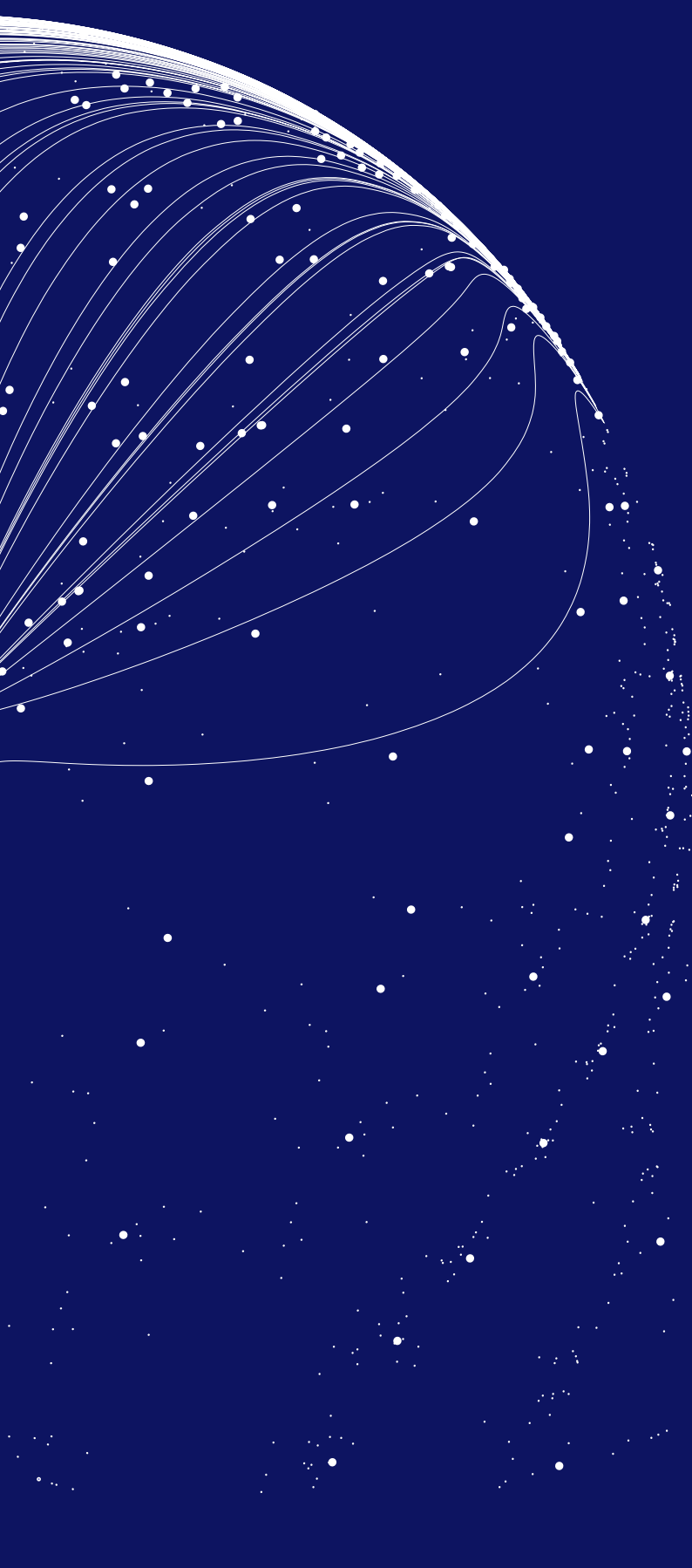




PENDAL

Notice of Annual General Meeting 2018

Date: Friday, 14 December 2018

Time: 10.00 am (Sydney time)

Venue: Sofitel Sydney Wentworth
61-101 Phillip Street
Sydney NSW 2000

Notice of Annual General Meeting

The Annual General Meeting (**AGM**) of Pental Group Limited (**Pental Group or the Company**) will be held at the Sofitel Sydney Wentworth, 61-101 Phillip Street, Sydney on Friday, 14 December 2018, commencing at 10.00 am (Sydney time), with registration from 9.30 am (Sydney time).

Business

1. Financial Reports

To receive and consider the annual Financial Report, Directors' Report and Auditor's Report of the Company for the year ended 30 September 2018.

2. Election and Re-election of Directors

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

- (a) "That, Andrew Fay, being a Non-executive Director of the Company, who retires by rotation at the close of the AGM in accordance with Rule 48 of the Constitution and being eligible for re-election, is re-elected as a Director of the Company."
- (b) "That, Sally Collier, being a Non-executive Director appointed as an additional Director under Rule 46(d) of the Constitution, who retires in accordance with Rule 46(d) and being eligible for election, is elected as a Director of the Company."
- (c) "That, Christopher Jones, being a Non-executive Director appointed as an additional Director under Rule 46(d) of the Constitution, who retires in accordance with Rule 46(d) and being eligible for election, is elected as a Director of the Company."

3. Adoption of the Remuneration Report

To adopt the Company's Remuneration Report for the year ended 30 September 2018.

Note: *This resolution is advisory only and does not bind the Company or the Directors.*

4. Approval of 2018 LTI Grant of Performance Share Rights to Mr Emilio Gonzalez, Managing Director and Group CEO

To consider and, if thought fit, to pass, with or without amendment, the following resolution as an **ordinary resolution**:

"That the Company approves the grant of Performance Share Rights (and acquisition of ordinary shares on exercise of the vested Performance Share Rights to Mr Emilio Gonzalez under the terms of the Performance Reward Scheme) on the terms described in the Explanatory Notes to this Notice of Meeting."

Further information in relation to each resolution to be considered at the AGM is set out in the enclosed Explanatory Notes. The Explanatory Notes form part of this Notice of Meeting.

By order of the Board



Joanne Hawkins

Company Secretary

14 November 2018

Information for Shareholders

Documents

The following documents relating to the AGM are enclosed in this mailing:

- the Notice of Meeting;
- a personalised proxy form and return envelope;
- a copy of the Annual Report, if you have elected to receive a hard copy by mail; and
- a Shareholder Question Form.

The above documents are also available online at www.pentalgroup.com/shareholders/ or by contacting our share registry, Link Market Services by one of the following methods:

Online at: www.linkmarketservices.com.au
By e-mail at: PDL@linkmarketservices.com.au
By post: Link Market Services Limited,
Locked Bag A14, Sydney South, NSW, 1235
By telephone: In Australia: 1300 792 077
From outside Australia: + 61 1300 792 077
By facsimile: + 61 2 9287 0309

Receiving documents electronically

If you received the Notice of Meeting by mail and would prefer to receive future notices and correspondence from Pental Group electronically, please contact Link Market Services to change how you receive documents from Pental Group.

Live AGM webcast

A live webcast of the AGM will be broadcast online at www.pentalgroup.com/shareholders/. The webcast will also be recorded and made available to view after the AGM on the Pental Group website.

Presentation to shareholders

At the conclusion of the AGM, Crispin Murray, Head of Equities and Vimal Gor, Head of Income and Fixed Interest, will each give a short presentation to shareholders, providing some insights into markets and portfolios.

How to get to the AGM

The Sofitel Sydney Wentworth is located at 61-101 Phillip Street, Sydney and can be accessed via Phillip Street.

Other Information

Entitlement to attend and vote

You will be eligible to attend and vote at the AGM if you are registered as a holder of Pental Group shares at 7.00 pm on Wednesday, 12 December 2018 (Sydney time).

Attending the AGM in person

Eligible shareholders may attend the AGM and vote in person. If you attend the AGM in person, you do not need to submit a proxy form.

You may still attend the AGM and vote in person, even if you have appointed a proxy. If you have previously submitted a proxy form, your proxy will be cancelled if you vote on the resolution in person.

If you will be attending the AGM, please bring your personalised proxy form with you. The barcode at the top of the form will assist you in registering for the AGM. If you do not bring your proxy form with you to the AGM you will still be asked to verify your identity.

Appointing a Proxy

You can appoint a proxy to attend and vote on your behalf rather than attend the AGM in person. A personalised proxy form is included with this Notice of Meeting. Please note the following information in relation to the appointment of proxies:

- A proxy does not have to be a Pental Group shareholder and may be an individual or a body corporate.
- You may appoint up to two proxies. If you appoint two proxies you should complete two separate proxy forms and specify the percentage or number of votes each proxy is appointed to exercise. If you do not specify a proportion or number, each proxy may exercise half of the votes. You must return both proxy forms together.
- To appoint the Chairman as your proxy, mark the box in the section marked "Step 1" on the proxy form. You can direct your proxy how to vote on Items 2 to 4 by marking "For", "Against" or "Abstain", in the section marked "Step 2".
- You may appoint another person as your proxy by completing their name on the space provided in the section marked "Step 1" on the proxy form. If your proxy is not the Chairman, you are also appointing the Chairman as your alternate proxy in the event that your named proxy does not attend the AGM.
- If you sign the enclosed proxy form and do not mark the box in the section marked "Step 1", the Chairman will be appointed as your proxy. The Chairman intends to vote undirected proxies in favour of each resolution.
- If you appoint a proxy, you may still attend the AGM. However, your proxy will be revoked if you also vote on the resolution.
- If your proxy is appointed under a written authority, such as a power of attorney, the original or a certified copy of the authority must be submitted with the proxy form, unless it has previously been submitted to our share registry, Link Market Services.

Undirected Proxies and Chairman's voting instructions

If you appoint the Chairman as your proxy and have not directed him how to vote, you are authorising the Chairman to cast your undirected proxy in favour of all proposed resolutions, which are set out in this Notice of Meeting. The Chairman intends to vote all such undirected proxies in favour of all resolutions.

Proxies in favour of KMPs and Directors

If you appoint a Director or one of the Company's other KMPs or their Closely Related Party (other than the Chairman) as your proxy, they will not be able to vote your proxy on Items 3 and 4 unless you have directed them how to vote.

If you intend to appoint a KMP (including the Chairman) or a Closely Related Party of a KMP as your proxy, you are encouraged to direct them how to vote on Items 3 and 4 by marking either "For", "Against" or "Abstain" for that item of business on the proxy form, in the section marked "Step 2".

Details of the voting exclusions for Items 3 and 4 are included in the Explanatory Notes.

Voting to be conducted by Poll

The voting on all resolutions at the AGM will be conducted by poll. Details of how the polls will be conducted will be explained at the AGM.

Lodging your proxy

Your completed proxy form must be received by Link Market Services no later than 10.00 am (Sydney time) on Wednesday, 12 December 2018, i.e. 48 hours before the commencement of the AGM. Proxy forms can be lodged:

- **Online at:** www.linkmarketservices.com.au by following the instructions. You will need to input your Security Holder Reference number (SRN) or Holder Identification number (HIN) as well as your postcode or country registered on your holding
- **Posting it to:** Link Market Services Limited, Locked Bag A14, Sydney South, NSW, 1235, Australia
- **Faxing it to:** + 61 2 9287 0309
- **Hand delivery to:** Link Market Services Limited, Level 12, 680 George Street, Sydney, NSW, 2000 or 1A Homebush Bay Drive, Rhodes, NSW 2138 before 10.00 am on Wednesday, 12 December 2018.

Corporate shareholders

Corporate shareholders may appoint a representative to attend the AGM on their behalf. The representative must bring evidence of his or her appointment unless it has previously been provided to Link Market Services.

Shareholders can download and fill out the *Appointment of Corporate Representative* form from the Link Market Services' website: www.linkmarketservices.com.au/corporate/resources/forms.html

Questions from shareholders

You may ask questions at the AGM about any of the resolutions being considered at the AGM or general questions about Pental Group's management or performance. You may also ask questions of the Company's auditor about the content of the Auditor's Report or the conduct of the audit.

In addition, you may submit written questions prior to the AGM. Questions can be submitted using the enclosed Shareholder Question Form, or online at our share registry's web-site: www.linkmarketservices.com.au

Please see the Shareholder Question Form for information on how to submit your question.

Explanatory Notes on the Business of the AGM

Item 1 – Financial Reports

The Corporations Act requires that Pental Group's annual Financial Report, Directors' Report and Auditor's Report for the year ended 30 September 2018, be laid before the AGM.

The Financial Report, Directors' Report and the Auditor's Report are available in the Annual Report, a copy of which is available on Pental Group's website at www.pentalgroup.com.

There is no requirement under the Corporations Act or the Constitution for shareholders to approve or adopt these reports. Shareholders will have an opportunity to comment and ask questions about the above reports at the AGM.

Item 2 – Election and Re-election of Directors

(a) Andrew Fay

Andrew Fay is retiring at the AGM by rotation and, in accordance with the Constitution, offers himself for re-election as a Director.

In accordance with Rule 48(b) of the Constitution, Andrew Fay holds office until the conclusion of the AGM and offers himself for re-election as a Director.

Andrew Fay was appointed as an Independent Non-executive Director of the Company on 1 October 2011. He is the Chairman of the Remuneration and Nominations Committee.

Andrew, who is based in Australia, has over 30 years' experience in the financial services sector and was Chief Executive Officer at Deutsche Asset Management (Australia) Limited from 2005 to 2008 and Chief Investment Officer from 2000 to 2008. Prior to that, he held a number of other senior investment roles at Deutsche Asset Management and previously at AMP Capital. From 1998 to 2006, he was a member of the Investment Board Committee of the Financial Services Council.

Andrew is currently a Non-executive Director of J O Hambro Capital Management Holdings Limited, Cromwell Property Group, Spark Infrastructure RE Limited, South Australia Power Networks Pty Limited and National Cardiac Pty Limited.

Andrew has previously served as the Chairman of Deutsche Asset Management (Australia) Limited, Deutsche Managed Investments Limited, Tasman Lifestyle Continuum Limited and as a Non-executive Director of Gateway Lifestyle Operations Limited.

Board Recommendation

The Board (excluding Andrew Fay who did not participate because of his interest) unanimously recommends that shareholders vote in favour of the re-election of Andrew Fay as a Director.

(b) Sally Collier

In accordance with Rule 46(d) of the Constitution, Sally Collier was appointed by the Directors as an additional Independent Non-executive Director of the Company on 2 July 2018. She is a member of the Remuneration and Nominations Committee and Audit and Risk Committee.

Any Director appointed under Rule 46(d) of the Constitution may hold office only until the next annual general meeting of the Company and is then eligible for election at that meeting.

Sally, who is based in Australia, has over 30 years' experience in the financial services industry and has held senior executive positions in financial services businesses in the UK and Hong Kong.

Sally was previously a partner at international private equity and infrastructure investment firm, Pantheon where she held leadership roles in business development, marketing and communications and product development. This followed 12 years in investment banking, mostly at HSBC Investment Bank in the UK, where she held a broad range of roles in corporate finance before joining the Management Committee as an Executive Director.

Sally is currently a Non-executive Director of J O Hambro Capital Management Holdings Limited and Indue Limited, and a director of Utilities of Australia Pty Limited and Clayton Utz Foundation. She is also a member of the Endowment Investment Advisory Committee of The Benevolent Society.

The Company has undertaken appropriate checks into the background and experience of Sally Collier prior to her appointment as a Director.

Non-executive Directors are expected to hold a minimum number of shares in the Company that is equal to the value of the Director's annual base fee within three years of their appointment to the Board. Sally intends to accumulate shares in the Company over the three year period.

Board Recommendation

The Board (excluding Sally Collier who did not participate because of her interest) unanimously recommends that shareholders vote in favour of the election of Sally Collier as a Director.

(c) Election of Christopher Jones

In accordance with Rule 46(d) of the Constitution, Christopher Jones was appointed by the Directors as an additional Independent Non-executive Director of the Company on 8 November 2018. He is a member of the Audit and Risk Committee.

Any Director appointed under Rule 46(d) of the Constitution may hold office only until the next annual general meeting of the Company and is then eligible for election at that meeting.

Christopher, who is based in New York City, has over 35 years' experience in the financial services industry and has significant experience as both a Chief Investment Officer and Portfolio Manager in the US.

Most recently, Christopher was Principal of CMVJ Capital LLC, a private investor and adviser in the financial services, asset management and technology industries. In the two years prior to 2016, Christopher was Head of Blackrock's US Global Fundamental Equity and Co-head of Global Active Equity. Previously, he spent 32 years in a range of roles at Robert Fleming and Co and JP Morgan Asset Management, including being Managing Director and Chief Investment Officer, Growth and Small Cap Equities for a period of 10 years.

The Company has undertaken appropriate checks into the background and experience of Christopher Jones prior to his appointment as a Director.

Non-executive Directors are expected to hold a minimum number of shares in the Company that is equal to the value of the Director's annual base fee within three years of their appointment to the Board. Christopher intends to accumulate shares in the Company over the three year period.

Board Recommendation

The Board (excluding Christopher Jones who did not participate because of his interest) unanimously recommends that shareholders vote in favour of the election of Christopher Jones as a Director.

Item 3 – Remuneration Report

The Company's Remuneration Report for the year ended 30 September 2018:

- sets out Pental Group's remuneration policies;
- highlights the link between pay, corporate performance and shareholder wealth creation; and
- reports on the remuneration arrangements in place for the Company's KMP, including its Non-executive Directors, Group CEO and Company executives.

The Remuneration Report is available in the Annual Report (pages 29-58), which is available on Pental Group's website at www.pentalgroup.com.

Shareholders will be asked to vote on a resolution to adopt the Remuneration Report at the AGM. In accordance with section 250R of the Corporations Act, the vote on the resolution is advisory only and does not bind the Board or Pental Group however, the Board will take the outcome of the vote into consideration when considering future remuneration policies for Directors and Company executives.

At the annual general meeting held in 2017, the Remuneration Report was approved with over 98% of votes cast in favour of the Remuneration Report.

If the Company receives a 'no' vote of 25% or more in relation to the Remuneration Report at two successive AGMs, a spill resolution will be put to the shareholders at the second AGM. In accordance with section 250W of the Corporations Act, if the spill resolution is passed with 50% or more of the votes cast, the Company will, within 90 days, hold a spill meeting to vote on whether to keep the Directors (the managing director will not be subject to the spill vote).

Voting Exclusions

The Company will disregard any votes cast on Item 3:

- by or on behalf of a KMP or a Closely Related Party of those persons (regardless of the capacity in which the vote is cast); or
- as a proxy by a KMP or a Closely Related Party of those persons,

unless the vote is cast as a proxy for a person who is entitled to vote on Item 3, and:

- the vote is in accordance with a direction on the proxy form; or
- in the absence of a direction on the proxy form, the vote is cast by the Chairman where the Chairman has received express authority to vote undirected proxies as the Chairman decides, even if the resolution is connected directly or indirectly with the remuneration of a member of a KMP.

Board Recommendation

The Board unanimously recommends that shareholders vote in favour of the adoption of the Company's Remuneration Report for the year ended 30 September 2018.

Item 4 – Approval of 2018 LTI Grant of Performance Share Rights to Mr Emilio Gonzalez, Managing Director and Group CEO

The resolution is being put to shareholders to obtain approval for the grant to Mr Gonzalez of 114,887 performance share rights (**PSR**) in accordance with the performance reward scheme approved by the Board Remuneration and Nominations Committee on 26 November 2015 (**Performance Reward Scheme**) and the acquisition of ordinary shares in the Company on the exercise of the vested PSRs (upon satisfaction of certain performance hurdles).

PSRs will only vest and become exercisable if the performance hurdles (as set out below) have been met at the end of the three year performance period from 1 October 2018 to 30 September 2021 (**Performance Period**).

The number of PSRs to be granted (being 114,887) was based on a value of \$1,000,000 determined by the Board and divided by the volume weighted average price of the Company's ordinary shares on the five trading days before the commencement of the Performance Period (being \$8.7042 per share).

PSRs form part of Mr Gonzalez' total remuneration package which, as described in the Remuneration Report, is intended to target an approximate mix of 25% for his fixed remuneration package, 25% for his cash variable reward and 50% for his equity based variable award. Further detail on Mr Gonzalez' total remuneration package is set out on page 32 of the Remuneration Report.

Why is approval sought?

Pursuant to Listing Rule 10.15B, shareholder approval is not required under ASX Listing Rule 10.14 where Mr Gonzalez' vested PSRs are satisfied through the purchase of shares on-market (where the terms of the Performance Reward Scheme permit such purchases) or where the PSRs are cash settled.

Shares delivered to Mr Gonzalez on exercise of vested PSRs would have been purchased on-market by the Company and therefore, no shareholder approval would be required.

Notwithstanding the above, the Company is again seeking approval for the grant of the PSRs and the acquisition of ordinary shares on exercise of the vested PSRs in the interests of transparency and good governance. At the annual general meeting held in 2017, over 98% of votes cast on the 2017 LTI grant of performance share rights to Mr Gonzalez were in favour of the grant.

Explanatory Notes on the Business of the AGM continued

Key terms of Performance Share Rights

Entitlements

- Each PSR is a right to be allocated a fully paid ordinary share in the Company at nil cost (i.e. nil exercise price).
- PSRs do not carry any dividend or voting rights during the Performance Period (but where dividends are paid during the Performance Period for PSRs that meet the performance hurdles and are ultimately vested and exercised, a dividend-equivalent cash payment will be made on or around the date of exercise or potentially earlier in the case of cessation of employment). Once the PSRs have vested and been exercised, the shares issued or transferred to Mr Gonzalez will rank equally with ordinary shares in the Company for dividends.
- PSRs (whether vested or unvested) are non-transferrable, except in limited circumstances such as in the event of death. PSRs may be forfeited under the Performance Reward Scheme or as determined by the Board at its discretion.
- The PSRs do not confer a right to participate in any new issue of shares in the Company (including by way of bonus issues, rights issues or otherwise).

Performance Share Hurdles

The PSRs will be divided into two components which will each be subject to a separate performance hurdle as set out below. Each component will be tested on the final day of the Performance Period, being 30 September 2021. There will be no re-testing.

TSR Rights

50% (57,444) of Mr Gonzalez' 2018 PSRs will vest and become exercisable if the Company's total shareholder return (**TSR**) compared to the median TSR of companies in the ASX 200 index (taken as at the first day of the Performance Period) meets certain thresholds (**TSR Rights**). The TSR is calculated using share price and dividend data, and adjusting for any cash distribution under a return of capital of any company in the ranking group during the Performance Period. The number of TSR Rights that will vest is calculated as follows:

Pendal Group's TSR Performance	Percentage of TSR Rights to vest
Below the median of the ASX200	Nil
At the median of the ASX200	50%
For each 1% increase in ranking above the median up to the 75th percentile	An additional 2%
At or above 75th percentile	100%

Cash EPS Rights

50% (57,443) of Mr Gonzalez' 2018 PSRs will vest and become exercisable if the Company's cash earnings per share (**Cash EPS**) meets certain compound annual growth rate thresholds (**Cash EPS Rights**). The number of Cash EPS Rights that will vest is calculated as follows:

Cash EPS over Performance Period	Percentage of Cash EPS Rights to vest
Less than or equal to 5%	Nil
5%	50%
More than 5% but less than 10%	Straight line vesting between 50-100%
10% or more	100%

Date of granting and vesting

The PSRs will be granted to Mr Gonzalez on or about 18 December 2018. The PSRs will vest and become exercisable on 1 October 2021, following which they may be exercised at any time between 1 October 2021 to 30 September 2026 (excluding during any blackout period) (**Exercise Period**).

Exercise

On exercise, unless the Board elects to cash settle the vested PSRs at its discretion, one ordinary share will be allocated for each PSR. On expiry of the Exercise Period, any unexercised, vested PSRs will be automatically exercised. Mr Gonzalez may not exercise his vested PSRs during a blackout period as nominated by Pendal Group in accordance with its insider trading policy or if he possesses inside information (for the purposes of the Corporations Act) in relation to Pendal Group.

Cessation of employment

If Mr Gonzalez' employment with the Company ceases prior to the end of the Performance Period, unless otherwise determined by the Board, a pro-rata portion of any unvested PSRs (based on how much of the Performance Period has lapsed) will remain on foot and subject to the original performance hurdles, and any vested, unexercised PSRs will be automatically exercised on cessation of employment. It is expected that, in the case of resignation or dismissal, the Board will exercise its discretion to lapse all unvested PSRs (but the Board reserves the right not to do so in whole or in part). All PSRs that do not remain on foot will automatically lapse.

Lapse

Unvested PSRs will lapse in the following circumstances: (a) to the extent that performance hurdles are not satisfied during the Performance Period; (b) cessation of employment in certain circumstances, as set out above; (c) any fraudulent or dishonest act, or material breach of obligations by Mr Gonzalez to Pendal Group; and (d) exercise of Board discretion.

Change of control

Under a change of control, except as set out below, the PSRs would operate as they normally would and the test date does not accelerate if the change of control occurs prior to the end of the Performance Period.

Under a transaction which results in an acquisition of 100% of the shares of the Company, PSRs will be tested against the performance hurdles and there will be a pro rata reduction in number based on the period of time from the start of the Performance Period to the date the acquirer is entitled to 100% of the shares of the Company. In that event, vesting will only be determined by the extent to which the relevant performance hurdles are satisfied at the time the acquirer is entitled to 100% of the shares of the Company (rather than the end of the Performance Period).

Glossary

Voting Exclusions

The Company will disregard any votes cast on Item 4:

- in favour of the resolution by or on behalf of Mr Gonzalez and his associates, (regardless of the capacity in which the vote is cast); or
- by or on behalf of a KMP or as a proxy for a KMP or any Closely Related Party of those persons.

However, the Company will not disregard votes cast on Item 4 if they are cast as proxy for a person entitled to vote on Item 4, and:

- the vote is cast in accordance with a direction on the proxy form; or
- in the absence of a direction on the proxy form, the vote is cast by the Chairman where the Chairman has received express authority to vote undirected proxies as the Chairman decides, even if the resolution is connected directly or indirectly with the remuneration of a KMP.

Board Reasons and Recommendation

The Board (excluding Mr Gonzalez) considers that:

- the grant of the PSRs to Mr Gonzalez as part of his remuneration is reasonable and is in the best interests of the Company and its shareholders; and
- the PSRs provide a strong link between the reward for Mr Gonzalez's performance and TSR and increased Cash EPS over the Performance Period, strengthening the alignment of Mr Gonzalez' interests with shareholders.

The Board (excluding Mr Gonzalez who did not participate because of his interest) unanimously recommends that shareholders vote in favour of approval of the grant of PSRs to the Managing Director and Group CEO (and the acquisition of shares on their exercise).

In this Notice of Meeting:

AGM means the annual general meeting of the Company to be held on Friday, 14 December 2018 at 10.00 am.

Annual Report means the Company's annual report to shareholders for the financial year ended 30 September 2018.

Board means the board of Directors of the Company.

Chairman means the chairman of the AGM and includes any acting chairman during the AGM.

Closely Related Party has the same meaning as the definition in section 9 of the Corporations Act and includes a person's spouse and child, their spouse's child, their dependent or spouse's dependent and certain other close family members, as well as companies controlled by that person.

Company means Pental Group Limited (ABN 28 126 385 822).

Constitution means the constitution of the Company.

Corporations Act means the *Corporations Act* 2001 (Cth), as amended.

Director or **Directors** means a director of the Company.

KMP or **Key Management Personnel** means the key management personnel of the Company as disclosed in the Remuneration Report.

Listing Rules means the listing rules of ASX Limited.

LTI means long term incentive.

Non-executive Directors or **NEDs** means the non-executive Directors of Pental Group.

Pental Group means Pental Group Limited (ABN 28 126 385 822).

Remuneration Report means the remuneration report contained in the Company's Directors' Report for the financial year ended 30 September 2018 and set out in the Annual Report.

Further information

If you need any further information regarding the AGM, please contact Link Market Services on 1300 792 077 (toll free in Australia), or from outside Australia on + 61 1300 792 077.

