

PCG

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

**NEED ASSISTANCE?**



PHONE

**1300 850 505**

(WITHIN AUSTRALIA)

**+61 3 9415 4000**

(OUTSIDE AUSTRALIA)



ONLINE

**PENGANA.COM/PCG**

SRN/HIN: I9999999999



Please note for security reasons it is important to keep your SRN/HIN confidential.

## PENGANA CAPITAL GROUP LIMITED 2022 ANNUAL GENERAL MEETING

You are invited to the Annual General Meeting ("AGM") of Pengana Capital Group Limited (ASX: PCG). **We are pleased to announce that after two years, we are returning to face-to-face meetings and will be holding the AGM at our Sydney offices.**



— **9.30AM** —

**Pengana Head Office**

Suite 27.01,  
Level 27, Governor Phillip Tower,  
1 Farrer Place,  
Sydney, NSW, 2000.

As always, you can lodge your vote via proxy ahead of the meeting.

### ONLINE AGM PORTAL

You can access all information, documentation and instructions relevant to the 2022 PCG AGM in our online AGM portal:



**PENGANA.COM/PCGAGM**



**VISIT THE PORTAL TO ACCESS:**

- 2022 Notice of Annual General Meeting
- Online proxy form to vote ahead of the meeting
- Submit questions to the Board, auditors and management ahead of the meeting
- Book a Zoom meeting to receive a personal update on the Company

**We request that you pre-register on the AGM website in order to receive meeting details in advance as well as allow us notice for catering purposes.**

We also strongly encourage all shareholders to participate and vote on the items of business ahead of the AGM by accessing their online proxy forms via our AGM portal. A printed copy of the Notice of Meeting and Proxy Form will not be sent to you unless you contact Computershare to request a copy on 1300 850 505 (within Australia) or +61 3 9415 4000 (outside Australia) Monday to Friday 8:30am to 7:00pm AEDT.

By the order of the Board  
23 September 2022

**NEED ASSISTANCE?**



PHONE

**1300 850 505**  
(WITHIN AUSTRALIA)

**+61 3 9415 4000**  
(OUTSIDE AUSTRALIA)



ONLINE

**PENGANA.COM/PCG**

## **AGM PORTAL - [pengana.com/pcgagm](https://pengana.com/pcgagm)**

An AGM portal has been established to provide you with access to all information, documentation and instructions relevant to the 2022 PCG AGM.



**PENGANA.COM/PCGAGM** →

### **LINKS AND INSTRUCTIONS**

The AGM portal provides links and instructions to submit your vote and to submit questions to the Board, auditors and Investment Manager ahead of the meeting.

### **ATTENDING THE MEETING IN PERSON**

The meeting will be held at Pengana Capital Group, Suite 27.01, Level 27, Governor Phillip Tower, 1 Farrer Place, Sydney, NSW, 2000.

### **ACCESS DOCUMENTS**

The AGM portal provides you with access to the Company's 2022 Annual Report, the Notice of Annual General Meeting (including the Explanatory statements and directors' recommendations) and an Online proxy form to vote ahead of the meeting. You can also access the Online proxy form by using the QRCode below:



**Control Number: 999999**

**SRN/HIN: I9999999999**

**PIN: 99999**

For your proxy appointment to be effective it must be received by 9:30 am (AEDT) Sunday 23 October 2022.

A printed copy of the Notice of Meeting and Proxy Form will not be sent to you unless you contact Computershare to request a copy on 1300 850 505 (within Australia) or +61 3 9415 4000 (outside Australia) Monday to Friday 8:30am to 7:00pm AEDT.

### **PERSONAL UPDATE**

If you would like to receive a personal update on the Company, you can book a Zoom meeting at the AGM portal.



# PENGANA

## CAPITAL GROUP

**PENGANA CAPITAL  
GROUP LIMITED**  
**AND CONTROLLED ENTITIES**  
ACN 059 300 426

25 OCTOBER  
**2022**

### **NOTICE OF ANNUAL GENERAL MEETING**

NOTICE IS GIVEN that the 2022 Annual General Meeting (Meeting) of Shareholders of Pengana Capital Group Limited ACN 059 300 426 (Pengana or Company) will be held on Tuesday 25 October 2022 at 9:30 am (Sydney time) at Pengana Capital Group, Suite 27.01, Level 27, Governor Phillip Tower, 1 Farrer Place, Sydney, NSW, 2000.

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

You can access all information, documentation and instructions relevant to the Meeting in our online Annual General Meeting portal at [pengana.com/pcgagm](https://pengana.com/pcgagm).

## AGENDA

### 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 financial year ended 30 June 2022.

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

#### 2. RE-ELECTION OF DIRECTOR: MR JEREMY DUNKEL

To consider and, if thought fit, with or without amendment, pass the following resolution as an ordinary resolution:

"That Mr Jeremy Dunkel, who retires by rotation in accordance with article 11.2 of the Company's Constitution and Listing Rule 14.4, being eligible, is re-elected as a Director of the Company."

#### 3. REMUNERATION REPORT

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

"That the Remuneration Report of the Company as set out in the Company's Annual Report (as part of the Directors' Report) for the financial year ended 30 June 2022 be adopted."

Please note that 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.

#### Voting Exclusion Statement

The Company will disregard any votes cast on this resolution:

- 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);
- 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:
  - o for directed proxies, in accordance with the direction on the proxy form specifying how the proxy is to vote; or
  - o 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

### 4. EQUITY GRANTS UNDER THE NON-EXECUTIVE DIRECTOR EQUITY PLAN

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

“That, for the purposes of ASX Listing Rule 10.14 and for all other purposes, approval is given for the grant of Restricted Rights under the Company’s Non-executive Director Equity Plan (**NED Equity Plan**) to Non-executive Directors, as described in the Explanatory Notes.”

#### Voting Exclusion Statement

The Company will disregard any votes cast in favour of resolution 4 by or on behalf of each Non-executive Director (being the only Directors entitled to participate in the NED Equity Plan) or any of their associates. However, this does not apply to a vote cast in favour of resolution 4 by:

- a person as proxy or attorney for a person who is entitled to vote on the resolution, in accordance with directions given to the proxy or attorney to vote on the resolution in that way; or
- the Chairman of the meeting as proxy or attorney for a person who is entitled to vote on the resolution, in accordance with a direction given to the Chairman to vote on the resolution as the Chairman decides; or
- a holder acting solely in a nominee, trustee, custodial or other fiduciary capacity on behalf of a beneficiary provided the following conditions are met:
  - o 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 this resolution; and
  - o the holder votes on this resolution in accordance with directions given by the beneficiary to the holder to vote in that way.

Further, votes cannot be cast on resolution 4:

- 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:
  - o for directed proxies, in accordance with the direction on the proxy form specifying how the proxy is to vote; or
  - o 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.

### 5. EQUITY GRANT TO MR RUSSEL PILLEMER UNDER EMPLOYEE LOAN SHARE PLAN

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

“That, for the purposes of ASX Listing Rule 10.14 and for all other purposes, approval is given to the issue of 571,000 Shares to Mr Russel Pillemer (and/or his nominee), under the Pengana Employee Loan Share Plan on the terms and conditions in the Explanatory Notes.”

#### Voting Exclusion

The Company will disregard any votes cast in favour this resolution by or on behalf of Mr Pillemer (or his nominee) or an associate of that person or those persons. However, this does not apply to a vote cast in favour of resolution 5 by:

- a person as proxy or attorney for a person who is entitled to vote on this resolution, in accordance with directions given to the proxy or attorney to vote on the resolution that way; or
- the Chairman of the Meeting as proxy or attorney for a person who is entitled to vote on this resolution, in accordance with a direction given to the Chairman to vote on the resolution as the Chairman decides; or
- a holder acting solely in a nominee, trustee, custodial or other fiduciary capacity on behalf of a beneficiary provided the following conditions are met:
  - o 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 this resolution; and
  - o the holder votes on this resolution in accordance with directions given by the beneficiary to the holder to vote in that way.

Further, votes cannot be cast on resolution 5:

- by, or on behalf of, a member of the Company's Key Management Personnel (KMP) or any of their closely related parties (such as close family members and any controlled companies) in respect of this resolution; 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:
  - o for directed proxies, in accordance with the direction on the proxy form specifying how the proxy is to vote; or
  - o 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.

**By order of the Board of Directors**



Paula Ferrao  
Pengana Capital Group Limited  
Company Secretary  
23 September 2022

## 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 Meeting. You should read the Explanatory Notes in full in conjunction with the Notice of Meeting before making any decisions in relation to the resolutions.

## ORDINARY BUSINESS

### RESOLUTION 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 2022 will be presented for consideration by Shareholders at the Meeting. 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 2022 Annual Report, which is available on the Company's website at [pengana.com/shareholders](http://pengana.com/shareholders). Shareholders who have specifically requested a hard copy of the Annual Report will receive it by mail.

### RESOLUTION 2: RE-ELECTION OF DIRECTOR – MR JEREMY DUNKEL

In accordance with ASX Listing Rule 14.4 and article 11.2 of the Constitution Mr Jeremy Dunkel is retiring at this Meeting and being eligible, offers himself for re-election.

Mr Jeremy Dunkel is a Non-executive Director of the Company (appointed on 1 June 2017), having previously been a Non-executive Director of Pengana Holdings Pty Ltd.

Mr Jeremy Dunkel is also 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 being the Chair of Y2i.

Mr Jeremy Dunkel is Chairman of the Pengana Capital Group Limited Nomination and Remuneration Committee and member of its Audit and Risk Committee.

Having had regard to the ASX Corporate Governance Principles and Recommendations, the Board considers Mr Jeremy Dunkel an independent Director.

#### Directors' Recommendation

On the basis of Mr Jeremy Dunkel's skills, qualifications and experiences, and his contribution to the Board's activities, the Directors (other than Mr Jeremy Dunkel) recommend that Shareholders vote in favour of the re-election of Mr Jeremy Dunkel. The Chairman intends to vote undirected proxies in **favour** of the re-election of Mr Jeremy Dunkel.

### RESOLUTION 3: REMUNERATION REPORT

The Remuneration Report can be found in the Company's 2022 Annual Report, which is available on the Company's website at [pengana.com/shareholders](http://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.

### **Directors' Recommendation**

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. A voting exclusion statement with regard to resolution 3 is set out on page 1 of this Notice.

## **SPECIAL BUSINESS**

### **RESOLUTION 4: EQUITY GRANTS UNDER THE NON-EXECUTIVE DIRECTOR EQUITY PLAN**

Resolution 4 seeks Shareholder approval for the grant of Restricted Rights to Non-executive Directors under the Company's Non-executive Director Equity Plan (**NED Equity Plan**) for the financial year ending 30 June 2023 (**FY2023**).

In April 2020, the Company implemented the NED Equity Plan. The NED Equity Plan has been introduced to support Non-executive Directors to build their shareholdings in the Company and as a means of enhancing the alignment of interests between Non-executive Directors and Shareholders generally.

The NED Equity Plan is a salary sacrifice plan, which allows Non-executive Directors to sacrifice up to 100 per cent of their annual Director's base fees to acquire Restricted Rights in the manner described below. Each Restricted Right is a right to receive a Share in the Company, subject to the terms of grant (**Restricted Rights**).

Only Non-executive Directors are eligible to participate in the NED Equity Plan.

#### **4.1 WHY APPROVAL IS NEEDED**

The Company is proposing to issue Restricted Rights to Non-executive Directors under the NED Equity Plan as a result of FY2023 Director's base fees they intend to sacrifice on the terms set out below (FY2023 Issue).

ASX Listing Rule 10.14 provides that a listed company must not permit any of the following persons to acquire equity securities under an employee incentive scheme without prior shareholder approval:

- 10.14.1 a director of the Company;
- 10.14.2 an associate of a director of the Company; or
- 10.14.3 a person whose relationship with the Company or a person referred to in ASX Listing Rule 10.14.1 or 10.14.2 is such that, in ASX's opinion, the acquisition should be approved by its shareholders.

Under ASX Listing Rule 10.16, shareholder approval is not required for the issue of Restricted Rights to any Director, if the Shares allocated on exercise of the Restricted Rights are required by the terms of the scheme to be purchased on-market.

The Company anticipates that it will satisfy the exercise of some or all of the Restricted Rights by issuing Shares (rather than purchasing Shares on-market). As such, the FY2023 Issue may fall within ASX Listing Rule 10.14.1 above and therefore requires the approval of the Company's Shareholders under ASX Listing Rule 10.14.1.

Resolution 4 seeks the required Shareholder approval to the FY2023 Issue under and for the purposes of ASX Listing Rule 10.14.

If resolution 4 is passed, the Company will have the flexibility to issue Shares to the Non-executive Directors in satisfaction of its obligations on exercise of the Restricted Rights, and will be able to proceed with the FY2023 Issue without impacting its ability to issue up to 15% of its total ordinary securities without Shareholder approval in any 12-month period.

If resolution 4 is not passed, the Company will not be able to issue Shares to the Non-executive Directors in satisfaction of its obligations on exercise of the Restricted Rights, and will need to satisfy such obligations by acquiring Shares on-market.

The Board also recognises that it is in line with good corporate governance practices for equity grants to Directors to be approved by Shareholders.



## 4.2 OVERVIEW OF THE PENGANA NON-EXECUTIVE DIRECTOR EQUITY PLAN

### *How does the NED Equity Plan operate?*

The NED Equity Plan operates on a fee sacrifice basis and therefore will not involve additional cost to the Company. Each year the Non-executive Directors (**NEDs**) will be given the opportunity to voluntarily sacrifice up to 100% of cash fees (including, to the extent permitted by law, compulsory company superannuation contributions) in return for rights to acquire Shares. Each Non-executive Director will elect the proportion of fees to be sacrificed annually following the release of the Company's full year results. This election is binding for the duration of that year. Restricted Rights will be allocated annually based on the fees sacrificed for the year. Such Restricted Rights will be fully vested at grant and may be exercised not less than 60 days following the grant of the rights, subject to compliance with insider trading laws and the Company's Policy for Personal Trading in PCG Securities.

### *How is the number of Restricted Rights allocated determined?*

The number of Restricted Rights to be granted to each NED will be calculated in accordance with the following formula (rounded down to the nearest whole Restricted Right with any unfulfilled fees sacrificed returned to the Non-executive Director):

No. of Restricted Rights = Total Amount of Fee Sacrifice for Year ÷ Face Value where:

- Total Amount of Fee Sacrifice for Year = the dollar value of the Non-executive Director's fees which that Non-executive Director has elected to sacrifice in respect of the relevant period to acquire Restricted Rights; and
- Face Value = the volume weighted average price of Shares for the 10 trading days following the announcement of the Company's annual results, rounded to 2 decimal points.

Shares to be allocated on exercise of the Restricted Rights are sourced on-market or issued and held by the Pengana Capital Group Limited Employee Share Trust.

### *What are the key terms of the Restricted Rights?*

A summary of the key terms of the Restricted Rights is set out below.

Each Restricted Right is a conditional right to acquire one Share. No amount is payable on the exercise of Restricted Rights. Restricted Rights will be subject to disposal restrictions and may be exercised 60 days following the date of grant, subject to compliance with insider trading laws and the Company's Policy for Personal Trading in PCG Securities.

On exercise, Restricted Rights convert into Restricted Shares and will be subject to disposal restrictions until the earlier of:

- the 15th anniversary of the date of grant of the Restricted Rights, and
- the date the NED retires from the Board,

**(Restriction Period)** unless the disposal restrictions are waived by the Board in cases of demonstrable financial hardship, or automatically cease to apply in respect of 50% of the Restricted Shares if a taxing point arises in relation to the Restricted Shares.

In the event of a change of control of the Company that is expected to result in the delisting of the Company's Shares, any unexercised Restricted Rights held by a NED that are subject to exercise restrictions will cease to be so restricted on the date determined by the Board (in its sole discretion), and any Restricted Shares will cease to be subject to disposal restrictions (unless otherwise determined by the Board).

Restricted Rights that are not exercised prior to the 15th anniversary of the date of grant of the Restricted Rights will lapse.

Non-executive Directors do not have dividend or voting rights with respect to Restricted Rights until they have been exercised. Upon retirement from the Board, Non-executive Directors are entitled to retain any outstanding Restricted Rights, which will remain on foot. There will be no Restriction Period applicable to Shares allocated in these circumstances.

Any salary-sacrifice contributions which have been deducted from a retiring Director and for which Restricted Rights have not been allocated will be repaid as normal gross fees less applicable PAYG tax.

The Restricted Rights granted to Non-Executive Directors under the NED Equity Plan will not be subject to performance conditions or service requirements which could result in potential forfeiture. This is in line with best practice governance standards which recommend that Non-executive Directors generally should not receive equity with performance hurdles attached as it may lead to bias in their decision-making and compromise their objectivity.

If at any time the Board determines that the allocation of Restricted Rights or Restricted Shares would result in the Company breaching the Company's Constitution, Company policies, any law, the ASX Listing Rules, or is otherwise inappropriate in the circumstances, the Board may defer the allocation of Restricted Rights or Restricted Shares until a more suitable time or, in the case of Restricted Rights, return the fees that have been salary sacrificed to the Non-executive Director.

#### ***Restricted Shares***

Each Restricted Share is one Share, subject to disposal restrictions. During the Restriction Period, the Restricted Shares will be held on trust for the relevant Non-executive Director by the Pengana Capital Group Limited Employee Share Trust.

Restricted Shares acquired by Directors will rank equally, and will carry the same dividend, voting and other rights, as Shares. Restricted Shares will be subject to the Restriction Period.

Restricted Rights can be exercised into unrestricted Shares in some circumstances. For example, if the NED retires from the Board after Restricted Rights have been granted but before the Restricted Rights are exercised into Shares.

### **4.3 ADDITIONAL INFORMATION IN ACCORDANCE WITH ASX LISTING RULE 10.14 AND 10.15**

Only Non-executive Directors may participate in the NED Equity Plan. The Non-executive Directors currently entitled to participate in the NED Equity Plan are Mr Warwick Negus, Mr Jeremy Dunkel, Mr David Groves and Mr Kevin Eley. The Company will seek further approval if it intends for any other Non-executive Director to participate in the NED Equity Plan.

The maximum potential value of Restricted Rights that could be allocated under the FY2023 Issue is equal to A\$750,000 (which is the Shareholder-approved NED fee cap). The actual value of the Restricted Rights that will be allocated will be lower, because the level of NED fees is below the Shareholder-approved fee cap, and not all NEDs may sacrifice all of their fees under the NED Equity Plan.

The fee arrangements for each NED for FY2023 are as follows:

	<b>Cash salary and fees \$</b>	<b>Superannuation \$</b>	<b>Total \$</b>
Warwick Negus	151,400	-	<b>151,400</b>
Jeremy Dunkel	88,054	9,246	<b>97,300</b>
Kevin Eley	78,281	8,219	<b>86,500</b>
David Groves	97,919	10,281	<b>108,200</b>
	<b>415,653</b>	<b>27,747</b>	<b>443,400</b>

If all NEDs sacrifice all of their fees, a maximum of 259,296 Restricted Rights will be allocated to NEDs under the FY2023 Issue based on:

- Total Amount of Fee Sacrifice for Year = \$443,400
- Face Value = \$1.71 which is the volume weighted average price of Shares for the 10 trading days following the announcement of the Company's results for the financial year ending 30 June 2022 (being 25 August 2022 to 7 September 2022 inclusive), rounded to two decimal places.

The maximum value the Company attributes to the Restricted Rights proposed to be granted under the FY2023 Issue is \$443,400, being 100% of all NED's cash fees.

The Company previously allocated 631,021 Restricted Rights to NEDs under the NED Equity Plan as set out below. These related to fees sacrificed for the period from March 2020 to June 2022. All of those Restricted Rights have been exercised into Restricted Shares.

NED	Restricted Rights	Acquisition Price	Restricted Shares
Warwick Negus	218,855	\$314,130	218,855
Jeremy Dunkel	137,389	\$195,499	137,389
Kevin Eley	122,123	\$173,776	122,123
David Groves	152,654	\$217,220	152,654

No loans will be made available in relation to the acquisition of Restricted Rights or Shares under the NED Equity Plan.

Restricted Rights will be issued before 10 November 2022. No Restricted Rights will be issued more than three years after the date of the Meeting.

Details of any securities issued under the NED Equity Plan will be published in each Annual Report of the Company relating to a period in which securities have been issued along with a statement that approval for the issue of securities 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 scheme after the resolution is approved and who were not named in the Notice of Meeting will not participate until approval is obtained under that rule.

### Directors' Recommendation

Because they have a personal interest in the subject of this resolution, the Directors have abstained from making a recommendation to Shareholders in relation to this resolution. The ASX Listing Rules and the Corporations Act prohibit certain persons from voting on resolution 4. A voting exclusion statement with regard to resolution 4 is set out on page 2 of this Notice.

## RESOLUTION 5: GRANT OF EQUITY TO MR RUSSEL PILLEMER UNDER EMPLOYEE LOAN SHARE PLAN

Resolution 5 seeks Shareholder approval in accordance with Listing Rule 10.14 for the grant of 571,000 Shares (**Plan Shares**) to Mr Russel Pillemer a Director and the Chief Executive Officer of the Company (and/or his nominee) under the Employee Loan Share Plan (**CEO Award**) for the financial year ending 30 June 2023 (**FY2023**).

The Board considers that the CEO Award would be a cost effective and efficient reward for the Company to make to appropriately incentivise Mr Pillemer's continued performance, and is consistent with the strategic goals and targets of the Company.

The terms and conditions of the CEO Award (including a related loan arrangement) are summarised below.

### 5.1 WHY APPROVAL IS NEEDED

The Company is proposing to issue Plan Shares to Mr Pillemer (or his nominee) under the Employee Loan Share Plan.

ASX Listing Rule 10.14 provides that a listed company must not permit any of the following persons to acquire equity securities under an employee incentive scheme without prior shareholder approval:

- 10.14.1 a director of the Company;
- 10.14.2 an associate of a director of the Company; or
- 10.14.3 a person whose relationship with the Company or a person referred to in ASX Listing Rule 10.14.1 or 10.14.2 is such that, in ASX's opinion, the acquisition should be approved by its shareholders.

The CEO Award falls within 10.14.1 above (or if made to a nominee of Mr Pillemer, falls within 10.14.2) and therefore requires the approval of the Company's shareholders under Listing Rule 10.14.

Resolution 5 seeks the required Shareholder approval for the CEO Award under and for the purposes of ASX Listing Rule 10.14.

If resolution 5 is passed, the Company will be able to proceed with the CEO Award without impacting its ability to issue up to 15% of its total ordinary securities without Shareholder approval in any 12-month period.

If resolution 5 is not passed, the Company will not be able to proceed with the CEO Award and will need to find an alternative way to appropriately reward and incentivise Mr Pillemer.

The Board also recognises that it is in line with good corporate governance practices for equity grants to Directors to be approved by Shareholders.

## **5.2 OVERVIEW OF THE EMPLOYEE LOAN SHARE PLAN**

The Company's employee incentive scheme, the Pengana Employee Loan Share Plan (**Employee Loan Share Plan**), assists in the reward, retention and motivation of selected employees and Directors of the Company and its subsidiaries (**Participant**).

The Company may grant Shares (**Awards**) to Participants under the Employee Loan Share Plan. In accordance with the rules of the Employee Loan Share Plan, the Directors will determine in their sole and absolute discretion the terms and conditions of Awards which are granted under the Employee Loan Share Plan including, but not limited to, the following:

- which individuals will be invited to participate in the Employee Loan Share Plan;
- the number of Awards to be granted to each Participant;
- the fee payable (if any) by Participants on the grant of Awards to Participants;
- any vesting conditions which must be met;
- restrictions (if any) on the Company's ability to exercise its call option rights in relation to the Awards; and
- the distribution of proceeds on disposal of Awards on exercise of the call option.

Under the Employee Loan Share Plan, the Directors may also, at their discretion, issue loans to Participants for the purpose of funding the purchase, by those Participants, of the Awards.

The Directors may delegate management and administration of the Employee Loan Share Plan together with any of their powers or discretions under the Employee Loan Share Plan to a committee consisting of Directors or to any one or more persons selected by them as the Directors think fit, including but not limited to the Company Secretary.

Generally, any unvested shares will be forfeited, and the Board has the discretion to cause the Participant to compulsorily divest such unvested shares. However, the Board retains discretion in certain circumstances to vary or waive the vesting conditions, or bring forward the date on which shares vest, including where a Participant ceases to be employed by the Company or its subsidiary other than where their employment has been terminated for serious and wilful misconduct, material breach of the terms of their employment, or gross negligence (among other things).

The Company also has the option, exercisable at any time, to call upon a Participant to sell vested shares at the prevailing market value.

## **5.3 WHAT ARE THE KEY TERMS OF THE CEO AWARD**

A summary of the key terms of the CEO Award are set out below.

### *Plan Share*

Each Plan Share is a conditional right to acquire one Share. No amount is payable on the exercise of the Plan Shares.

### *Issue price*

The issue price of each Plan Share will be \$1.71, which is the volume weighted average price of Shares for the 10 trading days following the announcement of the Company's results for the year ending 30 June 2022 (being 25 August 2022 to 7 September 2022 inclusive) rounded to two decimal places.

### *Disposal restrictions*

The Plan Shares will be subject to disposal restrictions, including vesting conditions and the related loan repayment conditions.

The Plan Shares will vest in three tranches as follows:

- 1/3 Plan Shares (190,333 Shares) will vest if Mr Pillemer has remained employed by the Company or a subsidiary of the Company on a continuous basis as at the 3-year anniversary of the date the Board accepts Mr Pillemer's application for the Plan Shares (inclusive);
- 1/3 Plan Shares (190,333 Shares) will vest if Mr Pillemer has remained employed by the Company or a subsidiary of the Company on a continuous basis as at the 4-year anniversary of the date the Board accepts Mr Pillemer's application for the Plan Shares (inclusive); and

- the remaining Plan Shares (190,334 Shares) will vest if Mr Pillemer has remained employed by the Company or a subsidiary of the Company on a continuous basis as at the 5-year anniversary of the date the Board accepts Mr Pillemer's application for the Plan Shares.

#### **Loan**

The Company (or any other entity nominated by the Company) (**Lender**) will advance a limited recourse loan for the amount equal to the aggregate acquisition price for the Plan Shares to Mr Pillemer (or his nominee), to assist it with purchasing the Plan Shares (**Loan**). The key terms of the Loan are:

- interest will accrue in arrears on the outstanding principal of the Loan on a six-monthly basis (such accrual dates to be 30 June and 31 December) at the interest rate of FBT benchmark rate of interest at the relevant time as set by the Australian Taxation Office via a tax determination; and
- accrued but unpaid interest will be capitalised on each 30 June and 31 December for the term of the Loan, and an amount equal to such accrued but unpaid interest will be deemed on and from the relevant capitalisation date to have been drawn down by Mr Pillemer and will therefore form part of the principal of the Loan;
- the term of the Loan is 6 years and 364 days from the first draw down date;
- the Loan is required to be repaid by the disposal of any Plan Shares which have been compulsorily divested or otherwise disposed of by Mr Pillemer.

#### **Treatment of leaver and divestiture**

Mr Pillemer (or his nominee) may be required to compulsorily divest unvested Plan Shares on the following basis:

- if Mr Pillemer becomes a good leaver (as defined in the Employee Loan Share Plan rules):
  - any vested Plan Shares may be retained (subject to the terms of the relevant Share Plan issue documentation); and
  - unless otherwise determined by the Board, unvested Plan Shares will be compulsorily divested on a date determined by the Board; and
- if Mr Pillemer becomes a bad leaver (as defined in the Employee Loan Share Plan rules):
  - any vested Plan Shares may be retained (subject to the terms of the relevant Share Plan issue documentation); and
  - all unvested Plan Shares will be compulsorily divested on a date determined by the Board.

For the avoidance of doubt, if Mr Pillemer ceases to be engaged by a member of the Company's group, but is simultaneously engaged by another member of the Company's group, he will be considered to be eligible to participate in the CEO Award at all relevant times.

If Mr Pillemer (or this nominee) is required to compulsorily divest Plan Shares all proceeds that he is entitled to receive will be used to repay the balance of the Loan and any excess proceeds will be retained by the Company (unless the compulsory divestiture has occurred due to a failure to repay the Loan balance at the final repayment date under the Loan terms, or as otherwise determined by the Board). Following such repayment, Mr Pillemer (or his nominee) will have no further obligations with respect of the Loan balance relating to the divested Plan Shares.

### **5.4 ADDITIONAL INFORMATION IN ACCORDANCE WITH ASX LISTING RULE 10.14 AND 10.15**

Mr Pillemer's remuneration for FY2023 is \$669,500 inclusive of Superannuation guarantee contribution.

The maximum number of Shares that may be issued to Mr Pillemer (or his nominee) is 571,000.

The maximum value the Company attributes to the Plan Shares proposed to be granted under the CEO Award is \$976,410 (being 100% of the value of Plan Shares).

The Company previously allocated 16,272,528 Shares under the Employee Loan Share Plan to Mr Pillemer (or an associate of Mr Pillemer) at an average price of \$1.21 per Share.

The Loan will be made available in relation to the acquisition of the Plan Shares under the CEO Award, on the terms set out above.

The Plan Shares are fully paid ordinary shares and will rank equally in all respects with the Company's existing Shares on issue.

The Company will issue the Plan Shares under the CEO Award on or about 25 October 2022 (and no Plan Shares will be issued more than three years after the date of the Meeting).

Under the rules of the Employee Loan Share Plan, only eligible employees (which are determined by the Board) are entitled to participate and Mr Pillemer is an eligible employee for these purposes. Mr Pillemer is the only Director who may participate in the Employee Loan Share Plan.

The current security holdings of Mr Pillemer are as follows:

<b>Name of Registered Holder</b>	<b>Number of Fully Paid Ordinary Shares</b>
RC Pillemer Pty Ltd	24,945,404
Russel Pillemer	1,262,205
MRJ Capital Pty Limited	165,000
<b>Total</b>	<b>26,372,609</b>

The substantial notice lodged for Russel Pillemer discloses that he has a relevant interest in 29,441,378 ordinary shares. In addition to the 26,372,609 shares referred to above held by Russel Pillemer, RC Pillemer Pty Ltd and MRJ Capital Pty Limited, as he has voting power in the Company above 20% pursuant to section 608(3)(a) of the Corporations Act 2001, he is deemed to have a relevant interest in 3,068,769 shares held by Pengana staff or their related parties, as the Company has the power to prevent the disposal of each of these shares pursuant to a voluntary escrow agreement between the Company and the relevant holder.

Details of the Shares issued under the CEO Award will be published in each Annual Report of the Company relating to a period in which the Shares have been issued along with a statement that approval for the issue of the Shares 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 Employee Loan Share Plan after the resolution is approved and who were not named in the Notice of Meeting will not participate until approval is obtained under that rule.

Resolution 5 is an ordinary resolution.

### **Directors' Recommendation**

The Directors (with Mr Pillemer abstaining) recommend that Shareholders vote in favour of this resolution. The Chairman intends to exercise all available proxies in favour of resolution 5. A voting exclusion statement with regard to resolution 5 is set out on page 2 of this Notice.



## VOTING INFORMATION

### VOTING ENTITLEMENTS

Persons holding Shares in the Company at 7:00 pm (Sydney time) on Sunday 23 October 2022 shall, for the purposes of ascertaining entitlements to attend and vote at the Meeting, be taken to be Shareholders of the Company.

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

### ALL RESOLUTIONS WILL BE BY POLL

The Chairman intends to demand a poll on each of the Resolutions proposed at the AGM. Each Resolution considered at the AGM will therefore be conducted by a poll. This will mean that the decision on each Resolution is determined by counting the actual votes (i.e., number of shares) – for and against – held by Shareholders present and entitled to vote at the meeting and represented by proxies present at the meeting. The Chairman considers voting by poll to be in the interests of the shareholders as a whole and is a way to ensure the views of as many shareholders as possible are represented at the Meeting. Voting by poll is also consistent with the ASX's Guidance Note 35 which states that "for an entity to determine with any confidence that the votes that should have been disregarded under a voting exclusion statement were in fact disregarded, it is essential that the vote on the resolution is conducted by a poll rather than by a show of hands".

### APPOINTMENT OF A PROXY

A Shareholder who is entitled to attend and vote at the Meeting may appoint a proxy to attend and vote at the Meeting 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 Meeting 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 Meeting. 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 Meeting.

### UNDIRECTED PROXIES

If you choose to appoint a proxy, you are encouraged to direct your proxy how to vote on each resolution 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. If, however, you appoint the Chairman as your proxy, he will vote undirected proxies on, and in favour of, all of the proposed resolutions.

If you do not want the Chairman to cast your vote in favour of a resolution, then 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 resolutions 3, 4 and 5 otherwise they will not be able to cast a vote as your proxy on that item.

### VOTING PRIOR TO THE MEETING VIA THE ONLINE PROXY VOTING FACILITY

An online proxy voting facility is available at [investorvote.com.au/pcg](https://investorvote.com.au/pcg). Shareholders will need their SRN/HIN and the postcode registered on their holding to access the online proxy voting facility. Shareholders with overseas addresses will require the country registered on their holding.

Alternatively, a Shareholder can request a printed copy of the Notice of Meeting and Proxy Form by contacting Computershare on 1300 850 505 (within Australia) or +61 3 9415 4000 (outside Australia) Monday to Friday 8:30am

to 7:00 pm (Sydney time). A Shareholder may direct a proxy on how to vote on the proposed resolutions by following the instructions on the Proxy Form.

**PROXY DEADLINE**

To be valid, online proxy voting or completed Proxy Forms must be received by Computershare Investor Services no later 9:30 am (Sydney time) on Sunday 23 October 2022.

Completed Proxy Forms can be lodged:

- Online: at [investorvote.com.au/pcg](https://investorvote.com.au/pcg)
- By mail: GPO Box 242, Melbourne VIC 3001
- By facsimile: 1800 783 447 (inside Australia), +61 3 9473 2555 (outside Australia)

## GLOSSARY

**AGM or Meeting** means the annual general meeting of Shareholders of the Company.

**Annual Report** means the Company's Annual Report for the year ended 30 June 2022, comprising the Financial Report, the Director's Report, the Remuneration Report and the Auditor's Report.

**ASX** means ASX Limited (ACN 008 624 591) trading as the Australian Securities Exchange.

**ASX Listing Rules or Listing Rules** means the official Listing Rules of the ASX, as amended or waived from time to time.

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

**Company or Pengana** means Pengana Capital Group Limited ACN 059 300 426.

**Constitution** means the constitution of the Company.

**Corporations Act** means the Corporations Act 2001 (Cth).

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

**Employee Loan Share Plan** means the Pengana Employee Loan Share Plan.

**Explanatory Notes** means the explanatory notes, which form 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 or Notice of Meeting or NOM** means this notice of annual general meeting.

**Proxy Form** means the proxy form that accompanies the Explanatory Notes or is available from the Company.

**Remuneration Report** means the section of the Directors' Report in the Annual Report.

**Reports** means the Financial Report (which includes the Directors' Declaration), Directors' Report, the Remuneration Report and Auditor's Report.

**Resolution** means a resolution to be put to Shareholders at the Meeting as set out in the Notice.

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

**Shareholder** means a registered holder of a Share.

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

## Need assistance?



**Phone:**

1300 855 080 (within Australia)  
+61 3 9415 4000 (outside Australia)



**Online:**

[www.investorcentre.com/contact](http://www.investorcentre.com/contact)



## YOUR VOTE IS IMPORTANT

For your proxy appointment to be effective it must be received by **9:30am (Sydney Time)** on **Sunday, 23 October 2022**.

# Proxy Form

## How to Vote on Items of Business

All your securities will be voted in accordance with your directions.

### APPOINTMENT OF PROXY

**Voting 100% of your holding:** Direct your proxy how to vote by marking one of the boxes opposite each item of business. If you do not mark a box your proxy may vote or abstain as they choose (to the extent permitted by law). If you mark more than one box on an item your vote will be invalid on that item.

**Voting a portion of your holding:** Indicate a portion of your voting rights by inserting the percentage or number of securities you wish to vote in the For, Against or Abstain box or boxes. The sum of the votes cast must not exceed your voting entitlement or 100%.

**Appointing a second proxy:** You are entitled to appoint up to two proxies to attend the meeting and vote on a poll. If you appoint two proxies you must specify the percentage of votes or number of securities for each proxy, otherwise each proxy may exercise half of the votes. When appointing a second proxy write both names and the percentage of votes or number of securities for each in Step 1 overleaf.

**A proxy need not be a securityholder of the Company.**

## SIGNING INSTRUCTIONS FOR POSTAL FORMS

**Individual:** Where the holding is in one name, the securityholder must sign.

**Joint Holding:** Where the holding is in more than one name, all of the securityholders should sign.

**Power of Attorney:** If you have not already lodged the Power of Attorney with the registry, please attach a certified photocopy of the Power of Attorney to this form when you return it.

**Companies:** Where the company has a Sole Director who is also the Sole Company Secretary, this form must be signed by that person. If the company (pursuant to section 204A of the Corporations Act 2001) does not have a Company Secretary, a Sole Director can also sign alone. Otherwise this form must be signed by a Director jointly with either another Director or a Company Secretary. Please sign in the appropriate place to indicate the office held. Delete titles as applicable.

## PARTICIPATING IN THE MEETING

### Corporate Representative

If a representative of a corporate securityholder or proxy is to participate in the meeting you will need to provide the appropriate "Appointment of Corporate Representative". A form may be obtained from Computershare or online at [www.investorcentre.com/au](http://www.investorcentre.com/au) and select "Printable Forms".

## Lodge your Proxy Form:

**XX**

### Online:

Lodge your vote online at [www.investorvote.com.au](http://www.investorvote.com.au) using your secure access information or use your mobile device to scan the personalised QR code.

Your secure access information is



**Control Number: 999999**

**SRN/HIN: I999999999**

**PIN: 99999**

For Intermediary Online subscribers (custodians) go to [www.intermediaryonline.com](http://www.intermediaryonline.com)

### By Mail:

Computershare Investor Services Pty Limited  
GPO Box 242  
Melbourne VIC 3001  
Australia

### By Fax:

1800 783 447 within Australia or  
+61 3 9473 2555 outside Australia



**PLEASE NOTE:** For security reasons it is important that you keep your SRN/HIN confidential.

You may elect to receive meeting-related documents, or request a particular one, in electronic or physical form and may elect not to receive annual reports. To do so, contact Computershare.

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



**Change of address.** If incorrect, mark this box and make the correction in the space to the left. Securityholders sponsored by a broker (reference number commences with 'X') should advise your broker of any changes.



I 9999999999

I ND

## Proxy Form

Please mark ☒ to indicate your directions

### Step 1 Appoint a Proxy to Vote on Your Behalf

XX

I/We being a member/s of Pengana Capital Group Limited hereby appoint



the Chairman  
of the Meeting

OR

**PLEASE NOTE:** Leave this box blank if you have selected the Chairman of the Meeting. Do not insert your own name(s).

or failing the individual or body corporate named, or if no individual or body corporate is named, the Chairman of the Meeting, as my/our proxy to act generally at the meeting on my/our behalf and to vote in accordance with the following directions (or if no directions have been given, and to the extent permitted by law, as the proxy sees fit) at the Annual General Meeting of Pengana Capital Group Limited to be held at Pengana Capital Group, Suite 27.01, Level 27, Governor Phillip Tower, 1 Farrer Place, Sydney, NSW 2000 on Tuesday, 25 October 2022 at 9:30am (Sydney Time) and at any adjournment or postponement of that meeting.

**Chairman authorised to exercise undirected proxies on remuneration related resolutions:** Where I/we have appointed the Chairman of the Meeting as my/our proxy (or the Chairman becomes my/our proxy by default), I/we expressly authorise the Chairman to exercise my/our proxy on Items 3, 4 and 5 (except where I/we have indicated a different voting intention in step 2) even though Items 3, 4 and 5 are connected directly or indirectly with the remuneration of a member of key management personnel, which includes the Chairman.

**Important Note:** If the Chairman of the Meeting is (or becomes) your proxy you can direct the Chairman to vote for or against or abstain from voting on Items 3, 4 and 5 by marking the appropriate box in step 2.

### Step 2 Items of Business

**PLEASE NOTE:** If you mark the **Abstain** box for an item, you are directing your proxy not to vote on your behalf on a show of hands or a poll and your votes will not be counted in computing the required majority.

	For	Against	Abstain
2 Re-election of Director: Mr Jeremy Dunkel	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
3 Remuneration Report	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
4 Equity grants under the Non-executive Director Equity Plan	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
5 Equity grant to Mr Russel Pillemer under Employee Loan Share Plan	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

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

### Step 3 Signature of Securityholder(s) *This section must be completed.*

Individual or Securityholder 1

Sole Director & Sole Company Secretary

Securityholder 2

Director

Securityholder 3

Director/Company Secretary

/ /

Date

**Update your communication details** (Optional)

Mobile Number

Email Address

By providing your email address, you consent to receive future Notice of Meeting & Proxy communications electronically

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2 9 2 7 8 5 A



Computershare

