



KEYINVEST
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2015 Notice of Annual General Meeting

Notice is hereby given that the Annual General Meeting (**AGM**) of KeyInvest Ltd (**KeyInvest** or the **Company**) will be held at Lower Ground, 49 Gawler Place, Adelaide SA 5000, on Friday, 20 November 2015 at 11.30 am.

Additional information concerning the proposed resolutions is contained in the Explanatory Notes which accompany and form part of this Notice of Meeting.

The business to be considered at the meeting is as follows:

ORDINARY BUSINESS

1. **Financial Statements and Reports** - To consider the Company's Financial Statements and Financial Reports for the year ended 30 June 2015.

2. **Re-Election of Directors**

In accordance with the Company's Constitution:

- (a) being eligible, Dr Roger Sexton, who retires by rotation offers himself for re-election for a three year term; and
- (b) being eligible, Mr Timothy Sarah, who retires by rotation offers himself for re-election for a three year term.

3. **Non Executive Directors' Fee Pool Increase**

To increase the total annual aggregate fee pool for Non Executive Directors by \$41,585 to \$530,000 with effect from 1 July 2015.

SPECIAL RESOLUTION

4. **Constitution Amendment**

To consider, and if thought fit, pass the following resolution as a special resolution pursuant to section 136 of the *Corporations Act 2001* (Cth) and rule 18.1 of the Company's Constitution:

"That rule 18.1 of the Company's Constitution be amended with effect from the close of this meeting by inserting, immediately after the words 'Corporations Act', the following:

'; or, in the case of an amendment to the Benefit Fund Rules, if the amendment is made in a manner permitted under the Life Insurance Act'."

By Order of the Board

Dion Silvy
Company Secretary

Notes:

1. Registration at the meeting will commence from 11.00 am. Please note that proof of identity may be required.
2. Voting Rights - under Rule 15.9 of the Company's Constitution a Member is entitled to vote at the meeting if, and only if, the Member has a current interest in a Benefit Fund. Please note with joint memberships only the first named Member on the Members' register is entitled to vote.
3. Proxies - a Member has the right to vote on the above resolutions by proxy. A Proxy Form is enclosed with this Notice of Meeting, together with instructions on how to vote using the Proxy Form. Please read these instructions carefully.
4. Item 1 - the Financial Statements and Financial Reports will be available from Level 5, 49 Gawler Place, Adelaide SA 5000 or you may obtain a copy by mail or from our website www.keyinvest.com.au.

EXPLANATORY NOTES**Item 1 - Financial Statements and Reports**

The Financial Statements, Directors' Report and Auditor's Report for the year ended 30 June 2015 will be laid before the meeting. There is no requirement for Members to approve these reports. However, the Chairman of the meeting will allow a reasonable opportunity for Members to ask questions about the Financial Statements.

Item 2 - Re-Election of Directors

The Constitution states that at each AGM one-quarter of the elected Non Executive Directors, or if their number is not a whole number then the number nearest to but not less than one-quarter will retire from office and the Directors to retire by rotation are those Non Executive Directors who have been longest in office since their last election. In addition to this, the Constitution requires Non Executive Directors to retire (and stand for re-election) after each term of three years.

Given the Constitution requires at least one-quarter of the elected Non Executive Directors (ie at least two) the Board resolved that Dr Roger Sexton and Mr Timothy Sarah stand for re-election.

Due to the number of positions to be filled being equal to the number of nominations, the Constitution provides that the appointment of each candidate as a Director will be made by passing separate ordinary resolutions, by show of hands, at the AGM.

Dr Roger Sexton BEc (Hons), MEc, PhD (Econ), FAICD, FAIM, SF Fin, CPMgr, CUniv
 Chairman, Director (Independent Non Executive) Appointed Director on 1 October 2003 and is the Chairman of the Remuneration and Nomination Committee. Dr Sexton is an Investment Banker with over 30 years experience and is a specialist in corporate reconstruction, financial planning and funds management. He is a Director of a number of private and public company Boards and organisations.

Mr Timothy Sarah BEc, MBA (Exec), ACA, FAICD
 Director (Independent Non Executive) Appointed Director on 1 July 2007 and is the Chairman of the Board Audit Committee and a member of the Board Risk Committee and the Corporate Governance Committee. Mr Sarah is Joint Managing Director of a private commercial construction group with 20 years experience. Previously he worked in a professional accounting firm.

Prior to voting on their re-election, Dr Sexton and Mr Sarah will make themselves available at the meeting to respond to any questions from Members on their skills and experience.

Board Recommendation

The non-candidate Directors unanimously support the re-election of Dr Sexton and Mr Sarah.

Item 3 - Non Executive Directors' Fee Pool Increase

In accordance with Rule 11.10 of the Company's Constitution, the aggregate remuneration of the Non Executive Directors of the Company (being the Directors other than the Executive Director - Mr Ian Campbell) must be approved by Members of the Company (**Fee Pool**).

The Fee Pool represents the maximum aggregate amount payable to the Non Executive Directors of the Company and the proposed increase in the Fee Pool is intended to cover any potential increase in Non Executive Director fees over the next few years.

The Board has considered the following factors when determining the appropriate amount for the Fee Pool:

- the Australian Prudential Regulation Authority (**APRA**) released a revised version of Prudential Standard *CPS 510 Governance* on 1 January 2015. The revised Standard required KeyInvest to split its existing Audit and Risk Committee into separate Board Audit and Board Risk Committees. The creation of an additional Committee has resulted in the requirements for some Directors to attend additional meetings and an additional Chairman loading fee being payable by the Company;
- the Company's policy is to generally increase Non Executive Director fees annually in line with inflation; and

- the proposed increase in the Fee Pool is intended to cover annual increases in Non Executive Director fees for the next few financial years, thus removing the need for Members to repeatedly approve an increase every financial year. This is a well established practice amongst large public companies.

Accordingly, your Directors propose that the Fee Pool be set at \$530,000 with effect from 1 July 2015. This amount includes payments for the Superannuation Guarantee Levy.

Board Recommendation

As the Non Executive Directors have a personal interest in the proposed resolution, the Directors make no recommendation as to how Members should vote on this resolution.

Item 4 - Constitution Amendment

The Life Insurance Act and APRA's Prudential Standard LPS 700 set out detailed requirements that apply to friendly societies when amending their benefit fund rules. It is proposed that the Company's Constitution be amended to clarify that an amendment to the Benefit Fund Rules may be made in a manner that is permitted under the Life Insurance Act. This amendment ensures that amendments to the Benefit Fund Rules can be made in accordance with the prudential standards made by APRA.

GENERAL INFORMATION

If you have any questions in relation to the proposed resolutions, please contact the Company Secretary, on (08) 8213 1100.

Voting Exclusions

Due to the voting restrictions that apply to remuneration related items of business, KeyInvest will disregard any votes on Item 3 (Non Executive Directors' Fee Pool Increase) by a member of the Key Management Personnel (KMP) and any closely related parties of those persons.

KMP of KeyInvest and their closely related parties will not be able to vote as your proxy on Item 3 (Non Executive Directors' Fee Pool Increase) unless you have directed them on how to vote or in the case of the Chairman if you expressly authorise him or her to vote in accordance with your direction.

The KMP are the Directors of KeyInvest and those other persons having authority and responsibility for planning, directing and controlling the activities of KeyInvest. The term 'closely related parties' is defined in the Corporations Act 2001 (Cth) and includes a KMP's spouse, dependent and certain other close family members, as well as any companies controlled by the KMP.

If you intend to appoint a KMP (including the Chairman) as your proxy, you are encouraged to direct them on how to vote on Item 3 (Non Executive Directors' Fee Pool Increase) by marking either 'for', 'against' or 'abstain' for this item of business.

The Chairman of the meeting will vote undirected proxies in favour of all of the proposed resolutions.

Attendance List

For planning purposes, if you are going to attend the 2015 AGM please return the attached Attendance and Mailing List Form to our Reply Paid address listed below.

Mailing List

If you wish to be removed from our Notice of Meeting mailing list or alternatively you wish to receive notification of meetings by email (this option will reduce our use of paper, which is one of our environmental goals) please complete and return the attached form.

The Notice of Meeting informs you about:

- governance matters regarding the Company; and
- your right to appoint a proxy, who attends and votes on your behalf.

Attendance at the meetings in person, or by nominating a proxy to attend in your place allows you to:

- participate in the governance of the Company;
- vote on any motion for proposed changes of the Company's Constitution, major proposals and to vote in elections of Directors and Auditors;
- ask questions about and comment on the Company's management, financial standing and performance; and
- ask questions of the Auditor about the audit of the Company and about the preparation and content of the Auditor's Report.

Please be aware that you can change your choice at any time by notifying us in writing. Further, you will be able to obtain a copy of any Notice of Meeting from our office at Level 5, 49 Gawler Place, Adelaide SA 5000 or you may obtain a copy from our website www.keyinvest.com.au.

Please return your completed Form to our Reply Paid address (postage paid):

Company Secretary, KeyInvest, Reply Paid 3340, Rundle Mall SA 5000



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2015 Annual General Meeting Attendance and Mailing List Form

Details:

Member Name

Member Address

..... Postcode

Member Number (if known)

Attendance:

- Yes, I will be attending the 2015 AGM.
- No, I will be an apology.

Mailing List:

Option to receive Notice of Meeting by email:

- I wish to receive notification of meetings by email.

My email address is:

- I wish that you remove me from your Notice of Meeting mailing list.

Date: Signature: