



NGE Capital Limited

## **Notice of Annual General Meeting and Explanatory Statement**

*The Annual General Meeting of*

***NGE CAPITAL LIMITED***

*ACN 112 618 238*

*Will be held at*

*2:00 pm Melbourne time on 31<sup>st</sup> May 2019*

*At*

*Clayton Utz*

*Level 18, 333 Collins Street, Melbourne, Victoria, 3000*

This Notice of Annual General Meeting and Explanatory Statement should be read in its entirety. If shareholders are in doubt as to how they should vote, they should seek advice from their accountant, solicitor or other professional advisor without delay

# NGE CAPITAL LIMITED

ACN 112 618 238

Registered office: Level 4 North Building, 333 Collins Street, Melbourne Victoria 3000

## NOTICE OF ANNUAL GENERAL MEETING

Notice is given that the Annual General Meeting ("Meeting") of Members of NGE CAPITAL LIMITED (the "Company") will be held at the offices of Clayton Utz, Level 18, 333 Collins Street, Melbourne, Victoria, 3000 at 2.00 pm Melbourne time on 31<sup>st</sup> May 2019.

## AGENDA

The Explanatory Statement and proxy form which accompany and form part of this Notice, describe in more detail the matters to be considered. Please consider this Notice, the Explanatory Statement and the proxy form in their entirety.

### ORDINARY BUSINESS

#### Receipt and consideration of Accounts & Reports

To receive and consider the financial report of the Company and the related reports of the Directors (including the Remuneration Report) and the Auditor's Report for the year ended 31 December 2018.

*Note: Except for as set out in Resolution 1, there is no requirement for shareholders to approve these reports. Accordingly, no resolution will be put to shareholders on this item of business.*

#### Resolution 1: Adoption of Remuneration Report

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

*"That for the purpose of section 250R(2) of the Corporations Act 2001 and for all other purposes, the Remuneration Report (included in the Directors' Report) for the year ended 31 December 2018 be adopted."*

#### Resolution 2: Re-election of Adam Saunders as a Director of the Company

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

*"That Adam Saunders, being a director who retires pursuant to the Constitution of the Company and being eligible for re-election offers himself for re-election, is hereby re-elected as a Director of the Company."*

#### Resolution 3: Renewal of Clause 47 of the Constitution – proportional takeover provisions

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

*"That with effect from the date on which this resolution is passed and in accordance with Sections 136 and 648D of the Corporations Act 2001, the Constitution of the Company is altered by renewing Clause 47 of the Constitution in the form set out in Schedule 1 to this Notice for a period of three years."*

#### Resolution 4: Approval of 10% placement capacity (Listing Rule 7.1A)

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

*"That, for the purposes of Listing Rule 7.1A and for all other purposes, the issue of up to 10% of the issued capital of the Company calculated in accordance with the formula prescribed in Listing Rule 7.1A, and on the terms and conditions set out in the Explanatory Memorandum, be approved."*

By the order of the Board

Leslie Smith

**Company Secretary**

Dated: 12 April 2019

## Notes

1. **Entire Notice:** The details of the resolution contained in the Explanatory Notes accompanying this Notice of Meeting should be read together with, and form part of, this Notice of Meeting.
2. **Voting:** The Company has determined that for the purposes of the Annual General Meeting, shares will be taken to be held by the persons who are registered as holding the shares at 7:00 pm Melbourne time 48 hours before the date of the Annual General Meeting will be taken, for the purposes of the Meeting, to be held by the persons who held them at that time. Only those persons will be entitled to vote at the Annual General Meeting and transfers registered after that time will be disregarded in determining entitlements to attend and vote at the Annual General Meeting.
3. **Voting Exclusion Statement:**

### Resolution 1

The Company will disregard any votes cast on this resolution (in any capacity) by or on behalf of a member of the Key Management Personnel (being those persons described as such in the Remuneration Report) or a Closely Related Party of such a member, unless the vote cast as proxy for a person entitled to vote is in accordance with a direction on the proxy form.

Any undirected proxies held by Directors or other Key Management Personnel or their closely related parties (excluding the Chairman) will not be voted on this resolution. Accordingly, if you intend to appoint a member of Key Management Personnel as your proxy, please ensure that you direct them how to vote. If you intend to appoint the Chairman of the meeting as your proxy, you can direct him to vote by marking the box for Resolution 1. By marking the Chairman's box on the proxy form you expressly acknowledge that the Chairman of the meeting will vote as indicated on the proxy form even if the resolution is connected directly or indirectly with the remuneration of a member of the Key Management Personnel for the Company, which includes the Chairman. The Chairman will vote undirected proxies in favour of Resolution 1.

Please refer to the proxy and voting instructions for further details about the eligibility of Shareholders to vote.

### Resolution 4

The Company will disregard any votes cast in favour of this Special Resolution by a person who is expected to participate in the proposed issue or any person who will obtain a material benefit as a result of the proposed issue, except a benefit solely in the capacity of a holder of ordinary securities, and any associate of such person.

However, the Company need not disregard a vote cast on this Special Resolution 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.

At the date of this Notice of Meeting, the Company has not approached any particular existing shareholder or an identifiable class of existing shareholders to participate in the issue of the shares. No existing shareholder's vote will therefore be excluded under the voting exclusion in the Notice of Meeting.

## EXPLANATORY MEMORANDUM

### **Receipt and consideration of Accounts & Reports**

The Corporations Act requires the Company's Annual Report for the financial period ending 31 December 2018 (which incorporates the Company's financial report, reports of the Directors (including the Remuneration Report) and the Auditor's Report) to be received and considered before the Annual General Meeting. The Annual Report is available at <http://www.ngecapital.com.au/investor-information/annual-reports/AnnualReport2018>. Except for as set out in Resolution 1, no resolution is required on these reports.

### **Resolution 1: Adoption of Remuneration Report**

Section 250R(2) of the Corporations Act requires that a resolution to adopt the Remuneration Report must be put to the vote at the Annual General Meeting. Section 250R(3) of the Corporations Act requires that the vote on this Resolution is advisory only and does not bind the Directors or the Company.

The Remuneration Report is set out in the Directors' Report in the Company's 2018 Annual Report. The Remuneration Report sets out the Company's remuneration arrangements for the Directors and senior management of the Company.

The Remuneration Report is available at <http://www.ngecapital.com.au/investor-information/annual-reports/AnnualReport2018>.

In accordance with Section 250SA of the Corporations Act 2001, Shareholders will be provided with a reasonable opportunity to ask questions concerning, or make comments on, the Remuneration Report at the Annual General Meeting.

In accordance with Division 9 of Part 2G.2 of the Corporations Act, if twenty five (25%) per cent or more of votes that are cast are voted against the adoption of the Remuneration Report at two consecutive Annual General Meetings, Shareholders will be required to vote at the second of those Annual General Meetings on a resolution (a "spill resolution") that another meeting be held within 90 days at which all of the Company's Directors (other than the Managing Director) must go up for re-election.

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.

It is noted that at the Company's last Annual General Meeting, the votes cast against the remuneration report represented less than twenty-five (25%) percent of the total votes cast and accordingly, a spill resolution will not under any circumstances be required for the Annual General Meeting.

### ***Directors' Recommendations***

The Directors recommend that shareholders vote in favour of this resolution.

**Resolution 2: Re-election of Adam Saunders as a Director of the Company**

The Constitution of the Company requires that at every Annual General Meeting, one third (or if that is not a whole number, the next lowest whole number) of the other Directors (not counting the Managing Director), shall retire from office and provides that such Directors are eligible for re-election at the meeting. Adam Saunders retires by rotation and, being eligible, offers himself for re-election.

Mr Saunders is responsible for the origination, analysis and execution of investment ideas and management of NGE's portfolio. He is a Portfolio Manager at Kentgrove Capital, and previously held corporate advisory roles at GBS Finanzas in Madrid, and Credit Suisse in Melbourne.

Mr Saunders holds a Bachelor in Commerce from the University of Melbourne with Honours in Finance, and is a Graduate of the Australian Institute of Company Directors.

***Directors' Recommendations***

The Directors (with Adam Saunders abstaining), recommend that shareholders vote in favour of this resolution.

The Chairman of the meeting intends to vote undirected proxies in favour of this resolution.

### **Resolution 3: Renewal of Clause 47 of the Constitution – proportional takeover provisions**

Section 648G of the *Corporations Act 2001* governs proportional takeover provisions within company constitutions. Under Section 648G, for proportional takeover provisions to remain in effect, they must be renewed every three years by a special resolution of members. The proportional takeover provisions within the Company's Constitution were last renewed by member resolution in May 2014 and, as more than three years have elapsed since that renewal, Section 648G provides that the provisions cease to apply and are deemed omitted from the Constitution.

The Directors believe it is appropriate to re-insert Clause 47 in the Company's Constitution in the same form as last approved by the Shareholders in 2014. The terms of Clause 47 are set out in Schedule 1 of this Notice.

This Resolution seeks to renew the operation of Clause 47 of the Company's Constitution. Once renewed, Clause 47 will operate for three years from the date this resolution is passed, unless renewed earlier by shareholder resolution, and after that time it will again cease to apply unless renewed by a further special resolution of Shareholders.

The renewal of Clause 47 by shareholders, will renew the Company's ability to refuse to register Shares acquired under a proportional takeover bid unless and until a resolution of Shareholders approving the proportional takeover bid is passed.

If this resolution is passed, then within 21 days after the date of the meeting, holders of not less than 10% (by number) of the Company's shares have the right to apply to the court to have the resolution set aside. The court may set aside the resolution if the Court is satisfied in all circumstances that it is appropriate to do so.

Section 648G of the Act requires that where the Company is seeking approval of its shareholders to renew proportional takeover provisions, the Company include certain information in the notice of meeting. The required information is set out below.

#### **What is a proportional takeover bid?**

A proportional takeover bid is a takeover bid that is sent to all shareholders in a class, offering to purchase only a specified proportion of each shareholders shares. If a shareholder accepts, the shareholder disposes of that specified portion and retains the balance.

#### **Effects of the proportional takeover provisions**

The effect of Clause 47 (Proportional takeover provisions) is that:

- (a) If a bidder makes a proportional takeover bid for any class of shares in the Company, the Directors must ensure that a meeting of members of that class is convened where a resolution to approve the proportional takeover bid is voted on. The vote is decided on by a simple majority, with each shareholder having one vote for each fully paid share. The bidder and its associates are excluded from voting on that approving resolution;
- (b) The meeting and the vote on the approving resolution must take place more than 14 days before the last day of the bid period;
- (c) If the approving resolution is rejected before the deadline, the bid cannot proceed, and the offer will be taken to have been withdrawn. Any transfers giving effect to takeover contracts for the bid will not be registered and all offers under the takeover bid are taken to be withdrawn and all takeover contracts must be rescinded;
- (d) If the approving resolution is not voted on, the bid will be taken to have been approved; and
- (e) If the approving resolution is passed (or taken to have been approved), the transfers must be registered (subject to other provisions of the Act and the Company's Constitution).

The proportional takeover provisions do not apply to full takeover bids and, if this resolution is approved, will only apply until 30 May 2022 unless renewed by shareholders.

#### **Reasons for proposing the renewal of the proportional takeover provisions**

A proportional takeover bid may result in control of the Company changing without Shareholders having an opportunity to dispose of all of their Shares. By making a proportional bid, a bidder can obtain practical control of the Company by acquiring less than a majority interest. Shareholders are exposed to the risk of not being able to exit their investment in the Company by selling their entire shareholding. The bidder may be able to acquire control of the Company without payment of an adequate control premium.

The Board believes that the Proportional takeover provisions are desirable to give shareholders protection from the risks inherent in proportional takeover bids.

The proportional takeover provisions allow shareholders to decide if a proportional takeover bid is acceptable in principle and may assist in ensuring that any proportional takeover bid is appropriately priced.

To assess the merits of the Proportional takeover provisions, shareholders should make a judgement as to what events are likely to occur in relation to the Company during the three-year life of the proposed new provisions.

### **Knowledge of any acquisition proposals**

Apart from the general considerations above, as at the day on which this Notice is prepared, no Director is aware of a proposal by any person to acquire, or to increase the extent of, a substantial interest in the Company.

Those Directors who are also Shareholders have the same interest in the passing of this resolution as all Shareholders.

### **Review of advantages and disadvantages of Clause 47 during the period during which the provisions have been in effect.**

While the Proportional takeover provisions were in effect, there were no proportional takeover bids for the Company. The Directors are therefore unable to point to any specific advantages or disadvantages evident from the operation of the Provisions during that period.

### **Potential advantages and disadvantages of renewal of Clause 47**

The Directors consider that one potential advantage to them of including clause 47 in the Company's Constitution is that by providing a right for shareholders to decide by a majority vote whether an offer under a proportional takeover bid should proceed, the Directors will be able to formally ascertain the views of shareholders in respect of a proportional takeover bid. The Directors otherwise do not believe the renewal of Clause 47 has any potential advantages or disadvantages for any of them.

The Directors note that it could be argued that the Proportional takeover provisions are an advantage to them as a takeover defence mechanism that could be exploited to entrench the incumbent Board. However, the Directors believe that this argument ignores the basic object of the Proportional takeover Provisions which is to empower Shareholders, not Directors.

The potential advantages for Shareholders of the proportional takeover provisions include:

- Shareholders will have the opportunity to decide by majority vote whether an offer under a proportional takeover bid should proceed;
- the provisions may protect Shareholders from being locked in as a minority;
- the provisions may increase the bargaining power of Shareholders and may assist in ensuring that any proportional takeover bid is adequately priced; and
- each individual Shareholder may better assess the likely outcome of the proportional takeover bid by knowing the view of the majority of the shareholders and assist in deciding whether to accept or reject an offer under a proportional takeover bid.

The potential disadvantages for shareholders include:

- the likelihood of a proportional takeover bid succeeding may be reduced, and this may discourage proportional takeover bids;
- proportional takeover bids for shares in the Company may be discouraged;
- Shareholders may lose an opportunity to sell some of their shares at a premium; and
- individual Shareholders may consider that the proportional takeover provisions would restrict their ability to deal with their Shares as they see fit.

The Directors consider that the potential advantages for shareholders of the Proportional takeover Provisions outweigh the potential disadvantages.

### **Directors' Recommendations**

The Directors recommend that shareholders vote in favour of this resolution.

The Chairman of the meeting intends to vote undirected proxies in favour of this resolution.

#### **Resolution 4: Approval of 10% placement capacity (Listing Rule 7.1A)**

##### *Background*

Under this resolution the Company is seeking shareholder approval to create an ability to issue up to an additional 10% of the issued share capital of the Company under Listing Rule 7.1A. Approval for the purposes of Listing Rule 7.1A was last requested of, and given by, shareholders at the 2014 Annual General Meeting.

Listing Rule 7.1A enables eligible entities, subject to shareholder approval by way of a special resolution, to issue up to 10% of its issued share capital through placements over a 12-month period after the Annual General Meeting (**10% Placement Facility**). The 10% Placement Facility is in addition to the Company's 15% placement capacity under Listing Rule 7.1.

An eligible entity for the purposes of Listing Rule 7.1A is an entity that is not included in the S&P/ASX300 Index and has a market capitalisation of \$300 million or less. The Company is an eligible entity.

Under Resolution 4 the Company is seeking shareholder approval by way of special resolution, which requires approval of 75% of the votes cast by shareholders present and eligible to vote, to have the ability to issue securities under the 10% Placement Facility. The only securities that the 10% Placement Facility can cover are existing quoted securities, namely ordinary fully paid shares.

##### *Formula for calculating the 10% Placement capacity*

The maximum number of Equity Securities to be issued under the 10% Placement Facility will be determined in accordance with the following formula prescribed in Listing Rule 7.1A.2:

- **(A x D) - E**
- **A** has the same meaning in Listing Rule 7.1 when calculating an entity's 15% placement capacity;
- **D** is 10%; and
- **E** is the number of equity securities issued or agreed to be issued under Listing Rule 7.1A in the 12 months before the date of the issue or agreement to issue that are not issued with the approval of shareholders under Listing Rule 7.1 or 7.4

The Company may use the 10% Placement Facility to acquire more capital in the event that it determines to actively seek to acquire more capital.

The actual number of shares that the Company will have the capacity to issue under Listing Rule 7.1A will be calculated at the date of issue of the shares in accordance with the formula in Listing Rule 7.1A.2.

##### *Minimum issue price*

In accordance with Listing Rule 7.1A, shares issued by the Company under a 10% Placement Facility can only be issued at a price that is not less than 75% of the VWAP (volume weighted average price) of the shares calculated over the 15 trading days on which trades in its shares were recorded immediately before:

- The date on which the issue price of the shares was agreed; or
- The issue date (if the shares are not issued within five trading days of the date on which the issue price is agreed).

##### *Placement period*

Shareholder approval under Listing Rule 7.1A is valid from the date of this Annual General Meeting until the earlier to occur of:

- 12 months after the date of the Annual General Meeting; and
- the date of approval by shareholders of a transaction under Listing Rule 11.1.2 (a significant change to the nature or scale of activities) or Listing Rule 11.2 (disposal of main undertaking), or such longer period if allowed by the ASX.

Shares issued under Listing Rule 7.1A (if any) must be issued within this placement period. Shareholder approval under Listing Rule 7.1A does not lapse if the Company's market capitalisation subsequently exceeds \$300 million or if it is included in the S&P/ASX 300 Index at some time during that period provided that the Company meets those criteria on the date of the Annual General Meeting.



### *Dilution to existing shareholdings*

If this resolution is approved by shareholders and the Company issues shares under the 10% Placement Facility, there is a risk of economic and voting dilution to existing shareholder as a result. Further, as the market price of the Company's shares may be significantly lower on the issue date than on the date of the Annual General Meeting approval, and because the Shares may be issued at a price that is at a discount to the market price on the issue date, there is a risk that the 10% Placement Facility may raise less funding than it would based on current market prices.

As required by Listing Rule 7.3A.2, the table below shows a number of hypothetical scenarios for a 10% Placement Facility where variable "A" in the formula in Listing rule 7.1A.2 (representing the Company's share capital) has increased by either 50% or 100%, and the share price has decreased by 50% or increased by 100% from the approximate share price as at the date of this Notice of Meeting.

### Dilution table

Variable "A" in Listing Rule 7.1A.2		Dilution		
		\$0.355 50% decrease in Issue Price	\$0.710 Issue Price	\$1.42 100% increase in Issue Price
37,194,774	10% Voting Dilution	3,719,477 shares	3,719,477 shares	3,719,477 shares
Current variable "A"	Funds raised	\$1,320,414	\$2,640,829	\$5,281,658
55,792,161	10% Voting Dilution	5,579,216 shares	5,579,216 shares	5,579,216 shares
50% increase in Current variable "A"	Funds raised	\$1,980,622	\$3,961,243	\$7,922,487
74,389,548	10% Voting Dilution	7,438,955 shares	7,438,955 shares	7,438,955 shares
100% increase in Current variable "A"	Funds raised	\$2,640,829	\$5,281,658	\$10,563,316

The dilution table has been prepared on the following hypothetical assumptions. The Company does not represent that they will necessarily occur:

- the Company issues the maximum number of shares available under the 10% Placement Facility;
- any increase in Variable A (being the issued share capital at the time of issue) is due to an issue of shares which is an exception in Listing Rule 7.2 for example a pro-rata rights issue. However, a 15% placement under Listing Rule 7.1 does not increase variable "A" for the purposes of calculating the placement capacity under Listing Rule 7.1A;
- the table shows only the effect of issues of shares under Listing Rule 7.1A, not under the 15% placement capacity under Listing rule 7.1;
- the table does not show the dilution that may be caused to any particular shareholder by reason of placements under Listing Rule 7.1A, based on that shareholder's holding at the date of the Annual General Meeting. For instance, shareholders will have different outcomes depending on whether or not they participate in a pro-rata issue which has the effect of increasing variable "A"; and
- the current share price is assumed to be \$0.71, being the share price on 05 April 2019 immediately prior to finalising this Notice of Meeting.

### *Purpose of the 10% Placement Facility*

The Company may seek to issue shares under the 10% Placement Facility for either:

- a cash issue price. In this case, the Company may use the funds for investment or for other corporate purposes; or
- non-cash consideration, such as for the acquisition of new assets or investments, subject to any applicable ASX requirements.

In either case, the cash issue price or the value of the non-cash consideration must comply with the minimum issue price noted above.

### *Allocation policy*

The Company's allocation policy is dependent on the prevailing market conditions at the time of any proposed issue under the 10% Placement Facility. The identity of the allottees under the 10% Placement Facility will be determined on a case by case basis having regard to the factors including the following:

- the methods of raising funds that are available to the Company, including a rights issue or other issue in which existing shareholders can participate;

- the effect of the issue of the Shares on the control of the Company;
- the financial situation and solvency of the Company; and
- advice from corporate, financial and broking advisors (if applicable).

The allottees under the 10% Placement Facility have not been determined as at the date of this Notice of Meeting and may include existing substantial shareholders and/or new shareholders, but the allottees cannot include any directors, related parties or associates of a related party of the Company without a further specific shareholder approval.

*Previous approval*

Approval for the purposes of Listing Rule 7.1A was last requested of and given by shareholders at the 2014 Annual General Meeting.

No equity securities have been issued in the last twelve months, which includes the period since the last Annual General Meeting.

The Directors believe that this resolution will provide the Company with additional flexibility to raise capital quickly if advantageous terms are available and it is in the best interests of the Company.

***Directors' Recommendations***

The Directors recommend that shareholders vote in favour of this resolution.

The Chairman of the meeting intends to vote undirected proxies in favour of this resolution.

## PROXY AND VOTING INSTRUCTIONS

1. For the purposes of the Corporations Act, the Company has determined that all securities of the Company recorded on the Company's register as at 7.00 pm Melbourne time on 29<sup>th</sup> May 2019 (being the date 2 days before the date of the Annual General Meeting) will be taken, for the purposes of the Annual General Meeting, to be held by the persons who held them at that time.
2. The details of the Resolutions contained in the Explanatory Statement accompanying this Notice of Meeting should be read together with, and forms part of this Notice of Meeting.
3. A shareholder entitled to attend and vote is entitled to appoint not more than two proxies. Where more than one proxy is appointed, each proxy must be appointed to represent a specified proportion of the shareholder's voting rights. If the shareholder appoints two proxies and the appointment does not specify this proportion, each proxy may exercise half of the votes. A proxy need not be a shareholder of the Company.
4. If a proxy is not directed how to vote on an item of business, the proxy may vote or abstain from voting on that resolution as they think fit.
5. If a proxy is instructed to abstain from voting on an item of business, they are directed not to vote on the shareholder's behalf on the poll and the shares that are the subject of the proxy appointment will not be counted in calculating the required majority.
6. Shareholders who return their proxy forms with a direction on how to vote but do not nominate the identity of their proxy will be taken to have appointed the Chairman of the meeting as their proxy to vote on their behalf.
7. If a proxy form is returned but the nominated proxy does not attend the meeting, or does not vote on the resolution, the Chairman of the meeting will act in place of the nominated proxy and vote in accordance with any instructions.
8. Proxy appointments in favour of the Chairman of the meeting, the secretary or any Director that do not contain a direction on how to vote will be used where possible to support each of the resolutions proposed in this Notice.
9. Where a voting exclusion applies, the Company need not disregard a vote if it is cast by a person excluded from voting as a proxy for a person who is entitled to vote in accordance with the directions on the proxy form, or where it is cast by the person chairing the meeting as proxy for a person who is entitled to vote, in accordance with the directions on the proxy form to vote as the proxy decides.
10. A proxy form is attached. If required it should be completed, signed and returned to the Company's registered office in accordance with the instructions set out in the proxy form by no later than 2.00 pm Melbourne time on 29<sup>th</sup> May 2019.

## GLOSSARY

The following terms have the following meanings in this Explanatory Statement:

“\$” means Australian Dollars;

“**Annual Report**” means the Directors’ Report, the Financial Report, and Auditor’s Report, in respect to the year ended 31 December 2018;

“**ASIC**” means the Australian Securities and Investment Commission;

“**Auditor’s Report**” means the auditor’s report on the Financial Report;

“**Board**” means the Directors acting as the board of Directors of the Company or a committee appointed by such board of Directors;

“**Chairman**” means the person appointed to chair the Meeting of the Company convened by the Notice;

“**Company**” means NGE Capital Limited ACN 112 618 238;

“**Constitution**” means the constitution of the Company as at the date of the Meeting;

“**Corporations Act**” means the Corporations Act 2001 (Cth);

“**Director**” means a Director of the Company;

“**Directors’ Report**” means the annual directors’ report prepared under Chapter 2M of the Corporations Act for the Company and its controlled entities;

“**Explanatory Memorandum**” means the explanatory memorandum which forms part of the Notice;

“**Financial Report**” means the annual financial report prepared under Chapter 2M of the Corporations Act for the Company and its controlled entities;

“**Meeting**” has the meaning given in the introductory paragraph of the Notice;

“**Notice**” means the Notice of Meeting accompanying this Explanatory Statement;

“**Proxy Form**” means the proxy form attached to the Notice;

“**Remuneration Report**” means the remuneration report which forms part of the Directors’ Report of NGE Capital Limited for the financial year ended 31 December 2018 and which is set out in the 2018 Annual Report.

“**Resolution**” means a resolution referred to in the Notice;

“**Schedule**” means schedule to the Notice;

“**Section**” means a section of the Explanatory Memorandum;

“**Share**” means a fully paid ordinary share in the capital of the Company;

“**Shareholder**” means shareholder of the Company.

## Schedule 1 – Clause 47 of the Company’s Constitution (proposed)

### 47. Proportional takeovers

47.1 If offers are made under a proportional takeover bid for securities of the Company:

47.1.1 the registration of a transfer giving effect to a takeover contract for the bid is prohibited unless and until a resolution (an approving resolution) to approve the bid is passed in accordance with this clause;

47.1.2 a person (other than the bidder or an associate of the bidder) who, as at the end of the day on which the first offer under the bid was made, held bid class securities is entitled to vote on an approving resolution;

47.1.3 the Directors may determine whether an approving resolution is voted on:

(a) at a meeting, convened and conducted by the Company, of the persons entitled to vote on the resolution; or

(b) by means of a postal ballot conducted by the Company in accordance with the procedure set out in this clause; and

47.1.4 an approving resolution that has been voted on is taken to have been passed if the proportion that the number of votes in favour of the resolution bears to the total number of votes on the resolution is greater than 50%, and otherwise is taken to have been rejected.

47.2 The provisions that apply to a general meeting of the Company apply, with such modifications as the Directors decide are necessary, to a meeting convened under this clause.

47.3 In a postal ballot:

47.3.1 the Company must send a notice of postal ballot and ballot paper, to all persons holding shares in the relevant class, at least 14 days (or any shorter period the Directors decide) before the ballot closing date;

47.3.2 non receipt of a notice of postal ballot or ballot paper, or accidental failure to give a notice of postal ballot or ballot paper to a shareholder entitled to receive them, does not invalidate the postal ballot or any resolution passed under the postal ballot;

47.3.3 the notice of postal ballot must contain the text of the proposed resolution and the ballot closing date, and may contain any other information the Directors consider appropriate;

47.3.4 each ballot paper must specify the name of the shareholder entitled to vote;

47.3.5 a postal ballot is only valid if the ballot paper is properly completed and:

(a) if the shareholder is an individual, signed by the individual or a duly authorised attorney; or

(b) if the shareholder is a corporation, executed by the corporation in any way permitted by its constitution or the Corporations Act or by a duly authorised officer or duly authorised attorney;

47.3.6 a postal ballot is only valid if the Company receives the ballot paper (and any authority under which the ballot paper is signed or a certified copy of the authority) before the close of business on the ballot closing date at the registered office or share registry of the Company or any other place specified for that purpose in the notice of postal ballot; and

47.3.7 a person may revoke a postal ballot vote by notice received by the Company before the close of business on the ballot closing date.

**All Correspondence to:**

✉ **By Mail** Boardroom Pty Limited  
GPO Box 3993  
Sydney NSW 2001 Australia

📠 **By Fax:** +61 2 9290 9655

💻 **Online:** [www.boardroomlimited.com.au](http://www.boardroomlimited.com.au)

☎ **By Phone:** (within Australia) 1300 737 760  
(outside Australia) +61 2 9290 9600

## YOUR VOTE IS IMPORTANT

For your vote to be effective it must be recorded **before 2:00pm (Melbourne Time) on Wednesday 29 May 2019.**

### 🖥 TO VOTE ONLINE

**STEP 1: VISIT** <https://www.votingonline.com.au/ngeagm2019>

**STEP 2: Enter your Postcode OR Country of Residence (if outside Australia)**

**STEP 3: Enter your Voting Access Code (VAC):**

### 📱 BY SMARTPHONE



Scan QR Code using smartphone  
QR Reader App

### TO VOTE BY COMPLETING THE PROXY FORM

#### STEP 1 APPOINTMENT OF PROXY

Indicate who you want to appoint as your Proxy.

If you wish to appoint the Chair of the Meeting as your proxy, mark the box. If you wish to appoint someone other than the Chair of the Meeting as your proxy please write the full name of that individual or body corporate. If you leave this section blank, or your named proxy does not attend the meeting, the Chair of the Meeting will be your proxy. A proxy need not be a securityholder of the company. Do not write the name of the issuer company or the registered securityholder in the space.

#### Appointment of a Second Proxy

You are entitled to appoint up to two proxies to attend the meeting and vote. If you wish to appoint a second proxy, an additional Proxy Form may be obtained by contacting the company's securities registry or you may copy this form.

To appoint a second proxy you must:

- complete two Proxy Forms. On each Proxy Form state the percentage of your voting rights or the number of securities 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.
- return both forms together in the same envelope.

#### STEP 2 VOTING DIRECTIONS TO YOUR PROXY

To direct your proxy how to vote, mark one of the boxes opposite each item of business. All your securities will be voted in accordance with such a direction unless you indicate only a portion of securities are to be voted on any item by inserting the percentage or number that you wish to vote in the appropriate box or boxes. If you do not mark any of the boxes on a given item, your proxy may vote as he or she chooses. If you mark more than one box on an item for all your securities your vote on that item will be invalid.

#### Proxy which is a Body Corporate

Where a body corporate is appointed as your proxy, the representative of that body corporate attending the meeting must have provided an "Appointment of Corporate Representative" prior to admission. An Appointment of Corporate Representative form can be obtained from the company's securities registry.

#### STEP 3 SIGN THE FORM

The form **must** be signed as follows:

**Individual:** This form is to be signed by the securityholder.

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

**Power of Attorney:** to sign under a Power of Attorney, you must have already lodged it with the registry. Alternatively, attach a certified photocopy of the Power of Attorney to this form when you return it.

**Companies:** this form must be signed by a Director jointly with either another Director or a Company Secretary. Where the company has a Sole Director who is also the Sole Company Secretary, this form should be signed by that person. **Please indicate the office held by signing in the appropriate place.**

#### STEP 4 LODGEMENT

Proxy forms (and any Power of Attorney under which it is signed) must be received no later than 48 hours before the commencement of the meeting, therefore by **2:00pm (Melbourne Time) on Wednesday 29 May 2019**. Any Proxy Form received after that time will not be valid for the scheduled meeting.

Proxy forms may be lodged using the enclosed Reply Paid Envelope or:

- 💻 **Online** <https://www.votingonline.com.au/ngeagm2019>
- 📠 **By Fax** + 61 2 9290 9655
- ✉ **By Mail** Boardroom Pty Limited  
GPO Box 3993,  
Sydney NSW 2001 Australia
- 👤 **In Person** Boardroom Pty Limited  
Level 12, 225 George Street,  
Sydney NSW 2000 Australia

#### Attending the Meeting

If you wish to attend the meeting please bring this form with you to assist registration.

**Your Address**

This is your address as it appears on the company's share register. If this is incorrect, please mark the box with an "X" and make the correction in the space to the left. Securityholders sponsored by a broker should advise their broker of any changes.

**Please note, you cannot change ownership of your securities using this form.**

**PROXY FORM**

**STEP 1 APPOINT A PROXY**

I/We being a member/s of **NGE Capital Limited** (Company) and entitled to attend and vote hereby appoint:

the **Chair of the Meeting (mark box)**

**OR** if you are **NOT** appointing the Chair of the Meeting as your proxy, please write the name of the person or body corporate (excluding the registered securityholder) you are appointing as your proxy below

or failing the individual or body corporate named, or if no individual or body corporate is named, the Chair of the Meeting as my/our proxy at the Annual General Meeting of the Company to be held at **Clayton Utz, Level 18, 333 Collins Street, Melbourne VIC 3000 on Friday, 31 May 2019 at 2:00pm (Melbourne Time)**, and at any adjournment of that meeting, to act on my/our behalf and to vote in accordance with the following directions or if no directions have been given, as the proxy sees fit.

Chair of the Meeting authorised to exercise undirected proxies on remuneration related matters: If I/we have appointed the Chair of the Meeting as my/our proxy or the Chair of the Meeting becomes my/our proxy by default and I/we have not directed my/our proxy how to vote in respect of Resolution 1, I/we expressly authorise the Chair of the Meeting to exercise my/our proxy in respect of this Resolution even though Resolution 1 is connected with the remuneration of a member of the key management personnel for the Company.

The Chair of the Meeting will vote all undirected proxies in favour of all Items of business (including Resolution 1). If you wish to appoint the Chair of the Meeting as your proxy with a direction to vote against, or to abstain from voting on an item, you must provide a direction by marking the 'Against' or 'Abstain' box opposite that resolution.

**STEP 2 VOTING DIRECTIONS**

\* 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 vote will not be counted in calculating the required majority if a poll is called.

		For	Against	Abstain*
Resolution 1	Adoption of Remuneration Report	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Resolution 2	Re-election of Adam Saunders as a Director of the Company	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Resolution 3	Renewal of Clause 47 of the Constitution – proportional takeover provisions	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Resolution 4	Approval of 10% placement capacity (Listing Rule 7.1A)	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

**STEP 3 SIGNATURE OF SECURITYHOLDERS**

This form must be signed to enable your directions to be implemented.

Individual or Securityholder 1

Sole Director and Sole Company Secretary

Securityholder 2

Director

Securityholder 3

Director / Company Secretary

Contact Name.....

Contact Daytime Telephone.....

Date / / 2019