



ABN: 46 607 301 959

Notice of Annual General Meeting

22 October 2020

CHAIRMAN'S LETTER

22 September 2020

Dear shareholder

I am pleased to invite you to attend the 2020 Annual General Meeting of Megaport Limited (**Megaport**), which will be held online at the following time and place:

Date Thursday, 22 October 2020
Time 10.00am (Brisbane time)
Place <https://agmlive.link/MP120>

Due to COVID-19 restrictions, no physical meeting will be held this year. Shareholders participating in the online meeting will be able to vote and ask questions during the meeting. To participate, you will require your shareholder number, found on your holding statement, for verification purposes.

More information regarding virtual attendance at the Annual General Meeting (including how to vote and ask questions virtually during the meeting) is set out in this Notice of Meeting and the Virtual Meeting Guide at <https://www.megaport.com/investor/agm/>.

You may vote online prior to the meeting at www.linkmarketservices.com.au.

I also encourage you to submit any questions you may have on matters of concern, or matters for which you are seeking clarification, prior to the Annual General Meeting at www.linkmarketservices.com.au.

The business to be considered at the Annual General Meeting is provided on page 4 and 5 of this Notice of Meeting. An explanatory statement in relation to each of the proposed resolutions is set out in the Explanatory Memorandum.

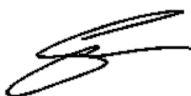
Hard copies of the Notice of Meeting and Explanatory Memorandum will not be sent to shareholders this year. However, both the Notice of Meeting and Explanatory Memorandum will be available on the Australian Securities Exchange market announcement platform and on Megaport's website at <https://www.megaport.com/investor/agm/>.

A copy of Megaport's 2020 annual report will be sent to those shareholders who have elected to receive a hard copy. A copy of Megaport's 2020 annual report is also available online at Megaport's website at <https://www.megaport.com/investor/agm/>.

If you have not already done so, please consider receiving all securityholder communications electronically via your nominated email address. As an investor, you will benefit from secure, convenient and prompt delivery of information, including the Notice of Meeting and Explanatory Memorandum, and will help us reduce our impact on the environment. You can update your communications preferences at www.linkmarketservices.com.au.

We look forward to your participation at the Annual General Meeting.

Yours faithfully



Bevan Slattery
Chairman
Megaport Limited

NOTICE OF ANNUAL GENERAL MEETING

Notice is given that the Annual General Meeting of Megaport Limited ACN 607 301 959 (**Megaport**) will be held at:

Location	Online at https://agmlive.link/MP120
Date	Thursday, 22 October 2020
Time	10.00am (Brisbane time)

Shareholders are invited to participate in the AGM virtually via our virtual AGM platform at <https://agmlive.link/MP120> or via the appointment of a proxy.

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

Enter <https://agmlive.link/MP120> into a web browser on your computer or online device.

Shareholders will need their Shareholder Reference Number (SRN) or Holder Identification Number (HIN), found on their holding statement, to vote or ask a question at the Meeting.

Proxyholders will need their proxy code which Link Market Services Limited will provide via email no later than 48 hours prior to the Meeting.

AGM Considerations and Shareholder Questions

A discussion will be held on all items to be considered at the AGM.

All shareholders will have a reasonable opportunity to ask questions during the AGM via the virtual AGM platform, including an opportunity to ask questions of Megaport's external auditor.

To ensure that as many shareholders as possible have the opportunity to speak, shareholders are requested to observe the following:

- all shareholder questions should be stated clearly and should be relevant to the business of the Meeting, including matters arising from the Financial Report, Directors' Report (including the Remuneration Report) and Auditor's Report, and general questions about the performance, business or management of Megaport;
- if a shareholder has more than one question on an item, all questions should be asked at the one time; and
- shareholders should not ask questions at the Meeting regarding personal matters or those that are commercial in confidence.

Shareholders who prefer to register questions in advance of the AGM are invited to do so at www.linkmarketservices.com.au.

All Resolutions by Poll

The Chairman intends to call a poll on each of the resolutions proposed at the AGM. Each resolution considered at the AGM will therefore be conducted by poll, rather than a show of hands. The Chairman considers voting by poll to be in the interests of the shareholders as a whole, and to ensure the representation of as many shareholders as possible at the Meeting.

How to Vote

Shareholders may vote by either:

- using the online platform; or
- appointing a proxy.

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

- enter <https://agmlive.link/MP120> into a web browser on your computer or online device;
- shareholders will need their SRN or HIN; and
- proxyholders will need their proxy code which Link Market Services Limited 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 10.00am (Brisbane time) on 22 October 2020 and the time at which the Chairman announces voting closure.

More information about online participation in the Meeting is available in the Virtual Meeting Guide at <https://www.megaport.com/investor/agm/>.

Appointing a proxy to attend and vote on their behalf. A member who is entitled to vote at the Meeting may appoint:

- one proxy if the member is only entitled to one vote; or
- two proxies if the member is entitled to more than one vote.

Where the member appoints two proxies, the appointment may specify the proportion or number of votes that each proxy may exercise. If the appointment does not specify a proportion or number, each proxy may exercise one half of the votes.

A proxy need not be a member of Megaport.

If you require a proxy form to appoint a second proxy, please contact Megaport's Share Registry on 1300 554 474, which will supply it on request.

The proxy form and the power of attorney or other authority (if any) under which it is signed (or a certified copy) must be received by the Share Registry, Link Market Services Limited, no later than 20 October 2020 at 10.00am (that is, at least 48 hours before the Meeting). Proxies received after this time will not be accepted.

Proxies from corporate shareholders must be executed in accordance with their constitution or signed by a duly authorised attorney.

A proxy may decide whether to vote on any motion except where the proxy is required by law or the Constitution to vote, or abstain from voting, in their capacity as a proxy. If a proxy directs how to vote on an item of business, the proxy may only vote on that item, in accordance with that direction. If a proxy is not directed how to vote on an item of business, a proxy may vote how he/she thinks fit.

If a shareholder appoints the Chairman of the Meeting as the shareholder's proxy and does not specify how the Chairman is to vote on an item of business, the Chairman will vote, as a proxy for that shareholder, in favour of the item on a poll.

ORDINARY BUSINESS

Financial statements and reports

To receive and consider Megaport's financial reports and the reports of the Directors and the auditor for the financial year ended 30 June 2020.

Remuneration Report

To consider and, if in favour, to pass the following Resolution under section 250R(2) of the *Corporations Act 2001* (Cth) (**Corporations Act**):

- 1 'That the Remuneration Report of the Directors for the financial year ended 30 June 2020 be adopted.'

Note: This Resolution will be decided as if it were an ordinary (majority) resolution, but under section 250R(3) of the Corporations Act, the vote is advisory only and does not bind the Directors or Megaport. Votes must not be cast on this Resolution in any capacity by Key Management Personnel or their Closely Related Parties. Please refer to the voting restriction statement for this Resolution on page 5 of this Notice of Meeting.

The Directors abstain, in the interests of corporate governance, from making a recommendation in relation to Resolution 1.

Re-election of Mr Bevan Slattery as a Director

To consider and, if in favour, to pass the following Resolution as an ordinary resolution:

- 2 'That Mr Bevan Slattery, being a Director who retires in accordance with rule 19.3(a) of Megaport's Constitution and ASX Listing Rule 14.5 and, being eligible, be re-elected as a Director of Megaport.'

Note: Information about the above candidate appears in the Explanatory Memorandum.

The Directors (with Mr Slattery abstaining) recommend that you vote in favour of Resolution 2.

SPECIAL BUSINESS

Ratification and approval of the issue of December 2019 Placement Shares

To consider and, if in favour, to pass the following Resolution as an ordinary resolution:

- 3 'That, for the purposes of ASX Listing Rule 7.4 and all other purposes, shareholders ratify and approve the issue of 7,100,000 Megaport Shares at \$8.70 per Megaport Share to institutional, experienced, sophisticated and professional investors under a private placement, as detailed in the Explanatory Memorandum.'

Note: Any person who participated in the issue of the December 2019 Placement Shares the subject of this Resolution and any Associates of any such persons are restricted from voting on this Resolution. Please refer to the voting restriction statement for this Resolution on page 6 of this Notice of Meeting.

The Directors unanimously recommend that you vote in favour of Resolution 3.

Ratification and approval of the issue of April 2020 Placement Shares

To consider and, if in favour, to pass the following Resolution as an ordinary resolution:

- 4 'That, for the purposes of ASX Listing Rule 7.4 and all other purposes, shareholders ratify and approve the issue of 5,263,158 Megaport Shares at \$9.50 per Megaport Share to institutional, experienced, sophisticated and professional investors under a private placement, as detailed in the Explanatory Memorandum.'

Note: Any person who participated in the issue of the April 2020 Placement Shares the subject of this Resolution and any Associates of any such persons are restricted from voting on this Resolution. Please refer to the voting restriction statement for this Resolution on page 6 of this Notice of Meeting.

The Directors unanimously recommend that you vote in favour of Resolution 4.

Grant of Options to Mr Vincent English

To consider and, if in favour, to pass the following Resolution as an ordinary resolution:

- 5 'That, for the purposes of ASX Listing Rule 10.14 and all other purposes, shareholders approve the grant of 1,000,000 Options with an exercise price equal to the VWAP per Megaport Share in the 30-day period prior to 31 August 2020, and the issue of up to 1,000,000 Megaport Shares on exercise of those Options, to Mr Vincent English, as detailed in the Explanatory Memorandum.'

Note: Any person referred to in ASX Listing Rule 10.14.1, 10.14.2 or 10.14.3 who is eligible to participate in the ESOP General and any Associates of such persons are restricted from voting on this Resolution. Please refer to the voting restriction statement for this Resolution on page 7 of this Notice of Meeting. The voting exclusion statement for this Resolution also includes a restriction on voting in accordance with sections 250BD(1) and 250BD(2) of the Corporations Act.

The Directors abstain, in the interests of corporate governance, from making a recommendation in relation to Resolution 5.

By order of the Board



Celia Pheasant

Company Secretary

22 September 2020

Notes

- (a) A shareholder who is entitled to attend and cast a vote at the Annual General Meeting is entitled to appoint a proxy. The proxy need not be a shareholder of Megaport. A shareholder who is entitled to cast two or more votes may appoint two proxies and may specify the proportion or number of votes each proxy is appointed to exercise.
- (b) If you wish to appoint a proxy and are entitled to do so, you may appoint a proxy online at www.linkmarketservices.com.au.
- (c) If a shareholder specifies the way the proxy is to vote on a particular Resolution, the proxy must vote in accordance with the shareholder's voting directions.
- (d) If the proxy is the Chairman of the Annual General Meeting, the proxy must vote in accordance with the shareholder's voting directions.
- (e) If the proxy is not the Chairman of the Annual General Meeting the proxy need not vote on the poll, but if the proxy does so, the proxy must vote in accordance with the shareholder's voting directions.
- (f) If a shareholder specifies the way the proxy is to vote on a particular Resolution and the proxy is not the Chairman of the Annual General Meeting and either:
 - (i) the proxy is not recorded as attending; or
 - (ii) the proxy does not vote,the Chairman of the Annual General Meeting is deemed the proxy for that Resolution.
- (g) A corporation may elect to appoint a representative, rather than appoint a proxy, under the Corporations Act in which case Megaport will require written proof of the representative's appointment which must be lodged with or presented to Megaport before the Annual General Meeting.
- (h) Megaport has determined under regulation 7.11.37 of the *Corporations Regulations 2001* (Cth) that for the purpose of voting at the Annual General Meeting or adjourned meeting, securities are taken to be held by those persons recorded in Megaport's register of shareholders as at 7.00pm (Sydney time) on Tuesday, 20 October 2020.
- (i) If you have any queries on how to cast your votes, please call Celia Pheasant (Company Secretary) on +61 408 841 185 during business hours.

Voting restrictions

Resolution 1 – Directors' Remuneration Report

For the purposes of the Corporations Act, Megaport will disregard votes cast on Resolution 1 (in any capacity) by or on behalf of a member of the KMP details of whose remuneration are included in the Remuneration Report, or a Closely Related Party of such a member. However, members of the KMP details of whose remuneration are included in the Remuneration Report and their Closely Related Parties may cast a vote on Resolution 1 as proxy if the vote is not cast on their behalf and either:

- (a) the proxy appointment is in writing and specifies the way the proxy is to vote on Resolution 1; or
- (b) the vote is cast by the Chairman of the Annual General Meeting and the appointment of the Chairman as proxy:
 - (i) does not specify the way the proxy is to vote on Resolution 1; and
 - (ii) expressly authorises the Chairman to exercise the proxy even if Resolution 1 is connected directly or indirectly with the remuneration of a member of the KMP.

If you are a member of the KMP or a Closely Related Party of a member of KMP (or acting on behalf of such a person) and purport to cast a vote on Resolution 1 that will be disregarded by Megaport, you may be liable for an offence for breach of voting restrictions that apply to you under the Corporations Act.

Resolution 3 – Ratification and approval of the issue of December 2019 Placement Shares

In accordance with ASX Listing Rule 14.11, Megaport will disregard any votes cast in favour of Resolution 3 by or on behalf of any person who participated in the issue of the December 2019 Placement Shares the subject of Resolution 3 or any Associate of any such person.

However, Megaport need not disregard a vote cast in favour of Resolution 3 if it is cast by:

- (a) a person as proxy or attorney for a person who is entitled to vote on Resolution 3, in accordance with directions given to the proxy or attorney to vote on Resolution 3 in that way; or
- (b) the Chairman of the Annual General Meeting as proxy or attorney for a person who is entitled to vote on Resolution 3, in accordance with a direction given to the Chairman to vote on Resolution 3 as the Chairman decides; or
- (c) a holder acting solely in a nominee, trustee, custodial or other fiduciary capacity on behalf of a beneficiary, provided that:
 - (i) the beneficiary provides written confirmation to the holder that the beneficiary is not excluded from voting, and is not an Associate of a person excluded from voting, on Resolution 3; and
 - (ii) the holder votes on Resolution 3 in accordance with directions given by the beneficiary to the holder to vote in that way.

Resolution 4 – Ratification and approval of the issue of April 2020 Placement Shares

In accordance with ASX Listing Rule 14.11, Megaport will disregard any votes cast in favour of Resolution 4 by or on behalf of any person who participated in the issue of the April 2020 Placement Shares the subject of Resolution 4 or any Associate of any such person.

However, Megaport need not disregard a vote cast in favour of Resolution 4 if it is cast by:

- (a) a person as proxy or attorney for a person who is entitled to vote on Resolution 4, in accordance with directions given to the proxy or attorney to vote on Resolution 4 in that way; or
- (b) the Chairman of the Annual General Meeting as proxy or attorney for a person who is entitled to vote on Resolution 4, in accordance with a direction given to the Chairman to vote on Resolution 4 as the Chairman decides; or
- (c) a holder acting solely in a nominee, trustee, custodial or other fiduciary capacity on behalf of a beneficiary, provided that:
 - (i) the beneficiary provides written confirmation to the holder that the beneficiary is not excluded from voting, and is not an Associate of a person excluded from voting, on Resolution 4; and
 - (ii) the holder votes on Resolution 4 in accordance with directions given by the beneficiary to the holder to vote in that way.

Resolution 5 – Grant of Options to Mr Vincent English

In accordance with ASX Listing Rule 14.11, Megaport will disregard any votes cast in favour of Resolution 5 by or on behalf of any person referred to in ASX Listing Rule 10.14.1, 10.14.2 or 10.14.3 who is eligible to participate in the ESOP General or any Associate of any such person.

However, Megaport need not disregard a vote cast in favour of Resolution 5 if it is cast by:

- (a) a person as proxy or attorney for a person who is entitled to vote on Resolution 5, in accordance with directions given to the proxy or attorney to vote on Resolution 5 in that way; or
- (b) the Chairman of the Annual General Meeting as proxy or attorney for a person who is entitled to vote on Resolution 5, in accordance with a direction given to the Chairman to vote on Resolution 5 as the Chairman decides; or
- (c) a holder acting solely in a nominee, trustee, custodial or other fiduciary capacity on behalf of a beneficiary, provided that:
 - (i) the beneficiary provides written confirmation to the holder that the beneficiary is not excluded from voting, and is not an Associate of a person excluded from voting, on Resolution 5; and
 - (ii) the holder votes on Resolution 5 in accordance with directions given by the beneficiary to the holder to vote in that way.

In addition, a vote must not be cast on Resolution 5 by KMP or their Closely Related Parties, or by those persons as proxy where the appointment as proxy does not specify the way the proxy is to vote on the relevant Resolution (i.e. for, against, abstain). However, in accordance with section 250BD(2) of the Corporations Act, Megaport need not disregard votes cast in favour of Resolution 5 if the votes are cast by the Chairman of the Annual General Meeting and the appointment of the Chairman as proxy expressly authorises the Chairman to exercise the proxy even if the Resolution is connected directly or indirectly with the remuneration of a member of the KMP.

Voting intentions of the Chairman

The Chairman of the Annual General Meeting intends to vote all undirected proxies in favour of each item of business.

EXPLANATORY MEMORANDUM

This Explanatory Memorandum accompanies the Notice of Annual General Meeting of Megaport Limited (**Megaport**) to be held online at <https://agmlive.link/MP120> on Thursday, 22 October 2020 at 10.00am (Brisbane time).

The Explanatory Memorandum has been prepared to assist shareholders in determining how to vote on the Resolutions set out in the Notice of Meeting and is intended to be read in conjunction with the Notice of Meeting.

Financial statements and reports

- 1 The Corporations Act requires that the Directors' report, the auditor's report, and the financial report be laid before the Annual General Meeting.
- 2 Apart from the matters involving remuneration which are required to be voted upon, neither the Corporations Act nor Megaport's Constitution requires a vote of shareholders at the Annual General Meeting on the financial statements and reports.
- 3 Shareholders will be given reasonable opportunity at the Annual General Meeting to raise questions and make comments on these reports. In addition to asking questions at the Annual General Meeting, shareholders may address written questions to the Chairman about the management of Megaport or to Megaport's auditor, Deloitte Touche Tohmatsu, if the question is relevant to:
 - (a) the content of the auditor's report to be considered at the Annual General Meeting; or
 - (b) the conduct of the audit of the annual financial report to be considered at the Annual General Meeting.
- 4 Under section 250PA(1) of the Corporations Act, written questions for Deloitte Touche Tohmatsu must be delivered by 5.00pm (Brisbane time) on Thursday, 15 October 2020 to:

Company Secretary
Level 3, 825 Ann Street
FORTITUDE VALLEY QLD 4006

or via email to: investor@megaport.com.

- 5 The Directors' report, the auditor's report, and the financial report are available on Megaport's website (www.megaport.com).

Resolution 1: Remuneration Report

- 6 Under the Corporations Act, Megaport is required to include in the business of its Annual General Meeting a resolution that its Remuneration Report for the 2019-2020 financial year be adopted. The resolution of shareholders is advisory only and does not bind the Directors or Megaport.
- 7 The Remuneration Report is contained in the Directors' report included in Megaport's 2020 annual report and:
 - (a) sets out the principles used to determine the nature and amount of remuneration of the Board and senior management;
 - (b) includes details of remuneration for Directors and senior management; and
 - (c) makes clear that the basis for remunerating non-executive Directors is distinct from the basis for remunerating Executives, including executive Directors.
- 8 The Chairman will give shareholders a reasonable opportunity to ask questions about, or to make comments on, the Remuneration Report.

Directors' recommendation

- 9 As the Resolution relates to matters including the remuneration of the Directors, the Board, as a matter of corporate governance and in accordance with the spirit of section 250R(4) of the Corporations Act, abstains from making a recommendation regarding this Resolution.

Note: If you appoint the Chairman as your proxy, and you do not provide voting directions, the Chairman is entitled to cast your vote in accordance with his stated intentions, even though the Resolution is connected directly or indirectly with the remuneration of a member of the KMP. The Chairman intends to vote all available proxies in favour of this Resolution.

If you appoint another Director or member of the KMP as your proxy for this Resolution, you MUST direct your proxy how to vote, otherwise your vote will not be counted. Follow the instructions on the online platform to direct your proxy how to vote.

Resolution 2: Re-election of Mr Bevan Slattery as a Director

- 10 In accordance with ASX Listing Rule 14.4, a Director must not hold office (without re-election) past the third annual general meeting following the Director's appointment or three years, whichever is longer. Rule 19.3(b) of Megaport's Constitution also restricts any Director who is not a Managing Director from holding office without re-election beyond the third annual general meeting following their election or last re-election (as the case may be).
- 11 While no existing Director of Megaport is currently required to retire in accordance with ASX Listing Rule 14.4 and rule 19.3(b) of Megaport's Constitution, as:
- (a) Mr Bevan Slattery was last re-elected at Megaport's 2018 annual general meeting;
 - (b) Mr Jay Adelson and Ms Naomi Seddon were both elected at Megaport's 2019 annual general meeting; and
 - (c) Mr Vincent English is, as Managing Director, exempt from rotation and retirement requirements in accordance with ASX Listing Rule 14.4 and rules 19.3(b) and 19.3(c) of Megaport's Constitution,
- Megaport is still required to hold an election of Directors at the Annual General Meeting.
- 12 In accordance with rule 19.3(a) of Megaport's Constitution, where required by the Corporations Act or the ASX Listing Rules to do so, Megaport must hold an election of Directors each year. ASX Listing Rule 14.5 does, in fact, require Megaport to hold an election of directors at each annual general meeting. Therefore, in accordance with rule 19.3(a) of Megaport's Constitution, if there would not otherwise be a vacancy on the Board and no Director is required to retire under:
- (a) rule 19.2(b) of Megaport's Constitution (which is the provision in Megaport's Constitution governing the retirement of Directors who have been appointed by the Board since the previous annual general meeting, either as an addition to the existing Directors or to fill a casual vacancy); or
 - (b) rule 19.3(b) of Megaport's Constitution (which is the provision in Megaport's Constitution restricting any Director who is not a Managing Director from holding office without re-election beyond the third annual general meeting following their election or last re-election),
- then the Director who has been longest in office since last being elected must retire.
- 13 As such, there being no Directors required to retire under either rule 19.2(b) of Megaport's Constitution or rule 19.3(c) of Megaport's Constitution, Mr Slattery (as the Director who has been longest in office since last being re-elected) retires in accordance with rule 19.3(a) of Megaport's Constitution and ASX Listing Rule 14.5 and, being eligible, stands for re-election as a Director of Megaport.
- 14 Mr Slattery served as Executive Chairman of Megaport since its listing on ASX in December 2015 until 31 August 2018. From 1 September 2018, Mr Slattery has served as Non-Executive Chairman of Megaport. He has a background in building successful Australian IT and telecommunications companies and an earlier career in administration in local and state government.
- 15 In 2020, Bevan founded Sub.Co and commenced construction of the Oman Australia cable system to deliver low-latency, reliable and diverse connectivity between Oman and Australia.

- 16 In 2017, Bevan founded APX Partners and, together with consortium partners including Google, Singtel and Telstra, announced the construction of the Indigo cable system connecting Singapore, Indonesia and Australia. The Indigo network was completed in June 2019.
- 17 In 2016, Bevan established Cloudscene, a digital procurement platform for buyers and sellers of network services founded on comprehensive industry data.
- 18 In 2013, Mr Slattery established Megaport as the world's first SDN-based elastic interconnection platform designed to provide a secure, seamless and on-demand way for enterprises, networks and services to interconnect. Mr Slattery successfully launched Megaport in Australia, New Zealand, Singapore and Hong Kong before the business was acquired by Megaport Limited in August 2015. Mr Slattery oversaw Megaport's listing on ASX in December 2015.
- 19 Also in 2013, Mr Slattery founded Superloop Limited with a vision to become the leading independent provider of connectivity services across the Asia Pacific region and the US. Superloop Limited was listed on ASX in June 2015.
- 20 In 2010, Mr Slattery founded NEXTDC Limited, with a vision to become Australia's largest independent data centre provider. As the inaugural CEO of NEXTDC Limited, Mr Slattery oversaw its listing on ASX and its initial facility rollout.
- 21 In 2002, Mr Slattery co-founded PIPE Networks which grew to become Australia's largest Internet Exchange and Australia's third largest metropolitan fibre network provider. In 2009, PIPE Networks completed construction of Pipe Pacific Cable 1 (PPC-1), a \$200 million submarine cable system linking Sydney to Guam. PIPE Networks was sold to TPG for an enterprise value of \$420 million in May 2010.
- 22 Mr Slattery holds a Master of Business Administration (Hon.) from Central Queensland University.

Directors' recommendation

- 23 The Directors (with Mr Slattery abstaining) recommend the re-election of Mr Slattery to the Board.

Resolution 3: Ratification and approval of the issue of December 2019 Placement Shares

Background

- 24 On 6 December 2019, Megaport announced that it had successfully completed a private placement to institutional, experienced, sophisticated and professional investors of 7,100,000 Megaport Shares (**December 2019 Placement Shares**) at an issue price of \$8.70 per Megaport Share, raising \$61,770,000 (**December 2019 Placement**). The December 2019 Placement Shares were issued on 11 December 2019.
- 25 The December 2019 Placement was undertaken to accelerate expansion to new locations and new markets, undertake capacity upgrades, fund innovation and development of new technology, and fund operating costs and general working capital requirements.

Reason for seeking approval

- 26 The purpose of Resolution 3 is for shareholders to ratify and approve, under ASX Listing Rule 7.4, the issue of the December 2019 Placement Shares. Without shareholder approval, this issue of the December 2019 Placement Shares would otherwise be counted toward Megaport's 15% limit of equity securities which can be issued in any 12 month period under ASX Listing Rule 7.1.
- 27 The allotment and issue of the December 2019 Placement Shares detailed in this Resolution did not, when aggregated with the securities issued during the previous 12 months, exceed the 15% threshold. However, ASX Listing Rule 7.4 provides that where shareholders subsequently approve an issue of equity securities, the issue is treated as having been made with approval for the purpose of ASX Listing Rule 7.1. This replenishes Megaport's 15% capacity under ASX Listing Rule 7.1 and enables Megaport to issue further equity securities up to that limit.

Terms of the December 2019 Placement Shares

- 28 The December 2019 Placement Shares were issued on the same terms as, and ranking equally with, all existing Megaport Shares then on issue.
- 29 Shareholders are advised, in accordance with the requirements of ASX Listing Rule 7.5, of the following information in relation to the issue of the December 2019 Placement Shares the subject of this Resolution:

Allottees	Institutional, experienced, sophisticated and professional investors under the December 2019 Placement
Number and class of securities issued	7,100,000 Megaport Shares
Date of issue of securities	11 December 2019
Price at which the securities were issued	\$8.70 per Megaport Share
Purpose of the issue	Refer to paragraph 25 above

Directors' recommendation

30 The Directors unanimously recommend that you vote in favour of this Resolution.

Resolution 4: Ratification and approval of the issue of April 2020 Placement Shares

Background

31 On 8 April 2020, Megaport announced that it had successfully completed a private placement to institutional, experienced, sophisticated and professional investors of 5,263,158 Megaport Shares (**April 2020 Placement Shares**) at an issue price of \$9.50 per Megaport Share, raising \$50,000,001 (**April 2020 Placement**). The April 2020 Placement Shares were issued on 15 April 2020.

32 The April 2020 Placement was undertaken to accelerate sales, product development and platform expansion opportunities in the near and medium term, and to give Megaport some funding capacity for future strategic opportunities.

Reason for seeking approval

33 The purpose of Resolution 4 is for shareholders to ratify and approve, under ASX Listing Rule 7.4, the issue of the April 2020 Placement Shares. Without shareholder approval, this issue of the April 2020 Placement Shares would otherwise be counted toward Megaport's 15% limit of equity securities which can be issued in any 12 month period under ASX Listing Rule 7.1.

34 The allotment and issue of the April 2020 Placement Shares detailed in this Resolution did not, when aggregated with the securities issued during the previous 12 months, exceed the 15% threshold. However, ASX Listing Rule 7.4 provides that where shareholders subsequently approve an issue of equity securities, the issue is treated as having been made with approval for the purpose of ASX Listing Rule 7.1. This replenishes Megaport's 15% capacity under ASX Listing Rule 7.1 and enables Megaport to issue further equity securities up to that limit.

Terms of the April 2020 Placement Shares

35 The April 2020 Placement Shares were issued on the same terms as, and ranking equally with, all existing Megaport Shares then on issue.

36 Shareholders are advised, in accordance with the requirements of ASX Listing Rule 7.5, of the following information in relation to the issue of the April 2020 Placement Shares the subject of this Resolution:

Allottees	Institutional, experienced, sophisticated and professional investors under the April 2020 Placement
Number and class of securities issued	5,263,158 Megaport Shares
Date of issue of securities	15 April 2020
Price at which the securities were issued	\$9.50 per Megaport Share
Purpose of the issue	Refer to paragraph 32 above

Directors' recommendation

37 The Directors unanimously recommend that you vote in favour of this Resolution.

Resolution 5: Grant of Options to Mr Vincent English

38 The Board has agreed, subject to obtaining shareholder approval, to grant 1,000,000 Options, in two equal tranches, to Mr Vincent English under the ESOP General. The details of the Options proposed to be granted to Mr English are set out in the following table:

Tranche	Number of Options	Vesting date	Conditions
1	500,000	1 July 2021 (First Tranche Vesting Date)	<p>The Options will vest subject to:</p> <ul style="list-style-type: none"> (a) Megaport achieving EBITDA breakeven on an exit run rate basis in FY21; and (b) the successful launch of Megaport Virtual Edge to the market. <p>The Options will expire on the first anniversary of the First Tranche Vesting Date</p>
2	500,000	1 July 2022 (Second Tranche Vesting Date)	<p>The Options will vest subject to Megaport's achievement of performance targets that are linked to revenue and/or EBITDA measures contained in Megaport's FY22 annual budget, as determined by the Board prior to 31 August 2021 (subject to a minimum performance target that is not less than 100% of the revenue and/or EBITDA result achieved by Megaport in FY21).</p> <p>The Options will expire on the first anniversary of the Second Tranche Vesting Date</p>

39 The key terms of the Options are as follows:

- (a) the Options will be granted for no consideration;
- (b) each Option will convert into one Megaport Share;
- (c) the Options are not transferable;
- (d) the exercise price for the Options will be the price equal to the VWAP per Megaport Share in the 30-day period prior to 31 August 2020; and
- (e) the Options are exercisable at any time during the 12-month period commencing on the relevant vesting date (as set out in the table above).

40 The Options are otherwise subject to the terms and conditions set out in the ESOP General, a summary of which is contained in the Annexure to this Explanatory Memorandum.

ASX Listing Rule 10.14

41 ASX Listing Rule 10.11 restricts Megaport from issuing equity securities to certain related parties of Megaport (as set out in ASX Listing Rules 10.11.1 to 10.11.3) and their Associates (as set out in ASX Listing Rule 11.1.4), and to any person whose relationship with Megaport or such a related party is (in ASX's opinion) such that shareholder approval should be obtained (as set out in ASX Listing Rule 10.11.5), without the approval of shareholders, unless an exception applies. An issue of equity securities under an employee incentive scheme made, or taken to have been made, with the approval of the holders of ordinary securities of an entity under ASX Listing Rule 10.14 is an exception to the general prohibition in ASX Listing Rule 10.11.

- 42 As such, the acquisition of equity securities by a Director under an employee incentive scheme such as the ESOP General requires shareholder approval under ASX Listing Rule 10.14. Accordingly, shareholder approval is sought for the grant of Options to Mr English, and to the extent those Options are exercised, the issue of the underlying Megaport Shares.
- 43 Once shareholder approval is obtained under ASX Listing Rule 10.14, Megaport is entitled to rely on ASX Listing Rule 10.12 (Exception 8) as an exception to any requirement that may otherwise apply requiring shareholder approval under ASX Listing Rule 10.11. Similarly, shareholder approval will not be required under ASX Listing Rule 7.1, as ASX Listing Rule 7.2 (Exception 14) applies.
- 44 In compliance with the disclosure requirements of ASX Listing Rule 10.15, shareholders are advised of the following additional particulars in relation to the grant of the Options:

Name of person to be granted the Options	Mr Vincent English
Category in ASX Listing Rule 10.14	Mr English is a Director of Megaport for the purposes of ASX Listing Rule 10.14.1
Number of Options to be granted	1,000,000 Options
Information required in accordance with ASX Listing Rules 10.15.4 and 10.15.5	The details of Mr English's current total remuneration package are set out in Megaport's FY20 Annual Report at pages 39 to 40 (a copy of which is available at https://www.megaport.com/investor/agm/). Mr English has previously been granted 2,200,000 Options under the ESOP General for no consideration. Mr English has previously been issued 1,200,000 Megaport Shares following the exercise of an equivalent number of Options at an average acquisition price of \$2.42 per Megaport Share. Mr English currently holds 1,000,000 Options with an exercise price of \$3.60 per Option.
Material terms of the Options and other information required in accordance with ASX Listing Rule 10.15.6	Refer to paragraph 39(d) above. Options are proposed to be granted in this case to strengthen the alignment between performance related remuneration and shareholder returns, ensuring that remuneration outcomes for Mr English are directly linked to performance in a manner that is ultimately aligned to shareholder interests. Assuming a spot price per Megaport Share of \$17.04, Megaport estimates an average fair value of \$4.96 per Option using the Black-Scholes pricing model.
Date Megaport will grant the Options	Assuming Resolution 5 is approved by shareholders, the Options are proposed to be granted shortly after the Annual General Meeting, but in any event no later than three years after the Annual General Meeting
Issue price	No amount is payable for the grant of the Options
Summary of material terms of the ESOP General	Refer to the summary of the terms and conditions of the ESOP General contained in the Annexure to this Explanatory Memorandum

- 45 Details of any securities issued under the ESOP General will be published in Megaport's annual report relating to the period in which they were issued, along with a statement that approval for the issue was obtained under ASX Listing Rule 10.14. Any additional persons covered by ASX Listing Rule 10.14 who become entitled to participate in an issue of securities under the ESOP General after this Resolution 5 is approved and who are not named in this Notice of Meeting will not participate until approval is obtained under ASX Listing Rule 10.14.

Directors' recommendation

- 46 The Directors abstain, in the interests of corporate governance, from making a recommendation in relation to Resolution 5.

GLOSSARY

Annual General Meeting or Meeting or AGM

means Megaport's 2020 annual general meeting the subject of this Notice of Meeting

April 2020 Placement

has the meaning set out in paragraph 31 of the Explanatory Memorandum

April 2020 Placement Shares

has the meaning set out in paragraph 31 of the Explanatory Memorandum

Associate

has the meaning set out in Chapter 19 of the ASX Listing Rules

ASX

means ASX Limited ACN 008 624 691 or, as the case requires, the securities exchange operated by it

ASX Listing Rules

means the listing rules of ASX

Board

means the board of Directors of Megaport

Closely Related Party

has the meaning set out in the Corporations Act

Constitution

means the constitution of Megaport

Corporations Act

means *Corporations Act 2001* (Cth)

December 2019 Placement

has the meaning set out in paragraph 24 of the Explanatory Memorandum

December 2019 Placement Shares

has the meaning set out in paragraph 24 of the Explanatory Memorandum

Directors

means the directors of Megaport

ESOP General

means Megaport's employee share option plan, the terms and conditions of which are summarised in the Annexure to the Explanatory Memorandum

Explanatory Memorandum

means the explanatory memorandum attached to the Notice of Meeting

Key Management Personnel or KMP

means those persons having authority and responsibility for planning, directing and controlling the activities of Megaport, directly or indirectly, including any Director (whether executive or otherwise) of Megaport (noting that the KMP for Megaport during the financial year ended 30 June 2020 are identified in the Directors' report contained in Megaport's 2020 annual report)

Megaport

means Megaport Limited ACN 607 301 959

Megaport Shares

means fully paid ordinary shares in Megaport

Notice of Meeting

means this notice of meeting and includes the Explanatory Memorandum

Options

means options to acquire Megaport Shares

Remuneration Report

means the section of the Directors' report for the 2019-2020 financial year that is included under section 300A(1) of the Corporations Act

VWAP

means volume weighted average price

ANNEXURE

Summary of the terms of the ESOP General

Eligibility criteria

The ESOP General will be open to eligible participants (including full-time and part-time employees, executives, Directors and consultants) of Megaport or any one of its subsidiaries who the Board designates as being eligible.

Maximum number of Megaport Shares over which Options can be granted

To the extent that a grant of Options is made in reliance on ASIC Class Order [CO 14/1000] (or some other relief or exemption from the disclosure requirements of Chapter 6D of the Corporations Act), then the Board must limit the number of Options granted to such number permitted under the relevant instrument of relief (if any).

Grant of Options

All Options are to be offered to participants for no consideration. The offer must be in writing and specify, amongst other things, the number of Options for which the participants must apply, the period within which the Options may be exercised and any conditions to be satisfied before exercise, the Option expiry date (as determined by the Board) and the exercise period for the Options.

Exercise

The Options may be exercised, subject to any exercise conditions, by the participant giving a signed notice to Megaport and paying the exercise price in full. Megaport will apply for official quotation of any Megaport Shares issued on exercise of any Options.

Lapse

The Options shall lapse upon the earlier of the date specified by the Board or events contained in the plan rules for the ESOP General, including termination of employment or resignation, redundancy, death or disablement.

Rights of participants

Once Megaport Shares are issued, transferred or allocated upon exercise of the Options, the participant will hold the Megaport Shares free of restrictions subject to the restriction on disposal. In the case of new Megaport Shares issued, the Megaport Shares will rank for dividends declared on or after the date of issue but will carry no right to receive any dividend before the date of issue.

Should Megaport undergo a reorganisation or reconstruction of capital or any other such change, the terms of the Options will be correspondingly changed to the extent necessary to comply with the ASX Listing Rules. In the event of a change of control, the Board shall have discretion to deal with the Options, including allowing accelerated vesting or the grant of Options in the substituted corporation. A holder of Options is not entitled to participate in a new issue of Megaport Shares or other securities made by Megaport to shareholders merely because he or she holds Options.

Assignment

The Options are not transferable or assignable without the prior written approval of the Board.

Administration

Administration of the ESOP General is the responsibility of the Board, which has an absolute discretion to determine appropriate procedures for its administration and resolve questions of fact or interpretation and formulate special terms and conditions (subject to the ASX Listing Rules) in addition to those set out in the plan rules for the ESOP General.

Trust

The Board may, in its sole and absolute discretion, use a trust for the purpose of delivering Megaport Shares to participants upon exercise of Options, and holding Megaport Shares for participants of the ESOP General.

Termination and amendment

The ESOP General may be triggered or suspended at any time by the Board. The plan rules for the ESOP General may be amended at any time by the Board except where the amendment reduces the rights of the holders of Options.