



Notice of Annual General Meeting
Enero Group Limited



Notice is given that the Annual General Meeting of members of Enero Group Limited will be held at Level 3, 1 Buckingham Street, Surry Hills NSW 2010 at 11.00a.m on Thursday, 31 October 2013.

NOTICE OF ANNUAL GENERAL MEETING

Enero Group Limited

Agenda

Accounts and Reports

To receive and consider the Statement of Financial Position of Enero Group Limited (**Enero**) as at 30 June 2013, the Statement of Financial Performance of Enero for the year ended on that date, together with the consolidated accounts of Enero and its controlled entities in accordance with the **Corporations Act 2001** (Cth) (**Corporations Act**), and the reports of the Directors and auditors.

1. Resolution 1 – Non-binding resolution to adopt remuneration report

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

“That, the ‘Remuneration Report’ set out in Enero’s Annual Financial Report for the year ended 30 June 2013, be adopted.”

2. Resolution 2 – Re-election of Directors

To consider, and if thought fit, pass the following resolutions as **ordinary resolutions**:

2.1 That Susan McIntosh who retires in accordance with clause 6.1(f) of Enero’s constitution and, being eligible, offers herself for re-election, be re-elected as a Director of Enero; and

2.2 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.

3. Resolution 3 – Allocation of Shares to a Director under the Enero Share Appreciation Rights Plan (SARP)

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, Mr 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.”

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, details of whose remuneration are included in the Remuneration Report (**KMP**) 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:

- 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
- 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 3:

In accordance with the ASX Listing Rules, Enero will disregard any votes cast in respect of Resolution 3 by:

- Mr Melhuish or his associates; or
- a Director who is entitled to participate in the Share Appreciation Rights Plan (SARP) (being an ‘Eligible Employee’ as defined in the SARP) and any associate of that person.

However, Enero need not disregard a vote if:

- 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

- 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.

Further, a **Restricted Voter** who is appointed as a proxy must not vote on Resolution 3 unless:

- the appointment specifies the way the proxy is to vote on Resolution 3; or
- the proxy is the Chair and the appointment expressly authorises the Chair to exercise the proxy even though Resolution 3 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 3. Shareholders may also direct the Chair to vote against Resolution 3 or to abstain from voting.

Proxies

A shareholder entitled to attend and vote is entitled to appoint not more than two proxies. 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. A proxy need not be a shareholder of 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 3 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 3.

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.

Enero has determined, in accordance with regulation 7.11.37 of the Corporations Regulations, 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 11.00am Sydney time on Tuesday, 29 October 2013.

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

- by post to the share registry, Computershare Investor Services Pty Limited, GPO Box 242, Melbourne Vic 3001;
- online at www.investorvote.com.au; or
- by successfully transmitted facsimile transmission to either Computershare on +61 3 9473 2555 (outside Australia) or 1800 783 447 (within Australia),

by no later than 11.00am Sydney time on Tuesday, 29 October 2013.

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

By Order of the Board



Eleni North
Company Secretary
25 September 2013

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 2013 before the meeting (**Reports**).

These Reports are set out in the Company's 2013 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.

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

Resolution 1 – Non-binding resolution to adopt 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 2013 is incorporated in the Company's 2013 Annual Report (as part of the Directors' report) 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 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 2013 AGM, and then again at the 2014 AGM, Enero will be required to put

a resolution to the 2014 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 2014 AGM. All of the Directors who were in office when the 2014 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 – Re-election of Directors

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. Susan McIntosh and Roger Amos are currently Directors of Enero and in accordance with the Company's constitution both Susan and Roger will retire and will seek re-election at the AGM.

About the Directors standing for re-election:

Susan McIntosh

Susan was appointed as a Non-Executive Director of the Company on 2 June 2000. Susan has more than 25 years' business experience in media and asset management, and is the Managing Director of RG Capital Holdings (Australia) Pty Ltd. Prior to joining RG Capital, Susan was Chief Financial Officer of Grundy Worldwide Ltd and played an integral role in the establishment of its international television operations and in the eventual sale of the company in 1995. Susan was previously a Director of RG Capital Radio Ltd and E*TRADE Aust Ltd. Susan is a member of the Institute of Chartered Accountants. Susan is presently a member of the Audit Committee and the Remuneration and Nomination Committee.

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Roger Amos

Roger was appointed as an Independent 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 REA Group Limited, Chairman of its audit committee and a member of its remuneration committee and until April 2012 was a Director of Austar United Communications Limited. All are publicly listed Australian companies. He is the Chairman of Opera Foundation Australia and 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 presently the Deputy Chairman of the Board of Directors, Chairman of the Audit Committee and a member of the Remuneration and Nomination Committee.

Each Director (other than Susan McIntosh and Roger Amos) recommends that shareholders vote in favour of Resolution 2 to re-elect Susan McIntosh and Roger Amos as Directors of Enero.

Resolution 3 – Approval of proposed issue of Share Appreciation Rights to Executive Director and Chief Executive Officer, Mr Matthew Melhuish

Mr Melhuish was appointed Chief Executive Officer and Executive Director of the Company on 16 January 2012. Mr Melhuish's remuneration is comprised of the following elements:

1. Base salary – cash component together with statutory superannuation contributions;
2. Short-term incentive (STI) – to be determined annually by the Board subject to achievement of targets for annual growth in earnings per share of the Company and non-financial performance. The STI is capped at \$200,000 per annum; and
3. Long-term incentive (LTI) – it is proposed that Mr Melhuish is issued with one million 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 the ASX of the Company's preliminary financial report for the financial year ended 30 June 2014;
- 333,333 CEO Share Rights with a vesting date of 20 business days after the release to the ASX of the Company's preliminary financial report for the financial year ended 30 June 2015; and
- 333,334 CEO Share Rights with a vesting date of 20 business days after the release to the ASX of the Company's preliminary financial report for the financial year ended 30 June 2016.

If shareholder approval is obtained, it is intended that the issue of the CEO Share Rights to Mr Melhuish will be made within three months from the date of the meeting, but in any event no later than 12 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 Mr Melhuish in relation to his acquisition of the CEO Share Rights.

b. Exercise and issue

The exercise of each CEO Share Right will entitle Mr 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 VWAP for the 20 trading days before the Vesting Date; and

B = Enero VWAP 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 Mr Melhuish may acquire is 1 million shares.

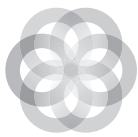
c. Prior issues under the SARP

Mr Melhuish was granted 333,333 Share Rights in August 2011 in his capacity as the Head of the Australian Agencies Division. Shareholder approval was not required for the previous issue of Share Rights to Mr Melhuish as he was not a Director of the Company at that time.

Mr Melhuish was granted 888,889 Share Rights in October 2012 as a long-term incentive pursuant to the terms of his contract of employment. The issue of these rights was approved by shareholders at the Company's AGM held on 25 October 2012.

No other Directors or their associates are currently entitled to participate in the SARP. Any additional person for whom shareholder approval is required under Listing Rule 10.14 who may become entitled to participate in the SARP 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 3 to grant CEO Share Rights to Matthew Melhuish.



ENERO

Enero Group Limited
ABN 97 091 524 515

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

000001 000 EGG
MR SAM SAMPLE
FLAT 123
123 SAMPLE STREET
THE SAMPLE HILL
SAMPLE ESTATE
SAMPLEVILLE VIC 3030

Proxy Form



Vote online or view the annual report, 24 hours a day, 7 days a week:

www.investorvote.com.au



Cast your proxy vote



Access the annual report



Review and update your securityholding

Your secure access information is:

Control Number: 999999

SRN/HIN: 1999999999

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 Tuesday 29th October 2013

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 as they choose. If you mark more than one box on an item your vote will be invalid on that item.

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

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

A proxy need not be a securityholder of the Company.

Signing Instructions for Postal Forms

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

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

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

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

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 information tab, "Downloadable 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
FLAT 123
123 SAMPLE STREET
THE SAMPLE HILL
SAMPLE ESTATE
SAMPLEVILLE VIC 3030



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



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I ND

Proxy Form

Please mark ☒ to indicate your directions

STEP 1 Appoint a Proxy to Vote on Your Behalf

XX

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

☐

the Chairman
of the Meeting OR



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

or failing the individual or body corporate named, or if no individual or body corporate is named, the Chairman of the Meeting, as my/our proxy to act generally at the Meeting on my/our behalf and to vote in accordance with the following directions (or if no directions have been given, and to the extent permitted by law, as the proxy sees fit) at the Annual General Meeting of Enero Group Limited to be held at Level 3, 1 Buckingham Street, Surry Hills, NSW 2010 on Thursday, 31st October 2013 at 11:00am and at any adjournment or postponement of that Meeting.

Chairman authorised to exercise undirected proxies on remuneration related resolutions: Where I/we have appointed the Chairman of the Meeting as my/our proxy (or the Chairman becomes my/our proxy by default), I/we expressly authorise the Chairman to exercise my/our proxy on Items 1 and 3 (except where I/we have indicated a different voting intention below) even though Items 1 and 3 are connected directly or indirectly with the remuneration of a member of key management personnel, which includes the Chairman.

Important Note: If the Chairman of the Meeting is (or becomes) your proxy you can direct the Chairman to vote for or against or abstain from voting on Items 1 and 3 by marking the appropriate box in step 2 below.

STEP 2 Items of Business



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

		For	Against	Abstain
1	Adopt the remuneration report.	☐	☐	☐
2.1	Re-election of Susan McIntosh as a director of Enero.	☐	☐	☐
2.2	Re-election of Roger Amos as a director of Enero.	☐	☐	☐
3	Allocation of Shares to a Director under the Enero Share Appreciation Rights Plan (SARP).	☐	☐	☐

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

SIGN

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

Individual or Securityholder 1

Sole Director and Sole Company Secretary

Securityholder 2

Director

Securityholder 3

Director/Company Secretary

Contact
Name

Contact
Daytime
Telephone

Date / /

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