



Notice of Annual General Meeting 2015 and Explanatory Statement

Enero Group Limited ABN 97 091 524 515

Notice is given that the Annual General Meeting of members of Enero Group Limited will be held at 11.00am on Tuesday, 20 October 2015 at Level 6, 79 Commonwealth Street, Surry Hills, NSW 2010.

Agenda

Annual Financial Report

To receive and consider the Annual Financial Report of Enero Group Limited and its controlled entities (Enero), and the Directors' Report and the Auditor's Report for the year ended 30 June 2015.

1. Resolution 1 – Non-binding resolution to adopt the Remuneration Report

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

"That the 'Remuneration Report' included in the Enero Annual Financial Report for the year ended 30 June 2015, be adopted."

2. Resolution 2 – Election of Director

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

"That Russel Howcroft, who was appointed as a Director by the Board on 21 May 2015, retires in accordance with clause 6.1(e) of Enero's Constitution, and, being eligible, offers himself for re-election, be re-elected as a Director of the Company."

3. Resolution 3 – Re-election of Director

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

"That Roger Amos, who retires in accordance with clause 6.1(f) of Enero's Constitution and, being eligible, offers himself for re-election, be re-elected as a Director of Enero."; and

4. Resolution 4 – Allocation of Share Appreciation Rights to a Director under the Enero Share Appreciation Rights Plan (SAR)

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

"That the Company approve, for all purposes including Listing Rule 10.14, the issue of 1,000,000 Enero Share Appreciation Rights (Share Rights) to the Chief Executive Officer, Matthew Melhuish, under the Enero Share Appreciation Rights Plan as described in the explanatory notes accompanying this Notice of Meeting, and any issues of shares upon the vesting of those Share Rights."

Note: A voting exclusion applies to Resolution 4.

By Order of the Board of
Enero Group Limited

A handwritten signature in black ink, appearing to read "B. York".

Brendan York
Company Secretary
18 September 2015

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Information for Shareholders

Voting Exclusions

Resolution 1:

In accordance with the Corporations Act, a vote must not be cast on this resolution (and will be taken not to have been cast if cast contrary to this restriction) by a member of the Key Management Personnel (**KMP**), details of whose remuneration are included in the Remuneration Report and their 'Closely Related Parties' (as defined in the Corporations Act 2001) (each a **Restricted Voter**). However, Enero need not disregard a vote cast by a Restricted Voter if:

- a. it is cast by a person as a proxy appointed by writing that specifies how the proxy is to vote on the proposed resolution; and
- b. it is not cast on behalf of a Restricted Voter.

Further, Enero will not disregard a vote cast by the chair of the meeting (**Chair**) as a proxy, if the appointment of the Chair expressly authorises the Chair to exercise the proxy even though the resolution is connected directly or indirectly with the remuneration of a member of the KMP. Shareholders should note that the Chair intends to vote any undirected proxies in favour of Resolution 1. Shareholders may also choose to direct the Chair to vote against Resolution 1 or to abstain from voting.

Resolution 4:

In accordance with the ASX Listing Rules, Enero will disregard any votes cast in respect of Resolution 4 by any Director of the Company (except one who is ineligible to participate in an incentive scheme of the Company (being a Director who does not meet the criteria of 'Eligible Employee' under the SAR)) and any associate of that person.

However, Enero need not disregard a vote if:

- a. it is cast by a person or proxy for a member who is entitled to vote in accordance with the directions on the proxy form; or
- b. it is cast by a person chairing the meeting as a proxy for a person entitled to vote in accordance with a direction on the proxy form to vote as the proxy decides.

Key Management Personnel (**KMP**) and their 'Closely Related Parties' (as defined in the Corporations Act) (each a **Restricted Voter**) are able to vote on this resolution in their personal capacity so long as they are not a Director who is entitled to participate in the SAR (being an 'Eligible Employee' as defined in the SAR) and any associate of that person. Each member of Enero's KMP is named in page 29 of Enero's Annual Financial Report for the year ended 30 June 2015.

Further, a Restricted Voter who is appointed as a proxy must not vote on Resolution 4 unless:

- a. the appointment specifies the way the proxy is to vote on Resolution 4; or
- b. the proxy is the Chair and the appointment expressly authorises the Chair to exercise the proxy even though Resolution 4 is connected directly or indirectly with the remuneration of a member of the KMP.

Note: Shareholders should note that the Chair intends to vote any undirected proxies in favour of Resolution 4. Shareholders may also direct the Chair to vote against Resolution 4 or to abstain from voting.

Voting

You can vote in either of two ways:

- Attending the meeting and voting in person, or if you are a corporate member, by corporate representative voting for you; or
- Appointing a proxy to attend and vote for you, using the enclosed voting and proxy form.

Voting in person

If you plan to attend the meeting, we ask that you arrive at the meeting venue at least 30 minutes prior to the time designated for the meeting so that we may check your shareholding against our register of members and note your attendance. The meeting will be held at 11.00am on Tuesday 20 October 2015 at Level 6, 79 Commonwealth Street, Surry Hills NSW 2010.

Voting by corporate representative

If a corporate member plans to attend through a corporate representative, it must appoint a person to act as its representative and the appointed person must bring appropriate written evidence of the appointment to the meeting signed under the corporation's common seal or in accordance with section 127 of the Corporations Act.

Voting by proxy

A shareholder, who is unable to attend and vote at the Annual General Meeting is entitled to appoint a proxy to attend and vote for the shareholder at the meeting. A proxy need not be a shareholder of Enero and may be an individual or a body corporate.

If a shareholder is entitled to cast two or more votes, they may appoint up to two proxies and may specify the percentage or number of votes each proxy is appointed to exercise. Where two proxies are appointed, each proxy may be appointed to represent a specific proportion of the shareholder's voting rights and an additional form of proxy is available on request from Enero. If a proxy is not directed how to vote on an item of business, the proxy may generally vote, or abstain from voting, as they think fit. However, where a Restricted Voter is appointed as a proxy but not directed as to how to vote, the proxy may only vote on Resolutions 1 and 4 if the proxy is the Chair of the meeting and the appointment expressly authorises the Chair to exercise the proxy even if the resolution is connected directly or indirectly with the remuneration of a member of the KMP. If such authorisation is given, the Chair intends to vote in favour of Resolutions 1 and 4.

Where a shareholder appoints two proxies and the appointment does not specify the proportion or number of the shareholder's votes each proxy may exercise, each proxy may exercise half of the votes. The form of proxy must be signed by a shareholder or a shareholder's attorney. Proxies given by corporations must be signed in accordance with their constituent documents or as authorised by the Corporations Act. If the form of proxy is executed under power of attorney it must accompany the form of proxy unless it has already been noted by Enero. In the case of joint shareholders, names of the joint shareholders should be shown on the form of proxy.

Voting entitlements

Enero has determined that for the purpose of determining voting entitlements for the general meeting, Enero Shares will be taken to be held by those people who are shown in the register of members as at 7.00pm Sydney time on Friday, 16 October 2015.

Timing

For the appointment of a proxy to be valid, the proxy forms (together with any power of attorney or other authority) must be returned:

- by post to the share registry, Link Market Services Limited, Locked Bag A14, Sydney South NSW 1235 Australia;
- online at www.linkmarketservices.com.au; or
- by successfully transmitted facsimile transmission to Link Market Services on +61 2 9287 0309,

by no later than 7.00pm Sydney time on Friday, 16 October 2015.

Shareholder queries should be directed to the Company Secretary at Enero on (02) 8213 3031 or email agm@enero.com.

Explanatory Statement

This Explanatory Statement has been prepared to provide shareholders with material information to enable them to make an informed decision on the business to be conducted at the Annual General Meeting of Enero.

All shareholders should read this Explanatory Statement carefully and in its entirety before making any decision in relation to the resolutions.

Receiving Financial Statements and Reports

Under the Corporations Act, the Directors of Enero must lay the financial report, the Directors' report and the Auditor's report for Enero (and its subsidiaries) for the financial year ended 30 June 2015 before the meeting (**Reports**).

These Reports are set out in the Company's 2015 Annual Report which has been made available to shareholders and is available on the Company's website (www.enero.com).

Shareholders will be given reasonable opportunity at the Annual General Meeting to ask questions and make comments on the reports.

The Auditor will be available at the Annual General Meeting to answer shareholder questions on the conduct of the audit, the preparation and content of the Auditor's report, the accounting policies adopted by Enero in relation to the preparation of the Annual Report and the independence of the auditor in relation to the conduct of the audit.

No resolution is required to be moved in respect of this item of General Business.

Resolution 1 – Non-binding resolution to adopt the Remuneration Report

Under the Corporations Act, Enero is required to include, in the Directors' report, a detailed remuneration report including prescribed information in relation to the remuneration of Directors and executives of Enero and Enero's remuneration practices.

The Remuneration Report for the year ended 30 June 2015 is incorporated in Enero's 2015 Annual Report (as part of the Directors' report) and is available on the Company's website (www.enero.com).

The Remuneration Committee undertook a review of the short-term incentive (STI) arrangements for the CEO and senior Executives of Enero and

implemented a new framework effective from 1 July 2015. Please refer to the Remuneration Report for further details. The Remuneration Committee also reviewed the Non-Executive Director fees and implemented reductions to such fees on both base Director and committee fees. Please refer to the Remuneration Report for further details.

Shareholders will be given reasonable opportunity at the Annual General Meeting to ask questions and make comments on the Reports.

The vote on the Remuneration Report is advisory only and does not bind the Directors or Enero. However, if at least 25% of the votes cast are against adoption of the Remuneration Report at the 2015 AGM, and then again at the 2016 AGM, Enero will be required to put a resolution to the 2016 AGM, to approve calling an extraordinary general meeting, (**spill resolution**). If more than 50% of Shareholders vote in favour of the spill resolution, Enero must then convene an extraordinary general meeting (**spill meeting**) within 90 days of the 2016 AGM. All of the Directors who were in office when the 2015 Directors' report was approved, other than the Managing Director, will (if they desire) need to stand for re-election at the spill meeting.

Each Director recommends the adoption of the Remuneration Report by shareholders.

Resolution 2 – Election of Director

Clause 6.1(e) of Enero's Constitution requires any Director who has been appointed since the last AGM to fill a casual vacancy on the Board to retire. Retiring Directors may seek re-election.

Russel Howcroft was appointed as an independent and non-executive Director of the Board on 21 May 2015. Russel Howcroft has retired and is seeking re-election in accordance with Clause 6.1(e) of Enero's Constitution.

Russel was appointed as a Non-Executive Director of the Company on 21 May 2015. Russel is the Executive General Manager for Network Ten Limited. He has had a long and distinguished career in the advertising industry spanning over 25 years, including six years as MD then CEO at George Patterson Y&R Australia & NZ and a five-year stint at leading UK creative agency Lowe & Partners. He was also a founding partner of the start-up Brandhouse Agency. Russel is currently a Board member of Freeview

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and was formerly the Chairman of the Advertising Federation of Australia. Russel is a panel member of ABC's "The Gruen Transfer" and holds various other media roles.

Each Director (other than Russel Howcroft) recommends that shareholders vote in favour of Resolution 2 to elect Russel Howcroft as a Director of Enero.

Resolution 3 – Re-election of Director
Clause 6.1(f) of Enero's Constitution requires that one-third of Directors (rounded down to the nearest whole number and excluding the Managing Director) and any other Director who, if he or she does not retire, will at the conclusion of the meeting have been in office for three or more years or for three or more AGMs since he or she was last elected to office, must retire at the AGM. Retiring Directors may seek re-election. Roger Amos is currently a Director of Enero and in accordance with the Company's Constitution Roger will retire and will seek re-election at the AGM.

Roger was appointed as a Non-Executive Director of the Company on 23 November 2010. Roger is Chairman of Tyrian Diagnostics Limited and a member of its audit committee. He is a Director of 3P Learning Limited, Chairman of its audit committee and a member of its remuneration committee. He is a Director of REA Group Limited, Chairman of its audit committee and a member of its remuneration committee. He was a Director of Austar United Communications Limited, the Chairman of its audit and risk committee and a member of its remuneration committee until April 2012. All are publicly listed Australian companies. He was the Chairman of Opera Foundation Australia from 2009 to 2013 and is a Governor of the Cerebral Palsy Alliance Research Foundation. Roger retired in 2006 after 25 years as a Partner of KPMG, where he focused on the information, communication and entertainment sector and held a number of global roles. Roger is a Fellow of the Institute of Chartered Accountants and a Fellow of the Australian Institute of Company Directors. Roger is the Deputy Chairman of the Board of Directors, Chairman of the Audit and Risk Committee and a member of the Remuneration and Nomination Committee.

Each Director (other than Roger Amos) recommends that shareholders vote in

favour of Resolution 3 to re-elect Roger Amos as a Director of Enero.

Resolution 4 – Allocation of Share Appreciation Rights to a Director under the Enero Share Appreciation Rights Plan (SAR)

Matthew Melhuish was appointed Chief Executive Officer and Executive Director of the Company on 16 January 2012. Pursuant to his contract of employment extension with the Company, the key terms of which were disclosed to the ASX on 16 June 2015 (**Service Agreement**), Matthew Melhuish's remuneration is comprised of the following elements:

1. Fixed remuneration – base salary together with statutory superannuation contributions;
2. Short-term incentive (**STI**) – to be determined annually by the Board subject to achievement of targets for annual Net Revenue and Operating EBITDA targets. The STI is capped at 70% of Fixed Remuneration; and
3. Long-term incentive (**LTI**) – it is proposed that Matthew Melhuish is issued with 1,000,000 Share Rights under the Company's Share Appreciation Rights Plan (the **CEO Share Rights**).

Approval is sought to issue the CEO Share Rights in three tranches, as follows:

- 333,333 CEO Share Rights with a vesting date of 20 business days after the release to ASX of the Company's preliminary financial report for the financial year ended 30 June 2016.
- 333,333 CEO Share Rights with a vesting date of 20 business days after the release to ASX of the Company's preliminary financial report for the financial year ended 30 June 2017.
- 333,334 CEO Share Rights with a vesting date of 20 business days after the release to ASX of the Company's preliminary financial report for the financial year ended 30 June 2018.

If shareholder approval is obtained, the issue of the CEO Share Rights to Matthew Melhuish will be made shortly after the meeting and in any case no later than three months from the date of the meeting.

a. Price

No payment will be required in relation to the issue and allotment of the CEO Share Rights or on the exercise or vesting of the CEO Share Rights. Enero will not

raise any funds from the issue of the CEO Share Rights.

There is no loan being provided to Matthew Melhuish in relation to his acquisition of the CEO Share Rights.

b. Exercise and issue

The exercise of each CEO Share Right will entitle Matthew Melhuish to receive a fraction of an ordinary share based on a conversion formula of:

$$\text{Share Entitlement (E)} = \frac{A - B}{A}$$

Where:

A = Enero VWP for the 20 trading days before the Vesting Date.

B = Enero VWP for the 20 trading days before the Date of Issue of the Share Right.

If A – B is less than or equal to zero, the Share Right will not vest and will immediately lapse on the applicable Vesting Date.

The total number of Shares received (by way of issue) upon any conversion of Share Rights will be the number of Share Rights converted multiplied by E, with the result rounded up to the nearest whole number.

The maximum number of shares which Matthew Melhuish may acquire is 1,000,000 shares.

c. Prior issues under the SAR

Matthew Melhuish was granted 333,333 Share Rights in August 2011 in his capacity as an Executive in the Group. Shareholder approval was not required for the previous issue of Share Rights to Matthew Melhuish as he was not a Director of the Company at that time.

Matthew Melhuish was granted 888,889 Share Rights in January 2012 and a further 1,000,000 Share Rights in October 2013. Shareholder approval was obtained in respect of these grants.

No other Directors or their associates are currently entitled to participate in the SAR. Any additional person for whom shareholder approval is required under Listing Rule 10.14 who may become entitled to participate in the SAR must not participate in the plan until approval is obtained in accordance with Listing Rule 10.14.

Each Director (other than Matthew Melhuish) recommends that shareholders vote in favour of Resolution 4 to grant CEO Share Rights to Matthew Melhuish.



ENERO

Enero Group Limited
ABN 97 091 524 515

LODGE YOUR VOTE



ONLINE
www.linkmarketservices.com.au



BY MAIL
Enero Group Limited
C/- Link Market Services Limited
Locked Bag A14
Sydney South NSW 1235 Australia



BY FAX
+61 2 9287 0309



BY HAND
Link Market Services Limited
1A Homebush Bay Drive, Rhodes NSW 2138; or
Level 12, 680 George Street, Sydney NSW 2000



ALL ENQUIRIES TO
Telephone: +61 1300 554 474



X99999999999

PROXY FORM

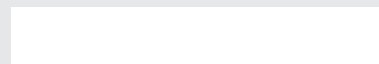
I/We being a member(s) of Enero Group Limited and entitled to attend and vote hereby appoint:

APPOINT A PROXY



the Chairman of the Meeting *(mark box)*

OR if you are **NOT** appointing the Chairman of the Meeting as your proxy, please write the name of the person or body corporate you are appointing as your proxy



or failing the person or body corporate named, or if no person or body corporate is named, the Chairman of the Meeting, as my/our proxy to act on my/our behalf (including to vote in accordance with the following directions or, if no directions have been given and to the extent permitted by the law, as the proxy sees fit) at the Annual General Meeting of the Company to be held at **11:00am on Tuesday, 20 October 2015 at Level 6, 79 Commonwealth Street, Surry Hills NSW 2010 (the Meeting)** and at any postponement or adjournment of the Meeting.

Important for Resolution 1: If the Chairman of the Meeting is your proxy, either by appointment or by default, and you have not indicated your voting intention below, you expressly authorise the Chairman of the Meeting to exercise the proxy in respect of Resolution 1, even though the Resolution is connected directly or indirectly with the remuneration of a member of the Company's Key Management Personnel (**KMP**).

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

VOTING DIRECTIONS

Proxies will only be valid and accepted by the Company if they are signed and received no later than 48 hours before the Meeting. Please read the voting instructions overleaf before marking any boxes with an ☒.

Resolutions

For Against Abstain*

1 Adoption of Remuneration Report

<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
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2 Election of Director Russel Howcroft

<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
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3 Re-election of Director Roger Amos

<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
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4 Allocation of Share Appreciation Rights to CEO under the Enero Share Appreciation Rights Plan (SAR)

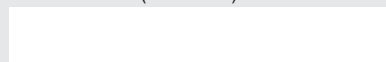
<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
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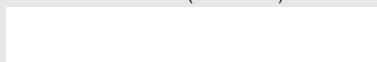
* If you mark the Abstain box for a particular Item, you are directing your proxy not to vote on your behalf on a show of hands or on a poll and your votes will not be counted in computing the required majority on a poll.

SIGNATURE OF SHAREHOLDERS – THIS MUST BE COMPLETED

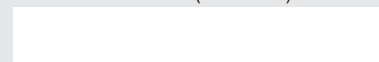
Shareholder 1 (Individual)



Joint Shareholder 2 (Individual)



Joint Shareholder 3 (Individual)



Sole Director and Sole Company Secretary

Director/Company Secretary (Delete one)

Director

This form should be signed by the shareholder. If a joint holding, either shareholder may sign. If signed by the shareholder's attorney, the power of attorney must have been previously noted by the registry or a certified copy attached to this form. If executed by a company, the form must be executed in accordance with the company's constitution and the *Corporations Act 2001* (Cth).

EGG PRX501B



HOW TO COMPLETE THIS SHAREHOLDER PROXY FORM

YOUR NAME AND ADDRESS

This is your name and address as it appears on the Company's share register. If this information is incorrect, please make the correction on the form. Shareholders sponsored by a broker should advise their broker of any changes. **Please note: you cannot change ownership of your shares using this form.**

APPOINTMENT OF PROXY

If you wish to appoint the Chairman of the Meeting as your proxy, mark the box in Step 1. If you wish to appoint someone other than the Chairman of the Meeting as your proxy, please write the name of that individual or body corporate in Step 1. A proxy need not be a shareholder of the Company.

DEFAULT TO CHAIRMAN OF THE MEETING

Any directed proxies that are not voted on a poll at the Meeting will default to the Chairman of the Meeting, who is required to vote those proxies as directed. Any undirected proxies that default to the Chairman of the Meeting will be voted according to the instructions set out in this Proxy Form, including where the Resolution is connected directly or indirectly with the remuneration of KMP.

VOTES ON ITEMS OF BUSINESS – PROXY APPOINTMENT

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

APPOINTMENT OF A SECOND PROXY

You are entitled to appoint up to two persons as proxies to attend the Meeting and vote on a poll. If you wish to appoint a second proxy, an additional Proxy Form may be obtained by telephoning the Company's share registry or you may copy this form and return them both together.

To appoint a second proxy you must:

- (a) on each of the first Proxy Form and the second Proxy Form state the percentage of your voting rights or number of shares 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; and
- (b) return both forms together.

SIGNING INSTRUCTIONS

You must sign this form as follows in the spaces provided:

Individual: where the holding is in one name, the holder must sign.

Joint Holding: where the holding is in more than one name, either shareholder may sign.

Power of Attorney: to sign under Power of Attorney, you must lodge the Power of Attorney with the registry. If you have not previously lodged this document for notation, 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 indicate the office held by signing in the appropriate place.

CORPORATE REPRESENTATIVES

If a representative of the corporation is to attend the Meeting the appropriate "Certificate of Appointment of Corporate Representative" should be produced prior to admission in accordance with the Notice of Meeting. A form of the certificate may be obtained from the Company's share registry or online at www.linkmarketservices.com.au.

LODGEMENT OF A PROXY FORM

This Proxy Form (and any Power of Attorney under which it is signed) must be received at an address given below by **11:00am on Sunday, 18 October 2015**, being not later than 48 hours before the commencement of the Meeting. Any Proxy Form received after that time will not be valid for the scheduled Meeting.

Proxy Forms may be lodged using the reply paid envelope or:



ONLINE

www.linkmarketservices.com.au

Login to the Link website using the holding details as shown on the Proxy Form. Select 'Voting' and follow the prompts to lodge your vote. To use the online lodgement facility, shareholders will need their "Holder Identifier" (Securityholder Reference Number (SRN) or Holder Identification Number (HIN) as shown on the front of the Proxy Form).



BY MOBILE DEVICE

Our voting website is designed specifically for voting online. You can now lodge your proxy by scanning the QR code adjacent or enter the voting link www.linkmarketservices.com.au into your mobile device. Log in using the Holder Identifier and postcode for your shareholding.

QR Code



To scan the code you will need a QR code reader application which can be down-loaded for free on your mobile device.



BY MAIL

Enero Group Limited
C/- Link Market Services Limited
Locked Bag A14
Sydney South NSW 1235
Australia



BY FAX

+61 2 9287 0309



BY HAND

delivering it to Link Market Services Limited*
1A Homebush Bay Drive
Rhodes NSW 2138

or

Level 12
680 George Street
Sydney NSW 2000

* During business hours (Monday to Friday, 9:00am–5:00pm)

**IF YOU WOULD LIKE TO ATTEND AND VOTE AT THE ANNUAL GENERAL MEETING, PLEASE BRING THIS FORM WITH YOU.
THIS WILL ASSIST IN REGISTERING YOUR ATTENDANCE.**