

**AVJennings Limited**  
**ABN 44 004 327 771**

**NOTICE OF ANNUAL GENERAL MEETING**

**AVJennings®**

## AVJennings Limited

ABN 44 004 327 771

### NOTICE OF ANNUAL GENERAL MEETING

Notice is hereby given that the Annual General Meeting of AVJennings Limited will be held at Metropal Meeting Room 2, Level 3, Crown Metropal Melbourne, 8 Whiteman Street, Southbank Vic 3006 Australia, at 10.00 a.m. (AEDT) on Friday, 23 November 2018.

#### AGENDA

##### ORDINARY BUSINESS

##### 1. Financial Statements and Reports

To receive and consider the Financial Report, together with the Directors' Report and Auditors' Report for the year ended 30 June 2018.

##### 2. Remuneration Report

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

"That the Remuneration Report as set out in the Directors' Report for the year ended 30 June 2018 be adopted."

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

##### 3. Re-election of Directors

To consider and if thought fit, pass each of the following as a separate ordinary resolution of the Company:

3(a) "That Mr Jerome Rowley, a director retiring by rotation in accordance with the Company's constitution and being eligible for re-election, be re-elected as a director."

3(b) "That Mr Bruce Hayman, a director retiring by rotation in accordance with the Company's constitution and being eligible for re-election, be re-elected as a director."

##### 4. Special meeting to be held within 90 days ("Spill Resolution")

To consider in accordance with section 250V of the *Corporations Act 2001* (Cth), and if thought fit pass the following as a separate ordinary resolution of the Company:

"That subject to at least 25% of the votes cast in respect of Item 2 (Remuneration Report) being cast against the adoption of the Remuneration Report:

- a) Another meeting of the Company's shareholders ("spill meeting") be convened within 90 days of the date of this meeting;
- b) All of the Company's Directors who are Directors when Items 1 and 2 above are considered at this AGM, with the exception of the Managing Director/CEO, cease to hold office immediately before the end of the spill meeting; and
- c) Resolutions to appoint persons to offices that will be vacated immediately before the end of the spill meeting be put to a vote at the spill meeting."

**Note:** This resolution will only be put if the Company receives its "second strike" under the "two strikes" legislation on its Remuneration Report – that is if at least 25% of the votes cast on the resolution that the

Remuneration Report be adopted are against adoption of the report (see Explanatory Notes 2, 4 and 5). If a second strike is received and the Spill Resolution is passed, the spill meeting will be held within 90 days of the date of this meeting.

Shareholders are referred to the Explanatory Notes accompanying and forming part of this Notice of Meeting.

By Order of the Board



Carl Thompson  
Company Secretary  
23 October 2018

The following information forms part of this Notice of Meeting.

**1. Specified Time for Determining Voting Entitlements:**

For the purposes of the meeting, the Board has determined that shares will be taken to be held by the person who is the registered holder of the shares as at 7.00pm (AEDT) on Wednesday, 21 November 2018. Transactions registered after that time will be disregarded in determining entitlements to attend and vote at the meeting.

**2. Information on Proxies:**

A proxy form accompanies this notice.

Please note that a shareholder entitled to attend and vote at the meeting is entitled to appoint a proxy. The proxy may be an individual or a body corporate. A proxy need not be a shareholder of the Company.

A shareholder who is entitled to cast 2 or more votes may appoint 2 proxies and may specify the proportion or number of votes each proxy is appointed to exercise. If a shareholder appoints 2 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 (disregarding fractions).

For an appointment of a proxy to be effective, the form appointing the proxy and, if the form is signed by the appointor's attorney, the authority under which the form is signed (or a certified copy of the authority) must be received at the following address or by facsimile or electronic means at least 48 hours prior to the meeting at which the proxy intends to vote:

By Mail: Locked Bag A14, Sydney South NSW 1235, Australia

Online: [www.linkmarketservices.com.au](http://www.linkmarketservices.com.au)  
Log in using the holding details as shown on the Proxy Form.

By facsimile: +61 2 9287 0309

In Person: Share Registry – Link Market Services Limited, 1A Homebush Bay Drive, Rhodes NSW 2138 or Level 12, 680 George Street, Sydney NSW 2000, Australia, during business hours.

**3. Corporate Representatives**

A corporation may elect to appoint an individual to act as its representative in accordance with section 250D of the *Corporations Act 2001* (Cth) in which case the Company will require a Certificate of Appointment of Corporate Representative executed in accordance with the *Corporations Act 2001* (Cth). The certificate must be lodged with the Company before the meeting or at the registration desk on the day of the meeting. The Company will retain the certificate.

## EXPLANATORY NOTES ON RESOLUTIONS

These Explanatory Notes are intended to provide shareholders of the Company with information on the resolutions contained in the accompanying Notice of Annual General Meeting. The Directors recommend that shareholders read these Explanatory Notes in full before making any decision in relation to the Resolutions.

### Note 1

#### Financial Statements and Reports

The Australian *Corporations Act 2001* (Cth) requires the Company to lay its Financial Report and the reports of the Directors and Auditor for the last financial year before the Annual General Meeting.

No resolution is required for this item, but shareholders will be given the opportunity to ask questions and to make comments on the reports and the management and performance of the Company.

The Company's Auditor will be present at the meeting and shareholders will be given the opportunity to ask the Auditor questions about the conduct of the audit, the preparation and content of the Auditor's Report, the accounting policies adopted by the Company and the independence of the Auditor.

### Note 2

#### Remuneration Report

The Remuneration Report of the Company for the financial year ended 30 June 2018 is set out on pages 16 to 22 of the Company's 2018 Annual Report, which is also available on the Company's website at [www.avjennings.com.au](http://www.avjennings.com.au).

The Remuneration Report sets out the Company's remuneration arrangements for directors and certain executives who together constitute Key Management Personnel.

Section 250R of the *Corporations Act 2001* (Cth) requires a publicly listed company to put a resolution to shareholders to adopt the Company's Remuneration Report. The following comments in respect of this resolution should be noted.

- a) The vote on this resolution is advisory only and does not bind the directors or the Company. However under the "two strikes" legislation which came into effect on 1 July 2011, a "first strike" is triggered if at least 25% of the votes cast at the annual general meeting are against adoption of the Remuneration Report. If, in the following year, at least 25% of the votes cast are again against adoption, a "second strike" will be triggered and the Company is required to put to shareholders a "spill" resolution. If the "spill" resolution is passed, the Company must within 90 days hold an additional meeting (a spill meeting) under which all directors (except the Managing Director/CEO) are deemed to vacate office as a director of the Company and persons including those directors may be appointed to the board of the Company.
- b) At the Company's 2017 AGM a "first strike" was recorded against the Company's remuneration report. Accordingly, the Company is required to put to the shareholders at this AGM a resolution ("spill resolution") proposing the calling of an extraordinary general meeting to consider the appointment of directors of the Company in the event a second strike is triggered. A spill resolution has been included on the Agenda (see item 4 of the Agenda).

The Chair of the meeting will allow a reasonable opportunity for shareholders to ask questions about, or make comments on, the Remuneration Report prior to voting on the resolution relating to Item 2.

The directors of the Company strongly recommend that shareholders vote *in favour* of the resolution to adopt the Remuneration Report. The nature of the Company's share register means that shareholders holding a significant number of shares are excluded from casting votes on this resolution by reason of being key management personnel or closely related parties (see Explanatory Note 5). This means that a relatively small number of votes is all that is necessary in order for 25% of the votes cast to be against the resolution.

At the Company's 2017 AGM, 28% of eligible votes cast were against the Remuneration Report. The "no" votes represented only 5% of the issued capital of the Company and almost all were cast by connected parties. The major

dissenting shareholders were contacted to ascertain the reason for voting “no” however, no specific objection to the content of the remuneration report was provided. Accordingly, the directors of the Company have been unable to address any particular concerns such shareholders may have with the Company’s remuneration strategy.

Subject to the voting exclusion statement relating to this resolution as set out in Explanatory Note 5, the Chair of the meeting intends to vote undirected proxies in favour of this resolution.

### **Note 3**

#### **Re-election of Directors**

Two directors, Messrs Jerome Rowley and Bruce Hayman retire by rotation at this Annual General Meeting and seek re-election. A profile of each director follows.

#### **Jerome Rowley** *SF Fin, FAICD*

*Independent Non-Executive Director*

Mr Rowley has been a director of the Company since 22 March 2007. He is Deputy Chairman of the Board, Chairman of the Risk Management Committee and a member of the Audit, Investments and Nominations Committees.

Mr Rowley has been a career banker since the early 1970s with Citigroup, Morgan Grenfell and ABN Amro. From 1992 until 2002, he served as Managing Director and CEO of ABN Amro Australia and Head of Relationship Management and Structured Finance for ABN Amro, Asia Pacific. He has been active in both wholesale and investment banking domestically and internationally. During his career, Mr Rowley devoted considerable effort towards the recognition, understanding and management of risk as a means of profit optimization. Of particular significance was his involvement in advising and funding including debt, equity and hybrids, of infrastructure projects in both Australia and Asia Pacific. Mr Rowley resides in Sydney.

Mr Rowley has been a valuable member of the Board and in particular provides strategic commercial guidance to the Board and the Company as Deputy Chairman and as a member of various Board sub-committees.

The other members of the Board unanimously support the re-election of Mr Rowley and recommend that shareholders vote *in favour* of this resolution. The Chair of the meeting intends to vote undirected proxies in favour of this resolution.

#### **Bruce G Hayman**

*Independent Non-Executive Director*

Mr Hayman has been a director of the Company since 18 October 2005. He is a member of the Remuneration, Nominations, Investments and Risk Management Committees.

Mr Hayman has many years of commercial management experience with over 20 of those at operational Chief Executive or General Manager level. He is currently Chairman of Chartwell Management Services where he brings his very wide business experience to clients by way of the leadership, marketing, business performance and coaching programs he offers. He has fulfilled senior management roles both in Australia and overseas for companies such as Nicholas Pharmaceutical Group, Dairy Farm Group, Hong Kong Land and Seagram Corporation. During his time in Singapore, he held the position of Foundation President of the Singapore Australia Business Council, now known as AUSTCHAM Singapore. He has also served as CEO of the Australian Rugby Union and as Chairman of the Board of the Rugby Club Ltd. He is Chairman of the Ella Foundation and a Director of Diabetes NSW. Mr Hayman resides in Sydney.

Mr Hayman has been a valuable member of the Board and has made significant and constructive contributions to the Board and the Company during his years of service as a Director and as a member of the various Board sub-committees.

The other members of the Board unanimously support the re-election of Mr Hayman and recommend that shareholders vote *in favour* of this resolution. The Chair of the meeting intends to vote undirected proxies in favour of this resolution.

#### Note 4 Spill Resolution

**This resolution will be put to the meeting only if the Company receives a “second strike” on its Remuneration Report as detailed in Explanatory Note 2.**

Subject to the voting exclusion statement relating to this resolution as set out in Explanatory Note 5, if more than 50% of the eligible shareholders vote in favour of the spill resolution, the Company must convene an extraordinary general meeting (“spill meeting”) within 90 days of the 2018 AGM. All of the directors of the Company (except the Managing Director/CEO) who were in office when the 2018 Directors Report was approved will cease to hold office immediately before the end of the spill meeting, but may stand for re-election at the spill meeting. Following the spill meeting, those persons whose election or re-election as directors is approved will be the directors of the Company.

**Shareholders should be aware, however, that convening a spill meeting will result in the Company incurring material additional expense in conducting a meeting as well as disruption and distraction to senior management’s focus on core business operations. Moreover, shareholders should note that there are no voting exclusions applicable to resolutions appointing directors at the spill meeting. This would mean that there is no barrier to existing major shareholders of the Company exercising their voting rights to reappoint the existing directors of the Company without any changes to the composition of the Board.**

The directors of the Company strongly recommend that shareholders vote *against* the spill resolution. The Chair of the meeting intends to vote undirected proxies against this resolution where expressly authorised to do so.

#### Note 5 Voting Exclusion Statement:

A vote on items 2 and 4 must not be cast (in any capacity) by, or on behalf of, the following:

- A Member of the key management personnel (KMP) (being the directors and the other KMP as disclosed in the Remuneration Report); and
- Closely related parties of such a KMP (such as close family members and any companies the KMP controls).

However, a person described above may cast a vote on items 2 and 4 as a proxy if the vote is not cast on behalf of a person described above and either:

- The proxy appointment is in writing that specifies the way the proxy is to vote (e.g. for, against, abstain) on the resolution; or
- The vote is cast by the Chairman of the meeting and the appointment of the Chairman as proxy:
  - (a) Does not specify the way the proxy is to vote on the resolutions; and
  - (b) Expressly authorises the Chairman to exercise the proxy even if the resolution is connected directly or indirectly with the remuneration of a member of the KMP, which includes the Chairman.

“Key management personnel” and “closely related parties” have the same meaning as set out in the *Corporations Act 2001* (Cth).

The Chairman of the meeting intends to vote all available proxies in favour of all items of business except item 4, where he will be voting against.

Any directed proxies that are not voted on a poll at the meeting will automatically default to the Chairman of the meeting, who is required to vote proxies as directed.

The Company will disregard any votes cast on items 2 and 4 of the Agenda by a KMP or closely related party, which have not been cast in accordance with this voting exclusion statement.

## LODGE YOUR VOTE

 **ONLINE**  
www.linkmarketservices.com.au

 **BY MAIL**  
AVJennings 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

We being a member(s) of AV Jennings Limited (the **Company**) 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

STEP 1

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 **10:00am (AEDT) on Friday, 23 November 2018 at Metropol Meeting Room 2, Level 3, Crown Metropol Melbourne, 8 Whiteman Street, Southbank Vic 3006 Australia** (the **Meeting**) and at any postponement or adjournment of the Meeting.

**Important for Resolution 2:** 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 2, 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 all available proxies in favour of all items of business except Resolution 4, where he will be voting against.**

### 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

STEP 2

Resolutions	For	Against	Abstain*
2 Adoption of Remuneration Report	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
3a Re-election of Mr Jerome Rowley as a Director	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
3b Re-election of Mr Bruce Hayman as a Director	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
4 Spill Resolution (if required)	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

 \* 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).

STEP 3



## 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](http://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 **10:00am (AEDT) on Wednesday, 21 November 2018**, 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](http://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](http://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 downloaded for free on your mobile device.



#### BY MAIL

AVJennings 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

\* in 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.**