

# Notice of Annual General Meeting

# Whitefield Limited

A.B.N. 50 000 012 895

Notice is hereby given that the Ninety Third Annual General Meeting of the securityholders of Whitefield Limited will be held at Level 22, MLC Centre, 19 Martin Place, Sydney NSW 2000 on Thursday 28<sup>th</sup> July 2016 at 11:00am.

#### **Business**

1. To consider the Director's Report, Financial Statements and Independent Audit Report for the financial year ended 31<sup>st</sup> March 2016.

Note: No resolution will be required to be passed on this matter

 To adopt the remuneration report for the financial year ended 31<sup>st</sup> March 2016. (See Note (d) below)

Note: The vote on this resolution is advisory only and does not bind the Directors or the Company.

Voting exclusions also apply to this resolution per Note (d).

#### 3. To elect a Director.

Mr. David Iliffe retires by rotation in accordance with the Company's constitution and being eligible, offers himself for re-election.

4. Approval of the proposed extension of the Management Agreement

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

'That the Management Agreement between White Funds Management Pty Limited ABN 76 074 709 210 and the Company, which is due to terminate on 31 August 2017, be amended to adopt a new 5 year term from 1 August 2016 to 30 July 2021 on the basis outlined in the accompanying Explanatory Memorandum'

Shareholders should read the following notes that form part of this Notice of Meeting. Voting exclusions apply to this resolution as per Note (f).

An Explanatory Memorandum accompanies this Notice of Meeting.

Stuart Madeley Company Secretary 24<sup>th</sup> June 2016

#### NOTES:

- (a) A securityholder entitled to attend and vote at the annual general meeting may appoint a proxy to attend and vote in his or her stead. A proxy need not be a securityholder of the Company.
- (b) To appoint a proxy, a securityholder should follow the instructions and notes on the Proxy Form enclosed with this Notice of Meeting. The Proxy Form must be signed by the securityholder or the securityholder's attorney, duly authorised in writing.
- (c) To be valid, the power of attorney or the instrument appointing the proxy and the power of attorney (if any) under which it is signed (or a certified copy of it) must be lodged with the Company not less than 48 hours before the time for holding the meeting.
- (d) Remuneration report: During this time there will be the opportunity for securityholders to ask questions and comment on the Remuneration Report (contained within the Directors Report). Pursuant to section 250R(3) of the Corporations Act the vote on this resolution is advisory only and does not bind the directors or the company.

Any member of the key management personnel whose remuneration is included in the remuneration report for the year ended 31 March 2016 or a closely related party of such personnel may not cast any vote on their own shares on this resolution or as a proxy unless the shareholder is eligible to vote and has been directed how to vote. Please refer to the important information on the Proxy Form to ensure your proxy vote is valid.

Whitefield Ltd ABN 50 000 012 895 Level 22, MLC Centre, 19 Martin Place, Sydney NSW 2000 Telephone (02) 8215 7900 Fax (02) 8215 7901



- (e) The Board has determined that a securityholder's entitlement to vote at the meeting will be the entitlement of that securityholder set out in the register of securityholders as at 07.00 p.m. (Sydney time) on Tuesday, 26<sup>th</sup> July 2016.
  (f) The Company will disregard any votes cast in relation to this resolution by the Investment Manager and
- (f) The Company will disregard any votes cast in relation to this resolution by the Investment Manager and any of its associates. However, the Company need not disregard a vote if it is cast by a person, including the person chairing the meeting, as proxy for a person who is entitled to vote, in accordance with the directions on the proxy form.



# EXPLANATORY MEMORANDUM

# ITEM 4 AT THE ANNUAL GENERAL MEETING OF THE COMPANY – APPROVAL OF MANAGEMENT AGREEMENT

The following sections set out all the information known to the Company that is material to the decision on how to vote on this resolution.

#### **BACKGROUND**

- White Funds Management Limited (**Investment Manager**) and the Company are parties to an agreement dated 1 September 2007 relating to the management of the investments of the Company (**Management Agreement**).
- The Investment Manager has managed the investments of the Company since 1997, and the Investment Manager's predecessor entities or personnel associated with those entities have managed the investments of the Company since its inception in 1923.
- It is proposed to extend the Company's Management Agreement with its Investment Manager by amendment to the existing agreement, and to make amendments as to the manner in which expenses are borne by the Company and Investment Manager.

# SUMMARY OF MATERIAL AMENDMENTS TO THE AGREEMENT

# Amendment to Term and Insertion of Clause to Voluntarily Comply with ASX Listing Rule 15.16(c)

- The Term, which expires on 31 August 2017, is to be amended to a new term of five years running from 1 August 2016 to 30 July 2021, and may be extended for successive 5 year periods by agreement between the Company and the Investment Manager.
- The Company has elected to voluntarily comply with ASX Listing Rule 15.16 (c) and therefore if the Management Agreement is extended beyond 30 July 2021, the Company has the ability to terminate the Management Agreement on three months' notice following the passing of an ordinary resolution of shareholders.

# Clarification of the Company's and Investment Manager's Costs and Removal of Clauses Relating to a Subsidisation of Company Costs

- The Company's Independent Directors consider that the Management Agreement should clearly allocate the costs to be borne by the Company, and the costs to be borne by the Investment Manager. Clause 6 has been amended to clarify this allocation.
- It is also proposed to delete the provisions of the agreement requiring the Investment Manager to subsidise the Company's other costs to the extent they exceeded 0.0833% per month of the average market value of the portfolio over the month. This provision was no longer considered appropriate as it would conflict with the clear delineation of costs outlined in the Company's objectives above.
- The impact of the proposed changes will depend on the level of the direct expenses borne by the Company and the market value of the Investment Portfolio, both of which may increase or decrease over time.

- Had the proposed amendments applied in the Company's financial year ended 31 March 2016, the Investment Management fee would have amounted to 0.25% and the Company's other expenses of operation would have amounted to 0.14% respectively of the average market value of the Company's Investments.
- 10 The amendments consist of:
  - (a) The deletion of those provisions which reduced the management fee payable to the Investment Manager by the amount by which the total monthly ongoing costs of operation (excluding the management fee otherwise paid) exceeded 0.00833% of the average market value of the portfolio over the month.
  - (b) The deletion of the existing Clauses 6.1 and 6.2 and replacement with revised Clauses 6.1 and 6.2 as below.
- 11 The amended Clause 6 now reads:

#### 6. EXPENSES

- 6.1 Subject to 6.2 and 6.3, the Investment Manager shall be responsible for meeting its own expenses of operation including:
  - 6.1.1 Staff, including the provision to Whitefield of a Chief Executive Officer and Company Secretary;
  - 6.1.2 Premises and other overheads.
- 6.2 The Investment Manager shall not be responsible for the Company's expenses which shall include:
  - 6.2.1 Costs, charges and expenses incurred in connection with the acquisition, disposal or maintenance of any asset of the Portfolio (including any Custodian charges, Clearing House fees or fees for Brokerage);
  - 6.2.2 Any other services traditionally or historically provided by Brokers;
  - 6.2.3 The expenses of Company operation other than the Investment Manager's own costs as described in 6.1.
  - 6.3 The Investment Manager shall be entitled to a reimbursement from the Company for any of the Company's expenses (as outlined in 6.2 above) that are incurred by, or paid for by, the Investment Manager.

### ASX REQUIREMENTS FOR MANAGEMENT AGREEMENTS

- Listing Rules 15.16 (b) and (c) of the Australian Securities Exchange (**ASX**) requires that the term of a management agreement for a listed investment company must not be for more than five years and that if the agreement is extended past five years it will be ended on three months' notice after an ordinary resolution is passed to end it.
- Listing Rules 15.16 (b) and (c) do not apply if the investment company was admitted to the official list before 1 September 1999 and no restrictions on the term of its management agreement were applied by ASX on admission.
- 14 The Company was admitted to the official list before 1 September 1999 and no restrictions on the term of its management agreement were applied by ASX on admission and therefore Listing Rules 15.16 (b) and (c) do not apply to the Company.
- The Investment Manager and the Company have agreed that the Management Agreement as extended will comply with Listing Rules 15.16 (b) and (c) voluntarily.
- ASX has given guidance relating disclosure to investors about management agreements when an investment company seeks listing and stated that it will require that an undertaking be given to ASX to obtain ordinary shareholder approval to material changes.
- 17 The Company was admitted to the official list before 28 August 2008 when the guidance was issued and consequently no undertaking was given.

- The Company has decided to seek shareholder approval to the extension of the Management Agreement which the Company considers to be a material change. Other changes, that the Company does not consider to be material, will also be made.
- In order to approve the extension of the Management Agreement, it is proposed that the shareholders of the Company pass an ordinary resolution approving the extension of the Management Agreement.

#### **SUMMARY OF THE MANAGEMENT AGREEMENT**

#### 20 Investment Mandate

The Investment Manager is authorised to invest in:

- 20.a.1 listed or soon to be listed Australian securities:
- 20.a.2 derivatives related to listed Australian securities;
- 20.a.3 bank bills, commercial paper, 11am accounts or any other facility or security commonly used for the purposes of short term, liquid investment, and which security or issuer is rated investment grade by Standard & Poors.

#### 21 Services

The Investment Manager is required to invest and manage the Portfolio for and on behalf of the Company (which is all the assets of the Company and its subsidiaries and all income and accretions with respect to the assets of the Company and its subsidiaries from time to time) in accordance with the terms of the Management Agreement.

#### 22 Term

It is proposed to amend the term of the Management Agreement, which is due to terminate on 31 August 2017, for a new five year term from 1 August 2016 until 30 July 2021.

## 23 Extension or Renewal of the Management Agreement

At the end of the extended term of the Management Agreement, the Investment Manager and the Company may agree to further five year extensions.

### 24 Termination

The Company may terminate the Management Agreement at any time by written notice to the Investment Manager if immediate termination is required by the relevant law or:

- 24.a.1 a receiver, administrative receiver or similar person is appointed with respect to the assets and undertakings of the Investment Manager;
- 24.a.2 the Investment Manager;
  - goes into liquidation (other than for the purposes of a reconstruction or amalgamation on terms previously approved in writing by the Company);
  - (b) ceases to carry on business in relation to its activities as an investment manager;
  - (c) fails to rectify any breach of any provision of the Management Agreement within the requisite time frame specified in the relevant clause of the Management Agreement or if no such period is specified, within twenty (20) Business Days of receiving notice in writing specifying such breach;
  - (d) has its Australian financial services licence cancelled or suspended for an indefinite period or materially and adversely varied; or
- 24.a.3 there is a significant change in the key personnel of the Investment Manager (unless the change in key personnel is approved by the Company).

If the Management Agreement is extended beyond 30 July 2021, the Management Agreement will terminate on three months' notice after an ordinary resolution of the Company is passed in accordance with its constitution to terminate the Management Agreement.

If the Management Agreement is terminated other than on the first or last day of a month respectively, the Investment Manager will be entitled to receive pro-rata fees from the commencement date to the end of the month or from the end of the preceding month to the effective date of termination of the Management Agreement.

The Management Agreement does not provide for the Investment Manager to terminate the Management Agreement.

#### 25 Fees

The Investment Manager is entitled to a management fee of 0.02083% of the average market value of the Portfolio over the month, calculated from the opening and closing monthly value of the Portfolio.

If the Management Agreement commences or is terminated other than on the first or last day of a month respectively, the Investment Manager will be entitled to receive pro-rata fees from the commencement date to the end of the month or from the end of the preceding month to the effective date of termination of the Management Agreement.

#### 26 Exclusivity

The Investment Manager may from time to time perform similar investment and management services to the services performed for the Portfolio under the Management Agreement for other persons. The Company acknowledges that the Investment Manager:

- 26.a.1 has no obligation to purchase or sell, or recommend for purchase or sale, for the account of the Company, any investment which the Investment Manager purchases or sells for its or their own account or for the account of any other client of the Investment Manager; and
- 26.a.2 may give advice and take action in the performance of its duties for other clients which differs from advice given and action taken in relation to the Portfolio.

The Company is precluded from appointing any other entity as an investment manager to provide services of the kind that is provided by the Investment Manager.

#### 27 Conflicts of Interest

In selecting brokers and/or dealers to execute transactions for the Portfolio, the Investment Manager may cause the Portfolio to pay a broker or dealer an amount of commission for effecting a transaction for the Portfolio in excess of the amount of commission another broker or dealer would have charged for execution by other brokers or dealers if the Investment Manager determines in good faith that the amount of commission is reasonable in relation to the value of the brokerage and research services provided by such broker or dealer, viewed in terms of either the particular transaction or Investment Manager's overall responsibilities with respect to the accounts as to which the Investment Manager exercises investment discretion.

Whitefield authorises the Investment Manager, in the Investment Manager's sole discretion, to aggregate purchases or sales, as the case may be, of the same security or instrument effected on the same day for the accounts of one or more of the Investment Managers other clients. When transactions are so aggregated:

- a) the actual prices applicable to the aggregated transaction will be averaged, and the Portfolio and each other account participating in the aggregated transaction shall be deemed to have purchased or sold its share of the security or instrument involved at such average price; and
- b) all transaction costs incurred in effecting such an aggregated transaction shall be shared on a pro rata basis among all accounts participating in such aggregated transaction.

The Investment Manager shall allocate costs, charges, and expenses incurred in connection with an asset acquired or to be acquired on behalf of several clients based on the respective interest of each such client in that asset.



#### 28 Discretions

For the purpose of carrying out its functions and duties under the Management Agreement, the Investment Manager has the powers of a natural person to deal with the Portfolio and to do all things and execute all documents necessary for the purpose of investing and managing the Portfolio, including, without limiting the foregoing, to:

- 28.a.1 sign and execute all documents and other instruments as may be required to be signed and executed by it in the performance of its duties and in the exercise of its powers under the Management Agreement; and
- 28.a.2 do all things as are necessary to acquire, dispose of, invest, re-invest, exchange, transfer, transmit or otherwise deal with the Portfolio in the performance of its duties and in the exercise of its powers under the Management Agreement,

subject to the restrictions set out in the Management Agreement which apply to the Investment Manager in respect of the management of the Portfolio.

The Management Agreement does not specify the powers and discretions which are retained by the Board of the Company in relation to the oversight of the performance of the Investment Manager in respect of the management of the Portfolio and in respect of acquiring additional assets or disposing of any assets in the Portfolio.

#### 29 Confidentiality

The Management Agreement prohibits the Investment Manager from disclosing the Company's information to third parties, except to the extent necessary to perform its duties or as required by law, and must keep all such information confidential.

## 30 Related Party Protocols

The Company acknowledges that the Investment Manager may invest with or engage the services of the Investment Manager's related bodies corporate which are entitled to charge fees, brokerage and commissions provided that they are in the ordinary course of business and on arm's length terms. No adjustment to the management fee paid under the Management Agreement is to be made for any fee, brokerage or commission paid to a related body corporate of the Investment Manager in compliance the Management Agreement.

## 31 Change of Control Provisions

The Management Agreement does not provide for either the Investment Manager or the Company to terminate the Management Agreement upon a change of control of the other party.

The Management Agreement does not provide any pre-emptive rights over the Portfolio exercisable by either the Company or the Investment Manager (or a related party of the Investment Manager) upon a change of control of the other entity

#### RELATED PARTY INTERESTS IN THE INVESTMENT MANAGER

32 Mr A.J. Gluskie, a director and chief executive officer of the Company, is a 50% shareholder and officer of the Investment Manager.

#### **OTHER CONSIDERATIONS**

While such an eventuality is not expected at this time, in the event of expiry of the Agreement or early termination, the Company would consider relevant matters including shareholder opinions and the merits and risk of alternative arrangements prior to forming a decision as to the ongoing management of the Company.

Date: 24<sup>th</sup> June 2016



# Whitefield Limited

ABN 50 000 012 895



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

## Lodge your vote:

Online:

www.investorvote.com.au



By Mail:

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

Alternatively you can fax your form to (within Australia) 1800 783 447 (outside Australia) +61 3 9473 2555

For Intermediary Online subscribers only (custodians) www.intermediaryonline.com

#### For all enquiries call:

(within Australia) 1300 850 505 (outside Australia) +61 3 9415 4000

# **Proxy Form**



# Vote and view the annual report online

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

# Your access information that you will need to vote:

Control Number: 999999

SRN/HIN: 19999999999 PIN: 99999

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



For your vote to be effective it must be received by 11:00am (Sydney time) on Tuesday, 26 July 2016

# 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

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

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

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

#### Attending the Meeting

Bring this form to assist registration. If a representative of a corporate securityholder or proxy is to attend the meeting you will need to provide the appropriate "Certificate of Appointment of Corporate Representative" prior to admission. A form of the certificate may be obtained from Computershare or online at www.investorcentre.com under the help tab, "Printable Forms".

Comments & Questions: If you have any comments or questions for the company, please write them on a separate sheet of paper and return with this form.

GO ONLINE TO VOTE, or turn over to complete the form



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

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
value broker of any obangon



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	<b>Proxy Form</b>	P	lease ma	ark <b>X</b> to indicate you	ır directions
STE	P1 Appoint a Pro	xy to Vote on Your Behalf			XX
	I/We being a member/s of	Whitefield Limited hereby appoint			701
	the Chairman OR of the Meeting			PLEASE NOTE: Leave you have selected the Meeting. Do not insert	this box blank if Chairman of the your own name(s).
	act generally at the Meeting on the extent permitted by law, as	corporate named, or if no individual or body corporate is my/our behalf and to vote in accordance with the follow the proxy sees fit) at the Annual General Meeting of VO on Thursday, 28 July 2016 at 11:00am (Sydney time)	wing direction wing direction with the wing wind wind wind wind wind wind wind wind	ons (or if no directions have be imited to be held at Level 22,	een given, and to MLC Centre, 19
	Meeting as my/our proxy (or the Item 2 (except where I/we have in	ise undirected proxies on remuneration related res Chairman becomes my/our proxy by default), I/we expidicated a different voting intention below) even though Items personnel, which includes the Chairman.	ressly auth	orise the Chairman to exercise	my/our proxy on
		n of the Meeting is (or becomes) your proxy you can di appropriate box in step 2 below.	irect the Ch	nairman to vote for or against o	r abstain from
STE	Items of Busin	PLEASE NOTE: If you mark the Abstain box behalf on a show of hands or a poll and your			
	BUSINESS			€o <sub>t</sub> b	gainst Abstain
	2 To adopt the remuneration re	port for the financial year ended 31st March 2016.			
	3 To elect Mr. David Iliffe as a I	Director.			
	4 Approval of the proposed ext	ension of the Management Agreement.			

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.

Individual or Securityholder 1	Securityholder 2		Securityholder	Securityholder 3			
Sole Director and Sole Company Secretary	Director		Director/Compa	any Secretary			
Contact		Contact Davtime			1	,	
Contact Name		Daytime Telephone		Date	1		



