

NOTICE OF ANNUAL GENERAL MEETING

Notice is given that the 2014 Annual General Meeting (**AGM**) of Watermark Market Neutral Fund Limited (ABN 45 163 980 498) (**Company**) will be held in the **Lyceum Theatre, Wesley Centre, 220 Pitt Street, Sydney** on **Friday, 28 November 2014 at 3.30 pm (Sydney time)**.

ORDINARY BUSINESS

1. To receive and consider the financial report, the directors' report and auditor's report for the year ended 30 June 2014.

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

"That Mr Matthew Kidman retired by rotation and having offered himself for re-election in accordance with Rule 6.7 of the constitution of the Company be re-elected as a director of the Company."

NOTE: The non-candidate directors unanimously support the re-election of Mr Matthew Kidman.

The Chairman of the meeting intends to vote all available proxies in favour of Mr Matthew Kidman's re-election.

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

"That Mr Justin Braitling retired by rotation and having offered himself for re-election in accordance with Rule 6.7 of the constitution of the Company be re-elected as a director of the Company."

NOTE: The non-candidate directors unanimously support the re-election of Mr Justin Braitling.

The Chairman of the meeting intends to vote all available proxies in favour of Mr Justin Braitling's re-election.

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

"That the Remuneration Report, forming part of the Directors' Report laid before the meeting, be adopted."

NOTE: The vote on this resolution is advisory only and does not bind the Directors or the Company. In accordance with Section 250R(4) of the Corporations Act, the Company will disregard any votes cast on this resolution:

- (a) by or on behalf of a member of the key management personnel whose remuneration details are included in the Remuneration Report and each closely related party of such members (each an **Excluded Key Manager**); or

- (b) as proxy by a person or entity that is an Excluded Key Manager except if an Excluded Key Manager is appointed as proxy in writing and:
 - (i) is directed in writing on how to vote on the resolution; or
 - (ii) in the case of the Chairman of the Meeting, under the authorisation on the proxy form.

The Chairman will vote all available proxies in favour of this resolution.

If you wish to vote “against” or “abstain” you should mark the relevant box in the attached proxy form.

If 25% or more of votes that are cast are voted against the adoption of the Remuneration Report at two consecutive AGMs, shareholders will be required to vote at the second of those AGMs on a resolution (a “spill resolution”) that another meeting be held within 90 days at which all of the Company’s directors (other than the Managing Director) must go up for re-election.

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

“That, for the purposes of ASX Listing Rule 7.4 and for all other purposes, the issue of 9,810,199 shares on 1 April 2014 at \$1.02 per Share and otherwise as described in the Explanatory Notes be ratified and approved.”

Without limitation, ASX Listing Rule 7.4 is relevant to this resolution.

The Chairman will vote all available proxies in favour of this resolution. If you wish to vote “against” or “abstain” you should mark the relevant box on the attached proxy form.

Voting exclusion

The Company will disregard any votes cast on this resolution by any person who participated in the issue and any of their Associates.

However, the Company need not disregard a vote if:

- (i) it is cast by a person as a proxy for a person who is entitled to vote, in accordance with the directions on the proxy form; or
- (ii) it is cast by the Chairman of the Meeting as proxy for a person who is entitled to vote, in accordance with the authorisation on the proxy form.

EXPLANATORY NOTES

Ratification of previous share issue (Resolution 4)

Generally speaking, ASX Listing Rule 7.1 restricts the number of equity securities that a listed entity may issue in any 12 month period, without the approval of shareholders, to 15% of the number of ordinary securities on issue, subject to certain adjustments and permitted exceptions.

Under Listing Rule 7.4, an issue of securities will be treated as having been made with shareholder approval if the issue did not breach the 15% limit under Listing Rule 7.1 at that time, and shareholders subsequently approve the issue.

The share issue under Resolution 4 (if approved) will no longer be included within the Company's 15% limit. Shareholder approval of Resolution 4 will refresh the Company's ability to raise further funds up to the 15% limit for at any time during the next 12 months, providing flexibility in considering fundraising opportunities.

In accordance with its announcement on 24 March 2014, on 1 April 2014 the Company issued 9,810,199 shares under a placement to investors who were exempt from the disclosure requirements of Chapter 6D of the Corporations Act as identified by the Company's placement agent, Taylor Collison Limited, at an issue price of \$1.02 per Share. The investors were not related parties of the Company.

These shares are fully paid ordinary shares in the Company and rank equally with and are on the same terms as other shares in the Company.

The Company is investing the proceeds of the placement in line with its current investment strategy.

A voting exclusion statement is included under Resolution 4 in this notice.

Board recommendation

The Directors unanimously recommend that Shareholders vote in favour of this resolution.

ENTITLEMENT TO VOTE

In accordance with Section 1074E(2)(g)(i) of the Corporations Act and Regulation 7.11.37 of the Corporations Regulations, the Company has determined that for the purposes of the AGM all shares will be taken to be held by the persons who held them as registered shareholders at 7pm (Sydney Time) on **Wednesday, 26 November 2014**. Accordingly, share transfers registered after that time will be disregarded in determining entitlements to attend and vote at the AGM.

PROXIES

A member entitled to attend and vote at this meeting is entitled to appoint no more than two proxies to attend and vote in his/her stead. A proxy need not be a member of the Company.

If the member appoints two proxies, the member may specify the proportion or number of votes each proxy is entitled to exercise. If no proportion or number of votes is specified, each proxy

may exercise half of the votes. Any fractions of votes brought about by the apportionment of votes to a proxy will be disregarded. If the proxy has 2 or more appointments that specify different ways to vote on the resolution - the proxy must not vote on a show of hands.

Proxies must be:

(a) Lodged at the Company's share registrar:

Hand Deliveries Boardroom Pty Limited
Level 7
207 Kent Street
Sydney NSW 2000

Postal address: Boardroom Pty Limited
GPO Box 3993
Sydney NSW 2001

(b) Received at the fax number specified below:

Fax number: 1300 653 459 – within Australia
+612 9290 9655 – from overseas

Not later than 48 hours before the meeting i.e. 3.30 pm (Sydney Time) Wednesday, 26 November 2014.

By order of the Board

Peter Roberts
Company Secretary
20 October 2014

All Correspondence to:

✉ **By Mail** Boardroom Pty Limited
GPO Box 3993
Sydney NSW 2001 Australia

Level 7, 207 Kent Street,
Sydney NSW 2000 Australia

📠 **By Fax:** +61 2 9290 9655

💻 **Online:** www.boardroomlimited.com.au

☎ **By Phone:** (within Australia) 1300 737 760
(outside Australia) +61 2 9290 9600

YOUR VOTE IS IMPORTANT

For your vote to be effective it must be recorded **before 3.30pm AEDT on Wednesday 26 November 2014.**

🖨 TO VOTE ONLINE

STEP 1: VISIT www.votingonline.com.au/wmkagm2014

STEP 2: Enter your holding/investment type:

STEP 3: Enter your Reference Number:

STEP 4: Enter your VAC:

PLEASE NOTE: For security reasons it is important you keep the above information confidential.

📱 BY SMARTPHONE



Scan QR Code using smartphone
QR Reader App

TO VOTE BY COMPLETING THE PROXY FORM

STEP 1 APPOINTMENT OF PROXY

Indicate who you want to appoint as your Proxy.

If you wish to appoint the Chair of the Meeting as your proxy, mark the box. If you wish to appoint someone other than the Chair of the Meeting as your proxy please write the full name of that individual or body corporate. If you leave this section blank, or your named proxy does not attend the meeting, the Chair of the Meeting will be your proxy. A proxy need not be a security holder of the company. Do not write the name of the issuer company or the registered securityholder in the space.

Appointment of a Second Proxy

You are entitled to appoint up to two proxies to attend the meeting and vote. If you wish to appoint a second proxy, an additional Proxy Form may be obtained by contacting the company's securities registry or you may copy this form.

To appoint a second proxy you must:

- (a) complete two Proxy Forms. On each Proxy Form state the percentage of your voting rights or the number of securities applicable to that form. If the appointments do not specify the percentage or number of votes that each proxy may exercise, each proxy may exercise half your votes. Fractions of votes will be disregarded.
- (b) return both forms together in the same envelope.

STEP 2 VOTING DIRECTIONS TO YOUR PROXY

To direct your proxy how to vote, mark one of the boxes opposite each item of business. All your securities will be voted in accordance with such a direction unless you indicate only a portion of securities are to be voted on any item by inserting the percentage or number that you wish to vote in the appropriate box or boxes. If you do not mark any of the boxes on a given item, your proxy may vote as he or she chooses. If you mark more than one box on an item for all your securities your vote on that item will be invalid.

Proxy which is a Body Corporate

Where a body corporate is appointed as your proxy, the representative of that body corporate attending the meeting must have provided an "Appointment of Corporate Representative" prior to admission. An Appointment of Corporate Representative form can be obtained from the company's securities registry.

STEP 3 SIGN THE FORM

The form **must** be signed as follows:

Individual: This form is to be signed by the securityholder.

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

Power of Attorney: to sign under a Power of Attorney, you must have already lodged it with the registry. Alternatively, attach a certified photocopy of the Power of Attorney to this form when you return it.

Companies: this form must be signed by a Director jointly with either another Director or a Company Secretary. Where the company has a Sole Director who is also the Sole Company Secretary, this form should be signed by that person. **Please indicate the office held by signing in the appropriate place.**

STEP 4 LODGEMENT

Proxy forms (and any Power of Attorney under which it is signed) must be received no later than 48 hours before the commencement of the meeting, therefore by **3.30pm AEDT on Wednesday 26 November 2014.** Any Proxy Form received after that time will not be valid for the scheduled meeting.

Proxy forms may be lodged using the enclosed Reply Paid Envelope or:

💻 **Online** www.votingonline.com.au/wmkagm2014

📠 **By Fax** + 61 2 9290 9655

✉ **By Mail** Boardroom Pty Limited
GPO Box 3993,
Sydney NSW 2001 Australia

👤 **In Person** Level 7, 207 Kent Street,
Sydney NSW 2000 Australia

Attending the Meeting

If you wish to attend the meeting please bring this form with you to assist registration.

Watermark Market Neutral Fund Limited

ACN 163 980 498

☐

Your Address

This is your address as it appears on the company's share register. If this is incorrect, please mark the box with an "X" and make the correction in the space to the left. Securityholders sponsored by a broker should advise their broker of any changes. **Please note you cannot change ownership of your securities using this form.**

PROXY FORM

STEP 1 APPOINT A PROXY

I/We being a member/s of **Watermark Market Neutral Fund Limited** and entitled to attend and vote hereby appoint:

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the **Chair of the Meeting (mark box)**

OR if you are **NOT** appointing the Chair of the Meeting as your proxy, please write the name of the person or body corporate (excluding the registered shareholder) you are appointing as your proxy below

or failing the individual or body corporate named, or if no individual or body corporate is named, the Chair of the Meeting as my/our proxy at the Annual General Meeting of the Company to be held at the **Lyceum Theatre, Wesley Centre, 220 Pitt Street Sydney NSW 2000 on Friday 28 November 2014 at 3.30pm AEDT** and at any adjournment of that meeting, to act on my/our behalf and to vote in accordance with the following directions or if no directions have been given, as the proxy sees fit.

Chair of the Meeting authorised to exercise undirected proxies on remuneration related matters: If I/we have appointed the Chair of the Meeting as my/our proxy or the Chair of the Meeting becomes my/our proxy by default and I/we have not directed my/our proxy how to vote in respect of Resolution 4, I/we expressly authorise the Chair of the Meeting to exercise my/our proxy in respect of this resolution even though Resolution 4 is connected with the remuneration of a member of key management personnel for the Company.

The Chair of the Meeting will vote all undirected proxies in favour of all Items of business (including Resolution 4). If you wish to appoint the Chair of the Meeting as your proxy with a direction to vote against, or to abstain from voting on an item, you must provide a direction by marking the 'Against' or 'Abstain' box opposite that resolution.

STEP 2 VOTING DIRECTIONS

* If you mark the Abstain box for a particular item, you are directing your proxy not to vote on your behalf on a show of hands or on a poll and your vote will not be counted in calculating the required majority if a poll is called.

		For	Against	Abstain*
Resolution 2	To re-elect Mr Matthew Kidman as a Director	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Resolution 3	To re-elect Mr Justin Braitting as a Director	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Resolution 4	To Adopt the Remuneration Report	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Resolution 5	To Approve the previous issue of shares on 1 April 2014	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

STEP 3 SIGNATURE OF SHAREHOLDERS

This form must be signed to enable your directions to be implemented.

Individual or Securityholder 1

Sole Director and Sole Company Secretary

Securityholder 2

Director

Securityholder 3

Director / Company Secretary

Contact Name.....

Contact Daytime Telephone.....

Date / / 2014