



Notice of Annual General Meeting 2016 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, 18 October 2016 at Level 1, 63 Miller Street, Pyrmont NSW 2009.

Agenda

Annual Financial Report

To receive and consider the Annual Financial Report of Enero Group Limited (Company) and its controlled entities (Enero), the Directors' Report and the Auditor's Report for the year ended 30 June 2016.

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

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

“That the ‘Remuneration Report’ included in the Enero Annual Financial Report for the year ended 30 June 2016, be adopted.”

Note: A voting exclusion applies to Resolution 1.

2. Resolution 2 – Re-election of Director

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

“That Susan McIntosh, who retires in accordance with rule 6.1(f) of the Company's Constitution and, being eligible, offers herself for re-election, be re-elected as a Director of the Company.”

3. Resolution 3 – Approval of amendments to Company Constitution

To consider, and if thought fit, pass the following resolution as a special resolution:

“That the Company's Constitution be amended as generally described in the Explanatory Statement and as detailed in the document tabled at the Annual General Meeting and initialed by the Chairman of the meeting for the purposes of identification.”

By Order of the Board of
Enero Group Limited

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

Brendan York
Company Secretary
16 September 2016

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Information for Shareholders

Voting Exclusions

Resolution 1:

In accordance with the *Corporations Act 2001 (Cth) (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*) (each a **Restricted Voter**). However, the Company 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, the Company 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.

Voting

You can vote in either of two ways:

- Attending the meeting and voting in person, or if you are a corporate shareholder, 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, 18 October 2016 at Level 1, 63 Miller Street, Pyrmont NSW 2009.

Voting by corporate representative

If a corporate shareholder 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 (AGM) is entitled to appoint a proxy to attend and vote for the shareholder at the meeting. A proxy need not be a shareholder of the Company 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 the Company. 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 Resolution 1 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 shareholder of the KMP. If such authorisation is given, the Chair intends to vote in favour of Resolution 1.

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 the Company. In the case of joint shareholders, names of the joint shareholders should be shown on the form of proxy.

Voting entitlements

The Company has determined that for the purpose of determining voting entitlements for the general meeting, shares in the Company (**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, 14 October 2016.

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 11.00am Sydney time on Sunday, 16 October 2016.

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

Explanatory

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 AGM.

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 the Company must lay the financial report, the Directors' report and the Auditor's report for Enero for the financial year ended 30 June 2016 before the meeting (**Reports**).

These Reports are set out in Enero's 2016 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 AGM to ask questions and make comments on the Reports.

The Auditor will be available at the AGM 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, the Company 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 the Company and Enero's remuneration practices (**Remuneration Report**).

The Remuneration Report for the year ended 30 June 2016 is incorporated in Enero's 2016 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 AGM to ask questions and make comments on the Remuneration Report.

The vote on the Remuneration Report is advisory only and does not bind the Directors or the Company. However, if at least 25% of the votes cast are against adoption of the Remuneration Report at the 2016 AGM, and then again at the 2017 AGM, the Company will be required to put a resolution to the 2017 AGM, to approve calling an extraordinary general meeting (**Spill Resolution**).

If more than 50% of shareholders vote in favour of the Spill Resolution, the Company must then convene an extraordinary general meeting (**Spill Meeting**) within 90 days of the 2017 AGM. All of the Directors who were in office when the 2016 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 Director

Clause 6.1(f) of the Company'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 is currently a Director of the Company and in accordance with the Company's Constitution Susan will retire and will seek re-election at the AGM.

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 (international television production and distribution and radio) 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 a member of the Audit and Risk Committee, and the Remuneration and Nomination Committee.

Each Director (other than Susan McIntosh) recommends that shareholders vote in favour of Resolution 2 to re-elect Susan McIntosh as a Director of the Company.

Resolution 3 – Approval of amendments to Company Constitution

The Company's Constitution was adopted in 2004. Since 2004, there have been a number of amendments to the Corporations Act and the ASX Listing Rules that govern the Company. The Company has reviewed its Constitution and proposes a number of amendments that are intended to update the Constitution for these changes. A number of other amendments are also proposed to reflect technological changes and current practices of the Company.

A summary of the key proposed amendments is outlined below. Interested shareholders and other stakeholders may request a marked-up version of the Company's Constitution by contacting the Company Secretary by phone (02) 8213 3031 or by email agm@enero.com.

1. Dividends

The dividend payment rules under the Corporations Act have been amended such that dividends can now be paid by a company otherwise than out of its profits. Under the current dividend payment rules, a company can pay a dividend if:

- the company's assets exceed its liabilities immediately before the dividend is declared and the excess is sufficient for the payment of the dividend;
- the payment of the dividend is fair and reasonable to the company's shareholders as a whole; and
- the payment of the dividend does not materially prejudice the company's ability to pay its creditors.

In order to ensure that the Constitution operates consistently with the current rules, it is proposed that rules 2.6(b) and 9 be amended to remove references to profits in relation to the payment of dividends. It is also proposed that rule 9.1 be amended to enable the Directors to rescind a decision to pay a dividend before the payment date if they decide that the Company's financial position no longer justifies the payment. This may be required to ensure that the Company complies with the new dividend payment

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rules outlined above. It is also proposed to make it clear that dividends can be paid by electronic funds transfer (EFT).

In addition, two new rules have been inserted in rule 9. The first reflects section 256B of the Corporations Act which allows the Company to make a capital reduction that is not otherwise authorised by law provided certain requirements are met, including that shareholders approve the reduction. The second clarifies that if the Company makes a capital reduction by distributing securities in another body corporate, then each shareholder to whom such a distribution is made will be deemed to have agreed to become a shareholder in that body corporate and be taken to have appointed the Company or any of its Directors as its agents to execute the transfer.

2. Retirement and re-election of Directors

The Constitution currently provides, amongst other things, that:

- a. a Director, other than the Managing Director (or, if there is more than one Managing Director, the first of them to be appointed) (**Managing Director**), appointed by the Directors either in addition to the existing Directors or to fill a casual vacancy, must retire from office at the next AGM following his or her appointment (**Casual Director**); and
- b. an election of Directors must take place each year and at that meeting:
 - i. excluding any Casual Director who is required to retire and the Managing Director:
 - A. one-third of the remaining Directors (rounded down, if necessary, to the nearest whole number) (**One-Third Requirement**); and
 - B. 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 from office as Directors; and
 - ii. if no Director is required to retire under (a) or (b)(i) above, at least one Director, excluding the Managing Director, must retire from office as a Director.

It is proposed that the Constitution be amended to remove the One-Third Requirement which reflects previous legislation regulating listed public companies and align the retirement and re-election of Directors with the current ASX Listing Rules. Under the proposed amendments to the Constitution, an election of Directors will still be required to take place each year but this will be satisfied by one or more of the following, so long as the maximum number of Directors is not exceeded (currently set at 12 under the Constitution):

- a. a person standing for election as a new Director;
- b. a Casual Director standing for re-election;
- c. any Director who is due to retire due to the tenure limitation standing for re-election. As is currently the case, no Director other than the Managing Director may hold office without re-election past the third AGM following the Director's appointment or three years, whichever is longer, which is consistent with the ASX Listing Rules; or
- d. if no person or Director is standing for election or re-election or there is no vacancy to enable election or re-election in accordance with (a)-(c) above, then the Director other than the Managing Director who has been a Director of the Company for the longest without re-election must stand for re-election. If two or more Directors have been a Director the longest and for an equal time without re-election, then in default of agreement, the Director to retire will be determined by ballot.

3. Transfers of Enero Shares

The Constitution restricts the Company from charging a fee for the registration of a transfer of Enero Shares. It is proposed that this restriction be removed so that the Company may charge a reasonable fee as permitted under the ASX Listing Rules for some aspects involved in registering a transfer of Enero Shares, including, for example, registering paper-based transfers in registrable form.

4. General Meetings, Directors, Meetings and Communication with Shareholders

It is proposed that the Constitution be amended to:

- allow a general meeting of shareholders to be held in two or more places using technology and for the notice of meeting to include details about such technology and places where the meeting will be conducted;
- allow for email receipt of proxy appointments and other electronic means by which a proxy may be appointed which reflects the Company's current practice;
- delete rule 5.2(d) which details certain restrictions on amending resolutions and other requirements for meetings or for the adjournment or postponement of meetings that are already contained in the Constitution by incorporating certain requirements of the Corporations Act by reference;
- allow written resolutions of Directors to be passed electronically; and
- allow notices by the Company to its shareholders to be sent electronically.

5. Definitions and Interpretation

It is proposed that definitions in the Constitution be updated to reflect changes to the Corporations Act and the ASX Listing Rules and remove obsolete definitions. It is also proposed that the interpretation clause be amended to reflect that reference throughout the Constitution to 'electronic means' is not limited to email but may take another form that is suitable or appropriate for the relevant purpose provided it is not contrary to law.

Recommendation

Each Director recommends that shareholders vote in favour of Resolution 3 to approve the amendments to the Constitution.



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



X999999999999

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

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 **11:00am on Tuesday, 18 October 2016 at Level 1, 63 Miller St, Pyrmont NSW 2009** (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 Non-binding resolution to adopt the Remuneration Report	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
2 Re-election of Susan McIntosh as a Director of the Company	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
3 Approval of amendments to Company Constitution	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

STEP 2



* 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

EGG PRX1601C



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, 16 October 2016**, 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 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.**