





PENGANA CAPITAL GROUP LIMITED

AND CONTROLLED ENTITIES ABN 43 059 300 426

# **NOTICE OF ANNUAL GENERAL MEETING**

NOTICE IS GIVEN that the 2017 ANNUAL GENERAL MEETING (AGM) of Shareholders of Pengana Capital Group Limited (the Company) will be held on Tuesday 28 November 2017 at 10am (AEDT) at Computershare, Level 4, 60 Carrington Street, Sydney, NSW 2000.

Shareholders unable to attend the AGM are invited to vote by proxy on the resolutions to be considered at the meeting.

Explanatory Notes and instructions on how to vote (including how to vote by proxy) are set out in this Notice.

#### **ORDINARY BUSINESS**

## 1. Financial Report, Directors' Report and Auditor's Report

To receive and consider the Financial Report of the Company and of the consolidated entity, the Directors' Report, and the Auditor's Report for the year ended 30 June 2017.

Please note neither the Corporations Act nor the Company's Constitution requires Shareholders to vote on such reports.

## 2. Election of Director: Mr Warwick Negus

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

"That Mr Warwick Negus, in accordance with ASX Listing Rule 14.4 and article 11.4 of the Company's Constitution, being eligible, is elected as a Director of the Company."

# 3. Election of Director: Mr Jeremy Dunkel

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

"That Mr Jeremy Dunkel, in accordance with ASX Listing Rule 14.4 and article 11.4 of the Company's Constitution, being eligible, is elected as a Director of the Company."

# 4. Re-election of Director: Mr Kevin Eley

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

"That Mr Kevin Eley, who retires by rotation in accordance with article 11.2 of the Company's Constitution and, being eligible, is re-elected as a Director of the Company."

# 5. Remuneration Report

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

"That the Remuneration Report of the Company as set out in the Directors' Report (as part of the Directors' Report) for the financial year ended 30 June 2017 be adopted."

Please note:

(i) In accordance with section 250R of the Corporations Act, the vote on this resolution is advisory only and does not bind the Directors or the Company.

## (ii) Voting exclusion statement

Votes cannot be cast on Item 5 (Remuneration Report):

- by, or on behalf of a member of the Company's Key Management Personnel (KMP) whose remuneration is disclosed in the Remuneration Report or any of their closely related parties (such as close family members and any controlled companies); or
- as a proxy by a member of the KMP or a KMP's closely related party, unless the vote is cast as proxy for a person entitled to vote:
  - for directed proxies, in accordance with the direction on the proxy form specifying how the proxy is to vote; or
- for undirected proxies, by the Chairman pursuant to an express authorisation in the proxy form to vote undirected proxies as the Chairman sees fit even if that resolution is connected directly or indirectly with the remuneration of a member of the Company's KMP.

Note: The Chairman will vote all undirected proxies in favour of this resolution.



#### **SPECIAL BUSINESS**

# 6. To increase maximum aggregate Non-Executive Director remuneration

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

"That in accordance with ASX Listing Rule 10.17 and article 11.6 of the Company's Constitution, the aggregate annual remuneration of the Non-Executive Directors for the years from and including the year commencing 1 July 2017, be increased from \$500,000 to \$750,000."

Please note:

#### **Voting Exclusion Statement:**

- (i) The Company will disregard any votes cast on this resolution by a Director and an associate of a Director. However, the Company will not disregard a vote if:
  - a. 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
  - b. it is cast by the Chairman 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.
- (ii) In addition, no member of the Company's KMP, or a closely related party of any such member, appointed as a proxy may vote on this resolution unless it is cast by:
  - a. a person as proxy for a person who is entitled to vote on the resolution and the vote is cast in accordance with the directions on the proxy form that specify how the person is to vote on that resolution; or
  - b. the Chairman as proxy for a person who is entitled to vote on the resolution, and the proxy appointment expressly authorises the Chairman to exercise the proxy even if that resolution is connected directly or indirectly with the remuneration of a member of the Company's KMP.

Note: The Chairman will vote all undirected proxies in favour of this resolution.

By Order of the Board of Directors

Paula Ferrao Company Secretary

09 October 2017

#### **VOTING INFORMATION**

#### Voting entitlements

Persons holding Shares in the Company at 7:00pm (AEDT) on Sunday, 26 November 2017 shall, for the purposes of ascertaining entitlements to attend and vote at the AGM, be taken to be Shareholders of the Company.

Shareholders entitled to vote at the AGM can do so by attending the AGM and voting in person or by attorney or, in the case of corporate members, by corporate representative OR by appointing a proxy to attend the AGM and vote on their behalf.

#### **Proxies**

A Shareholder who is entitled to attend and vote at the AGM may appoint a proxy to attend and vote at the AGM on the Shareholder's behalf. A proxy may be an individual or body corporate and is not required to be a Shareholder of the Company. A Shareholder who is entitled to cast two or more votes at the AGM may appoint two proxies and may specify the percentage or number of votes each proxy is appointed to exercise.

Where a Shareholder appoints two proxies but does not specify the percentage or number of votes each proxy may exercise, each proxy may exercise half of the appointing Shareholder's votes. Fractions of votes will be disregarded.

Corporate Shareholders must provide the Company with satisfactory evidence of the appointment of any corporate representative, prior to the commencement of the AGM. A proxy can be either an individual or a body corporate.

Should you appoint a body corporate as your proxy, that body corporate will need to ensure that it:

- appoints an individual as its corporate representative to exercise its powers at meetings, in accordance with section 250D of the Corporations Act; and
- provides the Company with satisfactory evidence of the appointment of its corporate representative prior to commencement of the AGM.

A Proxy Form and a replied paid envelope are enclosed with this Notice. A Shareholder may direct a proxy on how to vote on the proposed resolutions by following the instructions on the Proxy Form. The facility for online proxy voting has been provided at <a href="https://www.investorvote.com.au">www.investorvote.com.au</a>.

To be valid, online proxy voting or completed Proxy Forms must be submitted by no later than 10am (AEDT) on Sunday, 26 November 2017. Completed Proxy Forms can be lodged:

- Online: at www.investorvote.com.au
- By mail: GPO Box 242, Melbourne VIC 3001
- By facsimile: 1800 783 447
- By hand: c/- Computershare Investor Services, Level 4, 60 Carrington Street, Sydney

## **Undirected Proxies**

If you choose to appoint a proxy, you are encouraged to direct your proxy how to vote on each item by marking either "For", "Against" or "Abstain" against each item of business on the Proxy Form.

It is important that you direct your proxy how to vote on each item of business, particularly Item 5 (Remuneration Report) and Item 6 (Increase maximum aggregate Non-Executive Director Remuneration). If, however, you appoint the Chairman as your proxy, he will vote undirected proxies on, and in favour of, all of the proposed resolutions including Item 5 (Remuneration Report) and Item 6 (Increase maximum aggregate Non-Executive Director Remuneration). If you do not want the Chairman to cast your vote in favour of adopting the Remuneration Report or in favour of increasing the maximum aggregate Non-Executive Director remuneration (as the case may be) you must direct him to vote against the relevant resolution or to abstain from voting on the relevant resolution. If you have appointed a member of the Key Management Personnel (other than the Chairman) for the Company or any of their closely related parties as your proxy, you must direct that person how to vote on Item 5 or Item 6, otherwise they will not be able to cast a vote as your proxy on those items.



#### **EXPLANATORY NOTES**

These Explanatory Notes have been prepared to provide Shareholders with sufficient information to assess the merits of the resolutions and the business to be conducted at the Company's 2017 AGM. You should read the Explanatory Notes in full before making any decisions in relation to the resolutions.

#### ITEM 1: FINANCIAL REPORT, DIRECTORS' REPORT AND AUDITOR'S REPORT

In accordance with section 317 of the Corporations Act, the Financial Report and the reports of the Directors and the auditor for the financial year ended 30 June 2017 will be presented for consideration by Shareholders at the AGM. Shareholders will be given a reasonable opportunity to ask questions and to make comments in relation to these reports.

Shareholders will also be given the opportunity to ask a representative of the Company's auditor, Grant Thornton, questions relevant to the conduct of the audit, the preparation and content of the Auditor's Report, the accounting policies adopted by the Company in relation to the preparation of the financial statements and the independence of the auditor in relation to the conduct of the audit.

Neither the Corporations Act nor the Company's Constitution requires Shareholders to vote on such reports. The Directors', Auditor's and Financial Reports can be found in the Company's 2017 Annual Report, which is available on the Company's website at www.pengana.com/shareholders. Shareholders who have specifically requested a hard copy of the Annual Report will receive it by mail.

#### ITEM 2: ELECTION OF DIRECTOR - MR WARWICK NEGUS

Mr Warwick Negus was appointed as a Director of the Company by the Board on 1 June 2017. In accordance with ASX Listing Rule 14.4 and article 11.4 of the Company's Constitution, any Director appointed either to fill a casual vacancy or as an addition to the existing Directors holds office only until the next following general meeting and is then eligible for election but must not be taken into account in determining the Directors who are to retire by rotation at the relevant meeting. Accordingly, Mr Warwick Negus, being eligible, offers himself for election at this AGM.

# **Warwick Negus**

Chairman

Mr Warwick Negus is Chairman of the Company, having previously been a Non-Executive Director of Pengana Holdings Pty Ltd.

Mr Negus has more than 30 years' experience in the finance industry across Asia, Europe and Australia. His previous executive roles include the Chief Executive Officer of Colonial First State Global Asset Management, Co-founder and Chief Executive Officer of 452 Capital, and a Managing Director of Goldman Sachs in Australia, London and Singapore.

He was also a Vice President of Bankers Trust Australia. Mr Negus is currently a director of Washington H. Soul Pattinson and Company Limited, Bank of Queensland, Terrace Tower Group, Virgin Australia Holdings Limited

He is also a member of Council of University of NSW and Chairman of ASX listed URB Investments Limited.

The Directors (other than Mr Warwick Negus) recommend that Shareholders vote in favour of the election of Mr Warwick Negus. The Chairman intends to vote undirected proxies in favour of the election of Mr Warwick Negus.

#### ITEM 3: ELECTION OF DIRECTOR - MR JEREMY DUNKEL

Mr Jeremy Dunkel was appointed as a Director of the Company by the Board on 1 June 2017. In accordance with ASX Listing Rule 14.4 and article 11.4 of the Company's Constitution, any Director appointed either to fill a casual vacancy or as an addition to the existing Directors holds office only until the next following general meeting and is then eligible for election but must not be taken into account in determining the Directors who are to retire by rotation at the relevant meeting. Accordingly, Mr Jeremy Dunkel, being eligible, offers himself for election at this AGM.

#### Jeremy Dunkel

Non-Executive Director

Mr Jeremy Dunkel is a Non-Executive Director of the Company, and a director of Taurus Capital, a family office investment consultancy specialising in philanthropy. His accounting and finance experience includes working for Chemical Bank, Chase Manhattan and Price Waterhouse. He is a director of Education Heritage Foundation, and the Moriah College Foundation, as well as the chair of Y2i.

The Directors (other than Mr Jeremy Dunkel) recommend that Shareholders vote in favour of the election of Mr Jeremy Dunkel. The Chairman intends to vote undirected proxies in favour of the election of Mr Jeremy Dunkel.

#### ITEM 4: RE-ELECTION OF DIRECTOR - MR KEVIN ELEY

In accordance with article 11.2 of the Company's Constitution, at every AGM, one-third of the Directors for the time being (other than the Managing Director) or, if their number is not a multiple of three, then the whole number nearest to but not less than one-third, must retire from office. A Director who is required to retire under this rule retains office until the dissolution or adjournment of the meeting at which the retiring Director retires. The Directors to retire at an AGM are those who have been longest in office since their last election but, as between persons who became Directors on the same day, those to retire must (unless they otherwise agree among themselves) be determined by ballot. A retiring Director is eligible for re-election. Mr Kevin Eley is retiring at this meeting pursuant to the above rule and, being eligible, offers himself for re-election.

#### **Kevin Elev**

Non-Executive Director

Mr Kevin Eley is a Non-Executive Director of the Company (appointed on 23 September 2015). He is a member of the Company's Nomination and Remuneration Committee. Mr Eley is a Chartered Accountant, a Fellow of the Financial Services Institute of Australia and a Fellow of the Australian Institute of Company Directors. He has over 31 years' experience in management, finance and investment and has worked for a major international accounting firm, two investment banks and was Chief Executive Officer of HGL Limited. His other current Non-Executive directorships include Equity Trustees Limited, Milton Corporation Limited and HGL Limited.

The Directors (other than Mr Kevin Eley) recommend that Shareholders vote in favour of the re-election of Mr Kevin Eley. The Chairman intends to vote undirected proxies in favour of the re-election of Mr Kevin Eley.

#### **ITEM 5: REMUNERATION REPORT**

The Remuneration Report can be found in the Company's 2017 Annual Report, which is available on the Company's website at www.pengana.com/shareholders. The Remuneration Report sets out the Company's remuneration information in relation to Non-Executive Directors, Executive Directors and other specified executives, collectively termed Key Management Personnel.

In accordance with section 250R of the Corporations Act, the Company is required to put to the vote a resolution that the Remuneration Report be adopted. Shareholders should note that this resolution is an 'advisory only' resolution and does not bind the Directors or the Company, but the outcome of the vote could have consequences for the Board. In any case the Directors will take the outcome of the vote into consideration when reviewing remuneration practices and policies.

In accordance with the Corporations Act, the Chairman will give Shareholders a reasonable opportunity to ask questions about, or make comments on, the Remuneration Report.

The Directors note that each Director has a personal interest in their own remuneration and therefore they do not consider it is appropriate to make a voting recommendation in relation to this resolution. The Chairman intends to vote all available undirected proxies in favour of the adoption of the Remuneration Report.



# ITEM 6: TO INCREASE THE MAXIMUM AGGREGATE NON-EXECUTIVE DIRECTOR REMUNERATION

The ASX Listing Rules (Listing Rule 10.17) and the Company's Constitution (article 11.6) require the maximum amount of Non-Executive Directors' remuneration to be determined by Shareholders in general meeting. The current maximum aggregate remuneration of the Non-Executive Directors is \$500,000 per annum, that fee cap having been set by Shareholders at the Company's 2016 annual general meeting.

Shareholder approval is sought to increase the maximum total amount available for payment by way of remuneration to Non-Executive Directors by \$250,000 to \$750,000 per annum.

Although the current fee cap was set last year, in light of the merger between the Company and Pengana Holdings Pty Ltd earlier this year, the current fee cap does not provide the flexibility to allow the Board to appoint a further Non-Executive Director for succession planning purposes at an appropriate time. Furthermore, while the Board is not currently proposing to increase its size, the current cap does not provide the Board with strategic flexibility to make additional Board appointments should it wish to do so.

No shares or other securities have been issued by the Company to any Non-Executive Director under ASX Listing Rule 10.11 or 10.14 at any time within the last 3 years before the date of this Notice. Non-Executive Directors are not granted equity, nor are they eligible to receive bonus payments. Non-Executive Directors do not receive payments on their retirement from office other than payments accruing from superannuation contributions comprising part of their remuneration. Details of the Company's approach and the amount of remuneration paid to Non-Executive Directors are in the Remuneration Report contained within the Directors' Report, in the Company's 2017 Annual Report.

The Directors note that each Non-Executive Director has a personal interest in their own remuneration and therefore they do not consider it is appropriate to make a recommendation to Shareholders in relation to this resolution. Mr Russel Pillemer, is an Executive Director and as such, not a recipient of any Director's fees, recommends that Shareholders vote in favour of this resolution. The Chairman intends to vote all available undirected proxies in favour of the increase to the maximum aggregate Non-Executive Director remuneration.

#### **GLOSSARY**

**AEDT** means Australian Eastern Daylight Time.

AGM means the annual general meeting of Pengana Capital Group Limited.

ASX means Australian Securities Exchange Limited.

ASX Listing Rules means the listing rules of the ASX.

**Board** means the board of Directors of the Company.

**Computershare** means Computershare Investor Services Pty Limited as the Company's share registry services provider.

Constitution means the constitution of the Company as at the date of the AGM.

Corporations Act means the Corporations Act 2001 (Cth).

**Director** means a director of the Company.

**Explanatory Notes** means the explanatory notes which forms part of this Notice.

**Key Management Personnel or KMP** means those persons having authority and responsibility for planning, directing and controlling the activities of the Company, directly or indirectly, including any Director (whether Executive or Non-Executive) of the Company.

Notice means this notice of annual general meeting.

**Share** means a fully paid ordinary share in the capital of the Company.

Shareholder means a holder of a Share.







PCG MR SAM SAMPLE FLAT 123 123 SAMPLE STREET

THE SAMPLE HILL SAMPLE ESTATE

SAMPLEVILLE VIC 3030

# 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

#### **Proxy Form** XX



# Vote and view the annual report online

- •Go to www.investorvote.com.au or scan the QR Code with your mobile device.
- Follow the instructions on the secure website to vote.

# Your access information that you will need to vote:

Control Number: 999999

SRN/HIN: 19999999999 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 10.00am (AEDT) Sunday 26 November 2017

#### 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

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

ı	Change of address. If incorrect,
J	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



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Proxy	<b>Form</b>
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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.

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Sole Director and Sole Company Secretary	Director			Director/Company Secretary			
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