

# Notice of Annual General Meeting

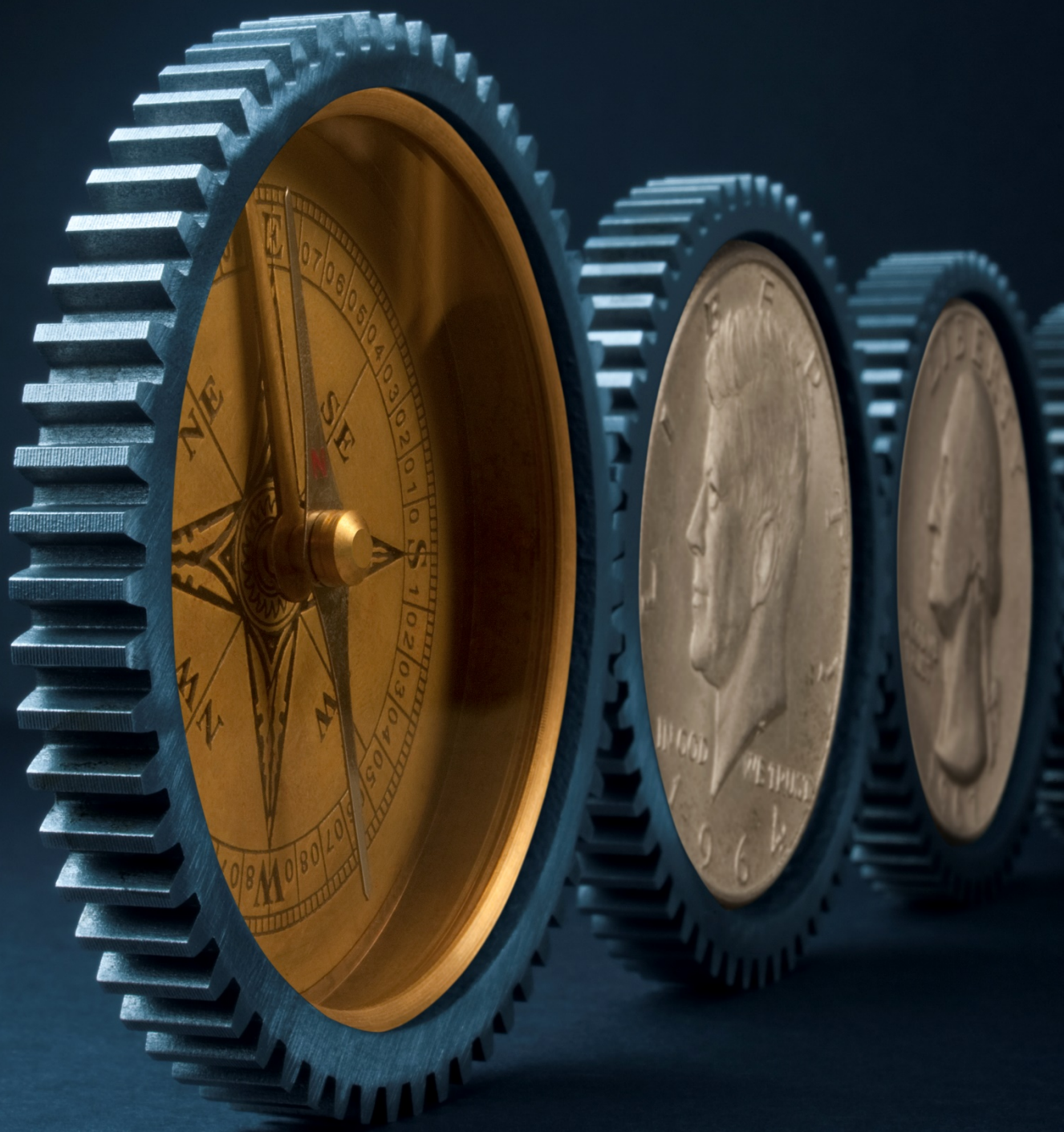
Notice is hereby given that the 2018 Annual General Meeting (the **Meeting**) of the shareholders of Navigator Global Investments Limited (**Navigator** or the **Company**) will be held on:

**Wednesday, 28 November 2018** commencing at **10.00am** at

The Bligh Room

Level 15, 1 Farrer Place (Governor Macquarie Tower)

Sydney, NSW, 2000



# Message from our Chairman

Dear Shareholder

It is my pleasure to invite you to the 2018 Annual General Meeting ('the Meeting') on Wednesday, 28 November 2018. The venue is the Bligh Room at Level 15, 1 Farrer Place in Sydney. The AGM starts at 10.00am (AEDT), and shareholder registration opens at 9.30am.

At the Meeting, CEO & Managing Director Sean McGould and I will comment on the Navigator Group's performance for the financial year ended 30 June 2018. Full details are in the 2018 Annual Report which is available on our website at

[http://www.navigatorglobal.com.au/site/PDF/1874\\_0/2018AnnualReport](http://www.navigatorglobal.com.au/site/PDF/1874_0/2018AnnualReport). If you elected to receive a hard copy of the Annual Report, you will find it enclosed.

A key purpose of the Meeting is to allow you to vote on matters important to you as a shareholder. We will be seeking your voting contribution to the following ordinary resolutions, as further detailed in the following pages and on the enclosed voting form:

- Remuneration Report (advisory only)
- Re-election of Mr Randall Yanker and Mr Andrew Bluhm as directors
- Grant of performance rights to the CEO & Managing Director
- Approval of potential termination benefits



Detailed instructions on how to lodge your vote, or appoint a proxy to vote on your behalf if you are unable to attend, are included in the Notice of Meeting and in the enclosed shareholder voting form.

The best way to register your voting intentions, or appoint a proxy, is to do so online. This can be facilitated via our share registry's dedicated website at [linkmarketservices.com.au](http://linkmarketservices.com.au); alternatively you may use the form enclosed.

The Meeting is an opportunity for the Board to hear directly from shareholders. You are encouraged to let us know of any questions you may have in advance of the Meeting by Friday 23 November 2018 by emailing [contact@navigatorglobal.com.au](mailto:contact@navigatorglobal.com.au) (or by posting them to PO Box 58, Toowong, Qld 4066).

I look forward to the opportunity of meeting with you.

Yours faithfully

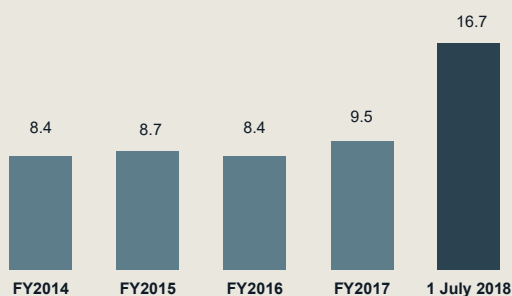
Michael Shepherd AO  
CHAIRMAN  
23 October 2018

# 2018 Highlights

## Closing assets under management (AUM)

US\$16.7 billion

Up 76% from 30 June 2017



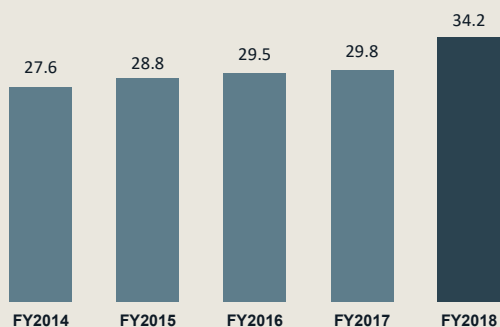
2018 financial year saw AUM close at **\$16.7 billion**, a **\$7.2 billion** increase on the prior year.

This was driven by a **\$1.8 billion** increase from the existing Lighthouse business, as well as an additional **\$5.4 billion** which transitioned on 1 July 2018 from Mesirow Advanced Strategies.

## EBITDA

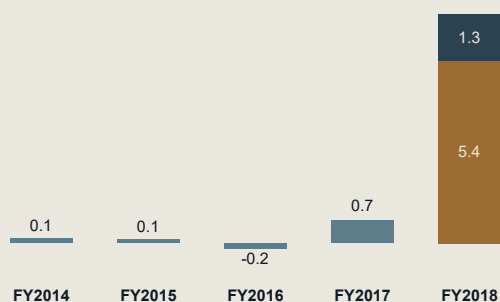
US\$34.2 million

Up 15% from FY2017



## Net investment flows

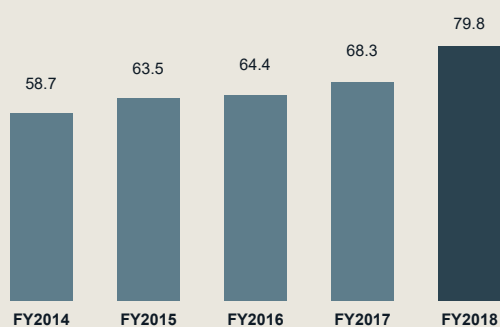
US\$6.7 billion



## Net operating revenue

US\$79.8 million

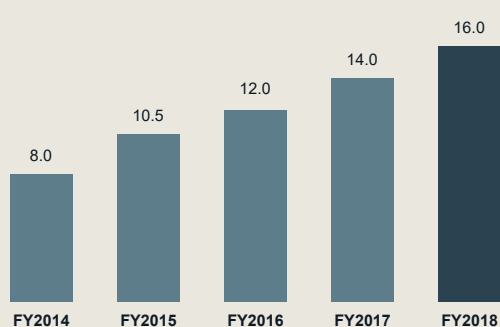
Up 17% from FY2017



## Total dividends per share

16.0 US cents

Up 14% from FY2017



# Agenda

## Ordinary business

### 1. Financial report

To receive and consider the annual financial report and the reports of the directors and of the auditors of the Company for the year ended 30 June 2018.

**Note:** There is no requirement for shareholders to approve these reports.

### 2. To adopt the remuneration report

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

*'That the remuneration report of the Company for the financial year ended 30 June 2018 be adopted.'*

**Note:** This resolution is advisory only and does not bind the Company. The directors will consider the outcome of the vote, and comments made by shareholders on the remuneration report at the meeting, when reviewing the Company's remuneration policies.

*Voting restrictions apply to Resolution 2 - refer to Important voting information on page 2*

### 3. Re-election of Directors

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

- a) *That Mr Randall Yanker, who retires by rotation in accordance with Rule 8.1(d) of the Company's constitution, be re-elected as a director of the Company.*
- b) *That Mr Andy Bluhm, who retires by rotation in accordance with Rule 8.1(d) of the Company's constitution, be re-elected as a director of the Company.'*

**Note:** Information about the candidates appears in the accompanying Explanatory Memorandum.

## Special business

### 4. Grant of performance rights to the Chief Executive Officer and Managing Director

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

*'That approval is given in accordance with Listing Rule 10.14 for the Company to grant to its Managing Director and Chief Executive Officer, Sean McGould or his nominee, up to 540,000 Performance Rights (incorporating the right to acquire shares) under the Company's Performance Rights Plan on the terms set out in the Explanatory Notes which accompany this Notice of Meeting.'*

*Voting restrictions apply to Resolution 4 - refer to Important voting information on page 2*

### 5. Approval of potential termination benefits

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

*"That, for the purposes of sections 200B and 200E of the Corporations Act, approval is given for the giving of benefits to each current and future eligible senior executive, as described in the Explanatory Notes to this Notice of Meeting, in connection with the retirement of that person from any office in the Company or a related body corporate referred to in section 200B of the Corporations Act."*

*Voting restrictions apply to Resolution 5 - refer to Important voting information on page 2*

## Explanatory Memorandum

Accompanying this notice is an Explanatory Memorandum that provides shareholders with background information and further details on the resolutions to be considered at the Meeting. The information provided is intended to assist shareholders in understanding the reasons for, and effects of, the resolutions. Terms defined in the Explanatory Memorandum and used in this Notice of Meeting bear the same meaning as in the Explanatory Memorandum.

A Proxy Form accompanies this Notice of Meeting.

### Important note – Proxy Voting

The Chairman intends to vote undirected proxies **IN FAVOUR** of all proposed resolutions set out in this Notice of Meeting.

By order of the Board



Amber Stoney  
Company Secretary  
23 October 2018

## Important voting information

### 1. Voting restrictions – remuneration report (Resolution 2)

Votes may not be cast, and the Company will disregard any votes cast, on Resolution 2:

- by or on behalf of a member of the Key Management Personnel (KMP) named in the Remuneration Report or their closely related parties (such as close family members and any companies the person controls); and
- as a proxy by a member of the KMP or any of their closely related parties,

unless the vote is cast as a proxy for a person entitled to vote on Resolution 2, and:

- the appointment of the proxy specifies the way in which the proxy is to vote on the resolution; or
- such a person is the Chairman of the Meeting and the appointment of the proxy expressly authorises the Chairman of the Meeting to exercise the proxy even if the resolution is connected with the remuneration of a member of the KMP.

### 2. Voting restrictions – grant of performance rights to the Chief Executive Officer and Managing Director (Resolution 4)

In accordance with the ASX Listing Rules, the Company will disregard any votes cast in favour of Resolution 4 by or on behalf of Sean McGould or any of his associates. However, the Company will not disregard votes cast on Resolution 4 if they are cast as proxy for a person entitled to vote on Resolution 4:

- in accordance with the directions on the Voting Form; or
- by the Chairman of the Meeting in accordance with a direction on the Voting Form to vote as the proxy decides.

In accordance with the Corporations Act, a person who is a member of the Company's KMP at the date of the Meeting or their closely related parties who is appointed as a proxy on Resolution 4 must not vote as proxy on Resolution 4 where the proxy appointment does not specify the way the proxy is to vote on Resolution 4. This does not apply to the Chairman of the Meeting where the appointment expressly authorises the exercise of the proxy even though Resolution 4 is connected with the remuneration of a member of the Company's KMP.

### 3. Voting restrictions – approval of potential termination benefits (Resolution 5)

If any Shareholder is a current or potential employee or Director of the Company or a related body corporate and wishes to preserve their ability to receive benefits under this approval, then that Shareholder and their associates should not vote on the resolution.

A person who is a member of the Company's KMP at the date of the Meeting or their closely related parties who is appointed as a proxy on Resolution 5 must not vote as proxy on Resolution 5 where the proxy appointment does not specify the way the proxy is to vote on Resolution 5. This does not apply to the Chairman of the Meeting where the appointment expressly authorises the exercise of the proxy even though Resolution 5 is connected with the remuneration of a member of the Company's KMP.

## Resolution 2 - Adoption of the remuneration report

Section 250R(2) of the Corporations Act requires the Company to put a resolution to the Meeting for adoption of the Remuneration Report. The vote on the resolution will be advisory only and will not bind either the directors or the Company. However, the Board will take into consideration the outcome of voting on this resolution when assessing the remuneration policy in future.

Shareholders should also note that, if 25 per cent or more of the votes cast are against the Remuneration Report, the first element in the Board spill provisions contained in the Corporations Act (i.e. the 'two strikes rule') will be triggered. While this would not impact on this Meeting, it would affect next year's annual general meeting.

### Board recommendation

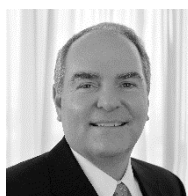
The Board recommends that shareholders vote **IN FAVOUR** of this resolution.

## Resolution 3 - Re-election of directors

Under article 8.1(d) of the Constitution of the Company and Listing Rule 14.4, a director (unless they are the Managing Director) must retire from office no later than the longer of the third annual general meeting of the company or 3 years, following that director's last election or appointment.

Accordingly, Mr Randall Yanker and Mr Andy Bluhm retire at the end of the Meeting in accordance with this rule and, being eligible, offer themselves for re-election, respectively. The experience and qualifications and other details in relation to each Director seeking re-election is set out below.

## Resolution 3a) - Re-election of Mr Randall Yanker



Independent Chairman and  
Non-Executive Director

*Appointed 14 October 2014*

*Based in the United States*

Mr Yanker is a member of the Remuneration and Nominations Committee.

Randall has extensive experience in the investment management industry, and in particular hedge funds. He co-founded Alternative Asset Managers, L.P. ('AAM') in 2004, which is a private investment firm with primary focus on making strategic investments in the asset management sector.

Prior to AAM, Randall was responsible for establishing multi-billion dollar global alternative investment and hedge fund platforms as CEO of Lehman Brothers Alternative Investment Management, and before that as a Managing Director of Swiss Bank Corp.

He is a graduate of Harvard College (1983) with a degree in Economics, and serves on the board and is a Trustee of The New School University, a Trustee of SEI Advisors' Inner Circle Fund III, and Advisory Board member of HF2 Financial Management.

### Board recommendation

The Board (with Mr Randall abstaining) recommends that shareholders vote **IN FAVOUR** of this resolution.

## Resolution 3b) - Re-election of Mr Andy Bluhm



Independent Non-Executive Director

*Appointed 17 October 2012*

*Based in the United States*

Mr Bluhm is a member of the Audit and Risk Committee.

Andrew is the founder and principal of Chicago-based DSC Advisors, LP (DSC), which is the investment manager of Delaware Street Capital Master Fund, LP. Delaware Street Capital Master Fund, LP holds a substantial shareholding in Navigator.

DSC invests in a wide array of companies and industries seeking to identify and acquire undervalued securities and sell-short overvalued securities.

Prior to forming DSC, he was a founder and Principal of Walton Street Capital, LLC, and prior thereto worked as a Vice President at JMB Realty Corporation and as an Associate at Goldman Sachs.

### Board recommendation

The Board (with Mr Bluhm abstaining) recommends that shareholders vote **IN FAVOUR** of this resolution.

## Resolution 4 - Approval of performance rights issue to Mr Sean McGould

Resolution 4 relates to the proposed participation of the Managing Director and Chief Executive Officer, Mr Sean McGould, in the Company's Performance Rights Plan ('the Plan').

The principles of Navigator's executive remuneration strategy, programs and frameworks are designed to:

- support the business strategy of the Navigator Group by attracting, retaining and rewarding quality executives and staff;
- encourage appropriate performance and results to uphold client and shareholder interests;
- properly reflect each individual's duties and responsibilities; and
- embed a culture that rewards performance whilst maintaining integrity, reputation and mitigating risk.

The Company's remuneration structure includes a combination of fixed remuneration and variable or 'at risk' remuneration. The granting of performance rights to eligible staff, including the CEO, introduces a long-term incentive component to the Group's remuneration structure.

The Board is satisfied that the proposed grants will enhance the existing remuneration structure in a way which is aligned with the interests of shareholders and prospective shareholders and is consistent and competitive with market practice.

The performance metric for grants will be based on achieving targets of Navigator Group Earnings Before Interest, Tax, Depreciation and Amortisation (EBITDA), as the Board believes that this metric most closely aligns to delivery of value to shareholders which is within the direct control of eligible employees.

An overview of the proposed grant is set out below.

### Mr McGould's remuneration for FY2018

Mr McGould's remuneration package includes the following components:

- a) fixed remuneration; and
- b) short term incentives

The grant of Performance Rights will create a long term incentive component in Mr McGould's remuneration package.

The Board believes that part of the rewards for key executives, including Mr McGould, should be performance-based and at risk and should involve equity interests in the Company. This approach reflects national and international best practice in executive remuneration and corporate governance.

Further details of Mr McGould's remuneration is set out in the Remuneration Report in the 2018 Annual Report, which is available on Navigator's website at [www.navigatorglobal.com](http://www.navigatorglobal.com).

### Why is shareholder approval required?

ASX Listing Rule 10.14 requires the approval of shareholders to be sought where Navigator intends to issue securities (the alternative being to purchase shares on-market) under an employee incentive scheme to a director. While it has not currently been decided whether shares will be issued (as opposed to being acquired on market) to satisfy an award under vested Performance Rights, shareholder approval is nonetheless being sought to provide the flexibility to issue the shares should that be desirable at the relevant time. Resolution 4 relates to the grant of up to 540,000 Performance Rights to Mr McGould and does not relate to any future grants of Performance Rights that the Board may decide to make.

The Board considers that Mr McGould's participation in the Plan is a critical mechanism by which to incentivise performance in line with shareholder interests. If shareholders do not approve the grant of Performance Rights at the Meeting, it is intended that the equivalent Plan award will be provided in cash, subject to the same performance, service, vesting and other conditions as described in this notice, in order to ensure that Mr McGould is entitled to participate in the Plan from the 2019 financial year.

### Overview of the proposed grant

GRANTEE	If shareholder approval is obtained, the Performance Rights will be granted to Mr McGould or his nominee. Mr McGould currently holds the majority of his shares through his director-related entity, SGM Holdings, LLC.
GRANT TYPE	A Performance Right is a right to acquire one ordinary share in the capital of the Company (subject to adjustment in accordance with the ASX Listing Rules in the event of a reorganisation of the issued ordinary share capital of the Company, or as otherwise contemplated by the Plan rules).  The Board may determine that a Performance Right is satisfied (in lieu of an acquisition of shares) by the Company making a cash payment equal to the value of the shares which would otherwise be acquired on the exercise of the Performance Right.  Performance Rights do not carry any dividend or voting rights.
DATE OF GRANT	Shortly after the 2018 Annual General Meeting, but in any event, no later than 12 months after the date of the meeting.

# Explanatory Notes

NUMBER TO BE ALLOCATED	<p>The Board will invite Mr McGould to participate in a grant of up to 540,000 Performance Rights.</p> <p>The <b>face value</b> of the Performance Rights at the beginning of the performance period (1 July 2018) is USD 2,127,278, and has been determined as follows:</p> <table style="width: 100%; border-collapse: collapse;"> <tr> <td style="width: 80%;">Maximum number of Performance Rights</td> <td style="text-align: right;">540,000</td> </tr> <tr> <td>VWAP for the five trading days leading up to 1 July 2018</td> <td style="text-align: right;">AUD 5.33</td> </tr> <tr> <td>RBA AUD:USD exchange rate on the last business day prior to 1 July 2018</td> <td style="text-align: right;">0.7391</td> </tr> <tr> <td>Face value of Performance Rights</td> <td style="text-align: right;">USD 2,127,278</td> </tr> </table> <p>The Board considers that the face value of the grant of Performance Rights to Mr McGould is appropriate given the low fixed remuneration component of his overall remuneration package, and taking into account remuneration market competitiveness in the US hedge fund industry.</p> <p>The <b>actual value</b> of Performance Rights at vesting will depend on performance against the relevant performance condition and the price of the Company's ordinary shares. Vesting of the maximum number of Performance Rights will only occur if the Company achieves EBITDA<sup>1</sup> for the 2021 financial year of USD 55 million per share or above (see below section on Performance Conditions).</p>	Maximum number of Performance Rights	540,000	VWAP for the five trading days leading up to 1 July 2018	AUD 5.33	RBA AUD:USD exchange rate on the last business day prior to 1 July 2018	0.7391	Face value of Performance Rights	USD 2,127,278
Maximum number of Performance Rights	540,000								
VWAP for the five trading days leading up to 1 July 2018	AUD 5.33								
RBA AUD:USD exchange rate on the last business day prior to 1 July 2018	0.7391								
Face value of Performance Rights	USD 2,127,278								
PRICE PAYABLE ON GRANT OR EXERCISE	No amount is payable in respect of the grant, vesting or exercise of the Performance Rights.								
EXPIRY DATE	Mr McGould will be able to exercise vested Performance Rights any time from the date the Performance Rights vest until the expiry date, which is 27 November 2021.								
PERFORMANCE CONDITION	<p>The number of Performance Rights that vest and, therefore, the number of shares that Mr McGould may acquire, are subject to a performance condition.</p> <p>Performance Rights will vest depending on a single performance condition, being <b>EBITDA</b><sup>1</sup></p> <p>The performance condition is measured over a 3 year period commencing from 1 July 2018. The number of Performance Rights that vest at the end of that period will be determined as follows:</p> <table style="width: 100%; border-collapse: collapse;"> <thead> <tr> <th style="text-align: left;">EBITDA of:</th> <th style="text-align: right;"><i>Performance Rights Vesting</i></th> </tr> </thead> <tbody> <tr> <td style="padding-left: 20px;">less than USD45 million per share</td> <td style="text-align: right;">0%</td> </tr> <tr> <td style="padding-left: 20px;">between USD45 million per share and USD55 million per share</td> <td style="text-align: right;">Straight-line vesting between 0% and 100% of total grant</td> </tr> <tr> <td style="padding-left: 20px;">greater than USD55 million per share</td> <td style="text-align: right;">100% of total grant</td> </tr> </tbody> </table>	EBITDA of:	<i>Performance Rights Vesting</i>	less than USD45 million per share	0%	between USD45 million per share and USD55 million per share	Straight-line vesting between 0% and 100% of total grant	greater than USD55 million per share	100% of total grant
EBITDA of:	<i>Performance Rights Vesting</i>								
less than USD45 million per share	0%								
between USD45 million per share and USD55 million per share	Straight-line vesting between 0% and 100% of total grant								
greater than USD55 million per share	100% of total grant								
PERFORMANCE PERIOD AND VESTING	<p>The performance condition will be tested after the end of the 3 year performance period (30 June 2021). Any Performance Rights that do not vest prior to the expiry date of the Performance Rights will lapse.</p> <p>The Company will issue or procure the transfer of Company ordinary shares on the exercise of Performance Rights in accordance with the Plan rules and the terms of the Performance Rights.</p> <p>Shares allocated on exercise of Performance Rights will rank equally with shares in the same class.</p>								
LAPSING OF PERFORMANCE RIGHTS	<p>Subject to the Board's discretion, a Performance Right lapses:</p> <ol style="list-style-type: none"> <li>a) 4 years after the date of grant of the Performance Right;</li> <li>b) the failure to meet the Performance Condition;</li> <li>c) on a cessation of the employment of Mr McGould with the Company; or</li> <li>d) on a change of control of the Company.</li> </ol>								

<sup>1</sup> **EBITDA** means Earnings Before Interest, Tax, Depreciation and Amortisation and any expense related to any grant of Performance Rights under the Plan for the year ended 30 June 2021 for Navigator Global Investments Limited and its controlled entities.



# Explanatory Notes

CESSATION OF EMPLOYMENT	<p>If Mr McGould's employment with the Company ceases, then his unvested Performance Rights will remain subject to the Plan and will be tested in accordance with the Performance Conditions. However, the Board may determine within 60 days of the cessation of employment that some or all of his unvested Performance Rights vest or lapse (or that the Performance Conditions or performance period are amended or waived). In making that determination, the Board may have regard to any matter the Board considers relevant, including the circumstances in which the cessation of employment occurred, the extent that the Performance Conditions are determined or estimated by the Board to have been satisfied when tested at the date of cessation of employment, or the proportion of the performance period during which the Performance Conditions are tested has elapsed at the time of cessation of employment.</p> <p>The Board may also determine that Mr McGould's unvested Performance Rights lapse where the Board considers that Mr McGould has breached any applicable post-employment covenants regarding not being involved with a competitor business or not soliciting business clients, employees or contractors of the Group or it is no longer appropriate for Mr McGould to retain his unvested Performance Rights having regard to other circumstances following his cessation of employment.</p>
TRADING RESTRICTIONS	<p>Performance Rights may not be sold, and hedging arrangements in relation to any unvested Performance Rights may not be entered into.</p> <p>Shares allocated following the exercise of Performance Rights are not subject to any trading restrictions. However, Mr McGould must observe the Company's policies (including the Share Trading Policy) when dealing with shares.</p>
CHANGE OF CONTROL	<p>If a change of control event occurs prior to the vesting of the Performance Rights, then the Board may in its absolute discretion resolve that any unexercised Performance Rights (whether vested or not) will be exercisable.</p>
CLAWBACK	<p>The Board may determine that Performance Rights or shares acquired on the exercise of Performance Rights lapse or are forfeited where:</p> <ol style="list-style-type: none"><li>the Performance Rights vest as a result of fraud, dishonesty or breach of duties or obligations of Mr Gould or another person where the Performance Rights would not have otherwise vested; or</li><li>there is a material misstatement or omission in the financial statements of the Company or those financial statements need to be restated.</li></ol>
OTHER REQUIRED INFORMATION (PER ASX LISTING RULE 10.15A)	<p>Mr McGould has not previously been granted Performance Rights.</p> <p>The last grant under the Plan was made in 2010 to the previous CEO and Managing Director, Mr Spencer Young. The total grant of 3,968,935<sup>2</sup> Performance Rights was approved by shareholders at the Company's 2010 Annual General Meeting, of which 1,405,326 vested and were exercised in November 2011.</p> <p>Mr McGould as Managing Director and CEO is the only director eligible to be granted Performance Rights under the Plan. No other person who requires approval to participate in the Plan under Listing Rule 10.14 has been or will be issued with Performance Rights until such approval is obtained.</p> <p>No loans will be granted to Mr McGould in relation to his participation in the Plan.</p> <p>Details of any Performance Rights issued under the Plan (and shares issued upon their vesting) will be published in each annual report of the Company relating to the period in which they have been issued, together with a note that approval of the issue was obtained under Listing Rule 10.14.</p> <p>Additional persons:</p> <ul style="list-style-type: none"><li>who become entitled to participate in the Plan after this resolution is approved;</li><li>who were not named in this notice of meeting; and</li><li>who are directors of the Company, associates of a director of the Company or persons to whom ASX considers this criteria should apply,</li></ul> <p>will not participate in the Plan unless approval is obtained under Listing Rule 10.14.</p> <p>Allocation of Performance Rights to Mr McGould will be made within three years of the date of the Meeting.</p>

This item is not a resolution to grant any Performance Rights to Mr McGould. It is an authority for the Board of the Company to grant the Performance Rights.

## Board recommendation

*The Board (other than Managing Director, Sean McGould, who is not entitled to vote) recommends that shareholders vote **IN FAVOUR** of the approval of the grant of equity-based performance rights to Mr McGould. None of the directors (other than Mr McGould) has an interest in the outcome of this resolution.*

*The Chairman of the Meeting intends to vote all 'open' proxies (where the Chairman has been appropriately authorised) in favour of this resolution.*

<sup>2</sup> Adjusted for the Company's 4:1 share consolidation in 2011.

## Resolution 5 - Approval of potential termination benefits

Part 2D.2 of the Corporations Act 2001 (the Act) restricts the benefits that can be given without shareholder approval to individuals who hold, or have held in the last three years, a managerial or executive office (as defined in the Act) on leaving employment with Navigator Global Investments Limited or its related bodies corporate (Navigator Group). This includes individuals employed by Navigator's overseas subsidiaries.

Under S200B of the Act, the Company may only give a person a 'benefit' in connection with their ceasing to hold managerial or executive office in the Navigator Group if it is approved by shareholders or an exemption applies (Relevant Executives). If termination benefits are provided beyond those permitted by the Act, a breach of the Act can occur even if the Relevant Executive has a pre-existing contractual entitlement to the benefit.

Having regard to the potentially wide application of the Act and the uncertainties it can cause, the directors are of the view that it is appropriate and prudent to seek shareholder approval, as contemplated by the Act, so that termination benefits are able to be provided to Relevant Executives without any risk of a breach of the Act. The equivalent shareholder approval was sought and received at the Company's 2015 AGM.

As such, approval by shareholders is sought in respect of any current or future employees who are Relevant Executives at the time of their termination or at any time in the three years prior to their termination.

Potential benefits upon termination for Non-Executive Directors are limited to unpaid fees and entitlements and other non-material incidental benefits (such as retention of property such as electronic devices). This resolution therefore does not apply to Non-Executive Directors.

### **Why is shareholder approval being sought?**

At the Company's 2015 AGM shareholders provided approval for potential termination benefits that may be paid or granted to Relevant Executives whose employment terminated in the three years following that AGM. This authorisation lapses at the end of the 2018 AGM. Shareholders are being requested to provide a further three year approval (to the conclusion of the 2021 AGM).

The approval sought is in relation to the Navigator Group's existing obligations to the CEO and potential obligations to other Relevant Executives, and to enable the Navigator Group to operate its remuneration programmes to support the Company's strategy. In particular, the approval will enable the Board to:

- deliver current Relevant Executives the benefits to which they are contractually entitled;
- attract and retain future Relevant Executives on market competitive terms as benchmarked in their local jurisdiction;
- strengthen its ability to enforce a period of non-competition against the Navigator Group following cessation of employment; and
- ensure Relevant Executives are treated fairly on cessation of employment, having regard to their contribution to the Navigator Group and the circumstances.

Navigator's guiding remuneration and philosophy is outlined in the Remuneration Report contained in the 2018 Annual Report.

The Company is conscious of the need to strike a balance between fair treatment of Relevant Executives on cessation of employment

and avoiding excessive termination payouts. In addition, the Board has considered the differences in employment practices in the United States, which is where the majority of Relevant Executives are employed. Careful consideration is given when setting employment arrangements, remuneration, individual contractual entitlements, benefits and incentive plan treatments for Relevant Executives.

Shareholder approval does not guarantee a Relevant Executive will receive the termination benefits described below. The Company's purpose in seeking shareholder approval is to:

- facilitate the execution of Navigator's remuneration policy and programmes;
- allow Navigator to honour its existing contractual commitments to the CEO;
- take into account the impact of the proposed grant of Performance Rights to the CEO (as outlined in Resolution 4) and any other grants which may be made to a Relevant Executive; and
- preserve discretion of the Navigator Board to determine the most appropriate termination package for Relevant Executives at the time cessation occurs.

### *Executive base salaries and the impact of Part 2D.2 of the Act*

In setting the remuneration arrangements for Relevant Executives, in particular those Relevant Executives based in the United States (US Relevant Executives), the Company wishes to continue its current approach of significantly weighting remuneration packages for US Relevant Executives towards variable incentive remuneration.

US Relevant Executives have an annual remuneration structure designed so that they receive a relatively small base salary, and therefore have the potential to be rewarded for their contribution and performance by participating in a short term incentive bonus pool determined as a percentage of the Navigator Group's United States business earnings (the basis for determining the short term incentive bonus pool is outlined in the Remuneration Report). In addition, should shareholder approval be provided in relation to Resolution 4, the CEO may also participate in long term incentive arrangements.

As evidence of this, the US Relevant Executives have earned a base salary of USD 250,000 since prior to 2008, and as such have not had an increase to their base salary in over 10 years.

This creates an anomalous result when applying the statutory cap on termination benefits under Part 2D.2 of the Act, as it limits the total termination payment amount for US Relevant Executives to USD 250,000, and restricts the Board's ability to accommodate equitable termination payments above this amount which are otherwise in accordance with the jurisdiction in which the US Relevant Executives are employed.

### **Approval is sought for a three-year period**

If approval is obtained, it will be effective for a period of approximately three years from the date the resolution is passed. That is, shareholder approval will be effective for all termination benefits paid or granted to a Relevant Executive who ceases to hold office or a position of employment during the period beginning at the conclusion of the 2018 Annual General Meeting and expiring at the conclusion of the 2021 Annual General Meeting. If considered appropriate, the directors will seek a new approval from shareholders at the 2021 Annual General Meeting.

# Explanatory Notes

## Summary of potential termination benefits and their value

The Company is seeking shareholder approval for any potential termination benefits that may be provided to a Relevant Executive (including as a result of Board discretion) under:

- their employment agreement
- applicable laws and regulations
- the Company's Performance Rights Plan;
- the Navigator Group's remuneration policy, as set out in the Remuneration Report; and
- prevailing market practice and governance expectations at the time the Relevant Executive ceases employment.

Under the Act, when seeking shareholder approval for a termination benefit, shareholders must be provided with details of the amount or value of the payment or benefit, or if that amount or value cannot be ascertained at the time of disclosure, the manner in which that amount or value is to be calculated and any matter, event or circumstance that will, or is likely to, affect the calculation of that amount or value.

The amount or value of a benefit that a particular Relevant Executive may be entitled to will depend on a number of factors, including the manner and circumstances in which the individual ceases in their role, the length of time they have been employed for the calendar year, changes in market practice or law in the relevant jurisdiction, and in some cases, the exercise of discretions by the Board or by the Remuneration and Nominations Committee. Accordingly, it is not possible to state with certainty the amount or value of a payment or benefit that may become payable.

The table below sets out potential termination payments, including the manner in which the amount or value of each potential benefit may be calculated and the matters which may impact that calculation.

Potential termination benefit	Treatment on cessation of employment and circumstances affecting the calculation or amount of benefits
<i>Employment contract benefits</i>	
Severance payment in lieu of annual bonus	<p>A US Relevant Executive will receive a severance payment of up to USD 1 million on cessation of employment, except where their employment has been terminated for Cause<sup>3</sup>.</p> <p>Any severance payment made is in lieu of any unpaid short term incentive bonus which the US Relevant Executive would otherwise be entitled to receive for their performance during the relevant calendar year in which they ceased employment.</p> <p>The amount of the severance payment will be pro-rata'd based on the number of days of service provided by the US Relevant Executive during a calendar year prior to cessation of their employment. For example, where a US Relevant Executive ceased employment on 30 September, they would be entitled to a severance payment of USD 750,000.</p> <p>The pro-rata'd severance payment is an existing contractual entitlement in the employment agreements of US Relevant Executives.</p>
Restraint payments	<p>Restraint payments may be paid to enforce post-employment restraint clauses if considered necessary and/or appropriate to protect matters such as confidential information or intellectual property. In some jurisdictions, restraint clauses may be legally unenforceable, or difficult to successfully enforce, without payment. These payments may be up to USD 2 million.</p> <p>The amount of the restraint payment is determined based on the following circumstances:</p> <ul style="list-style-type: none"> <li>▪ If the Relevant Executive ceases employment due to termination for Cause, their providing notice to the Company or them not renewing their contract then: <ul style="list-style-type: none"> <li>– they will be entitled to restraint payments for 6 months at their monthly base salary, and</li> <li>– the Board will have the option, but not the obligation, to extend the restraint period for up to an additional 6 months by paying the Relevant Executive a restraint payment of up to USD 166,667 per month.</li> </ul> </li> <li>▪ If the Relevant Executive ceases employment due to the Company providing the required contractual notice to the Relevant Executive, the Board has the discretion, but not the obligation, to enforce the restraint clauses in the employment contract for up to 12 months by paying the Relevant Executive a restraint payment of up to USD 166,667 per month.</li> </ul> <p>The existing employment contracts of US Relevant Executives include entitlement to a restraint payment of USD 83,333 per month for 12 months following. The effect of approving the restraint payments as outlined will allow the Board to renegotiate the existing restraint clauses with US Relevant Executives.</p>

<sup>3</sup> Cause is defined in employment contracts as where the employee engages in conduct that constitutes gross negligence or wilful misconduct, which conduct is not cured or corrected (if curable or correctable) within 20 days after receipt of written notice from the employer of such conduct.

# Explanatory Notes

Potential termination benefit	Treatment on cessation of employment and circumstances affecting the calculation or amount of benefits
Reduced or nil management fees on personal investments in Navigator Group investment funds	<p>Navigator Group employees, including Relevant Executives, do not pay management fees in relation to any monies which they invest into Navigator Group investment products.</p> <p>If a US Relevant Executive's employment ceases for any reason other than for being terminated for Cause, they will continue to not pay management fees in relation to their investments in Navigator Group investment products for a period of two years following them ceasing employment.</p> <p>If the US Relevant Executive is terminated for Cause, they will pay 50% of stated management fees in relation to any monies which they invest into Navigator Group investment products for a period of 4 months following termination.</p>
<i>Performance Rights</i>	<p>The Board will determine the extent, if any, to which unvested rights will vest if a Relevant Executive dies, becomes permanently disabled, resigns from employment on the basis of retirement from the workforce or is made redundant by the Company or any of its related bodies corporate, during the life of any rights granted to him.</p>
<i>Other payments to Relevant Executives</i>	<p>Other benefits may be payable upon cessation of employment in accordance with policies, market practice or local law. It is not possible to succinctly describe each benefit and its treatment in advance for each Relevant Executive, but may include eligibility for post-retirement benefits such as medical and life insurance.</p> <p>Any other payments required to be made under applicable law or statutory entitlement will also be paid to Relevant Executives.</p>
<i>Incidental payments</i>	<p>Circumstances may arise where it will be appropriate for the Company to make small incidental payments to a ceasing Relevant Executive. Such benefits could include allowing the Relevant Executive to retain certain property following termination (such as phones or other electronic devices) or making retirement gifts to recognise the contribution they made to the Navigator Group. Approval is sought to grant such benefits provided that they are reasonable and not significant in the circumstances.</p>

## **Board recommendation**

*The Board (other than Managing Director, Sean McGould, who is not entitled to vote) recommends that shareholders vote **IN FAVOUR** of the approval of potential termination benefits to Relevant Executives.*

*The Chairman of the Meeting intends to vote all 'open' proxies (where the Chairman has been appropriately authorised) in favour of this resolution.*

## Eligibility to attend and vote

You will be eligible to attend and vote at the Meeting if you are registered as a holder of ordinary shares in the Company at 7.00pm (Sydney time) on Monday 26 November 2018.

## How to vote

### Voting

The required quorum for the Meeting is at least two shareholders present in person or by proxy, attorney or representative.

Voting will be decided on a show of hands unless a poll is demanded by the Chairman or shareholders entitled to do so before the show of hands is taken, or before or immediately after the declaration of the result on a show of hands.

- On a show of hands, every shareholder present in person or by proxy, attorney or representative shall have one vote.
- On a poll, each shareholder present in person or by proxy, attorney or representative shall have one vote for each share held by that shareholder and in respect of which that shareholder is entitled to vote.

If shares are jointly held and more than one of the joint holders votes, only the vote of the holder whose name appears first in the shareholder register will be counted.

### Voting in person

Shareholders who plan to attend the Meeting are asked to arrive at the venue by 9.45am so that their holding may be checked against the Company's share register and attendance recorded.

Please bring your personalised Proxy Form with you as it will help you to register your attendance at the Meeting. If you do not bring your Proxy Form, you will still be able to attend the Meeting but representatives from Link Market Services will need to verify your identity.

### Voting by proxy

You can appoint a proxy to attend and vote on your behalf as an alternative to attending the Meeting in person. A Proxy Form accompanies this Notice of Meeting. Proxy voting instructions are outlined on the back of the Proxy Form.

A proxy need not be a shareholder in the Company. You may appoint no more than two proxies or attorneys. Each proxy or attorney may be appointed to represent a specified proportion of your voting rights. If no proportion is specified, each proxy or attorney is entitled to exercise half the shareholder's votes. Where a shareholder appoints two proxies or attorneys, neither will be entitled to vote on a show of hands if more than one proxy or attorney attends, and each may only exercise the voting rights the proxy or attorney represents on a poll.

If you appoint a proxy, you may still attend the Meeting. However, if you vote on a resolution, your proxy will not be entitled to vote, and must not vote on the resolution.

### Sending your Proxy Form

Your completed Proxy Form must be received by **no later than 10.00am (Sydney time) on Monday 26 November 2018**, being 48 hours before the commencement of the Meeting. An original or certified copy of any power of attorney under which the form was signed must also be received by this time unless previously provided to Link Market Services.

You can lodge your Proxy Form:

- **Online** at [www.linkmarketservices.com.au](http://www.linkmarketservices.com.au) by following the instructions. To lodge your vote online you will need your Securityholder Reference Number (SRN) or Holder Identification Number (HIN) as shown on the front of the Proxy Form.
- **By completing the enclosed Proxy Form** and:
  - Mailing it to Link Market Services using the reply paid envelope
  - Posting it to Locked Bag A14 Sydney South, NSW, 1235
  - Faxing it to +61 (2) 9287 0309
  - Hand delivering it to Link Market Services Limited, Level 12, 680 George Street, Sydney NSW 2000

### Corporate shareholders

Corporate shareholders who wish to appoint a representative to attend the Meeting on their behalf must provide that person with a properly executed letter or other document confirming that they are authorised to act as the corporate shareholder's representative. The authorisation may be effective either for this Meeting only or for all meetings of the Company. Shareholders can download and fill out the 'Appointment of Corporate Representation' form from the Link Market Services website at:

[www.linkmarketservices.com.au/corporate/InvestorServices/Forms.html](http://www.linkmarketservices.com.au/corporate/InvestorServices/Forms.html)

## Questions from shareholders

In addition to asking questions at the Meeting, written questions to the Chairman about the management of the Company, or to the Company's auditor about the content of the auditor's report and the conduct of the audit, may be submitted no later than Friday, 23 November 2018 to:

The Chairman  
C/- Company Secretary  
Navigator Global Investments Limited  
PO Box 58  
Toowong QLD 4066  
Email: [contact@navigatorglobal.com.au](mailto:contact@navigatorglobal.com.au)



## LODGE YOUR VOTE



### ONLINE

[www.linkmarketservices.com.au](http://www.linkmarketservices.com.au)



### BY MAIL

Navigator Global Investments Limited  
C/- Link Market Services Limited  
Locked Bag A14  
Sydney South NSW 1235 Australia



### BY FAX

02 9287 0309



### BY HAND

Link Market Services Limited  
1A Homebush Bay Drive, Rhodes NSW 2138



### ALL ENQUIRIES TO

Telephone: +61 1300 554 474



X99999999999

## PROXY FORM

I/We being a member(s) of Navigator Global Investments Limited and entitled to attend and vote hereby appoint:

### APPOINT A PROXY

the Chairman of the Meeting (mark box)

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

or failing the person or body corporate named, or if no person or body corporate is named, the Chairman of the Meeting, as my/our proxy to act on my/our behalf (including to vote in accordance with the following directions or, if no directions have been given and to the extent permitted by the law, as the proxy sees fit) at the Annual General Meeting of the Company to be held at **10:00am on Wednesday, 28 November 2018 at The Bligh Room, Level 15, 1 Farrer Place (Governer Macquarie Tower), Sydney, NSW, 2000** (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 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*		For	Against	Abstain*	
2	To adopt the remuneration report	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	5	Approval of potential termination benefits	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
3a	Re-election of Mr Randall Yanker as a Director	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>			<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
3b	Re-election of Mr Andy Bluhm as a Director	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>			<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
4	Grant of performance rights to the Chief Executive Officer and Managing Director	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>			<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).





## 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 on Monday, 26 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

Navigator Global Investments 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

\* 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.**