

HILLS.TM

2021 ANNUAL
GENERAL
MEETING

Wednesday, 24 November 2021
2:30pm (Sydney time)

Letter from the Chairman

Dear Shareholder

I am pleased to invite you to participate in the 2021 Annual General Meeting (**AGM** or **meeting**) of Hills Limited (**Hills** or the **Company**) on **Wednesday, 24 November 2021 at 2:30pm (AEDT)**.

Virtual AGM

Having regard to the restrictions that have been introduced as a result of the COVID-19 pandemic, and to ensure the safety of all of our stakeholders, the Board has determined that the AGM will be held virtually via Link Market Services online platform.

Items of Business

At this year's AGM you will be asked to vote on the election of Mr Peter Steel and Ms Janet Muir as Directors of the Company. You will also be asked to vote on a special resolution for the Company to have the capacity to issue an additional 10% of its issued capital pursuant to Listing Rule 7.1A, and to cast a non-binding vote in respect of the adoption of the Remuneration Report as set out in pages 17 to 27 of the 2021 Annual Report.

How to Participate

Shareholders will be able to participate in our AGM online by:

- joining the AGM in real time via the online platform at <https://agmlive.link/HIL21> and watching presentations given during the AGM; and
- asking questions of the Board (or the Company's external auditor) and voting on the resolutions to be considered at the AGM.

Questions

- Shareholders will be able to ask questions by telephone during the Meeting. Shareholders who wish to ask questions by telephone must contact the Company's Share Registry, Link Market Services on +61 1800 990 363 (Australia and International) from 15 to 22 November 2021 to request a personalised PIN and the applicable telephone number which they will need in order to ask a question by telephone during the Meeting. More information about how to ask questions by telephone during the meeting is contained in the Virtual Meeting Online Guide.
- If your holding cannot be verified by the moderator, you will attend the Meeting as a visitor and will not be able to ask a question.
- Shareholders who prefer to register questions in advance of the Annual General Meeting are invited to do so. Once registered on the virtual Meeting platform, you can submit questions online by clicking on the "Ask a Question" box. You will need your SRN/HIN or proxy code to do this.
- Please note that whilst we will do our best to answer shareholder questions raised at the meeting not all questions are guaranteed to be answered during the meeting. To avoid disappointment, we encourage you to submit questions for the Board (or the Company's external auditor) in advance of the AGM and we will endeavour to respond to them during the meeting.

Using the online platform

We recommend logging on to the online platform at least 15 minutes prior to the scheduled start time for the Meeting using the instructions below:

1. Enter <https://agmlive.link/HIL21> into a web browser on your computer or online device.
2. Shareholders will need their Shareholder Reference Number (SRN) or Holder Identification Number (HIN) (available at the top of the voting form).
3. If you wish to ask questions orally, you will need your unique PIN No. which you should have obtained from Link Market Services.
4. Proxyholders will need their proxy code which Link Market Services will provide via email no later than 48 hours prior to the Meeting.

Online voting will be open between the commencement of the Meeting at 2:30 pm (Sydney time) on 24 November 2021 and the time at which the Chair announces voting closure.

More information about online participation in the Meetings is available in the Virtual Meeting Online Guide found on the Company website.

Notice of Meeting

This year we will be releasing the Notice of Meeting electronically online and by email to shareholders on **Friday, 22 October 2021**.

The Notice of Annual General Meeting explains in detail the items of business you will be asked to consider at the AGM. You should carefully read the Notice and Explanatory Notes before deciding how to vote on the resolutions.

To review and download the Notice of Meeting, Explanatory Notes and Virtual Meeting Online Guide, please go to <https://corporate.hills.com.au/investors>.

If you are unable to participate in the AGM, you may vote directly or appoint a proxy to act on your behalf prior to the AGM. You may register voting instructions or appoint a proxy electronically at www.linkmarketservices.com.au or complete and return a voting form by facsimile or by post so that it is received by the Company no later than 2:30pm (Sydney time) on Monday, 22 November 2021.

We look forward to welcoming you at the 2021 AGM.

Yours sincerely



David Chambers

Chairman

22 October 2021

Notice of Meeting

Notice is hereby given that the 64th Annual General Meeting (**2021 AGM** or **AGM**) of shareholders (**Shareholders**) of Hills Limited (ABN 35 007 573 417) (**Hills** or the **Company**) will be held via an online platform at <https://agmlive.link/HIL21> on **Wednesday, 24 November 2021, commencing at 2:30pm (AEDT)**, to conduct the items of business that follow.

Information on participating in the AGM is set out in the Virtual Meeting Online Guide which is available at <https://corporate.hills.com.au/investors>.

Shareholders will be able to submit questions in writing online during the Annual General Meeting by following the instructions set out in the Virtual Meeting Online Guide. Shareholders may also submit questions prior to the meetings through the Company's Share Registry's website at www.linkmarketservices.com.

In addition, Shareholders who wish to ask questions by telephone during the Annual General Meeting must contact the Company's Share Registry, Link Market Services on +61 1800 990 363 (Australia and International) from 15 to 22 November 2021 to request a personalised PIN and the applicable telephone number which they will need in order to ask a question by telephone during the meeting. More information about how to ask questions by telephone during the meeting is contained in the Virtual Meeting Online Guide.

If your holding cannot be verified by the moderator, you will attend the Meeting as a visitor and will not be able to ask a question.

ITEMS OF BUSINESS

Ordinary Business

1. Receipt of Financial Statements and Reports

To receive and consider the Financial Report, the Directors' Report and the Auditor's Report for the Company for the financial year ended 30 June 2021.

Note: No resolution is required for this item.

2. Election of Ms Janet Muir as a Director of the Company

Resolution 1: To consider and, if thought fit, pass the following as an ordinary resolution:

"That, Ms Janet Muir, who was appointed to fill a casual vacancy, retires in accordance with the Company's Constitution, and being eligible, offers herself for election as a Director of the Company, is elected as a director of the Company."

3. Election of Mr Peter Steel as a Director of the Company

Resolution 2: To consider and, if thought fit, pass the following as an ordinary resolution:

"That, Mr Peter Steel, who was appointed to fill a casual vacancy, retires in accordance with the Company's Constitution, and being eligible, offers himself for election as a Director of the Company, is elected as a director of the Company."

4. Approval of 10% Placement Capacity

Resolution 3: To consider and if thought fit to pass the following resolution as a special resolution:

"That, pursuant to and in accordance with ASX Listing Rule 7.1A and for all other purposes, the shareholders of the Company approve the issue of equity securities up to 10% of the issued equity securities of the Company (at the time of the issue) calculated in accordance with the formula prescribed in ASX Listing Rule 7.1A.2 and on the terms and conditions described in the Explanatory Memorandum which forms part of this Notice of Meeting."

Notice of meeting

5. Adoption of Remuneration Report

Resolution 4: To consider and, if thought fit, pass the following resolution as an ordinary resolution:

“That the Remuneration Report contained within the Annual Report of the Company, for the year ended 30 June 2021, be adopted.”

Note: This resolution is advisory only and does not bind the Company or the Directors. The Directors will consider the outcome of the vote and feedback from Shareholders at the meeting when considering the Company's remuneration policies.

Voting Exclusion Statement

In accordance with sections 250R(2) and 250BD(1) of the *Corporations Act 2001* (Cth):

subject to paragraph (b), a vote must not be cast (in any capacity) on this resolution 4 by or on behalf of a member of the Company's key management personnel (**KMP**) (including the Directors), details of whose remuneration are included in the Remuneration Report, or their closely related parties, whether as a Shareholder or as a proxy. However, a vote may be cast on this resolution 4 by a KMP, or a closely related party of a KMP, if the vote is not cast on behalf of a KMP or a closely related party of a KMP and either:

- (a) the vote is cast as a proxy appointed in writing that specifies how the proxy is to vote on this resolution 4; or
- (b) you appoint the Chairman of the 2021 AGM as your proxy, and you do not direct your proxy how to vote on this resolution 4 on the voting form and the proxy appointment expressly authorises the Chairman of the 2021 AGM to exercise your proxy even if resolution 4 is connected directly or indirectly with the remuneration of a member of the KMP, which includes the Chairman of the 2021 AGM.

The Chairman of the 2021 AGM intends to vote undirected proxies able to be voted in favour of all resolutions.

By Order of the Board



David Fox

General Counsel and Company Secretary
22 October 2021

VOTING INSTRUCTIONS

Shareholders will not be able to attend the AGM at a physical venue.

Shareholders will be able to participate in our virtual AGM by:

- joining the AGM in real time via our online platform at <https://agmlive.link/HIL21>
- by asking questions of the Board (or the Company's external auditor):
 - before the AGM, by lodging questions online at www.linkmarketservices.com.au;
 - during the AGM via the online platform; and
- voting on the resolutions to be considered at the AGM either by lodging the Voting Form before the AGM or by voting online during or prior to the AGM, or by a combination of these steps.

Shareholders who wish to vote during the AGM using the online platform will have the opportunity to lodge a direct vote on the Resolutions to be considered at the AGM at any time between the commencement of the AGM and the close of voting at the AGM as announced by the Chairman of the Meeting during the AGM.

Shareholders who have cast a vote on a Resolution before the AGM by lodging a valid Voting Form will be able to revoke their vote and submit a direct vote on that Resolution at the AGM.

More information on how to use the online platform for voting online during the AGM is provided in the Virtual Meeting Online Guide (**Online Guide**). Shareholders using the online platform may vote all or part of their holdings on each Resolution in accordance with the instructions in the Online Guide.

As there will be no physical meeting, direct online voting will be the only way in which Shareholders can vote during the AGM.

All resolutions will be by poll

Each resolution considered at the AGM will be voted on via a poll.

PROXY INSTRUCTIONS

Shareholders, who are unable to attend and vote at the 2021 AGM or any adjournment thereof, are entitled to appoint a proxy. Shareholders can appoint a body corporate or an individual as their proxy.

A Shareholder who is entitled to cast at least two or more votes at the 2021 AGM is entitled to appoint one or two proxies. Where a Shareholder is entitled to, and does, appoint more than one proxy, each proxy must be appointed to represent a specified portion of the Shareholder's voting rights. If a Shareholder appoints two proxies but does not specify how many votes each proxy may exercise, each proxy may exercise half the votes. A proxy need not be a Shareholder of the Company.

Should a Shareholder desire to direct the proxy how to vote, the Shareholder should place a mark in the appropriate box, otherwise the proxy form will be deemed to constitute a direction to vote as the proxy decides.

Proxies will only be valid and accepted by the Company if they are received by the Share Registry of the Company by lodging the Voting Form electronically at www.linkmarketservices.com.au, by forwarding a hard copy to c/- Link Market Services, Locked Bag A14, Sydney South NSW 1235 Australia by fax +61 2 9287 0309 or by Hand to 1A Homebush Bay Drive, Rhodes, NSW 2138 or Level 12, 680 George Street, Sydney NSW 2000 so as to be received not later than **Monday, 22 November 2021, at 2:30pm (AEDT)**.

If the voting form is signed by an attorney, the original power of attorney under which the proxy form was signed (or a certified copy) must also be received by the Share Registry of the Company not later than **Monday, 22 November 2021, at 2:30pm (AEDT)** or at the time of any adjourned meeting, unless it has previously been provided to the Company's Share Registry.

If you appoint a proxy, you may still attend the 2021 AGM. However, your proxy's right to speak and vote are suspended while you are present. Accordingly, you will revoke your proxy if you register at the 2021 AGM.

If a representative of a corporation is to attend the 2021 AGM, an appropriate document appointing the representative should be sent to Link Market Services prior to the commencement of the meeting.

The Company has determined in accordance with regulation 7.11.37 of the Corporations Regulations 2001 and ASX Settlement and Operating Rule 5.6.1, that for the purpose of voting at the 2021 AGM, shares of the Company will be taken to be held by the persons who appear on the Company's share register as holding them at 7.00pm (Sydney time) on Monday, 22 November 2021.

DIRECT VOTING

As this year's AGM is being held virtually, votes may be cast directly by Shareholders either before or during the live meeting, or via proxy. If you would like to vote directly, you may do so in one of the following two ways:

- Lodge a voting form before the AGM, so that it is received no later than Monday, 22 November 2021, at 2:30pm (AEDT); or
- Lodge an online vote during the live AGM via the following link: <https://agmlive.link/HIL21>

Shareholders who cast a vote on a resolution before the AGM by lodging a valid voting form will still be entitled to lodge a further direct vote on that resolution online during the live meeting, with the later vote overriding the earlier vote.

Privacy

Please be advised that the AGM will be broadcast over the internet to the public. Your attendance and questions may be visible to others. By asking a question, you acknowledge that other persons viewing the AGM will be able to see that you have asked a question, and the Company is permitted to broadcast that question and its responses.

EXPLANATORY NOTES

The following Explanatory Notes explain the items of business to be considered at the 2021 AGM and form part of the Notice of Meeting. The Explanatory Notes are set out in the order of the items in the Notice of Meeting and should be read with the notice.

Ordinary Business

1. Consideration of Reports

Section 317(1) of the *Corporations Act 2001* (Cth) (**Corporations Act**) requires a public company to lay before its Annual General Meeting the financial report, the Directors' report and the Auditor's report for the financial year that ended before the Annual General Meeting.

Shareholders may access a copy of the annual report, which includes the financial report, the Directors' report and the Auditor's report, on the Company's website at <http://www.corporate.hills.com.au/investors>.

There is no vote on this item.

2. Resolution 1 – Election of Ms Janet Muir as a Director of the Company

Ms Muir offers herself for election.

Ms Muir was appointed by the Directors as a Director of the Company on 18 October 2021, pursuant to Rule 10.7 of the Constitution which allows the Board to appoint a Director to fill a casual vacancy, provided the total number of Directors does not exceed 10. Ms Muir retires as a Director and offers herself for election. If Ms Muir is not elected, she will cease to be a Director from the conclusion of the 2021 AGM.

Ms Muir brings extensive experience in large-scale healthcare organisations with significant skills in strategy, business development, government relations, and organisational change leadership.

She has held executive positions for more than 20 years including her current role as Audika's ANZ Managing Director, Retail. Previous roles have included Group General Manager Strategy at St Vincent's Health Australia, Group Manager Strategic Development at St John of God Healthcare, and Director of Finance at St John of God Pathology. Ms Muir is a qualified Chartered Accountant with an MBA from University of Melbourne Business School.

Recommendation

The Board (with Ms Muir abstaining) unanimously recommends that Shareholders vote in favour of Ms Muir's election.

3. Resolution 2 – Election of Mr Peter Steel as a Director of the Company

Mr Steel offers himself for election.

Mr Steel was appointed by the Directors as a Director of the Company on 31 March 2021, pursuant to Rule 10.7 of the Constitution which allows the Board to appoint a Director to fill a casual vacancy, provided the total number of Directors does not exceed 10. Mr Steel retires as a Director and offers himself for election. If Mr Steel is not elected, he will cease to be a Director from the conclusion of the 2021 AGM.

Mr Steel trained as a Chartered Accountant and has considerable experience in the consumer goods and logistics industries. This experience has developed strong skills in strategy, business planning, acquisitions and business development. He has worked in senior financial roles for more than 20 years, including serving as General Manager, Finance and IT, at Toll Priority and as General Manager, Planning and Strategy, at Coca-Cola Amatil Ltd.

Recommendation

The Board (with Mr Steel abstaining) unanimously recommends that Shareholders vote in favour of Mr Steel's election.

4. Resolution 3 – ASX Listing Rule 7.1A Approval of Future Issue of Securities

Listing Rule 7.1 limits the amount of equity securities that a listed company can issue without the approval of its shareholders over any 12 month period to 15% of the fully paid ordinary securities it had on issue at the start of that period, subject to a number of exceptions.

Under Listing Rule 7.1A an eligible entity can seek approval from its members, by a special resolution passed at its annual general meeting, to issue an additional 10% of its issued ordinary shares. An eligible entity for the purposes of Listing Rule 7.1A is an entity that is not included in the S&P/ASX 300 Index and has a market capitalisation of less than \$300 million. As of the date of this Notice of Meeting, the Company is not included in the S&P/ASX 300 Index, it has a market capitalisation of less than \$300 million, and is therefore an eligible entity.

This Resolution seeks shareholder approval by special resolution for the Company to have the capacity to issue an additional 10% of its issued capital pursuant to Listing Rule 7.1A. If this Resolution is passed, the Company will be able to issue equity securities up to the combined 25% limit in Listing Rules 7.1 and 7.1A without further shareholder approval, during the period ending on the earlier of 12 months from the 2021 AGM, the next AGM, or the date of any resolution approving a transaction under ASX Listing Rule 11.1.2 or 11.2.

Information Required by ASX Listing Rule 7.3A

The following information is provided to shareholders for the purposes of Listing Rule 7.3A.

Period for which the approval will be valid:

An approval under this Listing Rule 7.1A commences on the date of the annual general meeting at which the approval is obtained and expires on the first to occur of the following:

- (a) the date which is 12 months after the date of the annual general meeting at which the approval is obtained;
- (b) the time and date of the entity's next annual general meeting; and
- (c) the time and date on which Shareholders approve a transaction under Listing Rule 11.1.2 (a significant change to the nature or scale of activities) or 11.2 (disposal of main undertaking).

Minimum price at which the equity securities may be issued under Listing Rule 7.1A:

Any equity securities issued under Listing Rule 7.1A.2 must be an existing quoted class of the Company's equity securities and issued for cash consideration. The issue price per equity security must not be less than 75% of the volume weighted average market price of the equity securities in that class, calculated over 15 trading days on which trades in that class were recorded immediately before:

- (a) the date on which the price at the equity securities are to be issued is agreed by the Company and the recipient of the equity securities; or
- (b) if the equity securities are not issued within 10 trading days of the date in paragraph (a), the date on which the equity securities are issued.

Purposes for which the funds raised by an issue of equity securities under Listing Rule 7.1A may be used:

Any equity securities issued under Listing Rule 7.1A.2 must be issued for cash consideration. For every issue of equity securities under Listing Rule 7.1A.2, the proposed use of funds will be disclosed at the time of issue. As at the date of this Notice, the Company has not formed an intention to offer any equity securities under Listing Rule 7.1A if shareholders approve this Resolution. However, if shareholders approved this Resolution and the Company did raise funds from the issue of equity securities under Listing Rule 7.1A, based on the Company's existing plans, the Company considers that the funds may be used for the following purposes:

- (a) to develop and expand the Company's business
- (b) to fund business transformation and strategic initiatives
- (c) to acquire assets and investments

Risk of economic and voting dilution to existing ordinary Securityholders:

If this Resolution is approved, and the Company issues equity securities under Listing Rule 7.1A, the existing shareholders' economic and voting power in the Company will be diluted. There is a risk that:

- (a) the market price for the Company's equity securities in that class may be significantly lower on the issue date than on the date of the approval under Listing Rule 7.1A; and
- (b) the equity securities may be issued at a price that is at a discount to the market price for the Company's equity securities on the issue date;

which may have an effect on the amount of funds raised by the issue of equity securities under Listing Rule 7.1A.

The number of equity securities the Company may issue is determined in accordance with the following formula prescribed in ASX Listing Rule 7.1A.2:

$$(A \times D) - E$$

- A** is the number of fully paid ordinary shares in the capital of the Company ("Shares") on issue 12 months before the date of issue or agreement:
- i. plus the number of Shares issued in the previous 12 months under an exception in ASX Listing Rule 7.2
 - ii. plus the number of partly paid Shares that become fully paid in the previous 12 months
 - iii. plus the number of Shares issued in the previous twelve months with approval of holders of shares under a ASX listing rule 7.1 or 7.4
 - iv. less the number of Shares cancelled in the previous 12 months
- D** is 10%
- E** is the number of equity securities issued or agreed to be issued under a ASX Listing Rule 7.1A.2 in the 12 months before the date of issue or agreement to issue that are not issued with the approval of holders of ordinary securities under ASX Listing Rule 7.1 or 7.4.

Notice of meeting
Explanatory Notes (continued)

The table below shows the potential dilution of shareholders on the basis of three different scenarios for assumed issue price and changes in the value of the variable "A" in the formula from rule 7.1A.2. The market price of Shares and the number of Shares on issue is as at 7 October 2021.

Number of Shares on Issue (Variable "A" in ASX Listing Rule 7.1A2)		Dilution		
		\$0.06 (50% decrease in issue price)	\$0.12 (issue price)	\$0.24 (100% increase in issue price)
Example 1 231,985,526 (Current Variable "A")	Shares issued (10%)	23,198,552	23,198,552	23,198,552
	Funds raised	\$1,391,913	\$2,783,826	\$5,567,652
Example 2 266,783,355 (15% increase in Variable "A")	Shares issued (10%)	26,678,335	26,678,335	26,678,335
	Funds raised	\$1,600,700	\$3,201,400	\$6,402,801
Example 3 463,971,052 (100% increase in Variable "A")*	Shares issued (10%)	46,397,105	46,397,105	46,397,105
	Funds raised	\$2,783,826	\$5,567,652	\$11,135,305

* The number of Shares on issue (Variable A) could increase as a result of the issue of Shares that do not require Shareholder approval (such as a pro-rata rights issue) or that are issued with Shareholder approval under ASX Listing Rule 7.1.

Notes:

- The table assumes that the Company issues the maximum number of ordinary shares available to be issued under Listing Rule 7.1A.
- The table does not show an example of dilution that may be caused to a particular shareholder by reason of issues of equity securities under Listing Rule 7.1A based on that shareholder's holding at the date of this Explanatory Statement.
- The table shows the effect of an issue of equity securities under Listing Rule 7.1A only, not under the Company's 15% placement capacity under Listing Rule 7.1.

Allocation policy for issues under Listing Rule 7.1A:

The Company's allocation policy and the identity of the allottees of equity securities under Listing Rule 7.1A will depend on a number of factors, including:

- the Company's intentions in relation to the possible issue of equity securities (for cash consideration) during the Listing Rule 7.1A approval period;
- the structure and timeframe of the capital raising opportunities available to the Company and any alternative methods for raising funds that are available to the Company;
- the potential effect on the control of the Company;
- the Company's financial position and the likely future capital requirements; and
- advice from the Company's corporate or financial advisors.

The Company may raise funds during the Listing Rule 7.1A approval period, although this cannot be guaranteed. As of the date of this Notice, no specific intention to issue equity securities in relation to any parties, investors or existing Securityholders have been formed. In addition, no intentions have been formed in relation to the possible number of issues, or the time frame in which the issues could be made. Subject to the requirements of the Listing Rules and the Corporations Act, the Board of Directors reserve the right to determine at the time of any issue of

equity securities under Listing Rule 7.1A, the allocation policy that the Company will adopt for that issue. If and when the determination is made to proceed with an issue of equity securities during the Listing Rule 7.1A approval period, details regarding the allottees and the purposes of the issue will be disclosed pursuant to the Company's obligations under Listing Rules 3.10.3 and 7.1A.4. Offers made under Listing Rule 7.1A may be made to parties (excluding any related parties) including professional and sophisticated investors, existing Shareholders of the Company, or any other person to whom the Company is able to make an offer of equity securities.

Where practicable to do so the Company will structure any proposed issue of securities to facilitate equitable participation by existing shareholders and consideration of the Company's tax position.

The Company has not previously sought shareholder approval under Listing Rule 7.1A.

This Resolution is a Special Resolution.

For a Special Resolution to be passed, at least 75% of the votes validly cast on the resolution by shareholders (by number of ordinary shares) must be in favour of this Resolution.

Recommendation

The Board unanimously recommends that Shareholders vote in favour of this resolution.

5. Resolution 4 – Adoption of Remuneration Report (Non-binding resolution)

The Company's Remuneration Report for the 2021 financial year is set out in pages 17 to 27 of the 2021 Annual Report which is available at <https://corporate.hills.com.au/investors>. The Remuneration Report explains the Company's approach to executive remuneration, performance and remuneration outcomes for the Company and its Key Management Personnel (**KMP**) for the year ended 30 June 2021. The Remuneration Report has been audited as required by Section 308(3C) of the Corporations Act.

During this item of business, members as a whole will be given a reasonable opportunity to ask questions on the online platform about, and make comments on, the Remuneration Report.

The Board recognises that the performance of the Company depends on the quality and motivation of its people and their leaders. The Company's remuneration strategy aims to appropriately reward, incentivise and retain talent necessary to achieve the Company's operational and strategic goals. Core to the Company's remuneration philosophy is a strong performance framework, where the contribution of all employees is aligned to the interests of shareholders. For senior executives, this is managed through a balanced scorecard that includes both financial and non-financial measures. The Board believes this approach provides alignment to the Company's shareholders and importantly, clarity to its executives by setting expectations regarding what the Board considers are acceptable targets. The Board has established a Remuneration Strategy that supports and drives the achievement of the Hills Business Strategy. The Board is confident that the remuneration framework aligns the remuneration of the senior executives with shareholder interests. Hills is a business that is heavily focused on performance and rewarding its people on achievement.

Members will be given a reasonable opportunity at the AGM to ask questions about, and make comments on, the Remuneration Report. The voting exclusion statement for this resolution is set out on page 5 of this Notice of Meeting.

If at least 25% of the votes cast at two consecutive Annual General Meetings are against the adoption of the remuneration report, a resolution must be put to Shareholders at the second Annual General Meeting as to whether an extraordinary general meeting (called a Spill Meeting) should be held to consider the election of the Directors.

If that resolution is passed, the Directors who were Directors when the Remuneration Report considered at the second Annual General Meeting was approved by the Board will cease to hold office immediately before the end of the Spill Meeting but may stand for re-election at the Spill Meeting. Following the Spill Meeting, those persons whose election or re-election as Directors is approved will be the Directors of the Company.

The Remuneration Report resolution was passed with a vote of 95.41% in favour at the 2020 Annual General Meeting. A 25% 'no' vote at the 2021 AGM will not result in a spill meeting. However, if 25% or more votes are against the Remuneration Report at the 2021 Annual General Meeting, this will constitute a "first strike".

Voting

The vote on this resolution is advisory only and does not bind the Directors of the Company. The Board will take the outcome and comments made by shareholders into consideration when reviewing the remuneration practices and policies of the Company.

Recommendation

The Board unanimously recommends that Shareholders vote in favour of this resolution.

The Chairman of the meeting intends to vote all available proxies able to be voted in favour of the adoption of the Remuneration Report.

LODGE YOUR VOTE

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

 **BY MAIL**
Hills 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
Level 12, 680 George Street, Sydney NSW 2000
*subject to any COVID-19 public health orders and restrictions

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



X99999999999

VOTING FORM

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

A VOTE DIRECTLY

elect to lodge my/our vote(s) directly (mark box)

 in relation to the Annual General Meeting of the Company to be held at **2:30pm (Sydney time) on Wednesday, 24 November 2021**, and at any adjournment or postponement of the Meeting.

You should mark either "for" or "against" for each item. Do not mark the "abstain" box.

OR

B APPOINT A PROXY

the Chairman of the Meeting (mark box)

OR if you are **NOT** appointing the Chairman of the Meeting as your proxy, please write the name and email of the person or body corporate you are appointing as your proxy. An email will be sent to your appointed proxy with details on how to access the virtual meeting.

Name

Email

or failing the person or body corporate named, or if no person or body corporate is named, the Chairman 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 **2:30pm (Sydney time) on Wednesday, 24 November 2021** (the **Meeting**) and at any postponement or adjournment of the Meeting.

The Meeting will be conducted as a virtual meeting and you can participate by logging in online at <https://agmlive.link/HIL21> (refer to details in the Notice of Meeting and Virtual Meeting Online Guide).

Important for Resolution 4: If the Chairman of the Meeting is your proxy, either by appointment or by default, and you have not indicated your voting intention below, you expressly authorise the Chairman of the Meeting to exercise the proxy in respect of Resolution 4, even though the Resolution is connected directly or indirectly with the remuneration of a member of the Company's Key Management Personnel (KMP).

The Chairman of the Meeting intends to vote undirected proxies able to be voted 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

Resolutions

1 Election of Ms Janet Muir as a Director

For Against Abstain*

4 Adoption of Remuneration Report

For Against Abstain*

2 Election of Mr Peter Steel as a Director

Special Resolution

3 Approval of Future Issue of Securities (10% Placement Capacity)



* If you mark the Abstain box for a particular Item, you are directing your proxy not to vote on your behalf 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).



HOW TO COMPLETE THIS SHAREHOLDER VOTING 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.**

VOTING UNDER BOX A

If you ticked the box under Box A you are indicating that you wish to vote directly. Please only mark either "for" or "against" for each item. Do not mark the "abstain" box. If you mark the "abstain" box for an item, your vote for that item will be invalid.

If no direction is given on all of the items, or if you complete both Box A and Box B, your vote may be passed to the Chairman of the Meeting as your proxy.

Custodians and nominees may, with the Share Registrar's consent, identify on the Voting Form the total number of votes in each of the categories "for" and "against" and their votes will be valid.

The Chairman's decision as to whether a direct vote is valid is conclusive.

VOTING UNDER BOX B – APPOINTMENT OF PROXY

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

DEFAULT TO CHAIRMAN OF THE MEETING

Any directed proxies that are not voted on a poll at the Meeting will default to the Chairman of the Meeting, who is required to vote those proxies as directed. Any undirected proxies that default to the Chairman of the Meeting will be voted according to the instructions set out in this Voting Form, including where the Resolution is connected directly or indirectly with the remuneration of KMP.

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 Voting 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:

- on each of the first Voting Form and the second Voting 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
- 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 holder must sign.

Joint Holding: where the holding is in more than one name, either shareholder 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 virtually the appropriate "Certificate of Appointment of Corporate Representative" must be received at registrars@linkmarketservices.com.au prior to joining the meeting in accordance with the Notice of Annual General Meeting. A form of the certificate may be obtained from the Company's share registry or online at www.linkmarketservices.com.au.

LODGEMENT OF A VOTING FORM

This Voting Form (and any Power of Attorney under which it is signed) must be received at an address given below by **2:30pm (Sydney time) on Monday, 22 November 2021**, being not later than 48 hours before the commencement of the Meeting. Any Voting Form received after that time will not be valid for the scheduled Meeting.

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



ONLINE

www.linkmarketservices.com.au

Login to the Link website using the holding details as shown on the Voting Form. Select 'Voting' and follow the prompts to lodge your vote. To use the online lodgement facility, shareholders will need their "Holder Identifier" - Securityholder Reference Number (SRN) or Holder Identification Number (HIN).



BY MAIL

Hills 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*
Level 12
680 George Street
Sydney NSW 2000

*during business hours Monday to Friday (9:00am - 5:00pm) and subject to any COVID-19 public health orders and restrictions