*'That, Ms. Anne Ward who, having been appointed by the Board as a Director since the last AGM, retires in accordance with the Company's Constitution and ASX Listing Rules and being eligible offers herself for election as a Director of the Company, be elected as a Director of the Company.'*

**Resolution 5: Election of Mr. Martin Hosking as a Director**

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

*'That, Mr. Martin Hosking, who, having been appointed by the Board as the Managing Director at the 2014 AGM before becoming a Non-executive Director on 1 October 2018 (following his retirement from executive duties on that date), retires as a Director in accordance with the Company's Constitution and ASX Listing Rules and being eligible offers himself for election as a Director of the Company, be elected as a Director of the Company'*

**SPECIAL BUSINESS:**

**Resolution 6: Grant of Performance Rights to Non-executive Directors**

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

*'That approval be given, for the purposes of ASX Listing Rule 10.14 and for all other purposes, to the grant of Performance Rights to Non-executive Directors of the Company under the Redbubble Equity Incentive Plan and on the terms set out in the explanatory statement to this notice.'*

**Resolution 7: Grant of Performance Rights, Share Appreciation Rights and Deferred Share Rights to the Managing Director and Chief Executive Officer, Mr. Barry Newstead**

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

*'That approval be given, for the purposes of ASX Listing Rule 10.14 and for all other purposes, to the grant to the Managing Director and Chief Executive Officer, Mr Barry Newstead, of 875,000 Performance Rights, 5,666,668 Share Appreciation Rights and 45,304 Deferred Share Rights under the Redbubble Equity Incentive Plan and on the terms set out in the explanatory statement to this notice.'*

**Voting exclusions**

The Company will disregard any votes cast on the resolutions above by certain persons. Details of the applicable voting exclusions are set out in the 'Voting exclusions' section of the Notes to this notice.

By order of the Board of Directors:



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Paul Gordon - Company Secretary, Redbubble Limited

18 September 2018

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Dated

## Notes

Regulation 7.11.37 of the *Corporations Regulations 2001* (Cth) permits the Company to specify a time, not more than 48 hours before a general meeting, at which a 'snap-shot' of shareholders will be taken for the purposes of determining shareholder entitlements to vote at the meeting.

The Board has determined that the registered holders of shares at 7.00pm (Melbourne time) on 22 October 2018 will be taken to be holders of shares for the purposes of the meeting and accordingly, will be entitled to vote at the meeting.

### How to Vote

**By Mail:** Locked Bag A14 Sydney South NSW 1235

**By Fax:** +61 2 9287 0309

**By Hand:** Link Market Services Level 12, 680 George Street SYDNEY, NSW 2000

**Online:** [www.linkmarketservices.com.au](http://www.linkmarketservices.com.au)

Step 1: Select Investor Login from the right hand menu.

Step 2: Select Redbubble Limited as the Issuer.

Step 3: Enter your Holder Identifier

(which appears under the barcode on the front of your proxy form) and your postcode or Country.

Step 4: Enter the security code, tick the box to accept the terms and conditions and click "Login"

Step 5: Select "Voting" from the top menu and follow the prompts to lodge your Proxy.

### Voting by proxy

Please note that, in accordance with section 249L of the Corporations Act 2001 (Cth) and Rule 43 of the Company's Constitution:

- a shareholder entitled to attend and vote at a general meeting is entitled to appoint a proxy;
- a proxy need not be a shareholder of the Company; and
- a shareholder entitled to cast two or more votes may appoint two proxies and may specify the proportion or number of votes each proxy is appointed to exercise, but where the proportion or number is not specified, each proxy may exercise half of the votes. Where a shareholder has appointed more than one person as its proxy, representative or attorney, none of the proxies, representatives or attorneys is entitled to vote on a show of hands.

Instructions on how to complete and submit the proxy form (including on-line) are on the reverse of the proxy form attached to this notice.

The Chair intends to vote undirected proxy votes in favour of all resolutions (subject to the voting exclusions below).

### Voting by corporate representative

A shareholder or proxy that is a corporation and entitled to attend and vote at a general meeting may appoint an individual to act as its corporate representative to vote at the meeting. The appointment must comply with section 250D of the Corporations Act. The representative should bring to the meeting evidence of his or her appointment unless it has previously been provided to the Share Registry (Link Market Services Limited).

A form of that certificate may be obtained online at [linkmarketservices.com.au](http://linkmarketservices.com.au). Select 'Investor Services' from the orange menu, then 'Forms' and download the pdf document titled '[Appointment of Corporate Representation](#)'.

### **Voting by attorney**

Any shareholder may, by properly executed power of attorney, appoint an attorney to act on the shareholder's behalf at a general meeting. An attorney need not themselves be a shareholder. The attorney may be authorised to appoint a proxy for the shareholder granting the power of attorney.

The power of attorney appointing the attorney must be signed and specify the name of each of the shareholder, the Company and the attorney, and also specify the meeting(s) at which the appointment may be used. The appointment may be a standing one.

A certified copy of a power of attorney must be lodged with the Share Registry not later than 48 hours before the commencement of the meeting.

### **Attending the meeting after submitting a proxy or attorney**

Please note that a shareholder who has submitted a proxy or attorney may attend the meeting. However, a proxy or attorney is not revoked by the shareholder attending the meeting unless they instruct the Company or the Share Registry prior to the meeting that they wish to vote in person on any or all of the resolutions, in which case the proxy or attorney or direct vote is revoked entirely for the meeting.

### **Resolutions**

Resolutions 1 to 7 are all ordinary resolutions, which means that, to be passed, the item needs the approval of a simple majority of the votes cast by shareholders entitled to vote on the resolution.

### **Voting exclusions**

The Corporations Act and the ASX Listing Rules require that certain persons must not vote, and the Company must disregard any votes cast by or on behalf of certain persons, on three of the resolutions to be considered at the AGM (i.e. Resolutions 1, 6 and 7). These voting exclusions are described below.

For the purposes of all the voting exclusions below:

- The 'KMP' (or 'key management personnel') are those persons having authority and responsibility for planning, directing and controlling the activities of the consolidated group, either directly or indirectly. This includes all Directors (executive and non-executive), the Chief Executive Officer, Chief Financial Officer and the Chief Operating Officer. The KMP for the consolidated group during the year ended are listed in the Company's 2018 Remuneration Report.
  
- A 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.

**Resolution 1: Remuneration Report**

Votes may not be cast, and the Company will disregard any votes cast on, resolution 1:

- by or on behalf of a member of the Company's KMP named in the Company's Remuneration Report for the year ended 30 June 2018, or any of their closely related parties, regardless of the capacity in which the votes are cast; or
- by a person who is a member of the Company's KMP at the time the resolution is voted on at the AGM, or their closely related parties, as a proxy,

unless the votes are cast as a proxy for a person entitled to vote on resolution 1:

- in accordance with a direction in the proxy appointment; or
- by the Chair pursuant to an express authorisation in the proxy appointment to cast the vote even if the resolution is connected directly or indirectly with the remuneration of a member of the Company's KMP.

**Resolutions 2, 3, 4 and 5:**

2. *Election of Mr. Greg Lockwood as a Director*
3. *Election of Ms. Jennifer Macdonald as a Director*
4. *Election of Ms. Anne Ward as a Director*
5. *Election of Mr. Martin Hosking as a Director*

No voting exclusions apply in relation to resolutions 2, 3, 4 or 5.

**Resolutions 6 and 7:**

6. *Grant of Performance Rights to Non-executive Directors*
7. *Grant of Performance Rights, Share Appreciation Rights and Deferred Share Rights to the Managing Director and Chief Executive Officer, Barry Newstead*

Votes may not be cast, and the Company will disregard any votes cast:

- in favour of resolutions 6 or 7 by any Director who is eligible to participate in the Redbubble Equity Incentive Plan, or any of their associates, regardless of the capacity in which the votes are cast; or
- in favour of or against resolutions 6 or 7 by any person who is a member of the Company's KMP at the time the resolution is voted on at the AGM, or any of their closely related parties, as a proxy,

unless the vote is cast as a proxy for a person entitled to vote on the resolution:

- in accordance with a direction in the proxy appointment; or
- by the Chair pursuant to an express authorisation in the proxy appointment to cast the vote even if the resolution is connected directly or indirectly with the remuneration of a member of the Company's KMP, and in accordance with a direction in the proxy appointment to vote as the proxy decides.

The Company will also apply all the voting exclusions above to persons appointed as attorney by a shareholder to attend and vote at the AGM under a power of attorney, as if they were appointed as a proxy.

**Enquiries**

Shareholders are invited to contact Paul Gordon, Company Secretary, on +61 (0) 400 961 802 or at [paul.gordon@redbubble.com](mailto:paul.gordon@redbubble.com) if they have any queries in respect of the matters set out in this document.

## Explanatory Statement

This explanatory statement has been prepared for the information of shareholders in relation to the business to be conducted at the AGM. The purpose of this explanatory statement is to provide shareholders with all information known to the Company which is material to a decision on how to vote on the resolutions in the preceding notice. This explanatory statement should be read in conjunction with the preceding notice.

### Annual General Meeting

#### Financial statements and reports

The Company's Constitution provides that the business of an annual general meeting of the Company is to include the receipt and consideration of the accounts and reports required by the Corporations Act to be laid before shareholders at the meeting.

The Financial Report for the financial year ended 30 June 2018 ("**Financial Report**") has been previously circulated to shareholders.

The Financial Report is available to view on the Company's Investor Centre website: [shareholders.redbubble.com](http://shareholders.redbubble.com) - on the 'Annual Reports' page under the 'Reports, Results & Presentations' tab. Also hard copies of the Annual Report, containing the signed Financial Report, will be available at the AGM.

There is no requirement for shareholders to approve the Financial Report and no vote will be taken on the Report. However, shareholders attending the AGM will be given a reasonable opportunity to ask the Company and the Auditor questions about, or make comments on, the Financial Report and the management of the Company.

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### Resolution 1: Remuneration Report

Shareholders are asked to adopt the Company's Remuneration Report for the financial year ended 30 June 2018 ("**Remuneration Report**").

The Remuneration Report is available to view on the Company's Investor Centre website: [shareholders.redbubble.com](http://shareholders.redbubble.com) - on the 'Annual Reports' page under the 'Reports, Results & Presentations' tab. Also hard copies of the Annual Report, containing the signed Remuneration Report, will be available at the AGM.

The Remuneration Report:

- outlines the key developments that impacted on the Company's remuneration strategy during the financial year ended 30 June 2018;
- explains the Board's policies in relation to the objectives and structure of remuneration;
- highlights the links between the Company's performance and the remuneration received by Directors and KMP;
- explains the components of remuneration for Directors and KMP, including relevant performance conditions; and
- sets out the remuneration details for the Directors and other KMP.

A reasonable opportunity for shareholders to ask questions about, or make comments on, the Remuneration Report will be provided at the AGM. The shareholder vote on the Remuneration Report is advisory only and does not bind the Directors or the Company, in accordance with section 250R of the Corporations Act.

Voting exclusions apply in relation to this resolution - described in the notes relating to voting on pages 4 and 5.

**Board recommendation**

Noting that each Director has a personal interest in their own remuneration from the Company (as described in the Remuneration Report) and, that each Director (or any closely related party of a Director) is excluded from voting their shares on the resolution (as described in the 'Voting exclusions' section of the Notes to the notice), the Directors unanimously recommend that shareholders vote in favour of the adoption of the Remuneration Report.

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**Resolution 2: Election of Mr. Greg Lockwood as a Director**

Rule 50(a) of the Company's Constitution provides that a Director may not hold office for a continuous period in excess of three years or past the conclusion of the third annual general meeting following the Director's last election or re-election, whichever is the longer, without submitting for re-election by the company. Mr. Greg Lockwood retired and was re-elected at the Company's 2015 AGM and, being eligible, now stands for election at the meeting.

Brief biographical details for Mr. Lockwood follow:

***Mr Greg Lockwood***

Greg Lockwood was appointed as a Non-executive director with effect from June 2015. Greg is a partner of Piton Capital, which is a shareholder in Redbubble. In 1999, Greg founded UBS Capital's early stage venture investing activities in Europe. Subsequently, he co-founded Piton Capital, the London-based venture capital fund specialising in marketplaces and business models with network effects. Prior to his venture capital activities, Greg worked in telecommunications corporate finance with UBS in London and Zurich and held operating roles in classified media publishing in Toronto. Greg has an Honours Business degree from the University of Western Ontario, and a Master's degree in management from the Kellogg Graduate School of Management.

**Board recommendation**

The Directors recommend (with Mr. Lockwood abstaining) that shareholders vote in favour of resolution 2.

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**Resolution 3: Election of Ms. Jennifer Macdonald as a Director**

The Company's Constitution provides that any Director appointed as an addition to the Board under Rule 48(c) (other than an exempt Managing Director) may hold office only until the end of the next annual general meeting of the Company and is then eligible for election at that meeting without needing to give any prior notice of an intention to submit for election. Ms. Jennifer Macdonald was appointed as an addition to the Board under Rule 48(c) of the Constitution and now stands for election at the meeting.

Brief biographical details for Ms. Macdonald follow:

***Ms. Jennifer (Jenny) Macdonald***

Jenny Macdonald is a professional company director, currently serving on the board and audit committee of ASX-listed Australian Pharmaceuticals Ltd (ASX: API), the parent company of Priceline Pharmacy, Soul Pattinson Chemist and Pharmacist Advice, and serves as the Audit Chair for both Redflow Ltd (ASX:RFX) and Bapcor Ltd (ASX:BAP). Jenny previously held Non-Executive Director roles at online services marketplace hipages Group, and non-profit organisation Fitted for Work. She also has extensive experience working for ASX-listed and global companies at the CFO and general management level, including as CFO and interim CEO at Helloworld Limited, and CFO and General Manager International with REA Group. Jenny holds a Masters of Entrepreneurship and Innovation: Swinburne University (Victoria), a Graduate Diploma from the Securities Institute of Australia and a Bachelor of Commerce from Deakin University (Victoria). She is a Graduate of the Australian Institute of Company Directors and a Member of the Institute of Chartered Accountants ANZ.

**Board recommendation**

The Directors recommend (with Ms. Macdonald abstaining) that shareholders vote in favour of resolution 3.

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**Resolution 4: Election of Ms. Anne Ward as a Director**

The Company's Constitution provides that any Director appointed as an addition to the Board under Rule 48(c) (other than an exempt Managing Director) may hold office only until the end of the next annual general meeting of the Company and is then eligible for election at that meeting without needing to give any prior notice of an intention to submit for election.

Ms. Anne Ward was appointed as an addition to the Board under Rule 48(c) of the Constitution and now stands for election at the meeting.

Brief biographical details for Ms. Ward follow:

***Ms. Anne Ward***

Anne Ward is a professional company director with over 30 years extensive experience in business management, strategy, finance, risk and governance across a range of industries including banking, financial services, technology, healthcare, education, property and tourism. Anne is independent Chairman of Colonial First State Investments Ltd, Chairman of Qantas Superannuation Ltd, a Director of ASX listed MYOB Group Ltd (ASX:MYO), and, until recently, Chairman of the Zoological Parks and Gardens Board in Victoria. She is currently a member of the Council at RMIT University, a Director of the Foundation for Imaging Research, and a Governor of the Howard Florey Neuroscience Institutes. Prior to becoming a professional director, Anne was a commercial lawyer for 28 years and was General Counsel for Australia at the National Australia Bank. She holds a Bachelor of Laws and a Bachelor of Arts from the University of Melbourne, is admitted as a barrister and solicitor in the Supreme Court of Victoria and is a Fellow of the Australian Institute of Company Directors.

**Board recommendation**

The Directors recommend (with Ms. Ward abstaining) that shareholders vote in favour of resolution 4.

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**Resolution 5: Election of Mr. Martin Hosking as a Director**

The Company's Constitution provides that any Director appointed under Rule 48(c) (other than an exempt Managing Director) may hold office only until the end of the next annual general meeting of the Company and is then eligible for election at that meeting without needing to give any prior notice of an intention to submit for election.

Mr. Martin Hosking was appointed as the Company's Managing Director at the 2014 AGM before becoming a Non-executive Director on 1 October 2018 (following his retirement from executive duties on that date). Mr Hosking now stands for election at the meeting.

Brief biographical details for Mr. Hosking follow:

***Mr. Martin Hosking***

Martin Hosking is a co-founder of Redbubble. He became the CEO and Managing Director in July 2010. Martin transitioned to an Executive Director role on 1 August 2018 (upon the appointment of Barry Newstead as CEO and Managing Director), before becoming a Non-executive Director from 1 October 2018. Martin has spent over 20 years scaling Australian technology companies. Previously, Martin was the chair of Aconex, a SaaS provider to construction firms, and Southern Innovation, a digital pulse processing solution. He was instrumental in the development and subsequent listing on the NASDAQ of search company, LookSmart. Martin started his career as a diplomat with the Australian Department of Foreign Affairs and Trade before joining McKinsey & Company, serving clients focusing on emerging technologies. Martin has a Bachelor of Arts (Hons – First class) degree from the University of Melbourne and an MBA (with distinction) from Melbourne Business School, where he has also lectured. Martin is a graduate of the Australian Institute of Company Directors.

**Board recommendation**

The Directors recommend (with Mr. Hosking abstaining) that shareholders vote in favour of resolution 5.

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**Resolution 6: Grant of Performance Rights to Non-executive Directors**

Shareholders are being asked to approve the equity component of the remuneration of Non-executive Directors, which involves the grant of Performance Rights (being share options with a zero-exercise price) under the Redbubble Equity Incentive Plan.

If approval is granted, it will operate for a period of three years with respect to all Non-executive Directors (including any Non-executive Director appointed or elected after the AGM).

The key components of the Company's Non-executive Director remuneration policy are:

- Non-executive Directors' remuneration, inclusive of superannuation, is set at a small premium to the 50th percentile of Redbubble's benchmark peer-set, with adjustments to exclude outliers (for example, companies who do not compensate directors);
- Non-executive Directors' remuneration is periodically (no more than annually) reviewed to benchmarks and adjusted if the benchmark is greater than a five per-cent variance to the then-current remuneration;
- Non-executive Directors' remuneration is paid two-thirds in cash and one-third in Performance Rights;



- The Performance Rights component of Non-executive Directors' remuneration is awarded annually and their number determined by reference to the volume-weighted average share price of Redbubble Limited shares over the five days immediately post release of the Company's most recent fourth-quarter Appendix 4C announcement;
- A particular grant of Performance Rights will vest in 1/12<sup>th</sup> equal monthly instalments over the 12 months commencing from the date of grant;
- The shares issued following exercise of Performance Rights are restricted from trading, with the restrictions being released over the three years commencing from the anniversary of the grant date (i.e. such that all restrictions are released four years after grant);
- The Board Chair's compensation is set at twice the Non-executive Directors' remuneration, with the same cash/Performance Right split per above;
- The Chairs of the: (i) Audit and Risk Committee; and (ii) People and Nomination Committee; both receive additional fees of \$15,000 on top of their Non-executive Director's remuneration, with such additional fees on the basis of the same cash/Performance Right split per above; and
- Both the Directors' cash fees and value of equity will be counted for the purpose of the Directors' fee cap approved prior to the Company's May 2016 ASX listing.

The Non-executive Directors' remuneration policy described above applies to each Non-executive Director, excluding Mr. Greg Lockwood. Mr. Lockwood is a partner at Piton Capital, a private equity firm that currently holds shares in the Company. Mr. Lockwood has agreed not to receive fees for acting as a director, consistent with Piton Capital's policy to not accept board fees in the absence of other institutional investors receiving board fees.

In accordance with the ASX Listing Rules, shareholder approval is being sought for the grant of the Performance Rights to the Non-executive Directors. The key terms relating to the proposed grants of Performance Rights, and other information required to be included in this document under ASX Listing Rule 10.15A, is set out below.

<i>Equity type:</i>	<p>Performance Rights, being share options with a zero exercise price.</p> <p>Each Performance Right confers a right to receive one fully paid Redbubble share upon exercise (or, at the discretion of the Board, a cash equivalent) (subject to adjustment under the rules of the Redbubble Equity Incentive Plan, for example as a result of a reorganisation of Redbubble's capital).</p>
<i>Number of Performance Rights to be granted:</i>	<p>The maximum number of Performance Rights that may be acquired by a particular Non-executive Director in respect of a particular year is that number arrived at based on the formula described above.</p> <p>In the case of the 12-month period commencing 1 November 2018, the annual remuneration amounts (inclusive of superannuation) of each Non-executive Director (excluding Mr. Lockwood), and the number of Performance Rights comprising the equity component of those amounts, based on the volume-weighted average share price of Redbubble Limited shares over the five days immediately post release of the Company's most recent fourth-quarter Appendix 4C announcement of \$1.56, have been determined to be:</p> <ul style="list-style-type: none"> <li>• Mr. Richard Cawsey, Board Chair and Non-executive Director: \$184,500, with the equity component comprising 39,423 Performance Rights;</li> <li>• Ms Anne Ward, People and Nomination Committee Chair and Non-</li> </ul>



executive Director and Mr. Grant Murdoch, Audit and Risk Committee Chair and Non-executive Director: \$107,250 each, with the equity component comprising 22,916 Performance Rights each;

- Dr. Hugh Williams, Mr Martin Hosking and Ms Jennifer Macdonald, each a Non-executive Director: \$92,250 each, with the equity component comprising 19,711 Performance Rights each.

*Grant Date:*

The Company anticipates that the Performance Rights will be granted on or about 1 November 2018, 2019 and 2020. In any event, no Performance Rights will be granted pursuant to resolution 6 more than three years after the 2018 AGM.

*Vesting Schedule:*

A particular grant of Performance Rights will vest in 1/12<sup>th</sup> equal monthly instalments over the 12 months commencing from the date of grant.

Under the Redbubble Equity Incentive Plan, the Board has discretion to determine that, in the event that there is a change of control of the Company, some or all of the unvested Performance Rights held by a Non-executive Director will lapse or that vesting of some or all of those Performance Rights will be accelerated. The Board has a similar discretion where a Non-executive Director ceases to be a director of the Company as a result of an 'Uncontrollable Event' (being death, permanent disablement, retirement, retrenchment or other circumstances as determined by the Board). In the event that a Non-executive Director ceases to be a director otherwise than as a result of an Uncontrollable Event, all unvested Performance Rights held by them will automatically lapse. In addition, unvested Performance Rights held by a Non-executive Director will automatically lapse in certain other circumstances (such as if the Board determines that they have engaged in fraud or gross misconduct).

*Exercise Period:*

Performance Rights that have vested are able to be exercised for a period of ten (10) years after the date of grant.

*Trading Restrictions:*

The shares issued following exercise of Performance Rights will be restricted from trading, with the restrictions being released over the three years commencing from the first anniversary of the grant date (i.e. such that all restrictions are released four years after grant).

*Other Information:*

- No amount will be payable by in connection with the grant of the Performance Rights.
- There is no loan in relation to the Performance Rights.
- All Directors are entitled to participate in the Redbubble Equity Incentive Plan (noting that Mr Greg Lockwood does not participate for the reasons disclosed above).
- The rules of the Redbubble Equity Incentive Plan include clawback provisions under which the Board has discretion to cancel the Performance Rights of any participant who the Board determines has engaged in specified prohibited conduct.
- At the 2017 AGM, the Company obtained the approval of shareholders

under the ASX Listing Rules to the grant of:

- 72,353 Performance Rights to Mr. Cawsey, pursuant to the Company's Non-executive Director remuneration policy;
- 42,059 Performance Rights to Mr. Murdoch, pursuant to the Non-executive Director remuneration policy;
- 36,176 Performance Rights to Dr. Williams, pursuant to the Non-executive Director remuneration policy;
- 150,000 Performance Rights and 405,405 Share Options to Mr. Hosking, such grant being Mr Hosking's 2017 Long Term Incentive award as CEO and Managing Director)

in each case, for nil consideration, as further detailed in the 2017 Notice of AGM. Apart from the grant of those securities, no other person referred to in ASX Listing Rule 10.14 has been granted any securities by the Company under an employee incentive plan since the 2017 AGM.

- Details of any Performance Rights granted under the Redbubble Equity Incentive Plan pursuant to this resolution will be published in the Company's annual report for the year in which the relevant grant occurred.

Voting exclusions apply in relation to this resolution, as described in the notes relating to voting on pages 4 and 5.

#### **Board recommendation**

The Directors (with each Non-executive Director abstaining) consider the grant of Performance Rights to Non-executive Directors to be reasonable and appropriate in all the circumstances. The Directors (except for the Non-executive Directors, who make no recommendation) recommend that shareholders vote in favour of resolution 6.

#### **Resolution 7: Grant of Performance Rights, Share Appreciation Rights and Deferred Share Rights to the Managing Director and Chief Executive Officer, Mr. Barry Newstead**

Shareholders are being asked to approve the equity component of the remuneration package for Mr. Barry Newstead in respect of his first four years of employment as CEO, as well as a grant of 45,304 Deferred Share Rights forming part of Mr. Newstead's short-term incentive award for the financial year ending 30 June 2018 in respect of his former role as the Company's Chief Operating Officer.

Mr. Newstead's total CEO remuneration package provides an appropriate and competitive mix of remuneration components with an emphasis on value derived from share price growth and a long-term focus. The three components are fixed remuneration, short-term incentives (STI) and long-term incentives (LTI). The fixed component comprises base salary, allowances and superannuation. Further details regarding Mr. Newstead's CEO remuneration can be found in the Company's ASX release on 26 June 2018- viewable on the Redbubble Investor Centre website at: [shareholders.redbubble.com](http://shareholders.redbubble.com) on the 'ASX Releases' page under the 'Investor Information' tab.

Mr. Newstead's STI is granted to link remuneration to delivery of the Company's strategic plan. The STI is comprised of Performance Rights granted under the Redbubble Equity Incentive Plan, being share options with a zero-exercise price, as further described below.



Mr. Newstead's Long-Term Incentive (LTI) is granted to align his remuneration with the creation of shareholder value over the long-term. The LTI is comprised of Share Appreciation Rights granted under the Redbubble Equity Incentive Plan, which entitle Mr Newstead to a number of shares determined by reference to the increase in Redbubble's share price over a specified period, as further described below.

In accordance with the ASX Listing Rules, shareholder approval is being sought for the grant of 875,000 Performance Rights and 5,666,668 Share Appreciation Rights to Mr. Newstead. These instruments are to comprise Mr. Newstead's STI and LTI for the first four years of Mr. Newstead's employment. Approval is also being sought for the grant of 45,304 Deferred Share Rights, forming part of Mr. Newstead's short-term incentive award for the financial year ending 30 June 2018 in respect of his former role as the Company's COO.

The key terms relating to the proposed grant of Performance Rights, Share Appreciation Rights and Deferred Share Rights, and other information required to be included in this document under ASX Listing Rule 10.15, is set out below.

### **Short Term Incentive relating to CEO position**

<i>Equity type:</i>	<p>Performance Rights, being share options with a zero exercise price.</p> <p>Each Performance Right confers a right to receive one fully paid Redbubble share upon exercise (or, at the discretion of the Board, a cash equivalent) (subject to adjustment under the rules of the Redbubble Equity Incentive Plan, for example as a result of a reorganisation of Redbubble's capital).</p>
<i>Grant Date:</i>	<p>The Performance Rights are expected to be granted as soon as practicable and, in any event, no later than 12 months after the 2018 AGM.</p>
<i>Vesting Schedule:</i>	<p>Subject to the Board determining that relevant key performance indicators (<b>KPIs</b>) have been achieved, 218,750 Performance Rights will vest on 1 August each year, provided Mr. Newstead remains employed as CEO as at the relevant vesting date. Performance Rights that do not vest on their scheduled vesting date will lapse.</p> <p>Mr Newstead's KPIs for the purpose of the Short Term Incentive have initially been set by the Board based 100% on Company performance. This is subject to a six-month review (i.e. at the end of the first half of the 2019 financial year). The Company performance KPIs for this purpose are revenue, operating EBITDA and cash flow.</p> <p>Under the Redbubble Equity Incentive Plan, the Board has discretion to determine that, in the event that there is a change of control of the Company, some or all of the unvested Performance Rights held by Mr. Newstead will lapse or that vesting of some or all of those Performance Rights will be accelerated. The Board has a similar discretion where Mr. Newstead ceases to be employed by the Company as a result of an 'Uncontrollable Event' (being death, permanent disablement, retirement, retrenchment or other circumstances as determined by the Board). In the event that Mr. Newstead ceases to be employed by the Company otherwise than as a result of an Uncontrollable Event, all unvested Performance Rights held by him will automatically lapse. In addition, unvested Performance Rights held by Mr. Newstead will automatically lapse in certain other circumstances (such as if the Board determines that he</p>

has engaged in fraud or gross misconduct).

*Exercise Period:* Performance Rights that have vested are able to be exercised during the period from vesting until the date that is seven years after their grant.

*Trading Restrictions:* Shares issued upon the exercise of Performance Rights will be subject to disposal restrictions for a period of one year from the date of vesting of those Performance Rights.

### **Long Term Incentive relating to CEO position**

*Equity type:* Share Appreciation Rights, being a right to receive, upon exercise, a number of shares (or, at the discretion of the Board, a cash equivalent) determined by reference to the increase in Redbubble's share price over a specified period.

In particular, upon exercise of a Share Appreciation Right, Mr. Newstead is entitled to receive a number of fully paid Redbubble shares determined in accordance with the following formula:

$$(\text{Year-4 VWAP} - \$1.60) / \text{Year-4 VWAP},$$

where **Year-4 VWAP** means the volume weighted average price of Redbubble shares for the forty trading days following the release of Redbubble's Appendix 4E (or Appendix 4C, if applicable) for the period ending 30 June 2022.

The formula is subject to adjustment under the rules of the Redbubble Equity Incentive Plan, for example as a result of a reorganisation of Redbubble's capital.

*Grant Date:* The Share Appreciation Rights are expected to be granted as soon as practicable and, in any event, no later than 12 months after the 2018 AGM.

*Vesting Schedule:* A proportion of outstanding Share Appreciation Rights, as set out below, will vest on the date on which the Board determines the Year-4 VWAP, provided that Mr. Newstead is still employed as CEO of Redbubble as at 1 August 2022:

- (a) if the Year-4 VWAP is equal to or greater than \$3.32 – 100%;
- (b) if the Year-4 VWAP is equal to or less than \$2.34 – 0%; and
- (c) if the Year-4 VWAP is greater than \$2.34 but less than \$3.32 – a proportion of Share Appreciation Rights determined in accordance with the following formula (and rounded down to the nearest whole number):

$$(\text{Year-4 VWAP less } \$2.34), \text{ divided by } \$0.98$$

If Mr. Newstead leaves Redbubble prior to 1 August 2022 other than as a result of resignation or termination for cause, he will retain a pro rata proportion of the Share Appreciation Rights (relative to the amount of the initial four-year employment period that has lapsed as at the date of cessation of employment), and the remainder of the Share Appreciation Rights will lapse, unless determined otherwise by the Board. If Mr. Newstead resigns or is terminated for cause, all unvested Share Appreciation Rights will lapse, unless the Board determines otherwise.

If a 'change of control event' occurs (or the Board determines that such an event is likely to occur), a pro rata proportion of the Share Appreciation Rights

(relative to the amount of the initial four year employment period that has lapsed as at the date of the change of control event) will immediately vest, and the remainder of the Share Appreciation Rights will lapse, unless the Board determines otherwise.

In addition to the general clawback provisions in the rules of the Redbubble Equity Incentive Plan (described in 'Other Information' below), specific clawback provisions apply to the Share Appreciation Rights under Mr. Newstead's employment agreement which require Mr Newstead to pay to the Company an amount equal to the value of any benefit received as a consequence of exercise of Share Appreciation Rights if either:

- the Board determines that Mr. Newstead has engaged in specified prohibited conduct under the general clawback provisions in the Plan rules; or
- following termination of Mr Newstead's employment agreement other than due to serious breach by Mr Newstead, the Company becomes aware of conduct that would have permitted immediate termination due to serious breach.

*Exercise Period:* Share Appreciation Rights that have vested are able to be exercised during the period from vesting until the date that is seven years after their grant.

#### **Short Term Incentive relating to COO position**

*Equity type:* 45,304 Deferred Share Rights, being share options with a zero exercise price.

Each *Deferred Share Right* confers a right to receive one fully paid Redbubble share upon exercise (or, at the discretion of the Board, a cash equivalent) (subject to adjustment under the rules of the Redbubble Equity Incentive Plan, for example as a result of a reorganisation of Redbubble's capital).

*Grant Date:* The Deferred Share Rights are expected to be granted as soon as practicable and, in any event, no later than 12 months after the 2018 AGM.

*Vesting Schedule:* 50% of the Deferred Share Rights will vest one year after the grant date and the remaining 50% will vest two years after the grant date, provided that if Mr. Newstead resigns or is dismissed for misconduct or poor performance prior to a vesting date then the Board of the Company may exercise discretion to forfeit the unvested Deferred Share Rights.

Under the Redbubble Equity Incentive Plan, the Board has discretion to determine that, in the event that there is a change of control of the Company, some or all of the unvested Deferred Share Rights held by Mr. Newstead will lapse or that vesting of some or all of those Deferred Share Rights will be accelerated. The Board has a similar discretion where Mr. Newstead ceases to be employed by the Company.

*Exercise Period:* Deferred Share Rights that have vested are able to be exercised during the period 10 years from the grant date or, if earlier, 90 days after Mr Newstead ceases to be an employee of the Company.

***Other Information***

- No amount will be payable by in connection with the grant of the Performance Rights, Share Appreciation Rights or Deferred Share Rights.
- There is no loan in relation to the Performance Rights, Share Appreciation Rights or Deferred Share Rights.
- All Directors are entitled to participate in the Redbubble Equity Incentive Plan (noting that Mr Greg Lockwood does not participate for the reasons disclosed in the above).
- The rules of the Redbubble Equity Incentive Plan (pursuant to which the Performance Rights, Share Appreciation Rights and Deferred Share Rights described above would be granted) include clawback provisions under which the Board has discretion to cancel such Rights if the Board determines Mr. Newstead has engaged in specified prohibited conduct.
- Details of securities granted to persons referred to in ASX Listing Rule 10.14 since the 2017 AGM are set out in the Explanatory Notes relating to resolution 6.

Voting exclusions apply in relation to this resolution - described in the notes relating to voting on pages 4 and 5.

**Board recommendation**

The Directors (with Mr. Newstead abstaining) consider the proposed grant of Performance Rights, Share Appreciation Rights and Deferred Share Rights to Mr. Newstead to be reasonable and appropriate in all the circumstances. The Directors (except Mr. Newstead) recommend that shareholders vote in favour of resolution 7.



## LODGE YOUR VOTE

**ONLINE**  
www.linkmarketservices.com.au

**BY MAIL**  
Redbubble Limited  
C/- Link Market Services Limited  
Locked Bag A14  
Sydney South NSW 1235 Australia

**BY FAX**  
+61 2 9287 0309

**BY HAND**  
Link Market Services Limited  
1A Homebush Bay Drive, Rhodes NSW 2138; or  
Level 12, 680 George Street, Sydney NSW 2000

**ALL ENQUIRIES TO**  
Telephone: +61 1300 554 474

## PROXY FORM

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

### APPOINT A PROXY

the Chair of the Meeting (mark box)

**OR** if you are **NOT** appointing the Chair of the Meeting as your proxy, please write the name of the person or body corporate you are appointing as your proxy

STEP 1

or failing the person or body corporate named, or if no person or body corporate is named, the Chair of the Meeting, as my/our proxy to act on my/our behalf (including to vote in accordance with the following directions or, if no directions have been given and to the extent permitted by the law, as the proxy sees fit) at the Annual General Meeting of the Company to be held at **5:00pm (AEDT) on Wednesday, 24 October 2018 at Redbubble's Melbourne office - Level 10, 271 Collins Street, Melbourne 3000 (the Meeting)** and at any postponement or adjournment of the Meeting.

**Important for Resolutions 1, 6 and 7:** If I/we have appointed the Chair as my/our proxy (or the Chair becomes my/our proxy by default), I/we expressly authorise the Chair to exercise my/our proxy in respect of Resolutions 1, 6 and 7 even though the Chair is, and those items of business are connected directly or indirectly with the remuneration of, a member of the Company's Key Management Personnel (**KMP**).

**The Chair of the Meeting intends to vote undirected proxies in favour of each item of business.**

### VOTING DIRECTIONS

Proxies will only be valid and accepted by the Company if they are signed and received no later than 48 hours before the Meeting. Please read the voting instructions overleaf before marking any boxes with an

STEP 2

#### Resolutions

Resolutions	For	Against	Abstain*	Resolutions	For	Against	Abstain*
1 Adopt the Remuneration Report	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	5 Election of Director – Mr. Martin Hosking	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
2 Election of Director – Mr. Greg Lockwood	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	6 Grant of Performance Rights to Non-executive Directors	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
3 Election of Director – Ms. Jennifer Macdonald	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	7 Grant of Performance Rights, Share Appreciation Rights and Deferred Share Rights to the MD and CEO, Mr. Barry Newstead	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
4 Election of Director – Ms. Anne Ward	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>				

**i** \* If you mark the **Abstain** box for a particular Item, you are directing your proxy not to vote on your behalf on a show of hands or on a poll and your votes will not be counted in computing the required majority on a poll.

### SIGNATURE OF SHAREHOLDERS – THIS MUST BE COMPLETED

Shareholder 1 (Individual)

Joint Shareholder 2 (Individual)

Joint Shareholder 3 (Individual)

Sole Director and Sole Company Secretary

Director/Company Secretary (Delete one)

Director

This form should be signed by the shareholder. If a joint holding, either shareholder may sign. If signed by the shareholder's attorney, the power of attorney must have been previously noted by the registry or a certified copy attached to this form. If executed by a company, the form must be executed in accordance with the company's constitution and the *Corporations Act 2001* (Cth).

STEP 3



## HOW TO COMPLETE THIS SHAREHOLDER PROXY FORM

### YOUR NAME AND ADDRESS

This is your name and address as it appears on the Company's share register. If this information is incorrect, please make the correction on the form. Shareholders sponsored by a broker should advise their broker of any changes. **Please note: you cannot change ownership of your shares using this form.**

### APPOINTMENT OF PROXY

If you wish to appoint the Chair of the Meeting as your proxy, mark the box in Step 1. If you wish to appoint someone other than the Chair of the Meeting as your proxy, please write the name of that individual or body corporate in Step 1. A proxy need not be a shareholder of the Company.

### VOTES ON ITEMS OF BUSINESS – PROXY APPOINTMENT

You may direct your proxy how to vote by placing a mark in one of the boxes opposite each item of business. All your shares will be voted in accordance with such a direction unless you indicate only a portion of voting rights are to be voted on any item by inserting the percentage or number of shares you wish to vote in the appropriate box or boxes. If you do not mark any of the boxes on the items of business, your proxy may vote as he or she chooses. If you mark more than one box on an item your vote on that item will be invalid.

### APPOINTMENT OF A SECOND PROXY

You are entitled to appoint up to two persons as proxies to attend the Meeting and vote on a poll. If you wish to appoint a second proxy, an additional Proxy Form may be obtained by telephoning the Company's share registry or you may copy this form and return them both together.

To appoint a second proxy you must:

- (a) on each of the first Proxy Form and the second Proxy Form state the percentage of your voting rights or number of shares applicable to that form. If the appointments do not specify the percentage or number of votes that each proxy may exercise, each proxy may exercise half your votes. Fractions of votes will be disregarded; and
- (b) return both forms together.

### SIGNING INSTRUCTIONS

You must sign this form as follows in the spaces provided:

**Individual:** where the holding is in one name, the shareholder must sign.

**Joint Holding:** where the holding is in more than one name, any of the joint shareholders may sign.

**Power of Attorney:** to sign under Power of Attorney, you must lodge the Power of Attorney with the registry. If you have not previously lodged this document for notation, 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 indicate the office held by signing in the appropriate place.

### CORPORATE REPRESENTATIVES

If a representative of the corporation is to attend the Meeting the appropriate "Certificate of Appointment of Corporate Representative" should be produced prior to admission in accordance with the Notice of Meeting. A form of the certificate may be obtained from the Company's share registry or online at [www.linkmarketservices.com.au](http://www.linkmarketservices.com.au).

### LODGEMENT OF A PROXY FORM

This Proxy Form (and any Power of Attorney under which it is signed) must be received at an address given below by **5:00pm (AEDT) on Monday, 22 October 2018**, being not later than 48 hours before the commencement of the Meeting. Any Proxy Form received after that time will not be valid for the scheduled Meeting.

Proxy Forms may be lodged using the reply paid envelope or:



#### ONLINE

[www.linkmarketservices.com.au](http://www.linkmarketservices.com.au)

Login to the Link website using the holding details as shown on the Proxy Form. Select 'Voting' and follow the prompts to lodge your proxy. 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 Proxy Form).



#### BY MAIL

Redbubble Limited  
C/- Link Market Services Limited  
Locked Bag A14  
Sydney South NSW 1235  
Australia



#### BY FAX

+61 2 9287 0309



#### BY HAND

delivering it to Link Market Services Limited\*  
1A Homebush Bay Drive  
Rhodes NSW 2138  
or  
Level 12  
680 George Street  
Sydney NSW 2000

\* During business hours (Monday to Friday, 9:00am–5:00pm)

**IF YOU WOULD LIKE TO ATTEND AND VOTE AT THE ANNUAL GENERAL MEETING, PLEASE BRING THIS FORM WITH YOU.  
THIS WILL ASSIST IN REGISTERING YOUR ATTENDANCE.**