

PACIFIC CURRENT GROUP LIMITED

Notice of Meeting 2018

NOTICE OF ANNUAL GENERAL MEETING

26 October 2018

Dear Shareholders,

On behalf of the Directors of Pacific Current Group Limited (**Pacific Current Group**), I am pleased to invite you to attend the 2018 Annual General Meeting (**AGM or Meeting**) of Pacific Current Group. Enclosed is the Notice of Meeting setting out the business of the Meeting.

Pacific Current Group's 2018 AGM will be held at 10:00am (AEDT) on Friday, 30 November 2018 at Piper Alderman, Level 23, 459 Collins Street, Melbourne VIC 3000.

If you are attending the AGM, please bring your Proxy Form with you to facilitate a faster registration. If you are unable to attend the AGM, I encourage you to complete and return the enclosed Proxy Form no later than 10:00am (AEDT) on Wednesday, 28 November 2018, in one of the ways specified in the Notice of Meeting and Proxy Form.

I also encourage you to read the enclosed Notice of Meeting (including the Explanatory Memorandum) and the Proxy Form and consider directing your proxy how to vote in each resolution by marking either the "For" box, the "Against" box or the "Abstain" box on the Proxy Form.

Subject to the abstentions noted in the Explanatory Memorandum, the Directors of Pacific Current Group unanimously recommend Shareholders vote as follows:

Board Recommendations	Resolution
For	1. Re-election of Director - Peter Kennedy
For	2. Re-election of Director - Antony Robinson
For	3. Adoption of Remuneration Report
For	4. Grant of Performance Rights to Mr Paul Greenwood, Managing Director and CEO and CIO
For	5. Approval of Mr Paul Greenwood's leaving benefits
For	6. Approval of Employee Share Ownership Plan

Following the conclusion of the AGM, you are welcome to join the Board and Management for light refreshments.

Thank you for your continued support of Pacific Current Group and I look forward to your attendance at the AGM and the opportunity to meet with you.

Yours faithfully,



Tony Robinson
Chairman

NOTICE OF ANNUAL GENERAL MEETING

Notice is hereby given that the 2018 Annual General Meeting (**AGM** or **Meeting**) of shareholders of Pacific Current Group Limited ACN 006 708 792 (**Pacific Current Group** or the **Company**) will be held:

Date: Friday, 30 November 2018

Time: 10:00am (AEDT)

Venue: Piper Alderman, Level 23,
459 Collins Street,
Melbourne VIC 3000.

The Explanatory Memorandum provides additional information on matters to be considered at the Meeting. The Explanatory Memorandum and the Proxy Form, form part of this Notice of Meeting.

AGENDA

1. CONSIDERATION OF REPORTS

To consider the 2018 Annual Report of the Company and its controlled entities for the financial year ended 30 June 2018, which includes the Financial Report, the Directors' Report and the Independent Auditor's Report.

2. RESOLUTION 1 – RE-ELECTION OF PETER KENNEDY AS A DIRECTOR

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

"That Peter Kennedy, who retires in accordance with rule 7.1(f) of the Company's Constitution and being eligible for election, is re-elected as a Director of the Company."

3. RESOLUTION 2 – RE-ELECTION OF ANTONY ROBINSON AS A DIRECTOR

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

"That Antony Robinson, who retires in accordance with rule 7.1(f) of the Company's Constitution and being eligible for election, is re-elected as a Director of the Company."

4. RESOLUTION 3 – ADOPTION OF REMUNERATION REPORT

To consider and if thought fit, pass the following as a non-binding ordinary resolution of the Company:

"That the Company's Remuneration Report for the financial year ended 30 June 2018, as set out in the Directors' Report, is adopted."

The Remuneration Report is contained in the 2018 Annual Report and is available on the Company's website at www.paccurrent.com.

Please note that, in accordance with section 250R(3) of the *Corporations Act 2001* (Cth) (the **Act**), the vote on this resolution is advisory only and does not bind the Directors or the Company.

5. RESOLUTION 4 – GRANT OF PERFORMANCE RIGHTS TO MR PAUL GREENWOOD, MANAGING DIRECTOR AND CHIEF EXECUTIVE OFFICER AND CHIEF INVESTMENT OFFICER

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

"That, for the purposes of ASX Listing Rule 10.14 and for all other purposes, the issue of Performance Rights to Mr Paul Greenwood, Managing Director and Chief Executive Officer and Chief Investment Officer, with a performance assessment period of three years from 1 July 2018 to 30 June 2021 (1st Tranche) and a performance assessment period of four years from 1 July 2018 to 30 June 2022 (2nd Tranche), in accordance with and on the terms of Mr Greenwood's employment contract summarised in the Explanatory Memorandum accompanying this Notice of Meeting, is approved."

Please note that if approval is given under ASX Listing Rule 10.14 approval is not required under ASX Listing Rule 7.1.

6. RESOLUTION 5 – APPROVAL OF MR PAUL GREENWOOD'S LEAVING BENEFITS

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

"That, for the purposes of sections 200B and 200E of the Corporations Act 2001 (Cth) and for all other purposes, the giving of benefits to Mr Paul Greenwood in connection with him ceasing to be employed by the Company or a related body corporate, in accordance with and on the terms of Mr Greenwood's employment contract summarised in the Explanatory Memorandum accompanying this Notice of Meeting, is approved."

7. RESOLUTION 6 – APPROVAL OF EMPLOYEE SHARE OWNERSHIP PLAN

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

"That:

- a. *the Employee Share Ownership Plan adopted by the board of directors of the Company, the terms of which are summarised in the Explanatory Memorandum accompanying this Notice of Meeting, is approved for the purposes of the definition of employee share scheme buy-back in section 9 of the Corporations Act, for the purposes of sections 259B(2) and 260C(4) of the Corporations Act and for all other purposes; and*
- b. *the issue of securities under the Employee Share Ownership Plan is approved for the purposes of exception 9 in ASX Listing Rule 7.2 as an exception to ASX Listing Rules 7.1 and 7.1A and for all other purposes."*

BY ORDER OF THE BOARD



Phil Mackey
Company Secretary

3 October 2018

NOTICE OF ANNUAL GENERAL MEETING

continued

IMPORTANT VOTING INFORMATION

VOTING EXCLUSIONS

Voting exclusion for Resolution 3 – Remuneration Report

A vote on Resolution 3 must not be cast (in any capacity) by, or on behalf of, the following persons:

- a. a member of the Key Management Personnel (**KMP**) whose remuneration details are included in the 2018 Remuneration Report; or
- b. a closely related party of such a KMP (including close family members and companies the KMP controls).

However, a person described above may cast a vote on Resolution 3 as a proxy if the vote is not cast on behalf of a person described above and either:

- a. the proxy appointment is in writing that specifies the way the proxy is to vote (e.g. for, against, abstain) on the resolution; or
- b. the vote is cast by the chair of the Meeting and the appointment of the chair as proxy:
 - i. does not specify the way the proxy is to vote on the resolution; and
 - ii. 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.

In accordance with section 250BD of the *Corporations Act 2001* (Cth), a vote must not be cast on Resolution 3 as a proxy by a member of the KMP at the date of the AGM, or a closely related party of those persons, unless it is cast as proxy for a person entitled to vote in accordance with their directions. This restriction on voting undirected proxies does not apply to the Chairman of the Meeting where the proxy appointment expressly authorises the Chairman of the Meeting to exercise undirected proxies even if the resolution is connected, directly or indirectly, with the remuneration of the KMP.

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

Voting exclusion for Resolutions 4 and 5 - Grant of Performance Rights to Mr Paul Greenwood, Managing Director and Chief Executive Officer and Chief Investment Officer and Approval of Mr Paul Greenwood's Leaving Benefits

The Company will disregard any votes cast in favour of these Resolutions by or on behalf of Paul Greenwood and any associate of Paul Greenwood.

However, the Company will not disregard a vote if:

- a. it is cast by a person as proxy for a person who is entitled to vote, in accordance with the directions on the Proxy Form; or
- b. it is cast by the Chairman as proxy for a person who is entitled to vote, in accordance with a direction on the Proxy Form to vote as the proxy decides.

In accordance with section 250BD of the *Corporations Act 2001* (Cth), a vote must not be cast on Resolution 4 or 5 as a proxy by a member of the KMP at the date of the AGM, or a closely related party of those persons, unless it is cast as proxy for a person entitled to vote in accordance with their directions. This restriction on voting undirected proxies does not apply to the Chairman of the Meeting where the proxy appointment expressly authorises the Chairman of the Meeting to exercise undirected proxies even if the resolution is connected, directly or indirectly, with the remuneration of the KMP.

Voting exclusion for Resolution 6 – Approval of Employee Share Ownership Plan

The Company will disregard any votes cast in favour of this Resolution:

- a. by or on behalf of a director of the Company (except for a director who is ineligible to participate in the Employee Share Ownership Plan); or
- b. any associate of such a director.

However, the Company will not disregard a vote if:

- a. it is cast by a person as proxy for a person who is entitled to vote, in accordance with the directions on the Proxy Form; or
- b. it is cast by the Chairman as proxy for a person who is entitled to vote, in accordance with a direction on the Proxy Form to vote as the proxy decides.

ENTITLEMENT TO ATTEND AND VOTE

In accordance with regulation 7.11.37 of the *Corporations Regulations 2001* (Cth), the Board has determined that persons who are registered holders of shares of the Company as at 7:00pm (AEDT) on **Wednesday, 28 November 2018** (being two days before the date of the Meeting) will be entitled to attend and vote at the AGM as a shareholder.

If more than one joint holder of shares is present at the AGM (whether personally, by proxy or by attorney or by representative) and tenders a vote, only the vote of the joint holder whose name appears first on the register will be counted.

Appointment of Proxy

If you are a shareholder entitled to attend and vote, you may appoint an individual or a body corporate as a proxy. If a body corporate is appointed as a proxy, that body corporate must ensure that it appoints a corporate representative in accordance with section 250D of the Act to exercise its powers as proxy at the AGM.

A proxy need not be a shareholder of the Company.

A shareholder may appoint up to two proxies and specify the proportion or number of votes each proxy may exercise. If the shareholder does not specify the proportion or number of votes to be exercised, each proxy may exercise half of the shareholder's votes.

To be effective, the proxy must be received at the Share Registry of the Company no later than 10:00am (AEDT) on Wednesday, 28 November 2018 (48 hours before AGM). Proxies must be received before that time by one of the following methods:

By mail:

Pacific Current Group Limited
C/- Computershare Investor Services Pty Ltd
GPO BOX 242
Melbourne Victoria 3001
Australia

By facsimile:

1800 783 447 (within Australia)
+61 3 9473 2555 (from outside Australia)

By delivery in person:

Computershare Investor Service
452 Johnston Street
Abbotsford Victoria 3067

Online:

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

Lodge your vote online:
www.investorvote.com.au

Power of Attorney

A proxy form and the original power of attorney (if any) under which the proxy form is signed (or a certified copy of that power of attorney or other authority) must be received by the Company no later than 10:00am AEDT on **Wednesday, 28 November 2018**, being 48 hours before the AGM.

Corporate Representatives

A body corporate which is a shareholder, or which has been appointed as a proxy, is entitled to appoint any person to act as its representative at the AGM. The appointment of the representative must comply with the requirements under section 250D of the Act. The representative should bring to the AGM a properly executed letter or other document confirming its authority to act as the company's representative.

A "Certificate of Appointment of Corporate Representative" form may be obtained from the Company's share registry or online at www.investorcentre.com under the help tab, "Printable Forms".

IMPORTANT: If you appoint the Chairman of the Meeting as your proxy, or the Chairman becomes your proxy by default, and you do not direct your proxy how to vote on Resolutions 3, 4 and 5 (if applicable), then by submitting the proxy form you will be expressly authorising the Chairman to exercise your proxy on the relevant resolution, even though some of the resolutions are connected, directly or indirectly, with the remuneration of the KMP.

ENCLOSURES

Enclosed are the following documents:

- proxy form to be completed if you would like to be represented at the AGM by proxy. Shareholders are encouraged to use the online proxy lodgement facility that can be accessed on Pacific Current Group's share registry's website at www.investorvote.com to ensure the timely and cost effective receipt of your proxy; and
- a reply paid envelope for you to return the proxy form.

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EXPLANATORY MEMORANDUM

1. INTRODUCTION

This Explanatory Memorandum has been prepared for the information of shareholders of the Company (**Shareholders**) in relation to the business to be conducted at the Company's AGM to be held at Piper Alderman, Level 23, 459 Collins Street, Melbourne VIC 3000 on Friday, 30 November 2018, commencing at 10:00am (AEDT).

This Explanatory Memorandum forms part of the Notice which should be read in its entirety. This Explanatory Memorandum contains the terms and conditions on which the Resolutions will be voted.

A Proxy Form is located at the end of this Explanatory Memorandum.

2. ACTION TO BE TAKEN BY SHAREHOLDERS

Shareholders should read the Notice including this Explanatory Memorandum carefully before deciding how to vote on the Resolutions.

3. ANNUAL REPORT

In accordance with section 317(1) of the Act, the 2018 Annual Report must be laid before the AGM. There is no requirement for Shareholders to approve the 2018 Annual Report.

At the Meeting, Shareholders will be offered the opportunity to:

- a. discuss the 2018 Annual Report which is available on the Company's website at www.paccurrent.com;
- b. ask questions about, or comment on, the management of the Company; and
- c. ask the auditor questions about the conduct of the audit and the preparation and content of the Auditor's Report.

In addition to taking questions at the Meeting, the Chairman will seek to respond to any written questions to the Chairman about the management of the Company, or to the Company's auditor about:

- a. the preparation and the content of the Auditor's Report;
- b. the conduct of the audit;
- c. accounting policies of the Company in relation to the preparation of the financial statements; and
- d. the independence of the auditor in relation to the conduct of the audit, may be submitted no later than five business days before the Meeting to the Company Secretary at the Company's registered office.

4. RE-ELECTION OF DIRECTORS – PETER KENNEDY AND ANTONY ROBINSON

In accordance with rule 7.1(f) of the Company's Constitution, Mr Peter Kennedy and Mr Antony Robinson will retire at the AGM and offer themselves for re-election. Mr Kennedy was last re-elected in 2014 and Mr Robinson was previously elected in 2015.

The Board has in place policies & procedures designed to:

- identify and update criteria for current and potential Directors to reflect the changing environment in which the Company operates and the strategies being developed for the future growth of the Company; and
- monitor the skills and experience of existing Directors to ensure that the Board is capable of operating as an excellent team in undertaking the role and responsibilities of the Board.

The Board undertakes an annual review of its performance, policies and practices. This review includes an assessment of the performance of each Director individually and the results are considered by the Board in determining its endorsement of the Directors to stand for re-election at the AGM.

The Chairman intends to vote available proxies FOR the re-election of Mr Peter Kennedy and Mr Antony Robinson.

The Board considers that Mr Peter Kennedy and Mr Antony Robinson qualify as independent Directors.

Details of Peter Kennedy and Antony Robinson are as follows:

5. RESOLUTION 1 – RE-ELECTION OF DIRECTOR, PETER KENNEDY

Mr Kennedy joined the Board on 4 June 2003. He is the founding partner of the commercial law firm, Madgwicks Lawyers, and has more than 40 years' experience in commercial law advising a broad range of clients across a variety of sectors. Mr Kennedy is a member of the firm's Dispute Resolution practice and plays an integral role in the governance and management of the firm, having been Madgwicks' Managing Partner for over 15 years.

Mr Kennedy also sits on the boards of a number of companies in the manufacturing, property and retail industries. His formal qualifications include B.Ec, LL.B., LL.M (Tax), Monash University.

Mr Kennedy is the Chairman of the Remuneration & Nomination Committee and is a member of the Audit and Risk Committee.

The Board considers Mr Kennedy to be an independent Director.

Directors' Recommendation

The Directors, with Peter Kennedy abstaining, unanimously recommend Shareholders vote in favour of Resolution 1.

6. RESOLUTION 2 – RE-ELECTION OF DIRECTOR, ANTONY ROBINSON

Mr Robinson joined the Board on 28 August 2015, in the capacity of Non-executive Director and became an Executive Director on 20 April 2016. On 1 October 2018, Mr Robinson was elected as Chairman taking over from Mr Mike Fitzpatrick, who stepped down as Chairman with effect from that date. He has significant expertise and experience across a number of industries including banking, financial services, telecommunications, and transport. He is an experienced company Director and CEO.

Mr Robinson is also a Director of Bendigo and Adelaide Bank Limited, PSC Insurance Group Limited and Longtable Group Ltd (formerly Primary Opinion Ltd). Mr Robinson was a former Director of Tasfoods Limited.

Mr Robinson's previous executive roles include Managing Director of IOOF Ltd and OAMPS Limited.

Directors' Recommendation

The Directors, with Antony Robinson abstaining, unanimously recommend Shareholders vote in favour of Resolution 2.

7. RESOLUTION 3 – REMUNERATION REPORT

Section 250R(2) of the Act requires that the section of the Directors' Report dealing with the remuneration of directors and KMP of the Company (**Remuneration Report**) be put to the vote of shareholders for adoption by way of a non-binding vote.

Broadly, the Remuneration Report details the remuneration policy for the Company and:

- explains the structure of and rationale behind the Company's remuneration practices and the link between the remuneration of executives and the Company's performance;
- sets out remuneration details for each Director and for each executive with authority and responsibility for directing the affairs of the Company; and
- discusses the relationship between the policy and Company performance.

Shareholders can view the full Remuneration Report in the 2018 Annual Report which is available on Pacific Current Group's website at www.paccurrent.com.

Following consideration of the Remuneration Report, the Chairman of the Meeting will give shareholders a reasonable opportunity to ask questions about, or make comments on, the Remuneration Report. A resolution that the Remuneration Report be adopted will then be put to the vote. The vote on this resolution is advisory only and does not bind the Directors of the Company. However the Board will take the outcome of the vote into account in setting remuneration policy for future years.

The Chairman intends to vote available proxies FOR the adoption of the Remuneration Report.

8. RESOLUTION 4 – GRANT OF PERFORMANCE RIGHTS TO THE MANAGING DIRECTOR AND CHIEF EXECUTIVE OFFICER AND CHIEF INVESTMENT OFFICER

Shareholders are asked to vote on whether Mr Greenwood, the Company's Managing Director and Chief Executive Officer and Chief Investment Officer (**Managing Director & CEO**), should receive performance based share entitlements as part of his revised remuneration with effect on and from 1 July 2018. (**Managing Director & CEO Rights Plan**).

The terms of the Managing Director & CEO Rights Plan are summarised below under the heading Proposed Grant of Performance Rights. This Plan is separate to the new Employee Share Ownership Plan being considered in Resolution 6.

The Board believes that the Managing Director & CEO's remuneration should be aligned to the long-term interests of shareholders. Accordingly, the Board believes that part of his remuneration should be in the form of equity that vests if certain conditions or hurdles are achieved. The Board also believes that as Mr Greenwood continues to be employed as the Company's Chief Investment Officer as well as taking on the positions of Managing Director and Chief Executive Officer, his total remuneration package should reflect the additional duties and responsibilities he has in performing all of those roles.

In the circumstances, as part of Mr Greenwood's revised terms of employment when he took on these additional roles effective 1 July 2018, the Company agreed to grant to him performance based share entitlements on the terms summarised below, subject to shareholder approval.

Why is Shareholder approval being sought?

Shareholder approval is being sought to satisfy ASX Listing Rule 10.14 which requires shareholder approval if a director acquires securities under an employee incentive scheme. Accordingly, before any share entitlements may be granted to the Managing Director & CEO, the grant must first be approved by shareholders.

Further details of Mr Greenwood's remuneration package are set out in the Remuneration Report contained in the Company's 2018 Annual Report, and available on Pacific Current Group's website.

Proposed grant of Performance Rights

Mr. Greenwood's long-term incentive is provided through the grant of Pacific Current Group share entitlements conditional on certain performance criteria being met (**performance rights**) that are designed to give Mr. Greenwood an outcome that is similar to the benefit that options would provide. It is comprised of two tranches, the first with a performance assessment period of three years and the second with a performance assessment period of four years.

Each tranche is subdivided into three lots with different performance conditions, one lot requiring continuing employment and a share price hurdle to be met and the other two also requiring different total shareholder return hurdles to be met.

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Set out below is a more detailed summary of the performance rights:

1st tranche - 1 July 2018 to 30 June 2021

- a. If the 30 trading day volume weighted average price (**VWAP**) of an ordinary share (**Share**) in the Company ending on the last trading day of 30 June 2021 (**2021 VWAP**) exceeds A\$6.75, Mr Greenwood will be entitled to acquire for no cash consideration a number of Shares equal to:

$$\frac{375,000 \times (2021 \text{ VWAP} - A\$6.75)}{2021 \text{ VWAP}}$$

PLUS

- b. If the above price hurdle is exceeded and the 2021 VWAP plus the aggregate dividends paid on a Share during the period 1 July 2018 to 30 June 2021 (**2021 TSR**) is more than A\$6.75 increased at the rate of 8.5% per annum compounding annually (i.e. more than A\$8.62), Mr Greenwood will be entitled to acquire for no cash consideration an additional number of Shares equal to:

$$\frac{437,500 \times (2021 \text{ VWAP} - A\$6.75)}{2021 \text{ VWAP}}$$

PLUS

- c. If the above price hurdle is exceeded and the 2021 VWAP plus the 2021 TSR is more than A\$6.75 increased at the rate of 11% per annum compounding annually (i.e. more than A\$9.23), Mr Greenwood will be entitled to acquire for no cash consideration an additional number of Shares equal to:

$$\frac{437,500 \times (2021 \text{ VWAP} - A\$6.75)}{2021 \text{ VWAP}}$$

2nd tranche - 1 July 2018 to 30 June 2022

- a. If the VWAP of a Share ending on the last trading day of 30 June 2022 (**2022 VWAP**) exceeds A\$6.75, Mr Greenwood will be entitled to acquire for no cash consideration a number of Shares equal to:

$$\frac{375,000 \times (2022 \text{ VWAP} - A\$6.75)}{2022 \text{ VWAP}}$$

PLUS

- b. If the above price hurdle is exceeded and the 2022 VWAP plus the aggregate dividends paid on a Share during the period 1 July 2018 to 30 June 2022 (**2022 TSR**) is more than A\$6.75 increased at the rate of 8.5% per annum compounding annually (i.e. more than A\$9.35), Mr Greenwood will be entitled to acquire for no cash consideration an additional number of Shares equal to:

$$\frac{437,500 \times (2022 \text{ VWAP} - A\$6.75)}{2022 \text{ VWAP}}$$

PLUS

- c. If the above price hurdle is exceeded and the 2022 VWAP plus the 2022 TSR is more than A\$6.75 increased at the rate of 11% per annum compounding annually (i.e. more than A\$10.25), Mr Greenwood will be entitled to acquire for no cash consideration an additional number of Shares equal to:

$$\frac{437,500 \times (2022 \text{ VWAP} - A\$6.75)}{2022 \text{ VWAP}}$$

The maximum number of Shares that may be acquired by Mr Greenwood through the exercise of these performance rights will be influenced by a number of factors. While it is impossible to say exactly how many Shares Mr Greenwood will be able to acquire, the total number through the exercise of both tranches of performance rights will be no more than 2,500,000 Shares. Accordingly, the total number of performance rights that Mr Greenwood may acquire if resolution 4 is passed will also be no more than 2,500,000 on the basis that 1 performance right represents an entitlement to 1 Share.

As noted above, the performance rights are contractual entitlements arising under Mr Greenwood's revised employment agreement that are specific to him. Accordingly, Mr Greenwood is the only person who may acquire securities under this employee incentive scheme, and no other officer or employee of the Pacific Current Group or other person has previously acquired any securities under this scheme or otherwise on the same terms.

Also as noted above, the performance rights are subject to shareholder approval. Accordingly, if shareholders give their approval by passing resolution 4, the performance rights will be granted immediately after resolution 4 is passed.

If Mr Greenwood becomes unconditionally entitled to acquire any Shares under the performance rights, the Shares must be issued or transferred to him at the end of 4 months from the date the entitlement arises (i.e. on 31 October 2021 for the 1st tranche entitlement, and on 31 October 2022 for the 2nd tranche entitlement), unless the Company elects to pay him a cash equivalent amount instead (see below).

Continuing employment

Mr Greenwood's entitlement to acquire any Shares is conditional on his full-time employment not having terminated at or before the time the Shares are required to be issued or transferred to Mr Greenwood, although where employment terminates due to his death or total and permanent disablement or his role becoming redundant due to operational reasons or Mr Greenwood being given notice of termination without cause, and some or all of the performance hurdles set out in the above formulae have in substance been achieved, Mr Greenwood will become entitled to some or all of the Shares that he would be entitled to if the date of termination of his employment were substituted in place of 30 June 2021 and 30 June 2022 in the formulae. More precisely:

- a. if termination occurs before 30 June 2021, Mr Greenwood will become entitled to acquire a number of Shares equal to the number of Shares Mr Greenwood would have been entitled to acquire under the 1st tranche entitlement if the date of termination of Mr Greenwood's employment were substituted in place of 30 June 2021 in the formula for determining Mr Greenwood's entitlement to shares under the 1st tranche;
- b. if termination occurs on or after 30 June 2021, Mr Greenwood will still be entitled to acquire any Shares under the 1st tranche entitlement as if Mr Greenwood's employment had not been terminated or notice of termination had not been given;

- c. if termination occurs before 30 June 2022, Mr Greenwood will become entitled to acquire a number of Shares equal to the number of Shares Mr Greenwood would have been entitled to acquire under the 2nd tranche entitlement if the date of termination of Mr Greenwood's employment were substituted in place of 30 June 2022 in the formula for determining Mr Greenwood's entitlement to shares under the 2nd tranche provided that where termination occurs before 30 June 2021, Mr Greenwood will only be entitled to 50% of these Shares;
- d. if termination occurs on or after 30 June 2022, Mr Greenwood will still be entitled to acquire any Shares under the 2nd tranche entitlement as if Mr Greenwood's employment had not been terminated or notice of termination had not been given.

Adjustment

Where the share capital of the Company is reorganised or there is a bonus issue of Shares to Pacific Current Group shareholders, the terms of the long-term incentive (e.g. the share price hurdle and underlying share numbers in the above formulae) will be adjusted in a way that is comparable to the way options are required to be adjusted under the ASX Listing Rules.

Cash alternative

The Company may elect to pay to Mr Greenwood a cash equivalent amount instead of issuing or arranging to transfer all or any of the Shares to him. This amount for Shares that would otherwise be acquired by Mr Greenwood under the 1st tranche entitlement will be equal to the number of those Shares multiplied by the 2021 VWAP, and for Shares that would otherwise be acquired by Mr Greenwood under the 2nd tranche entitlement Shares will be equal to the number of those Shares multiplied by the 2022 VWAP.

Directors' Recommendation

The Directors, with Mr Greenwood abstaining, unanimously recommend Shareholders entitled to vote, vote in favour of Resolution 4.

9. RESOLUTION 5 – APPROVAL OF MR PAUL GREENWOOD'S LEAVING BENEFITS

Shareholders are asked to vote on whether Mr Greenwood should be entitled to receive a number of leaving benefits, should his employment end in certain circumstances.

Why is Shareholder approval being sought?

Section 200B of the Corporations Act prohibits a company from providing a benefit to an employee in a managerial or executive office in connection with his or her retirement from, or other cessation of, office without shareholder approval under section 200E (subject to some limited exceptions). Accordingly, shareholder approval is being sought to allow the early vesting of Mr Greenwood's performance rights and a number of other benefits as set out in his employment agreement, should his employment end in certain circumstances

What leaving benefits is Mr Greenwood entitled to that require shareholder approval?

Cash payment

If Mr Greenwood's employment is terminated without cause, or by Mr Greenwood for good reason, he will be entitled to a severance payment equal to 12 months of his then current base salary (currently US\$725,000 per annum).

Health plans

If Mr Greenwood's employment is terminated without cause, or by Mr Greenwood for good reason, he will be entitled to 12 months' continuation coverage under the Company's group health plans under which Mr Greenwood and his dependants participated immediately prior to his date of termination.

At present, Mr Greenwood and his dependants participate in the Company's group health plans whereby the Company (or a related body corporate) pays for coverage for health-related services for Mr Greenwood and his dependants at a current net annual cost of approximately US\$20,600.

Early vesting of performance rights

As noted above, where Mr Greenwood's employment terminates due to his death or total and permanent disablement or his role becoming redundant due to operational reasons or Mr Greenwood is given notice of termination without cause, and some or all of the performance hurdles set out in the formulae described in section 8 of this Explanatory Memorandum have in substance been achieved, Mr Greenwood will become entitled to some or all of the Shares that he would be entitled to if his employment continued, as described under the 'Continuing employment' heading in section 8.

Also as noted above, where Mr Greenwood becomes entitled to acquire any Shares under the performance rights, the Company may elect to pay to Mr Greenwood a cash equivalent amount instead of issuing or arranging to transfer all or any of the Shares to him. In that case, the cash amount will be calculated as described under the 'Cash alternative' heading in section 8.

While it is currently impossible to specify the value of the benefit to Mr Greenwood due to the early vesting of performance rights where his employment terminates in certain circumstances, that value will be the intrinsic value of the Shares underlying the vested performance rights at the time they are acquired by Mr Greenwood or the cash equivalent amount that the Company may elect to pay to him instead.

Directors' Recommendation

The Directors, with Mr Greenwood abstaining, unanimously recommend Shareholders entitled to vote, vote in favour of Resolution 5.

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10. RESOLUTION 6 – APPROVAL OF EMPLOYEE SHARE OWNERSHIP PLAN

Shareholders are asked to vote on whether to approve the Company's new Employee Share Ownership Plan and the issue of securities under the plan.

The Board believes that the interests of the Company's personnel should be aligned to the long-term interests of shareholders and that the Company should have maximum flexibility to them the opportunity to obtain equity interests in the Company.

No securities have been issued under the Employee Share Ownership Plan as at the date of this Notice of Meeting.

Why is Shareholder approval being sought?

Division 2 of Part 2J.1 of the Corporations Act allows a company to buy back its own shares under an 'employee share scheme buy-back', provided the procedure in that division is followed. An 'employee share scheme buy-back' is defined in section 9 of the Corporations Act to mean a buy-back under a scheme that:

- a. has as its purpose the acquisition of shares in a company by, or on behalf of:
 - i. employees of the company, or of a related body corporate; or
 - ii. directors of the company, or a related body corporate, who hold a salaried employment or office in the company or in a related body corporate; and
- b. has been approved by the company in general meeting.

Accordingly, the Company seeks the approval of the Employee Share Ownership Plan by the shareholders of the Company as a scheme for the purposes of the definition of 'employee share scheme buy-back' in section 9 of the Corporations Act.

Section 259B(1) of the Corporations Act prohibits a company from taking security over shares in itself, subject to a number of exceptions. One of those exceptions is where the security is taken under an employee share scheme that has been approved by shareholders: section 259B(2). Accordingly, if Pacific Current Group shareholders approve the Employee Share Ownership Plan, the Company will be able to reward participants under the plan with shares and/or share entitlements subject to restrictions, including the Company taking a mortgage, charge or other security interest in the shares to secure performance of the participant's obligations under the plan.

Section 260A(1) of the Corporations Act states that a company may only financially assist a person to acquire shares in the company in certain circumstances. One of those circumstances is where assistance is provided under an employee share scheme that has been approved by shareholders: section 260C(4). Accordingly, if Pacific Current Group shareholders approve the Employee Share Ownership Plan, the Company will be able to offer plan participants a loan, or other financial assistance, to enable them to acquire shares in the Company under the plan.

ASX Listing Rule 7.1 provides that an entity may not issue more than 15% of its issued capital in 12 months, without seeking shareholder approval, unless an exception in ASX Listing Rule 7.2 applies. Shareholder approval is being sought to satisfy exception 9 in ASX Listing Rule 7.2. This exception applies to an issue of securities under an employee incentive scheme where not more than 3 years beforehand shareholders approved the issue of securities under the scheme. Accordingly, if Pacific Current Group shareholders approve the issue of securities under the Employee Share Ownership Plan, the Company will be able to issue securities under the plan over the following 3 years without using up the Company's 15%/12 month capacity under ASX Listing Rule 7.1.

Summary of terms of Employee Share Ownership Plan

The Employee Share Ownership Plan was established by the Company to facilitate the acquisition of shares in the Company by personnel employed or otherwise engaged by, or holding position or office in the Company.

The objectives of the Plan are:

- a. to motivate and retain Company personnel;
- b. to attract quality personnel to the Company;
- c. to create a commonality of purpose between the Company's personnel and the Company; and
- d. to add wealth for all shareholders of the Company through the motivation of the Company's personnel.

Under the terms of the Employee Share Ownership Plan:

- a. employees and director of the Company and its subsidiaries (and a person who has been made an offer to become such an employee or director) are eligible to participate;
- b. eligible participants may acquire ordinary shares in the Company, options over ordinary shares and rights to, or interests in, such shares (including directly or by a nominee, or as a beneficiary of a trust established by the Company for participants); and
- c. the directors have broad discretion as to the terms on which eligible participants may acquire securities under the Employee Share Ownership Plan, including as to the number and type of securities that may be offered, the price payable for the securities (which may be nil) and how payment for securities may be made (e.g. by loans from the Company, whether interest-free or limited recourse or otherwise, or by salary sacrifice or sacrifice of cash bonuses).

The directors may also impose a requirement that securities acquired under the Employee Share Ownership Plan may be bought back by the Company or cancelled on such terms as the directors may determine, and may impose restrictions on dealing in securities acquired under the Employee Share Ownership Plan (e.g. prohibiting them being sold or transferred for a period of time), and may amend the terms of the Employee Share Ownership Plan (subject to the Corporations Act and ASX Listing Rules), or suspend or terminate it at any time.

Terms of options

The directors of the Company may also determine the terms of options which may be acquired under the Employee Share Plan such as the exercise price, any restrictions as to exercise (e.g. vesting conditions), any restrictions as to the disposal or encumbrance of any options or underlying shares once acquired, and the expiry date of options. Other terms of options are as follows:

- a. An option holder will be entitled to have the number of options, the exercise of the options and/or the number of shares underlying the options varied in the event of a bonus issue, rights offer or reconstruction of the share capital of the Company, in accordance with the ASX Listing Rules.
- b. The Company is not required to issue any shares following an exercise of options unless the Company can be satisfied that as offer of those shares for sale within 12 months after their issue will not need disclosure to investors under part 6D.2 of the Corporations Act.
- c. Subject to the Corporations Act and the ASX Listing Rules, no options may be disposed of (e.g. by sale or transfer) until any vesting conditions have been satisfied, and no options may be transferred except in circumstances (if any) permitted by the Company.

A copy of the Employee Share Ownership Plan, as adopted by the board, is available on Pacific Current Group's website.

Directors' recommendation

The Directors unanimously recommend Shareholders entitled to vote, vote in favour of Resolution 6.

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Sydney NSW 2000

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+61 2 8243 0400

Facsimile:
+61 2 8243 0410

Email:
info@paccurrent.com

Pacific Current Group Share Registry

Computershare Investor Services Pty Ltd
GPO Box 242
Melbourne Victoria 3001

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

Facsimile:
1800 783 447 (within Australia)
+61 3 9473 2555 (outside Australia)

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

Lodge your vote online:
www.investorvote.com.au

An aerial photograph of a coastal landscape. The top half of the image shows a wide, light-colored body of water, likely a bay or estuary. Below the water, a river winds through a patchwork of agricultural fields and some forested areas. The fields are rectangular and vary in shades of gray, indicating different crops or land uses. The overall scene is a mix of natural and human-made elements.

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PACIFIC CURRENT GROUP

Pacific Current Group Limited
ABN 39 006 708 792

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

Proxy Form

XX



Vote and view the annual report online

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

Your access information that you will need to vote:

Control Number: 999999

SRN/HIN: I9999999999 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 10:00am on Wednesday, 28 November 2018**

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 on the form. If you do not mark a box your proxy may vote or abstain as they choose (to the extent permitted by law). If you mark more than one box on an item your vote will be invalid for that item.

Voting a portion of your holding: Direct 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 help tab, "Printable Forms".

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

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

MR SAM SAMPLE
 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.



I 9999999999

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 Pacific Current 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 Pacific Current Group Limited to be held at Piper Alderman, Level 23, 459 Collins Street, Melbourne VIC 3000 at 10:00am (AEDT) on Friday, 30 November 2018 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) we expressly authorise the Chairman to exercise my/our proxy on Resolutions 3, 4, 5 & 6 (except where I/we have indicated a different voting intention below) even though Resolutions 3, 4, 5 & 6 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 Resolutions 3, 4, 5 & 6 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. Your votes will not be counted in computing the required majority.

		For	Against	Abstain
Resolution 1	Re-election of Peter Kennedy as a Director	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Resolution 2	Re-election of Antony Robinson as a Director	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Resolution 3	Adoption of Remuneration Report	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Resolution 4	Grant of Performance Rights to Mr Paul Greenwood, Managing Director and Chief Executive Officer and Chief Investment Officer	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Resolution 5	Approval of Mr Paul Greenwood's leading benefits	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Resolution 6	Approval of Employee Share Ownership Plan	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

The Chairman of the Meeting intends to vote undirected proxies in favour of each item of business. In exceptional circumstances, the Chairman of the Meeting may change his/her voting intention on any resolution, in which case an ASX announcement will be made.

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 / /