



KEYINVEST
49 Gawler Place Adelaide
PO Box 3340 Rundle Mall
South Australia 5000
t 08 8213 1100
f 08 8231 4079
www.keyinvest.com.au
info@keyinvest.com.au

2013 Notice of Annual General Meeting

Notice is hereby given that the Annual General Meeting (**AGM**) of KeyInvest Ltd (**the Company**) will be held in the KeyInvest Boardroom Level 5, 49 Gawler Place, Adelaide SA 5000, on Wednesday, 20 November 2013 at 11.30am.

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 Reports for the year ended 30 June 2013.

2. **Re-Election of Directors**

In accordance with the Company's Constitution:

(a) being eligible, Mr Daryl Stillwell, who retires by rotation offers himself for re-election for a three year term; and

(b) being eligible, Mr Geoff Vogt, who retires by rotation offers himself for re-election for a three year term.

3. **Total Remuneration of Non Executive Directors**

To increase the total combined remuneration paid to Non Executive Directors of the Company by \$19,000 to \$473,500 with effect from 1 July 2013.

4. **Appointment of Auditors**

To appoint Edwards Marshall as Auditors of the Company, having been nominated by a Member and consented in writing to act in the capacity of Auditor, and that the Board be authorised to set the Auditors remuneration.

SPECIAL RESOLUTION

5. **Constitution Amendment - Benefit Fund Rules**

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 the new Constitution tabled at the meeting and signed by the Chairman of the meeting for the purposes of identification, be approved and adopted as the Constitution of the Company, in place of the current Constitution, with effect from the date of approval by the Australian Prudential Regulation Authority."

By Order of the Board

K A Huxtable
Company Secretary

Notes:

1. Registration at the meeting will commence from 11.00am. 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 Reports will be available from Level 2, 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 2013 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 Mr Daryl Stillwell stand for re-election. Mr Geoff Vogt's three year term expires at the 2013 AGM and he will also stand for re-election at this year's AGM.

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.

Mr Daryl Stillwell	BA Dip App Psych, Reg Psych, FAICD, CMC, MAHRI
Deputy Chairman, Independent Director (Non Executive)	Appointed Director on 1 July 2005 and is a member of the Audit and Risk Committee and Remuneration and Nomination Committee. Mr Stillwell is Managing Director of a human resources consulting company and has over 30 years experience within that industry.
Mr Geoff Vogt	BEc, FAICD, FCSA, SF Fin, CPA, ANZIF (Assoc), CTP, RFD
Independent Director (Non Executive)	Appointed Director on 27 May 2010 and is the Chairman of the Corporate Governance Committee and a member of the Audit and Risk Committee. Mr Vogt is CEO of the Industry Leaders Fund Inc and a Director of Centennial Park Cemetery, United Way Australia and United Way South Australia. Previously he worked as a CEO and in other senior executive roles primarily in the finance and insurance industries.

Prior to voting on their re-election, Mr Stillwell and Mr Vogt 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 Mr Daryl Stillwell and Mr Geoff Vogt.

Item 3 - Total Remuneration of Non Executive Directors

In accordance with the Company's Constitution the total combined remuneration of Non Executive Directors (other than the Executive Director - Mr Ian Campbell) may not exceed the aggregate amount that the AGM determines for the year.

For the purposes of Rule 11.10 of the Company's Constitution, Member approval is now sought to increase the total Non Executive Directors' remuneration by \$19,000 to \$473,500 with effect from 1 July 2013. Historically Director fee increases were effective from 1 December being a date after the AGM. This year it is proposed that the

effective date be brought forward to 1 July. The reason for this is to coincide with KeyInvest's budgeting process for the financial year and the stepped statutory superannuation increases that are set by the Federal Government.

The increase proposed is in line with the Consumer Price Index for 2012/13. It also allows for the non-recoverability of Goods and Services Tax (GST) incurred on corporate costs (including some Directors' fees) due to the predominance of input-taxed business activities of the KeyInvest group such as financial services and retirement villages. It does not take into account the continuing increase in demands placed on Non Executive Directors as a result of the governance and regulatory obligations faced by the Company.

Accordingly, your Directors propose that the total Non Executive Director remuneration be set at \$473,500 with effect from 1 July 2013. 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. Members should judge for themselves whether or not the increase in the total remuneration of Non Executive Directors should be approved.

Item 4 - Appointment of Auditors

As a result of a change in the business name of our auditors, the Australian Securities and Investments Commission require the Auditors to formally resign at this AGM. Edwards Marshall having been nominated by a Member (see Attachment A), and having given their consent are eligible to be appointed.

Board Recommendation

The Board unanimously supports the resolution to appoint Edwards Marshall as Auditors and Directors intend to vote undirected proxies in favour of the Resolution.

Item 5 - Constitution Amendment - Benefit Fund Rules

It is proposed that the Benefit Fund Rules (**Rules**) of the Company, which form part of the Constitution (**Constitution**) of the Company, be re-written for the purpose of ensuring consistency of drafting and to ensure that the Rules appear in a concise, clear and 'user friendly' form. It is also proposed that the Rules be amended in accordance with certain recommendations arising from a recent review carried out by the Australian Prudential Regulation Authority (**APRA**) and that other ancillary changes be made.

The Board has been careful to ensure that the proposed changes will not create any unfairness to existing Members or prospective Members and has accordingly obtained actuarial advice for all of the proposed changes to the Rules.

If the Special Resolution is passed and the amendments are approved by APRA, the Rules will be amended to:

1. set out the investment objectives, strategies and asset classes for all of the Benefit Funds;
2. delete the provisions for the Pharmaceutical Fund (current Rule 103). The Pharmaceutical Fund is a closed fund and no longer has any Members or any assets;
3. update the Minimum Contribution Limits and Maximum Contribution Limits for the Benefit Funds for consistency across the open Benefit Funds (KeyInvest Funeral Bond, Supersaver Bond and Life Events Bond Funds);
4. update the minimum account balances required for a partial redemption of a benefit from a Benefit Fund;
5. clarify the policy maturity date provisions and specifically provide for regular withdrawals from the Supersaver Bond, Life Events Bond and Income Security Funds;
6. in respect of the Life Events Bond Fund, specify, refine and clarify investment objectives, asset allocation ranges and asset classes, including:
 - a. for Option 1 (Australian Cash) - to remove "Australian Fixed Interest" as an asset class because it has never been an underlying investment of this option;
 - b. for Options 1, 3, 6 and 7 (Australian Cash, Balanced, Australian Shares and International Shares) - to more accurately describe the maturity profile;
 - c. for Options 3, 4, 5, 6, 8 and 9 (Balanced, Growth, High Growth, Australian Shares, Indexed and Managed) - to allow for investments to be invested in both listed and unlisted Australian shares and equity securities;
 - d. for Options 3, 4 and 5 (Balanced, Growth and High Growth) - to reduce the number of asset classes and narrow the asset allocation ranges; including setting a maximum exposure to "Alternatives" of 45% down from the 100% exposure currently permitted under the Rules;
 - e. for Options 6 and 7 (Australian Shares and International Shares) - to reduce the maximum exposure to "Cash" from 100% to 35%;
 - f. for Options 8 and 9 (Indexed and Managed) - to allow for up to 100% exposure to "Australian Fixed Interest" and "Australian Shares", up from the 80% and 60% exposure (respectively) currently permitted under the Rules;

- g. for Option 8 (Indexed) - to remove the requirement for a minimum 20% exposure to "Cash" to allow the underlying investments to align with the proposed expressly stated investment strategy, being to closely track the S&P/ASX 300 index.
7. introduce a new conservative investment option (Option 2) in the Life Events Bond Fund;
8. implement minor amendments in relation to the Income Security Fund to clarify that the Income Security Fund is intended to be an "income bond" for the purposes of the *Income Tax Assessment Act 1997* (Cth); and
9. clarify how the nomination of beneficiary provisions apply to the Benefit Funds.

A "tracked changes" version of the Constitution incorporating the proposed new Rules (which compares the current and proposed new Constitutions) together with a clean copy and an executive summary of the principal amendments to the Rules is available for inspection at the Company's registered office at 49 Gawler Place, Adelaide SA 5000 or at www.keyinvest.com.au or on request by contacting the Company Secretary on 08 8213 1100 or company.secretary@keyinvest.com.au.

In the event that changes to the proposed Rules are requested by APRA, or minor typographical changes are made before the AGM, a further version of the proposed amendments will be available for inspection at the AGM highlighting such further changes.

Board Recommendation

The Board unanimously supports the amendment to the Constitution and Directors intend to vote undirected proxies in favour of the Special Resolution.

Note: under Rule 15.9 of the Company's Constitution only those Members that are Benefit Fund Members may vote on the Special Resolution. At least 75% of the votes cast by members entitled to vote on a special resolution must be in favour of the resolution for it to be passed.

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 (Total Remuneration of Non Executive Directors) by a member of the Key Management Personnel (KMP) and any closely related parties of those persons.

Further KMP of KeyInvest and their closely related parties will not be able to vote as your proxy on Item 3 (Total Remuneration of Non Executive Directors) 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 (Total Remuneration of Non Executive Directors) by marking either 'for', 'against' or 'abstain' for this item of business.

The Chairman of the meeting will vote undirected proxies on, and in favour of, all of the proposed resolutions, except that in respect of Item 3, the Chairman will only do so where expressly authorised by the Member.

Attendance List

For planning purposes, if you are going to attend the 2013 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 2, 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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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 2013 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: