





STW Group Limited
Ogilvy House
72 Christie Street
St Leonards NSW 2065
Sydney Australia
t + 61 2 9373 6333
ABN 84 001 657 370
www.stwgroup.com.au

22 April 2016

Dear Shareholder

On behalf of the Board of Directors, I invite you to the 2016 Annual General Meeting ("AGM") of STW Communications Group Limited ("STW").

Meeting Details

Date: Wednesday, 25 May 2016
Time: 9.00am (AEST)
Venue: Ogilvy House, 72 Christie Street, St Leonards NSW 2065

The AGM is an important event for STW and provides shareholders with an opportunity to receive an update on STW's performance during the year, to ask questions of the Board, management and STW's auditor, and to vote on items of business before the AGM.

Enclosed is the Notice of Annual General Meeting, together with the proxy form and AGM Question Form. A map of the AGM venue is enclosed for your convenience.

If you are attending the AGM, please bring your proxy form with you. This will allow STW's Share Registry to promptly register your attendance.

For those of you unable to attend the AGM, you can:

- appoint a proxy to attend and vote on your behalf at the AGM by completing the enclosed proxy form and returning it to STW's Share Registry in the enclosed reply paid envelope;
- submit questions to me or to STW's auditor by completing the enclosed AGM Question Form and returning it to STW's Share Registry; and
- follow a live webcast of the AGM proceedings via stwgroup.com.au/results.

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

Yours sincerely

A handwritten signature in black ink, appearing to read "Robert Mactier", written over a horizontal line.

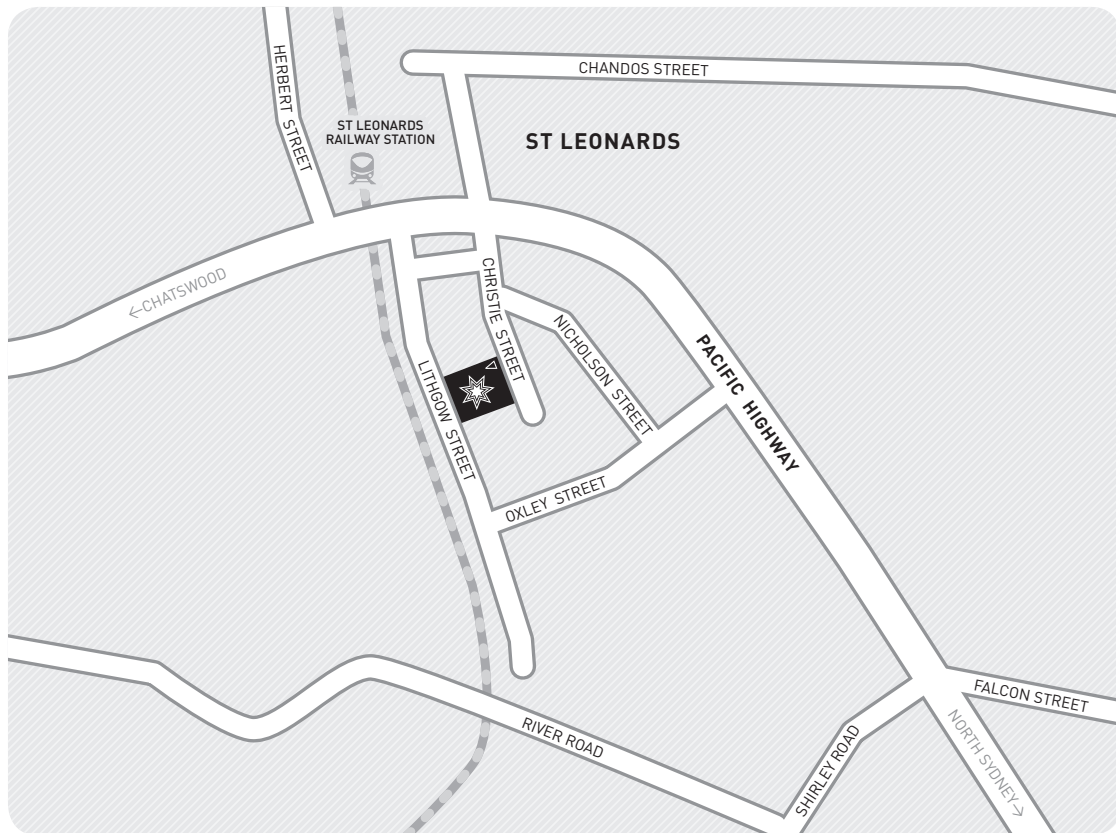
Robert Mactier

NOTICE OF ANNUAL GENERAL MEETING

STW COMMUNICATIONS GROUP LIMITED

ABN 84 001 657 370

Notice is given that the Annual General Meeting ("AGM") of shareholders of STW Communications Group Limited ("Company" or "STW") will be held at: Ogilvy House, 72 Christie Street, St Leonards NSW on Wednesday, 25 May 2016 at 9.00am (AEST).



BUSINESS

1.0 FINANCIAL REPORT AND OTHER REPORTS

To receive and consider the Financial Report, Directors' Report and Independent Auditor's Report for the Company and its controlled entities for the year ended 31 December 2015.

2.0 RE-ELECTION OF DIRECTORS RETIRING BY ROTATION

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

2.1 RE-ELECTION OF MR ROBERT MACTIER

'That Mr Robert Mactier being a Director of the Company who retires by rotation in accordance with the Company's constitution and, having offered himself for re-election and being eligible, be re-elected as a Director of the Company.'

2.2 RE-ELECTION OF MR PETER CULLINANE

'That Mr Peter Cullinane, being a Director of the Company who retires by rotation in accordance with the Company's constitution and, having offered himself for re-election and being eligible, be re-elected as a Director of the Company.'

2.3 RE-ELECTION OF MS KIM ANDERSON

'That Ms Kim Anderson, being a Director of the Company who retires by rotation in accordance with the Company's constitution and, having offered herself for re-election and being eligible, be re-elected as a Director of the Company.'

3.0 GRANT OF PERFORMANCE SHARES TO DIRECTOR UNDER STW EXECUTIVE SHARE PLAN

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

'That, for the purposes of ASX Limited ("ASX") Listing Rule 10.14, approval be given for the grant of 773,029 Performance Shares to the Company's Chief Executive Officer ("CEO") and Managing Director, Mr Michael Connaghan, pursuant to the STW Executive Share Plan on the terms and conditions summarised in the explanatory statement accompanying the Notice of Annual General Meeting.'

Note: a voting exclusion, as set out in the Information for Shareholders section of this Notice of Annual General Meeting, applies to this resolution.

4.0 GRANT OF STIP PERFORMANCE SHARES TO DIRECTOR UNDER SHORT-TERM INCENTIVE PLAN

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

'That, for the purposes of ASX Listing Rule 10.14, approval be given for the grant of up to \$275,000 worth of STIP Performance Shares to the Company's CEO and Managing Director, Mr Michael Connaghan, under the STW Short-Term Incentive Plan on the terms and conditions summarised in the explanatory statement accompanying the Notice of Annual General Meeting.'

Note: a voting exclusion, as set out in the Information for Shareholders section of this Notice of Annual General Meeting, applies to this resolution.

5.0 GRANT OF SIGN ON SHARES TO EXECUTIVE DIRECTOR

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

'That, for the purposes of ASX Listing Rule 10.11 and Part 2D.2 of the Corporations Act 2001 (Cth) ("Corporations Act"), approval be given for the grant of 350,000 Sign On Shares to Mr John Steedman, on the terms and conditions (including termination entitlements) summarised in the explanatory statement accompanying the Notice of Annual General Meeting.'

Note: A voting exclusion, as set out in the Information for Shareholders section of this Notice of Annual General Meeting, applies to this resolution.

6.0 REMUNERATION REPORT

To consider and, if thought fit, to pass the following resolution as a non-binding ordinary resolution:

'That the Remuneration Report for the year ended 31 December 2015 be adopted.'

Note: the vote on this resolution is a non-binding, advisory vote only. A voting exclusion, as set out in the Information for Shareholders section of this Notice of Annual General Meeting, applies to this resolution.

7.0 CHANGE OF COMPANY NAME

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

'That, with effect from the day on which the Australian Securities and Investments Commission alters the details of the Company's registration, the name of the Company be changed from STW Communications Group Limited to WPP AUNZ Limited and that the constitution of the Company be amended to reflect the change of name of the Company by replacing all references to STW Communications Group Limited in the constitution to WPP AUNZ Limited.'

8.0 AMENDMENT TO CONSTITUTION

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

'That clause 61.5 of the constitution be amended as set out in the explanatory statement accompanying the Notice of the Annual General Meeting.'

Note: A voting exclusion, as set out in the Information for Shareholders section of this Notice of Annual General Meeting, applies to this resolution.

9.0 APPROVAL OF FINANCIAL ASSISTANCE

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

'For the purposes of section 260B(2) of the Corporations Act, approval is given for the financial assistance to be provided by each Additional Guarantor and their subsidiaries from time to time in connection with the Acquisition as described in the Explanatory Memorandum accompanying the Notice of Annual General Meeting relating to the proposal to pass this resolution.'

By order of the Board



Chris Rollinson
Company Secretary

22 April 2016

INFORMATION FOR SHAREHOLDERS

VOTING ENTITLEMENTS

The Directors of the Company have determined that, for the purposes of the Annual General Meeting (including voting at the meeting) shareholders are those persons who are registered holders of ordinary shares in the Company at 7.00pm (AEST) on Monday, 23 May 2016.

VOTING EXCLUSION STATEMENTS

RESOLUTIONS: ITEM 3 AND ITEM 4

In accordance with the ASX Listing Rules and the Corporations Act 2001 (Cth) ("Corporations Act"), the Company will disregard any votes cast on items 3 and 4:

- by or on behalf of Mr Connaghan or his associates, regardless of the capacity in which the vote is cast; or
- as a proxy by a person who is a member of key management personnel ("KMP") at the date of the AGM or their closely related parties.

However, votes will not be disregarded if they are cast as proxy for a person entitled to vote on items 3 and 4:

- in accordance with the directions on the proxy form; or
- by the Chairman of the meeting pursuant to an express authorisation to exercise the proxy even though items 3 and 4 are connected with the remuneration of a member of the Company's KMP.

Please read the information under the heading 'Appointing the Chairman of the meeting as proxy' below.

For the definition of 'key management personnel' and 'a closely related party of a member of key management personnel', see the notes in Resolution: Item 6 below.

RESOLUTION: ITEM 5

In accordance with the ASX Listing Rules and the Corporations Act, the Company will disregard any votes cast on Item 5:

- by or on behalf of Mr John Steedman and his associates, regardless of the capacity in which the vote is cast; or
- as a proxy by a person who is a member of KMP at the date of the AGM or their closely related parties.

However, votes will not be disregarded if they are cast as proxy for a person entitled to vote on Item 5:

- in accordance with the directions on the proxy form; or
- by the Chairman of the meeting pursuant to an express authorisation to exercise the proxy even though Item 5 is connected with the remuneration of a member of the Company's KMP.

RESOLUTION: ITEM 6

In accordance with the Corporations Act, the Company will disregard any votes cast on item 6:

- by or on behalf of a member of KMP named in the Remuneration Report or their closely related parties, regardless of the capacity in which the vote is cast; or
- as a proxy by a person who is a member of KMP at the date of the AGM or their closely related parties.

However, votes will not be disregarded if they are cast as proxy for a person entitled to vote on item 6:

- in accordance with the directions on the proxy form; or
- by the Chairman of the meeting pursuant to an express authorisation to exercise the proxy even though item 6 is connected with the remuneration of the Company's KMP.

Key management personnel are those persons having authority and responsibility for planning, directing and controlling the activities of the Company, whether directly or indirectly. Members of the KMP comprise Directors (both executive and non-executive) and certain executives.

A closely related party of a member of key management personnel is:

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

Please read the information under the heading 'Appointing the Chairman of the meeting as proxy' below.

RESOLUTION: ITEM 8

In accordance with the Corporations Act, the Company will disregard any votes cast as a proxy on item 8 by a person who is a member of KMP at the date of the AGM or their closely related parties, unless the votes are cast as proxy for a person entitled to vote on item 8:

- in accordance with the directions on the proxy form; or
- by the Chairman of the meeting pursuant to an express authorisation to exercise the proxy even though item 8 is connected with the remuneration of the Company's KMP.

In the interests of good governance, the Directors of the Company will not vote their own shares on this resolution.

PROXIES

A shareholder, who is unable to attend and vote at the AGM of the Company on 25 May 2016, is entitled to appoint a proxy to attend and vote for the shareholder at the meeting. A proxy need not be a shareholder of the Company and may be an individual or a body corporate.

If a shareholder is entitled to cast two or more votes, they may appoint up to two proxies and may specify the percentage or number of votes each proxy is appointed to exercise. If a shareholder does not specify the percentage or number of votes each proxy may exercise, then each proxy may exercise half the shareholder's votes.

If a shareholder wishes to appoint an individual or body corporate as a proxy, please complete and return the proxy form distributed with this Notice of Annual General Meeting. For an appointment of a proxy to be effective, the Company must receive the proxy form, duly completed and signed, by no later than 9.00am (AEST) on Monday, 23 May 2016; and if signed by the appointer's attorney, the authority under which the appointment was signed or a certified copy of the authority.

A shareholder can send the proxy form to Computershare Investor Services Pty Limited by doing one of the following:

- **faxing it to:** 1800 783 447 (within Australia) or +61 3 9473 2555 (outside of Australia);
- **posting it by using the reply paid envelope to:** Computershare Investor Services Pty Limited, GPO Box 242, Melbourne VIC 3001; or
- **delivering it to:** Computershare Investor Services Pty Limited, Level 4, 60 Carrington Street, Sydney NSW 2000.

INFORMATION FOR SHAREHOLDERS (CONTINUED)

CORPORATE SHAREHOLDERS

A body corporate which is a shareholder, or which has been appointed as a proxy, may appoint an individual to act as its representative at the Annual General Meeting. The appointment must comply with section 250D of the Corporations Act.

The representative should bring to the meeting evidence of their appointment, including any authority under which it is signed, unless previously given to the Company.

APPOINTING THE CHAIRMAN OF THE MEETING AS PROXY

You may appoint the Chairman of the meeting as your proxy.

If a member directs the Chairman of the meeting how to vote on a resolution, the Chairman must vote in accordance with the direction.

For proxies without voting instructions that are exercisable by the Chairman of the meeting, the Chairman intends to vote all available proxies in favour of each resolution. In relation to each of the remuneration-related resolutions (being items 3, 4, 5, 6 and 8), if the Chairman of the meeting is appointed as your proxy, or becomes your proxy by default, and you have not directed your proxy how to vote on the relevant resolution, please note that by completing and submitting the proxy form you will be expressly authorising the Chairman of the meeting to exercise your undirected proxy on these resolutions in accordance with his discretion even though they are connected with the remuneration of the Company's key management personnel.

The Company recommends that all shareholders who submit proxies direct their proxy how to vote on each resolution.

ATTENDANCE AT THE ANNUAL GENERAL MEETING

If you are attending the Annual General Meeting in person, please bring with you the proxy form enclosed with this Notice of Annual General Meeting as the bar code at the top of the proxy form will facilitate registration.

Registration will be open from 8.30am (AEST) on the day of the meeting.

QUESTIONS AND COMMENTS BY SHAREHOLDERS AT THE ANNUAL GENERAL MEETING

In accordance with the Corporations Act, a reasonable opportunity will be given to shareholders at the meeting to ask questions about, or make comment on, the management of the Company. Shareholders will also have reasonable opportunity to ask the Company's auditor, Deloitte Touche Tohmatsu, questions about:

- the conduct of the audit;
- the preparation and content of the auditor's report;
- the accounting policies adopted by the Company in relation to the preparation of its financial statements; and
- the independence of the auditor in relation to the conduct of the audit.

Shareholders may also provide written questions to the auditor concerning the content of the audit report or the conduct of the audit of the Company's financial report for the year ended 31 December 2015, in advance of the meeting.

Written questions must be submitted using the enclosed AGM Question Form and returning it to STW's Share Registry by no later than 5.00pm (AEST) on Wednesday, 18 May 2016.

A list of written questions to the auditor submitted by shareholders, if any, will be made available to shareholders at the start of the AGM and any written answers tabled by the auditor at the AGM will be made available as soon as practicable.

EXPLANATORY STATEMENT

This explanatory statement has been prepared to provide the shareholders of STW Communications Group Limited with material information to enable them to make an informed decision on the business to be conducted at the Annual General Meeting of the Company to be held on 25 May 2016.

All shareholders should read this explanatory statement carefully and in its entirety. Shareholders who are in doubt regarding any part of the business of the Annual General Meeting should consult their financial or legal adviser for assistance.

FINANCIAL REPORT AND OTHER REPORTS

The Financial Report, Directors' Report and Independent Auditor's Report ("Reports") for the Company and its controlled entities for the year ended 31 December 2015 will be laid before the Annual General Meeting in accordance with the requirements of the Corporations Act.

The Company's 2015 Annual Report has been made available to shareholders and is available on the Company's website (www.stwgroup.com.au).

Shareholders will be given reasonable opportunity at the Annual General Meeting to ask questions and make comments on the Reports.

There is no requirement for shareholders to approve any of the Reports and no formal resolution will be put to the Annual General Meeting in relation to item 1.

RESOLUTION ITEMS 2.1, 2.2 AND 2.3: RE-ELECTION OF DIRECTORS RETIRING BY ROTATION

In accordance with the Company's constitution, it is necessary for one-third of the Directors, excluding the Managing Director, (rounded down to the nearest whole number), to retire by rotation each year.

Accordingly, Robert Mactier, Peter Cullinane and Kim Anderson retire by rotation in accordance with the Company's constitution and being eligible, offer themselves for re-election as a Director at the Annual General Meeting.

The Board has undertaken a review of the performance of each Director standing for re-election and has considered the contribution they have made to the Board and to Board Committees and the skills and expertise they bring to the Board.

MR ROBERT MACTIER BEC MAICD

Mr Mactier was appointed as a Director of STW in December 2006 and Chairman with effect from 1 July 2008.

Mr Mactier is a consultant to the Investment Banking division of UBS AG in Australia, a role he has held since June 2007.

Robert has extensive investment banking experience in Australia, having previously worked for Citigroup, E.L. & C. Baillieu and Ord Minnett Securities between 1990 and 2006.

During this time, he was primarily focused on the media and entertainment and private equity sectors and initial public offerings generally.

Prior to these roles, he worked with KPMG from 1986 to 1990 during which time he qualified as a Chartered Accountant.

Mr Mactier is also a Non-Executive Director of Melco Crown Entertainment Limited (from 2006), where he is a member of their Compensation Committee and Nominating and Corporate Governance Committee.

Rob is a member of the Audit and Risk Committee.

The Board considers Mr Mactier to be independent.

MR PETER CULLINANE MBA MGMT

Mr Cullinane was appointed as a Director of STW in June 2010.

Mr Cullinane is founder and Chief Executive of Lewis Road Creamery, one of New Zealand's fastest growing food businesses.

Peter's previous business experience includes his role with Saatchi & Saatchi as Worldwide Chief Operating Officer and, upon his return to New Zealand, the founder of Assignment Group where he was responsible for the development of some of New Zealand's most iconic brands, applying strategic and creative thinking both locally and internationally.

Mr Cullinane is a Non-Executive Director of APN News & Media Limited (from 2013) where he is Chairman of the Remuneration Committee and also a Director for the charity Kiwis for kiwi.

Mr Cullinane is a former Non-Executive Director of SKY CITY Entertainment Group Limited (from 2008 to November 2015). Peter holds Masters degrees in business Administration and Management.

The Board considers Mr Cullinane to be independent.

MS KIM ANDERSON BA GRAD DIP INF SC

Ms Anderson was appointed as a Director of STW in November 2010.

Ms Anderson is a Director of carsales.com Limited (from 2010), Chief Executive of Reading Room (thereadingroom.com), a curated book discovery site for readers, a former Fellow of the Sydney University Senate and a former Director of The Sax Institute.

Ms Anderson has more than 25 years' experience in various advertising and media executive positions within companies such as Southern Star Entertainment, Publishing and Broadcasting Limited and ninemsn.

Kim is a member of the Remuneration and Nominations Committee.

The Board considers Ms Anderson to be independent.

Board Recommendation

The Board (other than the Directors concerned) recommends that shareholders vote in favour of the re-election of Robert Mactier, Peter Cullinane and Kim Anderson.

RESOLUTION ITEM 3: GRANT OF PERFORMANCE SHARES TO DIRECTOR UNDER STW EXECUTIVE SHARE PLAN

3.1 OVERVIEW

The Company proposes to grant 773,029 fully paid ordinary shares in the Company under the STW Executive Share Plan ("ESP") ("Performance Shares") to the Company's CEO and Managing Director, Mr Michael Connaghan, on the terms and conditions summarised below.

The ESP was approved by shareholders at the Company's Annual General Meeting on 25 May 2004.

3.2 WHY IS APPROVAL BEING SOUGHT?

The Company is seeking the approval for the proposed grant of Performance Shares to Mr Connaghan pursuant to ASX Listing Rule 10.14, which requires the Company to obtain shareholder approval for the issue of new securities to a director under an employee incentive scheme.

EXPLANATORY STATEMENT (CONTINUED)

RESOLUTION ITEM 3: GRANT OF PERFORMANCE SHARES TO DIRECTOR UNDER STW EXECUTIVE SHARE PLAN CONTINUED

3.3 KEY TERMS

A total of 773,029 Performance Shares are proposed to be granted to Mr Connaghan.

The number of Performance Shares to be granted has been determined based on STW's average share price between 1 September 2015 and 1 December 2015.

These Performance Shares will be issued under the Base Plan.

The number of Performance Shares that vest will be determined according to the extent that the performance conditions ("Performance Conditions") are satisfied in relation to the Base Plan over a three year performance period from 1 January 2016 to 31 December 2018.

Dividends and Voting Rights

Prior to vesting, Mr Connaghan will not be entitled to any dividends paid by STW in relation to the Performance Shares or be able to exercise any voting rights.

Base Plan – Performance Conditions

There are two separate Performance Conditions applicable to the Performance Shares under the Base Plan set out as follows:

- earnings per share ("EPS") growth performance condition – applies to 75% of the total number of Performance Shares granted to Mr Connaghan under the Base Plan ("EPS Performance Shares"); and
- total shareholder return ("TSR") performance condition – applies to 25% of the total number of Performance Shares granted to Mr Connaghan under the Base Plan ("TSR Performance Shares").

Base Plan – Earnings Per Share Growth Performance Condition

EPS is calculated by dividing the underlying net profit after tax attributable to members of STW for the relevant reporting period (profit after tax adjusted for the after-tax effect of any significant items) by the weighted average number of ordinary shares of the Company.

Significant items are revenues and expenses associated with specific events considered appropriate by the Directors to be excluded in order to arrive at underlying earnings including impairment of assets, profits or losses on sale of investments, write-offs, amortisation of unidentifiable and identifiable intangible assets, adjustments for changes in the capital structure and other non-recurring items.

For the Base Plan, EPS performance is measured as the actual cumulative EPS achieved over the three year performance period.

With respect to the Base Plan the actual proportion of EPS Performance Shares that will vest after the end of the performance period will be determined by comparing the actual cumulative EPS achieved over the three year performance period against the thresholds outlined in the table below. The cumulative growth for the Base Plan is measured using a base EPS of 9.5 cents per share (the Company's 2015 calendar year underlying EPS).

STW's cumulative growth from base year	Percentage of EPS Performance Shares that vest (subject to ESP Rules)
Less than 4% per annum	No Performance Shares vest
4% per annum or above	40% of EPS Performance Shares (i.e. 30% of the total number of Performance Shares granted to the CEO under the Base Plan)
5% per annum or above	50% of EPS Performance Shares (i.e. 37.5% of the total number of Performance Shares granted to the CEO under the Base Plan)
6% per annum or above	60% of EPS Performance Shares (i.e. 45% of the total number of Performance Shares granted to the CEO under the Base Plan)
7% per annum or above	70% of EPS Performance Shares (i.e. 52.5% of the total number of Performance Shares granted to the CEO under the Base Plan)
8% per annum or above	80% of EPS Performance Shares (i.e. 60% of the total number of Performance Shares granted to the CEO under the Base Plan)
9% per annum or above	90% of EPS Performance Shares (i.e. 67.5% of the total number of Performance Shares granted to the CEO under the Base Plan)
At or above 10% per annum	100% of EPS Performance Shares (i.e. 75% of the total number of Performance Shares granted to the CEO under the Base Plan)

Any Performance Shares that do not vest over the performance period will be forfeited.

Base Plan – Total Shareholder Return Performance Condition

The TSR Performance Condition relates to STW's TSR performance over the performance period compared with the TSR performance of a comparator group of companies.

TSR measures growth in shareholder value – essentially, movement in the share price plus dividends (assuming reinvestment) between 2016 and 2018.

Under the TSR performance condition which will be tested after the end of the performance period:

- no TSR Performance Shares will vest unless STW's TSR between 2016 and 2018 is equal to or greater than the TSR of the company which is at the 50th percentile of the comparator group ranked by TSR performance. If that threshold is attained, 50% of the TSR Performance Shares will vest, subject to the ESP Rules (i.e. 12.5% of the total number of Performance Shares granted to the Mr Connaghan under the Base Plan);
- all of the TSR Performance Shares will vest, subject to the ESP Rules, if STW's TSR between 2016 and 2018 is equal to or greater than the TSR of the company which is at the 75th percentile of the comparator group ranked by TSR performance (i.e. 25% of the total number of Performance Shares granted to Mr Connaghan under the Base Plan); and
- the TSR Performance Shares will vest on a straight-line basis, if STW's TSR between 2016 and 2018 is between the 50th and 75th percentiles.

Comparator Group

The Company's TSR will be compared to the TSR of companies that were in the S&P/ASX All Ordinaries – Consumer Discretionary Index ("Comparator Group") as at 1 January 2016. The Board chose this Comparator Group as it represented a broad base of companies whose operations face similar challenges to those of STW.

Any TSR Performance Shares that do not vest over the performance period will be forfeited.

Vesting of Performance Shares

Subject to satisfaction of the Performance Conditions and other terms of the ESP Rules, the Performance Shares will vest and shares will be allocated to Mr Connaghan on or around 1 March 2019.

Forfeiture of Performance Shares

If this grant is approved, some or all of the Performance Shares may be forfeited in certain circumstances including if Mr Connaghan:

- resigns or is dismissed for cause; or
- commits any act of fraud or dishonesty or serious breach of duty or brings an STW group company into serious disrepute.

Price of Performance Shares and Timing of Grant

The Performance Shares are granted to Mr Connaghan as part of his remuneration and no cash amount is payable by him, either on grant or vesting.

It is intended that the Performance Shares will be granted to Mr Connaghan on the date Resolution: Item 3 is passed by the shareholders at the Annual General Meeting, and in any case, on a date which is no later than 12 months after the date of the meeting.

3.4 OTHER INFORMATION

Mr Connaghan is the only Director entitled to participate in the ESP.

There is no loan scheme in relation to the Performance Shares.

The ASX Listing Rules require this notice of meeting to state the number and price of securities received by Mr Connaghan since the last shareholder approval. 360,855 Performance Shares were issued to Mr Connaghan under the ESP pursuant to the shareholder approval obtained at the 2015 Annual General Meeting. There has been no other allocation of shares to Directors since the date of the last approval.

Details of Mr Connaghan's total equity holdings are provided in the Remuneration Report for the year ended 31 December 2015.

Under ASX Listing Rule 7.1, a listed entity has the ability to issue 15% of its issued capital without shareholder approval in a 12 month period. When an entity issues or agrees to issue securities under ASX Listing Rule 7.1 without shareholder approval, that issue or agreement to issue uses up part of the 15% capacity available under that rule. However, if approval is given by shareholders under ASX Listing Rule 10.14, approval will not be required under ASX Listing Rule 7.1. This means that the Performance Shares granted to Mr Connaghan and any shares issued pursuant to this approval will not use up part of the 15% capacity under ASX Listing Rule 7.1.

Board Recommendation

The Board (other than Mr Connaghan) recommends that shareholders vote in favour of this resolution.

RESOLUTION ITEM 4: GRANT OF STIP PERFORMANCE SHARES TO DIRECTOR UNDER SHORT-TERM INCENTIVE PLAN

4.1 OVERVIEW

Subject to shareholder approval, the Company proposes to grant fully paid ordinary shares in the Company under a short-term employee incentive plan ("STIP") ("STIP Performance Shares") to Mr Connaghan, on the terms and conditions summarised below.

4.2 WHY IS APPROVAL BEING SOUGHT?

Outlined below are the details of Mr Connaghan's proposed STIP arrangements effective for the year ending 31 December 2016, which contemplate that 50% of any award under the STIP will be deferred into equity.

The Company is seeking the approval for the proposed grant of STIP Performance Shares to Mr Connaghan pursuant to ASX Listing Rule 10.14, which requires the Company to obtain shareholder approval for the issue of new securities to a director under an employee incentive scheme.

4.3 PERFORMANCE CONDITIONS

For the year ending 31 December 2016, it is proposed that Mr Connaghan will be entitled to a STIP payment of up to \$550,000 ("STIP Payment") based on meeting financial and personal performance conditions. Half of the achieved STIP Payment will be payable in cash, with the remainder being deferred and delivered in the form of STIP Performance Shares.

There are two performance conditions applicable to the STIP ("Performance Conditions"):

- financial performance – 75% of the STIP Payment is based on the Company achieving net profit after tax target ("NPAT Target") (see below); and
- personal performance – 25% of the STIP Payment is based on performance and achievement of specific key performance indicators.

EXPLANATORY STATEMENT (CONTINUED)

RESOLUTION ITEM 4: GRANT OF STIP PERFORMANCE SHARES TO DIRECTOR UNDER SHORT-TERM INCENTIVE PLAN CONTINUED

4.3 PERFORMANCE CONDITIONS CONTINUED

In relation to the financial performance element of the STIP, Mr Connaghan will be rewarded for the Company achieving between 100% and 105% of the NPAT Target, as outlined below:

Percentage of NPAT Target achieved	Percentage of STIP payable relating to the financial component	Percentage of total STIP payable
Less than 100%	Nil	Nil
100% – 101%	50%	37.5%
101% – 102%	60%	45.0%
102% – 103%	70%	52.5%
103% – 104%	80%	60.0%
104% – 105%	90%	67.5%
105% and above	100%	75.0%

4.4 PAYMENT OF STIP

Subject to the satisfaction of the Performance Conditions, the cash component of the STIP Payment will be payable after the Company's financial results for the year ending 31 December 2016 have been finalised. This is expected to be in February 2017.

Subject to satisfaction of the Performance Conditions and shareholder approval at the 2016 Annual General Meeting, the STIP Performance Shares will be granted to Mr Connaghan following the release of the Company's financial results for the year ending 31 December 2016 (which is expected to be in February 2017), and in any case, on a date which is no later than 12 months after the date of the meeting, on the terms and conditions set out below:

- **Trust:** the STIP Performance Shares will be held initially on trust and only transferred to Mr Connaghan on 1 January 2019;
- **Dividends:** Mr Connaghan will be entitled to any dividends paid by STW in relation to the STIP Performance Shares;
- **Forfeiture:** on resignation from the Company, or on dismissal for cause, Mr Connaghan will forfeit his rights to the STIP Performance Shares; and
- **Termination:** if Mr Connaghan's employment is terminated by STW other than for cause, he will be entitled to the STIP Performance Shares.

The number of STIP Performance Shares to be granted to Mr Connaghan will be determined using the following formula:

Number of STIP Performance Shares = A/B, where:

A = 50% x the total STIP Payment earned for the year ending 31 December 2016; and

B = the volume weighted average market price of the Company's shares for the 10 trading days prior to the release of the Company's financial results for the year ending 31 December 2016.

The maximum number of STIP Performance Shares to be allocated to Mr Connaghan is 600,000.

4.5 PRICE OF STIP PERFORMANCE SHARES

The STIP Performance Shares are granted to Mr Connaghan as part of his remuneration and no cash amount is payable by him, either on grant or vesting.

4.6 OTHER INFORMATION

Mr Connaghan is the only Director entitled to participate in the STIP. Details of the number of securities granted to him since the last shareholder approval are set out above under item 3.

There is no loan scheme in relation to the STIP Performance Shares.

Under ASX Listing Rule 7.1, a listed entity has the ability to issue 15% of its issued capital without shareholder approval in a 12 month period. When an entity issues or agrees to issue securities under ASX Listing Rule 7.1 without shareholder approval, that issue or agreement to issue uses up part of the 15% capacity available under that rule. However, if approval is given by shareholders under ASX Listing Rule 10.14, approval will not be required under ASX Listing Rule 7.1. This means that the STIP Performance Shares granted to Mr Connaghan and any shares issued pursuant to this approval will not use up part of the 15% capacity under ASX Listing Rule 7.1.

Board Recommendation

The Board (other than Mr Connaghan) recommends that shareholders vote in favour of this resolution.

RESOLUTION ITEM 5: GRANT OF SIGN ON SHARES TO EXECUTIVE DIRECTOR

Overview

John Steedman was appointed as a full-time employee and Executive Director of the Board following the recent merger.

As part of Mr Steedman's initial employment arrangements, the Company has agreed to grant him a one-off entitlement to a total of 350,000 Sign On Shares on the terms and conditions summarised below, subject to shareholder approval being obtained.

The Sign On Shares are being granted instead of a short term incentive (STI) or long term incentive (LTI) plan for Mr Steedman for 2016. From 2017, Mr Steedman will be eligible to participate in the Company's STI and LTI incentive plans.

Key terms

(a) Vesting of Sign On Shares

The Sign On Shares will be held on trust for a period of 24 months and will vest subject to Mr John Steedman being an employee of the Company on 1 April 2018.

(b) Cessation of employment

Should the Company dismiss Mr John Steedman before 1 April 2018 (except for reasons justifying instant dismissal) the Sign On Shares will immediately vest.

If the Sign On Shares immediately vest on cessation of employment, this may be considered a termination benefit for the purposes of Part 2D.2 of the Corporations Act. Accordingly, approval is sought for this benefit. The value of the benefit cannot be ascertained in advance because it is entirely dependent upon the Company's share price at the date of termination.

If shareholder approval is obtained, the benefit will be disregarded when calculating Mr John Steedman's termination benefits cap for the purposes of subsection 200F(2)(b) or subsection 200G(1)(c) of the Corporations Act.

(c) Price of Sign On Shares and timing of grant

The Sign On Shares are granted to Mr John Steedman as part of his remuneration and no cash amount is payable by him, either on grant or vesting.

It is intended that the Sign On Shares will be granted to Mr John Steedman on the date Resolution: Item 5 is passed by the shareholders at the Annual General Meeting, and in any case, on a date which is no later than 1 month after the date of the meeting.

(d) What if the grant is not approved?

If shareholder approval is not obtained, Mr Steedman's contract provides that the Sign On Shares will be replaced with \$350,000 in cash payable on 1 April 2018 subject to substantially the same terms as the Sign On Shares.

Dividends and voting rights

Prior to vesting, Mr John Steedman will not be entitled to any dividends paid by the Company in relation to the Sign On Shares or be able to exercise any voting rights.

Why is approval being sought?

ASX Listing Rule 10.11 requires the Company to obtain shareholder approval for the issue of new securities to a director and the Company wishes to have flexibility to satisfy Mr Steedman's Sign On Grant other than by way of an on-market purchase.

As explained above, approval is also being sought for the purposes of Part 2D.2 of the Corporations Act.

Other information

The Board has discretion in relation to how Mr Steedman's Sign On Shares will be treated in the event of a change of control or other corporate action that impacts the Sign On Shares.

Mr John Steedman is the only Director eligible to participate in the arrangements relating to his Sign On Shares.

There is no loan scheme in relation to the Sign On Shares and no funds will be raised from the issue of the Sign On Shares.

Details of Mr John Steedman's total equity holdings will be provided in the Remuneration Report for the year ended 31 December 2016.

Under ASX Listing Rule 7.1 a listed entity has the ability to issue 15% of its issued share capital without shareholder approval in a 12 month period. When an entity issues or agrees to issue securities under ASX Listing Rule 7.1 without shareholder approval, that issue or agreement to issue uses up part of the 15% capacity available under that rule. However, if approval is given by shareholders under ASX Listing Rule 10.11, approval will not be required under ASX Listing Rule 7.1. This means that the Sign On Shares granted to Mr John Steedman will not use up part of the 15% capacity under ASX Listing Rule 7.1.

Board Recommendation

The Board (other than Mr John Steedman) recommends that shareholders vote in favour of this resolution.

RESOLUTION ITEM 6: REMUNERATION REPORT

The Remuneration Report can be found on pages 33 to 46 of the Company's 2015 Annual Report. It sets out the remuneration policy and remuneration arrangements for the key management personnel which comprise the Company's Directors and certain executives.

In accordance with section 250R(2) of the Corporations Act, the Remuneration Report is put to shareholders for adoption.

This resolution to adopt the Remuneration Report is advisory in nature and does not bind the Directors or STW. However, the Board will take the outcome of the vote into consideration when considering its remuneration policy.

A reasonable opportunity will be provided for discussion of and questions relating to the Remuneration Report at the meeting. If you intend to appoint a proxy to vote on your behalf on the Remuneration Report Resolution: Item 6, please read the information above, under the heading 'Appointing the Chairman of the meeting as proxy'.

The Remuneration Report forms part of the Directors' Report in the Company's 2015 Annual Report which has been made in accordance with a unanimous resolution of the Board.

Board Recommendation

The Board recommends that shareholders vote in favour of the adoption of the Remuneration Report.

RESOLUTION ITEM 7: CHANGE OF COMPANY NAME

It is proposed that shareholders approve a change in the name of the Company from STW Communications Group Limited to WPP AUNZ Limited.

The Board considers that the change in name is appropriate in light of the Company's merger with the Australian and New Zealand businesses of WPP, which was approved by shareholders on 4 April 2016.

The Board is seeking shareholder approval to change the name of the Company for the following reasons:

- the new name recognises the Company's position as part of the WPP group and its focus on markets in Australia and New Zealand and, accordingly, creates a better representation in the market of who we are and our focus; and
- the new name will enable all employees, clients and other stakeholders of the merged group to identify with a shared name.

Resolution 7 seeks shareholder approval for the change in the Company's name in accordance with section 157 of the Corporations Act. In addition, the resolution will amend the Company's constitution in accordance with section 136 of the Corporations Act to reflect this change by replacing references to the Company's name in the constitution from 'STW Communications Group Limited' to 'WPP AUNZ Limited'.

If approved by shareholders, the change of name will take effect from when ASIC alters the details of Company's registration.

Resolution 7 is a special resolution and will only be passed if at least 75% of the votes cast by shareholders are in favour of the resolution.

Board Recommendation

The directors recommend that shareholders vote in favour of this resolution.

RESOLUTION ITEM 8: AMENDMENT TO CONSTITUTION

Clause 61.1 of the constitution and ASX Listing Rule 10.17 require that the Non-Executive Directors together must not be paid remuneration for their services which exceeds the maximum aggregate amount approved by shareholders from time to time. This maximum aggregate amount is often referred to as the 'NED Fee Pool.'

EXPLANATORY STATEMENT (CONTINUED)

RESOLUTION ITEM 8: AMENDMENT TO CONSTITUTION CONTINUED

ASX Listing Rule 10.17 provides that certain fees do not count towards the NED Fee Pool, including genuine "special exertion" fees paid in accordance with the company's constitution.

In contrast, Clause 61.5 of the constitution currently provides that:

"If a Non-Executive Director is required to perform services for the Company which in the opinion of the Directors, are outside the scope of the ordinary duties of a Director, the Company may pay or provide the Director remuneration determined by the Directors which may be either in addition to or instead of the Director's remuneration under clause 61.1. No remuneration may be paid or provided under this clause 61.5 if the effect would be to exceed the aggregate maximum sum of Directors' remuneration determined by the Company in general meeting."

It is proposed that clause 61.5 of the constitution be amended so that remuneration paid to Non-Executive Directors for services that are outside the scope of the ordinary duties of a Director (i.e. "special exertion" fees) do not count towards the NED Fee Pool.

This will bring the constitution into line with current market practice and will provide the Board with greater flexibility to fairly and appropriately remunerate Directors who assist the Company by performing extra services over and above their ordinary duties. Of course, any "special exertion" fees will be reported in the Company's remuneration report.

If this special resolution is approved, the current clause 61.5 will be replaced by the following amended clause:

"If a Non-Executive Director is required to perform services for the Company which in the opinion of the Directors, are outside the scope of the ordinary duties of a Director, the Company may pay or provide the Director remuneration determined by the Directors which may be either in addition to or instead of the Director's remuneration under clause 61.1. Remuneration that is paid or provided under this clause 61.5 will not form part of the aggregate remuneration permitted under clause 61.1."

RESOLUTION ITEM 9: APPROVAL OF FINANCIAL ASSISTANCE

The approval of financial assistance resolution is proposed in order to enable the Company's subsidiaries, Possible Australia Pty Ltd together with its subsidiaries (each such company being an Additional Guarantor) to become guarantors in respect of the Company's financing arrangements. This is required in order to enable the Company to comply with the terms of its financing arrangements.

The Corporations Act requires approval of the Company's shareholders before each Additional Guarantor is able to sign up to the Company's financing arrangements. This arises because when each Additional Guarantor signs up to the Company's financing arrangements it may be providing what the Corporations Act terms 'financial assistance' to the Company. In addition to other things, this triggers the need for shareholder approval.

Board Recommendation

The Board recommends that shareholders vote in favour of this resolution.

Shareholders are referred to the accompanying Financial Assistance Explanatory Memorandum forming part of this Notice of Annual General Meeting. Terms used in Resolution 9, unless otherwise defined, have the meaning as set out in the Financial Assistance Explanatory Memorandum.

SCHEDULE: FINANCIAL ASSISTANCE EXPLANATORY MEMORANDUM

This Explanatory Memorandum has been prepared by the Company in connection with Resolution 9 which is proposed to be passed as a special resolution of the Company at the Annual General Meeting to approve the giving of financial assistance within the meaning of section 260A of the Corporations Act by certain subsidiaries of the Company (the **Financial Assistance Resolution**).

The Financial Assistance Resolution is proposed in order to enable certain of the Company's subsidiaries, Possible Australia Pty Ltd together with its subsidiaries (the **Acquired Group** and each such company being an **Additional Guarantor**) to become guarantors in respect of the Company's financing arrangements. This is required in order to enable the Company to comply with the terms of its financing arrangements.

This Explanatory Memorandum and any other attachments to the Notice of Annual General Meeting which it accompanies are important documents. Please read them carefully.

1.0 BACKGROUND TO THE REQUIREMENT FOR FINANCIAL ASSISTANCE RESOLUTION

1.1 RESTRICTIONS ON COMPANIES GIVING FINANCIAL ASSISTANCE

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

- (a) giving the assistance does not materially prejudice:
 - (1) the interests of the company or its shareholders; or
 - (2) the company's ability to pay its creditors; or
- (b) the assistance is approved by shareholders under section 260B of the Corporations Act; or
- (c) the assistance is exempted under section 260C of the Corporations Act.

The requirements for shareholder approval of financial assistance are described in section 1.2.

1.2 SHAREHOLDER APPROVAL OF FINANCIAL ASSISTANCE

Under section 260B(1) of the Corporations Act, for a company to financially assist a person to acquire shares in itself or a holding company of the company, the financial assistance must be approved by its shareholders by:

- (a) a special resolution passed at a general meeting of the company, with no votes being cast in favour of a 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.

If, immediately after the acquisition, the company will be a subsidiary of another:

- (a) domestic corporation that is listed in Australia (**Listed Australian Holding Company**); or
- (b) domestic corporation that is not listed in Australia and is not itself a subsidiary or another domestic corporation (**Ultimate Australian Holding Company**),

then the financial assistance must also be approved by a special resolution passed under section 260B(2) (in the case of the Listed Australian Holding Company) or section 260B(3) (in the case of an Ultimate Australian Holding Company) of the Corporations Act at a general meeting of that corporation.

1.3 APPROVAL BY SHAREHOLDERS OF THE COMPANY UNDER SECTION 260B(2)

The purpose of this Explanatory Memorandum 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 the Additional Guarantors, in relation to which the Company is the Listed Australian Holding Company, to provide financial assistance to the Company (or other subsidiaries of the Company) in connection with the Acquisition by becoming guarantors in respect of the Company's financing arrangements.

2.0 THE ACQUISITIONS

2.1 THE ACQUISITION

On 8 April 2016, STW completed its acquisition of certain Australian and New Zealand subsidiaries (the **Acquired Companies**) of WPP plc (**WPP**) (the **Acquisition**).

The Acquisition was approved by members of the Company at its extraordinary general meeting held on 4 April 2016 and details of the Acquisition were provided to shareholders in the notice of meeting sent to members in relation to that meeting.

2.2 LISTED HOLDING COMPANY

Upon completion of the Acquisition, the Company became the Listed Holding Company of each Additional Guarantor.

Accordingly, shareholders of the Company are asked to consider and, if though fit, resolve to approve Resolution 9 to enable each Additional Guarantor to provide financial assistance in connection with the Acquisition.

3.0 FUNDING ARRANGEMENTS

In connection with the Acquisition, the Company and its subsidiaries (the **Group**) entered into a syndicated facility agreement (**SFA**) dated 17 March 2016 for the Company arranged by the Hong Kong and Shanghai Banking Corporation Limited, Sydney Branch and Westpac Banking Corporation with Westpac Banking Corporation acting as agent.

The SFA was drawn at completion of the Acquisition to refinance both the existing group debt facilities of the Group and certain intercompany indebtedness owed by the Acquired Companies to WPP or its other subsidiaries.

3.1 SYNDICATED FACILITY AGREEMENT

Facility Limits and terms

The SFA has a combined limit of A\$547,000,000 and NZ\$3,000,000 and are divided into four facilities as follows:

- (a) the first facility (**Facility A**) is a revolving loan facility for an amount of up to A\$470,000,000;
- (b) the second facility (**Facility B**) is revolving bank guarantee facility (including a cheque encashment authority sub-facility) for an amount of up to A\$27,000,000;
- (c) the third facility (**Facility B2**) is a New Zealand dollar revolving bank guarantee facility (including a cheque encashment authority sub-facility) for an amount of up to NZ\$3,000,000; and
- (d) the fourth facility (**Facility C**) is a multicurrency revolving loan facility for an amount of up to A\$50,000,000.

SCHEDULE: FINANCIAL ASSISTANCE EXPLANATORY MEMORANDUM (CONTINUED)

3.1 SYNDICATED FACILITY AGREEMENT CONTINUED

Purpose

STW may apply:

- (a) all amounts borrowed by it under Facility A or Facility C towards:
 - (1) first, repayment of the existing group debt facilities of the Group and certain intercompany indebtedness owed by the Acquired Companies to WPP or its other subsidiaries; and
 - (2) thereafter, general corporate purposes of the Group.
- (b) all bank guarantees issued to it under Facility B1 or Facility B2 to support the general corporate purposes of the Group.

3.2 GUARANTOR COVERAGE

The Company and certain subsidiaries in the Group (the Company and those subsidiaries, together with any new subsidiaries which become party to the Company's financing arrangements as guarantors, collectively, at any time, the **Guarantors**) are parties to the SFA.

The terms of the SFA require that (subject to specified exceptions and to allowances where shareholder approvals are needed) the Company to ensure that:

- (a) at all times, the aggregate EBITDA (as that term is defined in the SFA) of the Guarantors represents at least 80 percent of EBITDA of the Group;
- (b) at all times, the aggregate Total Tangible Assets (as that term is defined in the SFA) of the Guarantors represents at least 80 percent of Total Tangible Assets of the Group;
- (c) on each Calculation Date (as that term is defined in the SFA) any wholly-owned subsidiary of the Company whose EBITDA or Total Tangible Assets exceeds 5 percent of the Group's EBITDA or Total Tangible Assets (in each case as disclosed in the latest financial statements of that subsidiary or the Group, as applicable) becomes a Guarantor.

Where one or more entities are required to become Guarantors to comply with paragraphs (a), (b) or (c) above, the Company shall ensure the entity becomes an Additional Guarantor (as that term is defined in the SFA):

- (a) as soon as reasonably practicable and in any event within 90 days; or
- (b) if:
 - (1) becoming a guarantor would constitute financial assistance for the purposes of section 260A of the Corporations Act;
 - (2) the aggregate EBITDA of the Guarantors represents at least 75 percent of EBITDA of the Group; and
 - (3) the aggregate Total Tangible Assets of the existing Guarantors represents at least 75 percent of Total Tangible Assets of the Group,

as soon as possible after the acquisition of the relevant Additional Guarantor (as that term is defined in the SFA) is complete and in any event no later than 28 days after the next scheduled general meeting of the members of the Company.

3.3 REQUIRED ACCESSION AS GUARANTOR

To ensure that the Company and its subsidiaries continue to comply with the terms of the SFA after this annual general meeting, the Company proposes that each Additional Guarantor to accede as 'Additional Guarantors' to the SFA.

A failure by the Guarantors to comply with the terms of the SFA could result in an 'Event of Default' (as that term is defined in the SFA), in the absence of the Lenders (as that term is defined in the SFA) providing waivers of this requirement. If an 'Event of Default' were to occur under the SFA, the funding under the SFA and any other related documents may be required to be repaid.

The SFA contains terms which are considered customary in the current market for corporate facilities to borrowers of a similar nature to the Company undertaking similar transactions, including events of default, representations, warranties and undertakings (including a negative pledge, certain financial undertakings and undertakings not to dispose of assets, each of which is subject to agreed exceptions) from each Guarantor. The SFA also contains a guarantee and indemnity given by each Guarantor in favour of each Lender in respect of all amounts outstanding under the SFA and certain other related documents.

Upon execution of the relevant accession documentation (the **Accession Documents**), each Additional Guarantor will (among other things) become bound by the guarantees, indemnities and undertakings and give the representations and warranties under the SFA.

4.0 FINANCIAL ASSISTANCE APPROVALS

The entry into of the Accession Documents by each Additional Guarantor constitutes or may constitute the giving of financial assistance for purposes of the relevant provisions of the Corporations Act.

Pursuant to the Corporations Act, the giving of the financial assistance by each Additional Guarantor is required to be approved by a resolution agreed to by all ordinary shareholders of each Additional Guarantor pursuant to section 260B(1) of the Corporations Act. These approvals will be sought once it is known that the Financial Assistance Resolution has been approved as required at the annual general meeting of the Company.

It is noted that the Financial Assistance Resolution also approves the giving of such financial assistance by any company which becomes a subsidiary of any Additional Guarantor in the future.

The Financial Assistance Resolution must be approved by a special resolution, that is, 75% or more of the votes cast by shareholders of the Company present and voting at the annual general meeting (either in person or by proxy).

5.0 EFFECT OF THE FINANCIAL ASSISTANCE

The purpose for the giving of the financial assistance, as described above, is to enable the Company and the Guarantors to continue to comply with their obligations under the SFA after the annual general meeting, to enable the Additional Guarantors to accede to the SFA as guarantors and which will enable the Group to continue to have access to funding under the SFA. In addition, each Additional Guarantor will benefit from the Group being able to access funding in the future.

5.1 THE COMPANY

As the Company (in its capacity as a Borrower and a guarantor) is already liable for the amounts payable under the SFA, the giving of the financial assistance described in this Explanatory Statement by each Additional Guarantor is unlikely to have any adverse effect on the Company.

5.0 EFFECT OF THE FINANCIAL ASSISTANCE CONTINUED

5.2 ADDITIONAL GUARANTORS

The giving of the financial assistance described in this Explanatory Memorandum will affect each Additional Guarantor as each such guarantor will become a Guarantor under the SFA. The operations of each Additional Guarantor will also be restricted by the representations and undertakings given by them under the SFA and they will also be liable for the amounts due under the SFA.

In addition to making a demand on the Company, the Lenders may make a demand under the guarantee and indemnity provided by each Additional Guarantor under the SFA, requiring immediate repayment of the amounts due under the SFA. Such a demand could ultimately result in the winding up of an Additional Guarantor and a sale of that guarantor's assets, if it were unable to repay the amounts due. This could result in a return to the Company (and ultimately its shareholders) that is significantly lower than could have been achieved by the Company had those assets been sold in the ordinary course of business or had the relevant guarantor continued trading.

In addition, each Additional Guarantor may be required to:

- (a) make available directly or indirectly their cash flows (whether through dividends, capital distributions, intercompany loans or otherwise) or other resources in order to enable the Company and Guarantors to comply with their payment and other obligations in respect of the SFA;
- (b) consent or agree to amendments to the SFA, including amendments that make their obligations more onerous;
- (c) provide additional support which may include incurring additional obligations and/or providing additional guarantees; and
- (d) provide other financial assistance in connection with the Acquisition, including, without limitation, in connection with any refinancing of the SFA.

The Directors of the Company do not currently believe that any of the Company, any of the Guarantors, or an Additional Guarantor are likely to default in their obligations under the SFA.

6.0 ADVANTAGES OF THE PROPOSED RESOLUTION

The advantage to the Company of the proposed resolution is that each Additional Guarantor will be able to accede to the SFA and so avoid an Event of Default occurring under the SFA. If an Event of Default occurs, the Lenders may require immediate repayment of the amounts due under the SFA.

The advantage of the proposed resolution to each Additional Guarantor include:

- (a) The Company will be able to maintain its ownership of each Additional Guarantor. The Directors of the Company believe that this is in the interest of each Additional Guarantor because:
 - (1) each Additional Guarantor will benefit from synergies, cost savings and greater growth potential through that integration with the Group; and
 - (2) each Additional Guarantor will be able to retain existing management expertise and will have access to new management expertise provided by the Company and its affiliates.

(b) The Directors of the Company believe that the funding arrangement provided to the Company and the Group under the SFA is the most efficient form of financing available to the Group including to finance the Acquisition.

(c) Each Additional Guarantor will have indirect access to the facilities through the funding provided to the Group under the SFA.

This equally applies to any company which becomes a subsidiary of an Additional Guarantor in the future that provides financial assistance by acceding as an 'Additional Guarantor' to the SFA pursuant to an Accession Document, as set out in section 3.

The Directors of the Company believe that approving the transactions contemplated by this Explanatory Memorandum is in the interests of the Company.

7.0 DISADVANTAGES OF THE PROPOSED RESOLUTION

As the Company is already liable for amounts borrowed under the SFA, the Directors of the Company do not believe there are any disadvantages to the Company of the Financial Assistance Resolution, except that, as noted above, the operations of each Additional Guarantor will be restricted by the representations and undertakings given by them under the SFA.

The disadvantages of the Financial Assistance Resolution for the each Additional Guarantor include the following:

- (a) they will become liable for the amounts due under the Finance Documents, including the SFA;
- (b) their operations will be restricted by the representations and undertakings given by them under the SFA; or
- (c) the Lenders may make a demand under the guarantee and indemnity provided by each Additional Guarantor under the SFA, requiring immediate repayment of the amounts due under the SFA.

A demand made under the SFA could ultimately result in the consequences more fully described in paragraph 5 above.

8.0 PRIOR NOTICE TO AUSTRALIAN SECURITIES AND INVESTMENTS COMMISSION

As required by section 260B(5) of the Corporations Act, a copy of the Notice of Annual General Meeting and this Explanatory Statement as sent to the shareholders were lodged with the Australian Securities & Investments Commission prior to being sent to shareholders of the Company.

9.0 DISCLOSURE

The Directors consider that this Explanatory Statement contains all information known to the Company that would be material to the shareholders of the Company in deciding how to vote on the Financial Assistance Resolution other than information which it would be unreasonable to require the Company to include because it has been previously disclosed to the shareholders of the Company.

10.0 RECOMMENDATION

For the reasons set out above, the Directors of the Company unanimously recommend that the shareholders of the Company vote in favour of the Financial Assistance Resolution to approve the giving of financial assistance.

21 YEARS

Ogilvy House
72 Christie Street
St Leonards NSW 2065
Telephone: (02) 9373 633

www.stwgroup.com.au

stw group
✦





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

SGN

MR SAM SAMPLE
FLAT 123
123 SAMPLE STREET
THE SAMPLE HILL
SAMPLE ESTATE
SAMPLEVILLE VIC 3030

Proxy Form

XX



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: 999999

SRN/HIN: I9999999999 PIN: 99999

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 9:00am (AEST) Monday 23 May 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, please write them on a separate sheet of paper and return with this form.

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

MR SAM SAMPLE
 FLAT 123
 123 SAMPLE STREET
 THE SAMPLE HILL
 SAMPLE ESTATE
 SAMPLEVILLE VIC 3030

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.



I 9999999999

IND

Proxy Form

Please mark to indicate your directions

STEP 1 Appoint a Proxy to Vote on Your Behalf XX

I/We being a member/s of Stw Communications Group 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 STW Communications Group Limited to be held at Ogilvy House, 72 Christie Street, St Leonards, NSW on Wednesday, 25 May 2016 at 9.00am (AEST) 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 3, 4, 5, 6 and 8 (except where I/we have indicated a different voting intention below) even though Items 3, 4, 5, 6 and 8 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 3, 4, 5, 6 and 8 by marking the appropriate box in step 2 below.

STEP 2 Items of Business **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.

	For	Against	Abstain
2.1 Re-election of Mr Robert Mactier	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
2.2 Re-election of Mr Peter Cullinane	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
2.3 Re-election of Ms Kim Anderson	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
3 Grant of Performance Shares to Director under STW Executive Share Plan	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
4 Grant of STIP Performance Shares to Director under Short-Term Incentive Plan	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
5 Grant of Sign On Shares to Executive Director	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
6 Remuneration Report	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
7 Change of Company Name	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
8 Amendment to Constitution	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
9 Approval of 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 <input style="width: 90%; height: 20px;" type="text"/>	Securityholder 2 <input style="width: 90%; height: 20px;" type="text"/>	Securityholder 3 <input style="width: 90%; height: 20px;" type="text"/>
Sole Director and Sole Company Secretary	Director	Director/Company Secretary

Contact Name _____ Contact Daytime Telephone _____ Date ____/____/____