

24 September 2013

Dear Shareholder,

I am pleased to invite you to Tabcorp's 2013 Annual General Meeting, which will be held at the Mayfair Ballroom, Grand Hyatt Melbourne, 123 Collins Street, Melbourne on Thursday 31 October 2013 at 10.00am. Enclosed is a Notice of Annual General Meeting detailing the business to be considered at the meeting, a personalised proxy form and a return envelope.

**If you plan to attend the meeting, please bring the enclosed proxy form with you. The proxy form sets out your registration details and will enable prompt registration on your arrival.**

The meeting will be webcast live on Tabcorp's website [www.tabcorp.com.au](http://www.tabcorp.com.au) and will also be archived on this website for later viewing.

### **Appoint a proxy**

If you are unable to attend the meeting, you may appoint a proxy to vote on your behalf at the meeting. You can appoint a proxy by:

- using the share registry's website [www.linkmarketservices.com.au](http://www.linkmarketservices.com.au); or
- completing the enclosed proxy form and returning it in accordance with the instructions on the proxy form, including by facsimile on (02) 9287 0309 or in the envelope provided.

Proxy appointments must be received by 10.00am (AEDT) on Tuesday 29 October 2013 to be valid for the meeting.

### **Become an eShareholder (to receive your communications electronically)**

You can elect to receive all your shareholder communications electronically, including dividend advices, annual reports, notices of meetings and other shareholder communications. By providing your email address and electing to become an eShareholder, you will be helping to reduce the impact on the environment and costs associated with printing and sending shareholder documents. Shareholders can make their selections using the share registry's website [www.linkmarketservices.com.au](http://www.linkmarketservices.com.au).

### **Dividend Reinvestment Plan (DRP)**

Tabcorp operates a DRP which enables participants to reinvest their dividends into acquiring additional Tabcorp shares without incurring any brokerage or handling costs. To elect to participate in the Company's DRP for future dividends, contact the share registry or use the share registry's website [www.linkmarketservices.com.au](http://www.linkmarketservices.com.au).

### **Annual reports**

Tabcorp's interactive annual reports are available online from the Company's website, [www.tabcorp.com.au](http://www.tabcorp.com.au). To change annual report elections, contact the share registry or use the share registry's website [www.linkmarketservices.com.au](http://www.linkmarketservices.com.au).

I look forward to welcoming you to the Annual General Meeting.

Yours faithfully,



**Paula Dwyer**  
Chairman

# NOTICE OF ANNUAL GENERAL MEETING



FOR THE PURPOSE OF ASSISTING VISION IMPAIRED SHAREHOLDERS, A COPY OF THIS NOTICE IN LARGE PRINT IS AVAILABLE BY CALLING (03) 9868 2779.

Tabcorp Holdings Limited  
ABN 66 063 780 709

5 Bowen Crescent, Melbourne 3004 Australia

Notice is hereby given that the Annual General Meeting of the members of Tabcorp Holdings Limited (the 'Company' or 'Tabcorp') will be held at 10am (AEDT) on Thursday, 31 October 2013 at the Mayfair Ballroom, Grand Hyatt Melbourne, 123 Collins Street, Melbourne, Victoria.

## Item 1 – Financial and Other Reports

To receive and consider the Financial Report and the Reports of the Directors and of the Auditor in respect of the year ended 30 June 2013.

## Item 2 – Re-Election of Directors

(a) In accordance with the Constitution of the Company, Ms Paula Dwyer retires and, being eligible, offers herself for re-election. Accordingly, it is proposed to consider and, if thought fit, to pass the following resolution as an ordinary resolution:

*'To re-elect as a Director of the Company Ms Paula Dwyer who, being a Director of the Company, retires and, being eligible, offers herself for re-election.'*

(b) In accordance with the Constitution of the Company, Mr Justin Milne retires and, being eligible, offers himself for re-election. Accordingly, it is proposed to consider and, if thought fit, to pass the following resolution as an ordinary resolution:

*'To re-elect as a Director of the Company Mr Justin Milne who, being a Director of the Company, retires and, being eligible, offers himself for re-election.'*

## Item 3 – Adoption of Remuneration Report

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

*'That the Remuneration Report (which forms part of the Directors' Report) in respect of the year ended 30 June 2013 be adopted.'*

**Voting Exclusions:** Please note that the Company will disregard any votes cast on this resolution by certain persons. Details of the voting exclusions applicable to this resolution are set out in the 'Voting Exclusions' section of the Notes on Voting (see page 3).

Please also note that the vote on this resolution is advisory only and does not bind the Directors or the Company.

## Item 4 – Grant of Performance Rights to Managing Director and Chief Executive Officer

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

*'That approval be given to the grant to the Managing Director and Chief Executive Officer of the Company, Mr David Attenborough, of that number of Performance Rights determined based on the formula \$950,000 divided by the Fair Market Value of a Performance Right, under the Tabcorp Long Term Performance Plan and on the basis described in the Explanatory Notes to the Notice convening this meeting.'*

**Voting Exclusions:** Please note that the Company will disregard any votes cast on this resolution by certain persons. Details of the voting exclusions applicable to this resolution are set out in the 'Voting Exclusions' section of the Notes on Voting (see page 3).

By Order of the Board

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

Kerry Willcock  
Company Secretary

Dated: 24 September 2013

## NOTES ON VOTING

### Voting at the Annual General Meeting

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1. The Company has determined that, for the purpose of voting at the Annual General Meeting, all shares in the Company will be taken to be held by those persons recorded in the Company's Register of Members as at 7pm (AEDT) on 29 October 2013.
2. On a poll, shareholders have one vote for every fully paid ordinary share held (subject to the restrictions on voting referred to below).

### Voting Exclusions

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The *Corporations Act 2001* (Cth) and the ASX Listing Rules require that certain persons must not vote, and the Company must disregard any votes cast by certain persons, on two of the resolutions to be considered at the Annual General Meeting. These voting exclusions are described below.

### Item 3 – Remuneration Report

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Except to the extent otherwise permitted by law, a member of the key management personnel for the Tabcorp consolidated group whose remuneration details are included in the Remuneration Report (and any closely related party of any such member) may not vote, and the Company will disregard any votes cast by such a person, on the resolution on item 3 ('Resolution 3'), unless the vote is not cast on behalf of a member of the key management personnel for the Tabcorp consolidated group whose remuneration details are included in the Remuneration Report (or a closely related party of any such member) and either:

- the person is appointed as a proxy by writing that specifies the way the proxy is to vote on Resolution 3; or
- the person is the Chairman of the Annual General Meeting and the appointment of the Chairman of the Annual General Meeting as proxy:
  - does not specify the way the proxy is to vote on Resolution 3; and
  - expressly authorises the Chairman of the Annual General Meeting to exercise the proxy even if Resolution 3 is connected directly or indirectly with the remuneration of a member of the key management personnel for the Tabcorp consolidated group.

### Item 4 – Grant of Performance Rights to Managing Director and Chief Executive Officer

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The following persons may not vote, and the Company will disregard any votes cast by the following persons, on the resolution on item 4 ('Resolution 4'):

1. Mr David Attenborough (and any of his associates) and any other Director who is eligible to participate in any Tabcorp employee incentive scheme (and any of their respective associates). However, the Company need not disregard a vote if:
  - 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 Chairman of the Annual General 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.

2. A member of the key management personnel for the Tabcorp consolidated group (and any closely related party of any such member) that is appointed as a proxy where the proxy appointment does not specify the way the proxy is to vote on Resolution 4, unless:

- the proxy is the Chairman of the Annual General Meeting; and
- the proxy appointment expressly authorises the Chairman to exercise the proxy even if Resolution 4 is connected directly or indirectly with the remuneration of a member of the key management personnel for the Tabcorp consolidated group.

For the purposes of these voting exclusions:

- The 'key management personnel for the Tabcorp consolidated group' are those persons having authority and responsibility for planning, directing and controlling the activities of the Tabcorp consolidated group, either directly or indirectly. It includes all Directors (executive and non-executive) and selected members of the Senior Executive Leadership Team reporting to the Managing Director and Chief Executive Officer. The key management personnel for the Tabcorp consolidated group during the year ended 30 June 2013 are listed in note 24 to the Financial Statements for the year ended 30 June 2013 contained in the Company's Annual Financial Report 2013.
- A 'closely related party' of a member of the key management personnel for the Tabcorp consolidated group means:
  - a spouse or child of the member; or
  - a child of the member's spouse; or
  - a dependant of the member or of the member's spouse; or
  - anyone else who is one of the member's family and may be expected to influence the member, or be influenced by the member, in the member's dealings with the entity; or
  - a company the member controls.

The Company will also apply these voting exclusions to persons appointed as attorney by a shareholder to attend and vote at the Annual General Meeting under a power of attorney – on the basis that references to persons attending and voting as proxy are read as references to persons attending and voting as attorney and references to an instrument under which the proxy is appointed are read as references to the power of attorney under which the attorney is appointed.

### Voting by Proxy

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1. A shareholder entitled to attend and vote at the Annual General Meeting may appoint not more than two proxies.
2. A proxy may be either an individual or a corporation. Should a shareholder appoint a corporation as its proxy, that corporation will need to ensure that it follows the procedures set out below to appoint an individual as its corporate representative to exercise its powers at the Annual General Meeting.
3. Where two proxies are appointed, neither may vote on a show of hands, and each proxy should be appointed to exercise a specified proportion or number of the shareholder's votes. If the appointment does not specify the proportion or number of the shareholder's votes each proxy may exercise, then each proxy may exercise half of the votes. An additional proxy form will be supplied by the Company's Share Registry, Link Market Services Limited, on request for the purpose of appointing a second proxy.

4. In the case of joint shareholders, the proxy form must be signed by either one or all of the joint shareholders.
5. If the shareholder is a corporation, then the proxy form may be executed under its common seal, or by two directors, or a director and a company secretary, of the corporation. If there is a sole director who is also the sole secretary, then the proxy form may be signed by that person. If there is a sole director and no company secretary, then the sole director may sign alone.
6. If a proxy form is signed on behalf of an individual or a corporation under power of attorney, the power of attorney under which the proxy form is signed, or a certified copy of that power of attorney, must accompany the proxy form unless the power of attorney has previously been noted by the Company's Share Registry.
7. A proxy need not be a shareholder of the Company.
8. Where a proxy holds two or more appointments which specify different ways to vote on a resolution, the proxy must not vote in that capacity on a show of hands on that resolution.
9. A proxy need not vote in that capacity on a show of hands on any resolution nor (unless the proxy is the Chairman of the Annual General Meeting) on a poll. However, if the proxy's appointment specifies the way to vote on a resolution, and the proxy decides to vote in that capacity on that resolution, the proxy must vote the way specified (subject to the other provisions of these Notes on Voting, including the voting exclusions noted above).
10. If a proxy does not attend the Annual General Meeting, then the Chairman of the Annual General Meeting will be taken to have been appointed as the proxy of the relevant shareholder in respect of the Annual General Meeting. In addition, if a proxy attends the Annual General Meeting and the proxy's appointment specifies the way to vote on a resolution, but the proxy does not vote on that resolution on a poll, then the Chairman of the Annual General Meeting will be taken to have been appointed as the proxy of the relevant shareholder in respect of the poll on that resolution.
11. If the Chairman of the Annual General Meeting is appointed, or taken to be appointed, as a proxy, but the appointment does not specify the way to vote on a resolution, then the Chairman intends to exercise the relevant shareholder's votes in favour of the relevant resolution (subject to the other provisions of these Notes on Voting, including the voting exclusions noted above).
12. To be effective, proxy forms must be received by the Company at the Company's registered office, 5 Bowen Crescent, Melbourne, Victoria, 3004, or at the facsimile number +61 2 9287 0309, or alternatively proxy forms must be received by the Company's Share Registry at an address or the facsimile number below, or proxy appointments must be made online via the website below:

**By Mail**

Tabcorp Holdings Limited  
 c/- Link Market Services Limited  
 Locked Bag A14  
 Sydney South, NSW 1235

**By Hand**

Link Market Services Limited  
 Level 12  
 680 George Street  
 Sydney, NSW 2000

**By Facsimile**

+61 2 9287 0309

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

(Choose Tabcorp Holdings Limited from the drop down menu, enter the holding details as shown on the proxy form, and follow the instructions provided to appoint a proxy. Shareholders will be taken to have signed their proxy form if they make their proxy appointment in accordance with the instructions on the website.)

13. Proxy forms must be received, and proxy appointments made, by 10am (AEDT) on 29 October 2013. Forms received and appointments made after that time will be invalid.
14. A proxy form for the Annual General Meeting accompanies this Notice of Annual General Meeting.

**Voting by Corporate Representative**

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1. A shareholder, or proxy, that is a corporation and entitled to attend and vote at the Annual General Meeting may appoint an individual to act as its corporate representative.
2. Evidence of the appointment of a corporate representative must be in accordance with section 250D of the *Corporations Act 2001* (Cth) and be lodged with the Company before the Annual General Meeting or at the registration desk on the day of the Annual General Meeting.
3. If the appointment of a corporate representative is signed under power of attorney, the power of attorney under which the appointment is signed, or a certified copy of that power of attorney, must accompany the appointment unless the power of attorney has previously been noted by the Company's Share Registry.

**Voting by Attorney**

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1. A shareholder entitled to attend and vote at the Annual General Meeting is entitled to appoint an attorney to attend and vote at the Annual General Meeting on the shareholder's behalf.
2. An attorney need not be a shareholder of the Company.
3. The power of attorney appointing the attorney must be duly signed and specify the name of each of the member, the Company and the attorney, and also specify the meetings at which the appointment may be used. The appointment may be a standing one.
4. To be effective, the power of attorney must also be returned in the same manner, and by the same time, as outlined above for proxy forms.

**Restrictions on Voting**

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The Company's Constitution contains provisions regulating the exercise of voting rights by persons with prohibited shareholding interests in the Company or who otherwise have prohibited relationships with the Company or its subsidiaries. In certain circumstances in connection with such matters, the voting rights of shares held by such persons in the Company may be suspended.

## EXPLANATORY NOTES

### Item 1 – Financial and Other Reports

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The Financial Report, Directors' Report and Auditor's Report for the Company for the year ended 30 June 2013 will be laid before the Annual General Meeting. There is no requirement for shareholders to approve those reports. However, the Chairman of the Annual General Meeting will allow a reasonable opportunity for shareholders to ask questions or make comments about those reports and the management of the Company. Shareholders will also be given a reasonable opportunity to ask the Company's Auditor questions about the conduct of the audit and the preparation and content of the Auditor's Report, the accounting policies adopted by the Company in its preparation of the Financial Statements and the independence of the Auditor in relation to the conduct of the audit.

Written questions to the Company's Auditor about:

- the content of the Auditors' Report; and
- the conduct of the audit,

may be submitted no later than Thursday, 24 October 2013 to:

The Company Secretary  
Tabcorp Holdings Limited  
5 Bowen Crescent  
Melbourne, VIC 3004

Facsimile: (03) 9868 2933  
Email: investor@tabcorp.com.au

Copies of the questions, if any, to the Company's Auditor will be available at the Annual General Meeting and posted on the Tabcorp website ([www.tabcorp.com.au](http://www.tabcorp.com.au)).

In addition to taking questions at the Annual General Meeting, written questions to the Chairman about the management of the Company may be submitted to the Company Secretary at the above address at any time prior to the Annual General Meeting.

### Item 2 – Re-Election of Directors

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#### (a) Re-election of Ms Paula Dwyer as a Director of the Company

Ms Paula Dwyer has been Chairman since June 2011 and Non Executive Director since August 2005. In accordance with the ASX Listing Rules and the Constitution of the Company, Ms Dwyer retires and, being eligible, offers herself for re-election as a Director.

Ms Dwyer is Deputy Chairman of Leighton Holdings Limited and a Director of Australia and New Zealand Banking Group Limited and Lion Pty Ltd. She is also a Member of the Takeovers Panel, the ASIC External Advisory Panel and the Kirin Holdings International Advisory Board.

Ms Dwyer was formerly a Director of Suncorp Group Limited, Foster's Group Limited, Healthscope Limited, David Jones Limited, Astro Japan Property Group Limited and is a former member of the Victorian Casino and Gaming Authority and of the Victorian Gaming Commission from 1993 to 1995.

Ms Dwyer had an executive career in finance holding senior positions in investment management, investment banking and chartered accounting with Ord Minnett (now JP Morgan) and PricewaterhouseCoopers.

Ms Dwyer is Chairman of the Victorian Joint Venture Management Committee and Chairman of the Tabcorp Nomination Committee. She is a member of the Tabcorp Audit, Risk and Compliance Committee and Tabcorp Remuneration Committee.

Ms Dwyer holds a Bachelor of Commerce. She is a Fellow of the Institute of Chartered Accountants in Australia, a Fellow of the Australian Institute of Company Directors, and a Senior Fellow of the Financial Services Institute of Australasia.

#### **The Board (other than Ms Dwyer) recommends that shareholders vote in favour of the resolution on item 2(a).**

Ms Dwyer, who has a personal interest in the subject of the resolution on item 2(a), has abstained from making a recommendation to shareholders in relation to that resolution.

#### **(b) Re-election of Mr Justin Milne as a Director of the Company**

Mr Justin Milne has been a Non Executive Director of Tabcorp since August 2011. In accordance with the ASX Listing Rules and the Constitution of the Company, Mr Milne retires and, being eligible, offers himself for re-election as a Director.

Mr Milne is Chairman of NetComm Wireless Limited and a Director of Members Equity Bank Pty Ltd. He is also a Director of Basketball Australia Limited and Commissioner of the National Basketball League, and a Director of the Sydney Children's Hospital Foundation Pty Ltd.

Mr Milne had an executive career in telecommunications, marketing and media. From 2002 to 2010 he was Group Managing Director of Telstra's broadband and media businesses, and headed up Telstra's BigPond New Media businesses in China. He is also the former Chairman of pieNETWORKS Limited and former Chief Executive Officer of OzEmail and the Microsoft Network.

Mr Milne is a member of the Tabcorp Audit, Risk and Compliance Committee and Tabcorp Nomination Committee.

Mr Milne holds a Bachelor of Arts and is a Member of the Australian Institute of Company Directors.

#### **The Board (other than Mr Milne) recommends that shareholders vote in favour of the resolution on item 2(b).**

Mr Milne, who has a personal interest in the subject of the resolution on item 2(b), has abstained from making a recommendation to shareholders in relation to that resolution.

### Item 3 – Adoption of Remuneration Report

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Pursuant to the Corporations Act, the Company is required to include in the Directors' Report a detailed Remuneration Report relating to the remuneration of Directors' and other key management personnel in the financial year ended 30 June 2013, and submit it for adoption by resolution of shareholders at the Annual General Meeting.

The Directors' Report for the year ended 30 June 2013 contains the Company's Remuneration Report. A copy of the Remuneration Report is set out on pages 48 to 61 of the Concise Annual Report, which can be found on the Tabcorp website ([www.tabcorp.com.au](http://www.tabcorp.com.au)).

The Remuneration Report discusses matters including (but not limited to):

- Board policy for determining the remuneration of Directors and executives;
- the relationship between that policy and the Company's performance;
- details of the performance conditions associated with the remuneration of the Managing Director and Chief Executive Officer and other executives; and
- certain details prescribed by the *Corporations Regulations 2001* (Cth) relating to the remuneration of the Directors and other key management personnel.

It is noted that the shareholder vote on the Remuneration Report is advisory only and does not bind the Directors or the Company. However, the Corporations Act provides for a 'two strikes rule' in relation to voting on the Remuneration Report. This rule will apply if at least 25% of the votes cast on the resolution on item 3 are against adoption of the Remuneration Report, and if at least 25% of the votes cast at the Company's Annual General Meeting in 2014 are also against adoption of the Remuneration Report voted on at that meeting. In that case, a further resolution must be put to the Company's Annual General Meeting in 2014 to decide whether another meeting should be held (within 90 days) at which all Directors (other than the Managing Director and Chief Executive Officer) who were in office at the date of approval by the Board of the 2014 Directors' Report must stand for re-election. In summary, this rule will give shareholders the opportunity to require a general meeting to be held to re-elect the Board if the Remuneration Report receives 'two strikes' at consecutive Annual General Meetings.

**The Board recommends that shareholders vote in favour of the resolution on item 3.**

### Item 4 – Grant of Performance Rights to Managing Director and Chief Executive Officer

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Shareholders are being asked to approve the equity component of Mr David Attenborough's remuneration package for the financial year ending 30 June 2014, which relates to the proposed allocation of New Performance Rights (as defined below) to be issued under the Tabcorp Long Term Performance Plan.

#### (a) Background

Mr Attenborough commenced employment at Tabcorp in April 2010 as the Chief Executive of the Company's wagering business, and became Tabcorp's Managing Director and Chief Executive Officer in June 2011 following the demerger of the Company's former casinos business.

As the Company's Managing Director and Chief Executive Officer, Mr Attenborough receives fixed remuneration and short and long term incentive arrangements. The fixed component of his remuneration (inclusive of superannuation) is \$950,000 per annum. He also participates in a short term performance scheme pursuant to which he will be eligible to receive a variable short term incentive award based on his individual performance and the Company's performance over the annual performance review period. For the year commencing 1 July 2013, Mr Attenborough's short term performance award is equivalent to \$640,000 if targets are met, and is deliverable as a combination of cash (75%) and Tabcorp shares (25%) which are subject to a two year service condition and subject to forfeiture and claw back conditions. Further information on the short term incentive component of remuneration is detailed in the Remuneration Report within the Concise Annual Report for the year ended 30 June 2013.

In respect of the long term incentive component of Mr Attenborough's remuneration for the year commencing 1 July 2013, the Company will, subject to obtaining the necessary shareholder approval, allocate to him that number of Performance Rights determined based on the formula  $\$950,000$  divided by the Fair Market Value of a Performance Right<sup>1</sup> calculated at 18 September 2013 (the 'Calculation Date'<sup>2</sup>), rounded down to the nearest whole number ('New Performance Rights'). The number of New Performance Rights proposed to be allocated to Mr Attenborough based on this formula will be confirmed at the Annual General Meeting.

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1. Fair Market Value ('FMV') is the valuation method used to allocate equity components of long term incentives ('LTI') in order to align remuneration values with disclosed accounting values for share based payments and emerging market practice. The Company engages external consultants to calculate the FMV for each allocation of Performance Rights under the LTI using the following pricing models:

- Monte Carlo simulation to estimate the proportion of Performance Rights which might vest at the Test Date after the application of the performance conditions; and
- a binomial tree to reflect the American call option value of the Performance Rights at the Test Date, discounted to present value at the grant date.

These models take the following factors into consideration:

- current share price of the underlying share;
- life of instrument;
- expected volatility of the Company's share price;
- risk free interest rate; and
- the Company's expected dividend yield.

2. The Calculation Date is the date on which all other Tabcorp senior executives received Performance Rights in respect of the long term component of their remuneration for the financial year ending 30 June 2014.

The proposed allocation of New Performance Rights will align Mr Attenborough's annual long term incentive arrangements with those of other Tabcorp senior executives.

As disclosed in the Remuneration Report, from the 2014 financial year onwards, a greater proportion of the reward mix for Mr Attenborough will be at risk and delivered under the long term incentive plan. This will ensure that Mr Attenborough's total aggregate reward is competitive with the market. This change will strengthen the alignment between the remuneration of Mr Attenborough and other senior executives with the interests of shareholders in delivering long term value to the Company, with any value from the New Performance Rights only delivered to participants if the vesting conditions described below are achieved. The New Performance Rights to be allocated to Mr Attenborough have no dividend or voting rights.

The performance conditions, Test Date, Calculation Date and other vesting conditions applying to the New Performance Rights will be the same as those that apply to other senior executives participating in the Tabcorp Long Term Performance Plan as at 18 September 2013.

The Company intends that the long term incentive component of Mr Attenborough's remuneration package will involve annual grants of Performance Rights, which would be subject to performance conditions, with the grant of such Performance Rights being subject to obtaining any necessary shareholder approvals at the relevant time.

In accordance with the ASX Listing Rules, shareholder approval is being sought for the grant of the New Performance Rights to Mr Attenborough. These Performance Rights are to be issued under the Tabcorp Long Term Performance Plan, with the vesting conditions relating to the New Performance Rights being as described below.

ASX Listing Rule 10.15 requires this Notice of Annual General Meeting to include the following specified information in relation to the New Performance Rights which are proposed to be granted to Mr Attenborough pursuant to the Tabcorp Long Term Performance Plan. For further information on the Long Term Performance Plan, refer to the Remuneration Report in the Concise Annual Report for the year ended 30 June 2013 on pages 48 to 61.

#### **(b) Date the securities will be provided**

If approved by shareholders, the New Performance Rights will be provided to Mr Attenborough as soon as practicable, and in any event no later than 12 months, after the Annual General Meeting, and with effect from 18 September 2013.

#### **(c) Maximum number of securities to be provided**

The maximum number of New Performance Rights that may be acquired by Mr Attenborough under the Tabcorp Long Term Performance Plan pursuant to the resolution on item 4 is that number arrived at based on the formula in that resolution.

#### **(d) The price of the securities, vesting conditions and other matters**

##### **No exercise price**

No amount is payable on the grant of the New Performance Rights. If the New Performance Rights vest then the New Performance Rights will deliver an equivalent number of fully paid ordinary shares to Mr Attenborough which will receive full voting and dividend rights corresponding to the rights of all other holders of ordinary shares in the Company.

##### **Conditions of vesting**

There will be one test date and no retesting for the New Performance Rights, which may vest on 18 September 2016 (the 'Test Date') subject to the satisfaction of applicable performance conditions (described below). Any New Performance Rights that do not vest on the Test Date will lapse, though the Board does have discretion under the Long Term Performance Plan to lift some or all vesting conditions in special circumstances, such as, but not limited to, death and permanent disablement.

The performance condition which will apply in respect of the grant of the New Performance Rights to Mr Attenborough is relative total shareholder return (the 'Total Shareholder Return Condition'). Whether the performance condition has been met for the New Performance Rights will be determined on the Test Date. In the event of a takeover offer for the Company or any other transaction resulting in a change of control of the Company, the Board is required to determine, in its absolute discretion, the appropriate treatment regarding any unvested Performance Rights.

The Total Shareholder Return Condition measures the Company's total shareholder return ('TSR') ranking against a peer group of companies, being the companies in the S&P/ASX 100 index and excluding real estate investment trusts, transportation infrastructure companies, utility companies, oil and gas companies, and metals and mining companies, measured over the period from 18 September 2013 to the Test Date.

Broadly, TSR measures the return received by shareholders from holding shares in a company over a particular period. TSR is calculated by taking into account the change in a company's share price over the relevant measurement period as well as the dividends received (and assumed to be reinvested back into the company's shares) during that period. For the purpose of measuring the change in the Company's share price over the relevant measurement period, the starting point and end point has been set at the volume weighted average share price of the Company's shares traded on the ASX on each of the 20 trading days up to and including 18 September 2013 (in the case of the starting point) and the Test Date (in the case of the end point).

The Company's TSR ranking as against the peer group of companies has been chosen as the performance measure for the New Performance Rights because it directly aligns with the interests of shareholders and reflects performance as measured against the Company's key strategic objective, which is to maximise TSR as compared with TSR for peer companies.

The table below sets out the percentage of the New Performance Rights that will vest depending on the Company's TSR ranking as at the Test Date. The maximum number of New Performance Rights that may vest will accord with the highest measure of the Company's relative TSR ranking on the Test Date.

| <b>TSR ranking</b>                                      | <b>Percentage of the Performance Rights that will vest</b>                                                |
|---------------------------------------------------------|-----------------------------------------------------------------------------------------------------------|
| Below 50th percentile                                   | 0%                                                                                                        |
| At 50th percentile                                      | 50%                                                                                                       |
| Above the 50th percentile and below the 75th percentile | An additional 2% of Performance Rights will vest for each 1 percentile increase above the 50th percentile |
| At or above 75th percentile                             | 100%                                                                                                      |

### **Lapse of New Performance Rights**

New Performance Rights that have not vested on the Test Date will ordinarily lapse.

Upon termination of employment, all unvested New Performance Rights will lapse immediately, subject to certain exceptions. Those exceptions are where (in broad terms) Mr Attenborough: (i) retires (where he will retain a pro rata number of New Performance Rights based on the time served between 18 September 2013 and the Test Date); (ii) is retrenched (where he will retain a pro rata number of New Performance Rights based on the time served between 18 September 2013 and the Test Date, subject to certain exceptions); or (iii) dies or is permanently disabled (where he will retain a pro rata number of New Performance Rights based on the time served between 18 September 2013 and the Test Date, subject to certain exceptions).

In addition, partial lapse of unvested New Performance Rights may occur in circumstances where Mr Attenborough takes parental leave or extended unpaid leave.

### **(e) Directors who have received securities under the Long Term Performance Plan since the last shareholder approval**

Mr David Attenborough is the only Director or associate of a Director who has received securities under the Tabcorp Long Term Performance Plan since the last shareholder approval was given at the Company's Annual General Meeting held on 31 October 2012.

427,586 Performance Rights were issued to Mr David Attenborough on 31 October 2012, following shareholder approval granted at the Company's last Annual General Meeting held on that day.

There is no acquisition or exercise price in the case of Performance Rights.

### **(f) Directors who are eligible to participate in the Long Term Performance Plan**

Mr Attenborough is presently the only Director entitled to participate in the Long Term Performance Plan.

### **(g) No loan scheme**

There is no loan scheme in relation to the Long Term Performance Plan.

### **The Board (other than Mr Attenborough) recommends that shareholders vote in favour of the resolution on item 4.**

Mr Attenborough, who has a personal interest in the subject of the resolution on item 4, has abstained from making a recommendation to shareholders in relation to that resolution.