

PMV

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



16 May 2016

Dear Shareholder

On behalf of the Board, I invite you to an Extraordinary General Meeting (**EGM**) of the shareholders of Premier Investments Limited (**Premier**) which will be held at Just Building, 658 Church Street, Richmond, Victoria on Wednesday, **15 June 2016 at 10.00 am** (Melbourne time).

As you will be aware, since Mr McInnes joined in April 2011 as the Chief Executive Officer of Premier Retail, Premier's market capitalisation has increased by \$1.6 billion and shareholders have received a total of \$313 million in fully franked dividends.

The Board is delighted that Mr McInnes has re-committed himself to Premier by signing a new employment agreement on 26 April 2016. The new employment agreement contains certain terms in relation to benefits that may be payable to Mr McInnes upon cessation of his employment and the treatment of his long term incentive arrangements.

The accompanying Notice of Meeting and the explanatory notes provide further detail in relation to the EGM resolutions. Each of the Directors (other than Mr McInnes because of his interest in the resolutions) recommend that shareholders vote in favour of the resolutions. I intend to vote all available proxies in favour of the resolutions.

I look forward to welcoming you to the EGM.

Sincerely,



Solomon Lew
Chairman

NOTICE OF EXTRAORDINARY GENERAL MEETING

PREMIER INVESTMENTS LIMITED ACN 006 727 966

Notice is given that an Extraordinary General Meeting (**EGM**) of Shareholders of Premier Investments Limited (the **Company**) will be held at Just Building, 658 Church Street, Richmond, Victoria on **Wednesday, 15 June 2016 at 10.00 am (Melbourne time)**.

Items of Business

1 Approval of potential termination benefits for the CEO of Premier Retail, Mr Mark McInnes, in certain circumstances

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

That approval be given for all purposes (including for the purposes of sections 200B and 200E of the *Corporations Act 2001*), for the giving of benefits by the Company or any of its related bodies corporate to the Chief Executive Officer of Premier Retail, Mr Mark McInnes, in connection with his ceasing to be a director or ceasing to hold a managerial or executive office in the Company or a related body corporate, in the particular circumstances and as described in the Explanatory Statement.

2 Approval to revised terms of performance rights granted to the CEO of Premier Retail, Mr Mark McInnes

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

That for the purposes of ASX Listing rule 10.14 and for all other purposes, approval be given to revised terms relating to the acquisition by the Chief Executive Officer of Premier Retail, Mr Mark McInnes, of up to 1,000,000 Ordinary Shares upon vesting of certain Performance Rights previously approved by shareholders, in the particular circumstances and as described in the Explanatory Statement.

By order of the Board



Kim Davis
Company Secretary
16 May 2016

1 Defined terms

Capitalised terms used in this Notice (including those used in the resolutions set out in this Notice) have, unless otherwise defined, the same meanings set out in the Explanatory Statement attached to this Notice.

2 Material accompanying this Notice

The following materials accompany this:

- (a) the Explanatory Statement setting out details relevant to the business set out in this Notice; and
- (b) a Proxy Form.

3 Voting and required majority

- (a) In accordance with section 249HA of the Corporations Act for each of **resolutions 1 and 2** to be effective -
 - (i) not less than 28 days written notice has been given; and
 - (ii) each resolution must be passed by more than 50% of all the votes cast by Shareholders entitled to vote on the resolutions (whether in person or by proxy, attorney or representative).
- (b) Subject to paragraph 4 below, on a show of hands every Shareholder has one vote and, on a poll, every Shareholder has one vote for each Share held.

4 Voting exclusions - Resolutions 1 and 2**Resolution 1**

- (a) The Company will disregard any votes cast on resolution 1 in any capacity by Mr McInnes and any of his associates, unless:
 - it is cast by a proxy appointed by writing that specifies how the proxy is to vote on the resolution; and
 - it is not cast on behalf of Mr McInnes or any of his associates.
- (b) KMP or their closely related parties cannot cast a vote as a proxy for a shareholder entitled to cast a vote, if the proxy is not directed how to vote on resolution 1 unless:
 - the KMP is the chairperson of the Meeting; and
 - the appointment of the chairperson as proxy expressly authorises him/her to exercise the proxy for a person entitled to vote in accordance with a direction to vote as s/he decides, even though resolution 1 is connected directly with the remuneration of a KMP.

Resolution 2

- (a) The Company will disregard any votes cast on resolution 2 by Mr McInnes (being the only Director of the Company who is eligible to participate in the Company's Performance Rights Share Plan) and any of his associates, unless:
 - it is cast by a person as proxy for a person who is entitled to vote, in accordance with the directions on the proxy form; or
 - it is cast by the chairperson of the Meeting as proxy for a person who is entitled to vote, in accordance with a direction on the proxy form to vote as the proxy decides.
-

- (b) KMP or their closely related parties cannot cast a vote as a proxy for a shareholder entitled to cast a vote, if the proxy is not directed how to vote on resolution 2 unless:
- the KMP is the chairperson of the Meeting; and
 - the appointment of the chairperson as proxy expressly authorises him/her to exercise the proxy for a person entitled to vote in accordance with a direction to vote as s/he decides, even though resolution 2 is connected directly with the remuneration of a KMP.

For the purposes of these voting exclusions, “KMP” means Directors of the Company and those persons having authority and responsibility for planning, directing and controlling the major activities of the Company directly or indirectly.

5 Shareholders eligible to vote

Pursuant to regulation 7.11.37 of the *Corporations Regulations 2001* the Board has determined that, for the purposes of the EGM (including voting at the EGM), Shareholders are those persons who are registered holders of Shares at **7.00 pm (Melbourne time) on Monday, 13 June 2016 (Effective Time)**.

6 Proxies and Representatives

- (a) All Shareholders at the Effective Time who are entitled to attend and vote at the EGM may appoint a proxy for that purpose.
- (b) A proxy need not be a Shareholder of the Company.
- (c) The Proxy Form sent with this Notice should be used for the EGM unless you appoint your proxy online as set out in clause 6(h) below.
- (d) Each Shareholder who is entitled to cast 2 or more votes at the EGM, may appoint up to 2 proxies and may specify the proportion or number of votes that each proxy is entitled to exercise. If a Shareholder **does not** specify the proportion or number of that Shareholder’s votes each proxy may exercise, each proxy will be entitled to exercise half of the votes. An additional Proxy Form will be supplied by the Company on request.
- (e) Shareholders wishing to appoint a proxy should read the instructions on the Proxy Form carefully and then complete and return the Proxy Form to the Company by the due date and time set out in clause 6(h) below.
- (f) Any Shareholder may appoint an attorney to act on its behalf. The power of attorney, or a certified copy of it, must be received by the Company as set out in clause 6(h) below.
- (g) Any corporation which is a Shareholder of the Company may appoint a representative to act on its behalf. Appointments of representatives must be received by the Company as set out in clause 6(h) before the time of the EGM or adjourned meeting or at the meeting.
- (h) Proxies, powers of attorneys and company representative authorisations granted by Shareholders must be received by the Company by no later than **10.00 am (Melbourne time) on Monday, 13 June 2016** by–
- (i) mail, to the Share Registry (using the envelope enclosed with this Notice) to Computershare Investor Services Pty Limited, GPO Box 242, Melbourne, Victoria 3001 or hand delivered to 452 Johnson Street, Abbotsford, Victoria 3067; or
 - (ii) fax, to the Share Registry on 1800 783 447 (within Australia) or +61 3 9473 2555 (outside Australia); or
 - (iii) electronically, via the electronic proxy voting instructions, which can be recorded on the internet at www.investorvote.com.au; or
 - (iv) for intermediary online subscribers only (custodians) please visit www.intermediaryonline.com.

Please refer to the Proxy Form accompanying this Notice for more information.

EXPLANATORY STATEMENT

PREMIER INVESTMENTS LIMITED ACN 006 727 966

1 General

- 1.1 This Explanatory Statement contains information relevant to the business referred to in the Notice of EGM of Premier Investments Limited (the **Company**) which it accompanies and **should be read carefully by Shareholders prior to the EGM.**
- 1.2 All capitalised terms used in this Explanatory Statement have the meanings set out in the Glossary of Terms located at the end of this document.
- 1.3 Further details relating to each item in the Notice are set out below.

2 Items of Business

2.1 **Item 1 - Approval of potential termination benefits for the CEO of Premier Retail, Mr Mark McInnes, in certain circumstances**

Background

Resolution 1 seeks Shareholder approval for any payments and benefits which may be provided to the Chief Executive Officer of Premier Retail, Mr Mark McInnes, upon cessation of his employment (**Termination Benefits**).

The Termination Benefits Mr McInnes may be entitled to receive upon cessation of his employment will depend on the timing and nature of that cessation. The manner in which the relevant value is to be calculated and any event that will, or is likely to, affect the calculation of that value is set out below.

Why Shareholder approval is being sought

Part 2D.2, Division 2 of the Corporations Act provides that a listed company must not permit a person in a managerial or executive office to receive a benefit in connection with their retirement or removal from office or employment (**Termination Benefit**), except with respect to certain statutory exceptions, over the applicable 'base salary amount' without Shareholder approval. The 'base salary amount' is calculated as 12 months of the applicable employee's base salary plus any short term benefits not dependent on performance conditions paid during the relevant period. As Mr McInnes has already been employed for more than three years, the base salary amount will be averaged over the last three years prior to his cessation of employment.

The purpose of resolution 1 is to have Shareholders approve payment of Mr McInnes' potential Termination Benefits, including for the purposes of the short term incentive (**STI**) and long term incentive (**LTI**) arrangements, based on the manner in which those Termination Benefits will be calculated.

Notwithstanding that one or more of the Termination Benefits set out below may or may not be of a greater value than the base salary amount, the Company is seeking Shareholder approval in relation to all potential Termination Benefits to which Mr McInnes may be entitled.

Termination Benefits

Mr McInnes was appointed as Premier Retail's CEO in April 2011 and became an Executive Director in December 2012. On 26 April 2016, Mr McInnes signed a new employment agreement (**New Employment Agreement**).

In accordance with the New Employment Agreement, Mr McInnes receives fixed remuneration and can earn variable remuneration through STI and LTI arrangements.

The following payments and benefits may form part of the Termination Benefits provided to Mr McInnes on cessation of his employment.

(a) *Notice period*

Upon cessation of his employment, Mr McInnes is entitled to 12 months' notice (**Notice Period**) if he resigns, or is terminated by the Company for any reason other than for serious misconduct, or for conduct otherwise giving rise to an entitlement at law to summarily dismiss (**Without Cause**).

In each of these circumstances, during the Notice Period, the Company may direct Mr McInnes to continue in his role, perform no duties, reduced duties or alternative duties, or to provide Mr McInnes with payment in lieu of notice (**Notice Payment**). The maximum amount of the Notice Payment based on Mr McInnes' current total fixed remuneration under the New Employment Agreement will be \$2,500,000 gross, less applicable tax.

If Mr McInnes is provided with a Notice Payment for some or all of the Notice Period, that amount will be considered a Termination Benefit.

If Mr McInnes is terminated for serious misconduct or the Company is otherwise entitled at law to summarily dismiss Mr McInnes (**Terminated for Cause**), the Company may terminate Mr McInnes' employment without providing a Notice Period.

(b) *Post-employment restrictions*

If Mr McInnes resigns, or is terminated by the Company Without Cause, the Company may elect to restrict Mr McInnes from certain conduct in competition with the Company for a period of either 12 months or 24 months from the end of the Notice Period (**Restrictions**).

If the Company elects to enforce the Restrictions, it is required to provide Mr McInnes with his total fixed remuneration during the relevant period (up to a maximum period of 24 months). The amount that Mr McInnes would receive if the Company elects to enforce the Restrictions for 24 months is \$5,000,000 gross, less applicable tax. The amount that Mr McInnes would receive if the Company elects to enforce the Restrictions for 12 months is \$2,500,000 gross, less applicable tax.

If Mr McInnes is provided with payment in respect to the Restrictions, that amount will be considered a Termination Benefit.

The Company's ability to enforce the Restrictions will not be impacted by any election by the Company to direct Mr McInnes to continue in his role, perform no duties, reduced duties or alternative duties, or to provide Mr McInnes with a Notice Payment.

If Mr McInnes' employment is Terminated for Cause, the Company may elect to enforce the Restrictions from the date on which his employment is terminated (as no Notice Period will be provided). If the Company elects to enforce the Restrictions, it remains obliged to provide Mr McInnes with his total fixed remuneration during the relevant Restriction period (up to a maximum period of 24 months).

(c) *Short term incentive arrangements*

Mr McInnes is entitled to receive STI cash payments under the Company's STI scheme if the applicable performance targets and conditions are met.

Calculation of the STI is based on growth of the aggregated audited earnings before interest and tax (**EBIT**) of each entity within Premier Retail. The relevant growth is the difference between the EBIT of the financial year being tested (**Test Year**) and the EBIT of the previous financial year (**Base Year**).

The relevant performance targets and corresponding STI payment amounts are as follows:

EBIT growth less than 5% of Base Year	No payment.
EBIT growth of 5% of Base Year	\$1,250,000.
EBIT growth between 5% and 10% of Base Year	\$1,250,000 plus a pro rata payment based on the % of the EBIT growth above 5%, up to a maximum of \$2,500,000 for 10% EBIT growth.
EBIT growth of above 10% of Base Year	If Mr McInnes considers that any additional payment is warranted based on EBIT Growth of above 10%, he may make a request for an additional payment to the Chair of the Company. The Chair of the Company may determine whether or not to make any such payment in his sole and absolute discretion within 30 days of receiving any such request.

If Mr McInnes resigns his employment, or is terminated by the Company Without Cause, he remains entitled to continue participating in the STI scheme until the end of the Notice Period.

This entitlement will not be impacted by any election by the Company to direct Mr McInnes to continue in his role, to perform no duties, reduced duties or alternative duties, or to provide Mr McInnes with a Notice Payment.

If Mr McInnes' employment is Terminated for Cause, he is not entitled to participate in the STI scheme for the financial year in which his employment ceases, or any following financial year.

Payment of an STI upon Mr McInnes' cessation of employment may be considered a Termination Benefit.

The amount that Mr McInnes may receive under the STI scheme in connection with him ceasing employment with the Company (for reasons other than being Terminated for Cause) will depend on the financial year in which the Notice Period ends and will be calculated in accordance with the above table (on a pro rata basis for part of a financial year if the Notice Period ends during a financial year).

The maximum payment that Mr McInnes may receive under the STI scheme for the Notice Period is \$2,500,000, unless the Chair of the Company decides to make an additional payment in his absolute discretion. The Chair of the Company has absolute discretion to make an additional STI payment if Mr McInnes would not otherwise be entitled to such a payment under the above table.

(d) *Long term incentive arrangements*

At the Company's 2015 Annual General Meeting, Shareholders approved the granting of 1,000,000 performance rights (**Performance Rights**) to Mr McInnes under his LTI arrangements. Each Performance Right entitles Mr McInnes to acquire one fully paid Ordinary Share if the applicable performance conditions are met.

Further details in relation to the LTI arrangements, including discretions which vest with the Chair of the Company, are set out at section 2.2 below.

If Mr McInnes resigns his employment, or is terminated by the Company Without Cause, he remains entitled to continue participating in the Company's Performance Rights Plan (**Plan**) until the end of the Notice Period.

This entitlement will not be impacted by any election by the Company to direct Mr McInnes to continue in his role, to perform no duties, reduced duties or alternative duties, or to provide Mr McInnes with a Notice Payment.

In addition, Mr McInnes will be entitled to Special Vesting, which is described in section 2.2(c) below, if the final day of the Notice Period is within 14 days prior to a Vesting Date.

If Mr McInnes is Terminated for Cause, Mr McInnes is not entitled to participate in the Plan for the financial year in which his employment ceases, or any following financial year.

The value of any benefit relating to the Performance Rights upon Mr McInnes' cessation of employment may be considered a Termination Benefit.

The value of any benefit relating to the Performance Rights in connection with Mr McInnes' cessation of employment with the Company Without Cause cannot presently be ascertained. However, matters, events and circumstances that will, or are likely to, affect the calculation of that value include:

- the number of Performance Rights that have vested as at the date of the cessation of Mr McInnes' employment and that vest during the Notice Period or as a result of Special Vesting; and
- the market price of the Company's shares on ASX on the date the Ordinary Shares are provided to Mr McInnes upon vesting of the Performance Rights.

The rules of the Plan address the impact of rights issues and bonus issues on the Performance Rights, except to the extent of any inconsistency with the terms of the New Employment Agreement.

Potential outcomes if Shareholder approval is not obtained

The New Employment Agreement contains a warranty and indemnity in relation to a failure by the Company to obtain Shareholder approval in relation to resolution 1 and resolution 2, and failure by the Company to make all necessary disclosures to Shareholders required under the Corporations Act and the Listing Rules.

If resolution 1 and resolution 2 do not receive Shareholder approval at or before the Company's 2016 Annual General Meeting, and Mr McInnes does not receive an applicable STI payment or LTI benefit in accordance with the New Employment Agreement as a result of a failure to obtain the required Shareholder approval or failure to make necessary disclosures, the Company will pay Mr McInnes for any loss he suffers.

In addition, if Mr McInnes resigns his employment as a direct result of a failure to obtain the required Shareholder approval or a failure to make necessary disclosures, the Company:

- (a) is restricted from providing Mr McInnes with a Notice Payment; and
- (b) agrees to set aside the Restrictions, unless otherwise agreed.

Directors' Recommendation

The Directors, other than Mr McInnes (because of his interest in the resolution), recommend Shareholders vote in favour of resolution 1 set out in the Notice of EGM.

The chairperson of the Meeting intends to vote all available proxies in favour of this resolution

2.2 Item 2 - Approval to revised terms of performance rights granted to the CEO of Premier Retail, Mr Mark McInnes

Background

Resolution 2 seeks Shareholder approval for amended conditions relating to the granting of 1,000,000 Performance Rights to the Chief Executive Officer of Premier Retail and director of the Company, Mr Mark McInnes, under the Plan.

The Board established the Plan in 2008 and Shareholders approved the issue of securities under the Plan under Listing Rule 7.2, exception 9 at the Company's 2014 Annual General Meeting. The Plan enables the Company to offer any person, other than a non-executive Director, Performance Rights.

Shareholders approved the terms of the grant of Performance Rights to Mr McInnes at the Company's 2015 Annual General Meeting.

A summary of the key terms of the Plan is set out in Appendix 1.

Why Shareholder approval is being sought

Listing Rule 10.14 states that a listed company must not permit a Director to acquire securities under an employee incentive scheme without Shareholder approval, by ordinary resolution. Although the grant of Performance Rights to Mr McInnes was approved by Shareholders at the Company's 2015 Annual General Meeting, that approval will only continue to be available if there is no material change to the circumstances set out in the notice of meeting for the 2015 Annual General Meeting.

Accordingly, the purpose of resolution 2 is to have Shareholders approve the revised terms relating to those Performance Rights granted to Mr McInnes under the New Employment Agreement.

Performance hurdles will apply to the Performance Rights, as set out below.

Grant of Performance Rights

A Performance Right is a right to acquire a fully paid Ordinary Share in the Company at nil cost (i.e. nil exercise price), subject to meeting the applicable performance hurdles. To the extent the performance hurdles are met, the relevant number of Performance Rights will vest and become exercisable. Upon exercise, each Performance Right entitles Mr McInnes to one Ordinary Share which will rank equally with shares in the same class. Mr McInnes is not required to pay any amount on grant of the Performance Rights, nor on their vesting and exercise.

Any Ordinary Shares issued to Mr McInnes on exercise of Performance Rights will be issued prior to the last date to register for the interim dividend.

Maximum number of securities to be issued to Mr McInnes

Following approval by Shareholders of the grant of Performance Rights to Mr McInnes at the Company's 2015 Annual General Meeting, 1,000,000 Performance Rights were issued to Mr McInnes. There will be no additional Performance Rights issued to Mr McInnes if resolution 2 is approved by Shareholders.

Price of Performance Rights

The Performance Rights were granted at no cost to Mr McInnes. Once the performance hurdles are met (or waived), the Performance Rights will be exercisable at nil cost.

No loan has or will be provided by the Company in relation to the grant or exercise of the Performance Rights issued to Mr McInnes.

Importantly, no value will be received by Mr McInnes if the Performance Rights lapse prior to the vesting date.

Existing conditions that apply to the Performance Rights granted to Mr McInnes

At the Company's 2015 Annual General Meeting, Shareholders approved conditions applying to the Performance Rights granted to Mr McInnes, as set out below.

The Performance Rights granted will vest in four equal tranches subject to the achievement of both a relative and absolute total shareholder return (TSR). Broadly, TSR is the percentage growth achieved from an investment in Ordinary Shares over the relevant testing period (assuming all dividends are reinvested).

Each tranche of Performance Rights will be tested against the TSR performance measure over different testing periods, as follows:

- Tranche A – 4 April 2014 to 4 April 2017
- Tranche B – 4 April 2014 to 4 April 2018
- Tranche C – 4 April 2014 to 4 April 2019
- Tranche D - 4 April 2014 to 4 April 2020

(each date being a **Vesting Date**).

The share price baseline for each Tranche is \$9.88, which was the volume weighted average share price (VWAP) of the Ordinary Shares on ASX for the five trading days prior to 4 April 2014. The Company's TSR will be calculated based on the percentage growth achieved from the share price baseline of \$9.88 to the share price on the relevant Vesting Date (calculated by the VWAP of the Ordinary Shares on ASX for the five trading days prior to the relevant Vesting Date).

The absolute test requires that the TSR over the testing period be positive.

If the TSR under the absolute test is positive, the Company's TSR will be assessed against the relative performance of the constituent companies in the S&P/ASX200 Industrials Index, excluding overseas and resource companies, over the testing period. The relative TSR performance targets and the corresponding vesting percentages are as follows:

Target	Conversion ratio of Performance Rights to Shares available to vest under the TSR performance condition:
Below the 50 th percentile:	0%
50 th percentile:	25%
Between 50 th and 62.5 th percentile:	Pro rata
62.5 th percentile:	50%
Between 62.5 th and 75 th percentile:	Pro rata
75 th percentile and above:	100%

The Company's TSR and ranking within the relevant comparator group for each testing period will be assessed by an external independent advisor.

The Performance Rights under each Tranche lapse if the applicable performance hurdles are not met (unless otherwise determined by the Board in its absolute discretion).

Revised conditions that are proposed to apply to the Performance Rights granted to Mr McInnes

The New Employment Agreement amends the proposed conditions that apply to the Performance Rights granted to Mr McInnes in four key respects:

(a) *Treatment during the Notice Period*

As set out in paragraph 2.1(d) above, if Mr McInnes resigns, or is terminated by the Company Without Cause, he will be entitled to continue to participate in the Plan until the end of the Notice Period, regardless of any election by the Company to direct Mr McInnes to continue in his role, to perform no duties, reduced duties or alternative duties, or to provide Mr McInnes with a Notice Payment.

If Mr McInnes' employment is Terminated for Cause, he is not entitled to participate in the Plan for the financial year in which his employment ceases, or any following financial year.

(b) *Company discretion to vest Performance Rights if TSR negative*

If in any year Mr McInnes has satisfied all performance conditions, other than the TSR being positive, and would otherwise have been entitled to vesting of any Performance Rights, the Chair of the Company may, in his sole and absolute discretion, elect to enable some or all of the applicable Performance Rights to vest if circumstances justify such an award.

(c) *Special Vesting*

If Mr McInnes resigns, or is terminated by the Company Without Cause, and the final day of the Notice Period is within 14 days prior to a Vesting Date, Mr McInnes remains entitled to have the Performance Rights tested against the TSR performance measure on the Vesting Date (**Special Vesting**).

The Special Vesting terms will be effective regardless of any election by the Company to direct Mr McInnes to continue in his role, to perform no duties, reduced duties or alternative duties, or to provide Mr McInnes with a Notice Payment.

Similar Special Vesting terms were contained in Mr McInnes' prior employment agreement in relation to the 2014 and 2015 Vesting Dates. The New Employment Agreement replicates this treatment in relation to each of the Vesting Dates.

(d) *New Employment Agreement overrides Plan rules*

If there is any inconsistency between the terms of the New Employment Agreement and the Plan (as amended from time to time), the terms of the New Employment Agreement will prevail. A similar term was contained in Mr McInnes' prior employment agreement.

Potential outcomes if Shareholder approval is not obtained

As set out above under section 2.1.

Date on which the Performance Rights were issued

Following approval by Shareholders of the grant of Performance Rights to Mr McInnes at the Company's 2015 Annual General Meeting, 1,000,000 Performance Rights were issued to Mr McInnes. Such issue occurred within 12 months of the date of the Company's 2015 Annual General Meeting. No further Performance Rights are to be issued to Mr McInnes following this Meeting. Rather, the terms relating to those Performance Rights which have already been issued to Mr McInnes will vary in the manner described in this Explanatory Statement.

Number of Performance Rights issued under the Plan

In the last 12 months, the Company has issued 1,291,979 unquoted Performance Rights under the Plan subject to satisfaction of performance vesting conditions. Since the Company's 2015 Annual General Meeting, the only person referred to in Listing Rule 10.14 who received Performance Rights under the Plan was Mr McInnes, who received 1,000,000 Performance Rights (being the Performance Rights subject to this resolution) at no cost.

Persons entitled to participate in the Plan

The Company can issue Performance Rights to any person, other than non-executive Directors, under the Plan. Currently, only Company executives participate in the Plan. No other Directors have received Performance Rights under the Plan.

Directors' Recommendation

The Directors, other than Mr McInnes (because of his interest in the resolution), recommend Shareholders vote in favour of resolution 2 set out in the Notice of EGM.

The chairperson of the Meeting intends to vote all available proxies in favour of this resolution.

GLOSSARY OF TERMS

ASX	means ASX Limited ACN 008 624 691.
Board	means the board of Directors of the Company.
Chair	means the chairperson of the Company.
Company	means Premier Investments Limited ACN 006 727 966.
Corporations Act	means the <i>Corporations Act 2001</i> (Cth).
Director	means a director of the Company.
Group	means the Company and its controlled entities.
Listing Rules	means the listing rules of ASX, as amended from time to time.
Meeting	means the extraordinary general meeting of the Company to be held at 10.00 am (Melbourne time) on Wednesday, 15 June 2016.
Notice of EGM	means the notice of the extraordinary general meeting of the Company accompanying this Explanatory Statement (and the term “ Notice ” has the same meaning).
Ordinary Shares	means fully paid ordinary shares in the capital of the Company.
Plan	means Premier’s Performance Rights Plan (as amended from time to time).
Shareholder	means a holder of one or more Ordinary Shares.

Appendix 1 - Summary of Plan key terms

Summary

The Board may, in its absolute discretion grant performance rights to any person other than a non-executive Director.

A performance right entitles its holder to a share in the Company, subject to the satisfaction of certain performance conditions on terms and conditions determined by the Board. If the performance conditions are satisfied, the performance rights vest and shares will be delivered to the eligible executive.

Performance rights will be issued for no consideration, unless otherwise determined by the Board. The maximum number of performance rights that can be issued under the Plan is that number which equals 5% of the total number of issued Ordinary Shares.

Change of Control

In the event of a takeover bid where a bidder acquires a relevant interest in at least 50% of the Company, any performance rights granted (or that the Company is contractually obliged to grant) will vest where, in the Board's absolute discretion, pro rata performance is in line with any performance condition applicable to those performance rights from the date of grant to the date the bidder acquires the control interest.

Restrictions on Performance Rights and Shares

Participants in the Plan will be prohibited from transfer of performance rights without the consent of the Board.

Performance shares (being those ordinary shares acquired pursuant to a performance right) cannot be traded without the prior consent of the Board until the earlier of 7 years after the date of grant of the performance rights pursuant to which the performance shares were granted and the date on which a participant cease to be employed by the Company or its subsidiaries. The Board maintains discretion to determine any other date at which performance shares can be traded.

Rights and Entitlements

Performance rights do not carry any rights or entitlements to dividends, capital or voting. However, in the event of bonus issues of shares, rights issues or share reconstructions, the number of performance rights to which a participant is entitled will be adjusted in a manner determined by the Board to reflect any such changes.

From the date performance shares are acquired pursuant to a performance right, participants will have the same entitlements to dividends, capital and voting as existing Shareholders.

Forfeiture

Participants in the Plan may have their performance rights or performance shares forfeited if the Board determines they have committed any act of fraud, dishonesty or breached their obligations to the Company and its subsidiaries.

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

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



Proxy Form

XX



Vote 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 time 10.00am (Melbourne time) on Monday 13 June 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

I ND

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 Premier Investments 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 Extraordinary General Meeting of Premier Investments Limited to be held at Just Building, 658 Church Street, Richmond, Victoria on Wednesday, 15 June 2016 at 10.00am (Melbourne time) 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 1 and 2 (except where I/we have indicated a different voting intention below) even though Items 1 and 2 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 1 and 2 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
Item 1	Approval of potential termination benefits for the CEO of Premier Retail, Mr Mark McInnes, in certain circumstances	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Item 2	Approval to revised terms of performance rights granted to the CEO of Premier Retail, Mr Mark McInnes	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

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

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

Individual or Securityholder 1

Sole Director and Sole Company Secretary

Securityholder 2

Director

Securityholder 3

Director/Company Secretary

Contact Name

Contact Daytime Telephone

Date / /

PMV

999999A

Computershare +