AVJennings Limited
ABN 44 004 327 771

NOTICE OF ANNUAL GENERAL MEETING

Notice is hereby given that the Annual General Meeting of AVJennings Limited will be held at Metropol Meeting Room 2, Level 3, Crown Metropol Melbourne, 8 Whiteman Street, Southbank Vic 3006 Australia, at 10.00 a.m. (AEDT) on Friday, 23 November 2018.

AGENDA

ORDINARY BUSINESS

1. Financial Statements and Reports

To receive and consider the Financial Report, together with the Directors' Report and Auditors' Report for the year ended 30 June 2018.

2. Remuneration Report

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

"That the Remuneration Report as set out in the Directors' Report for the year ended 30 June 2018 be adopted."

The vote on this resolution is advisory only and does not bind the Directors or the Company.

3. Re-election of Directors

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

3(a) "That Mr Jerome Rowley, a director retiring by rotation in accordance with the Company's constitution and being eligible for re-election, be re-elected as a director."

3(b) "That Mr Bruce Hayman, a director retiring by rotation in accordance with the Company's constitution and being eligible for re-election, be re-elected as a director."

4. Special meeting to be held within 90 days ("Spill Resolution")

To consider in accordance with section 250V of the *Corporations Act 2001* (Cth), and if thought fit pass the following as a separate ordinary resolution of the Company:

"That subject to at least 25% of the votes cast in respect of Item 2 (Remuneration Report) being cast against the adoption of the Remuneration Report:

a) Another meeting of the Company's shareholders ("spill meeting") be convened within 90 days of the date of this meeting;
b) All of the Company's Directors who are Directors when Items 1 and 2 above are considered at this AGM, with the exception of the Managing Director/CEO, cease to hold office immediately before the end of the spill meeting; and
c) Resolutions to appoint persons to offices that will be vacated immediately before the end of the spill meeting be put to a vote at the spill meeting."

Note: This resolution will only be put if the Company receives its "second strike" under the "two strikes" legislation on its Remuneration Report – that is if at least 25% of the votes cast on the resolution that the Remuneration Report be adopted are against adoption of the report (see Explanatory Notes 2, 4 and 5). If a second strike is received and the Spill Resolution is passed, the spill meeting will be held within 90 days of the date of this meeting.

Shareholders are referred to the Explanatory Notes accompanying and forming part of this Notice of Meeting.

By Order of the Board



Carl Thompson
Company Secretary
23 October 2018

The following information forms part of this Notice of Meeting.

1. A Voting Instruction Form accompanies this Notice. Please refer to Note (1) of the Voting Instruction Form regarding the appointment of the Chairman as your proxy.
2. The Chairman of the meeting intends to vote all available proxies in favour of all items of business except item 4, where he will be voting against.

EXPLANATORY NOTES ON RESOLUTIONS

These Explanatory Notes are intended to provide shareholders of the Company with information on the resolutions contained in the accompanying Notice of Annual General Meeting. The Directors recommend that shareholders read these Explanatory Notes in full before making any decision in relation to the Resolutions.

Note 1
Financial Statements and Reports

The Australian *Corporations Act 2001* (Cth) requires the Company to lay its Financial Report and the reports of the Directors and Auditor for the last financial year before the Annual General Meeting.

No resolution is required for this item, but shareholders will be given the opportunity to ask questions and to make comments on the reports and the management and performance of the Company.

The Company's Auditor will be present at the meeting and shareholders will be given the opportunity to ask the Auditor questions about the conduct of the audit, the preparation and content of the Auditor's Report, the accounting policies adopted by the Company and the independence of the Auditor.

Note 2
Remuneration Report

The Remuneration Report of the Company for the financial year ended 30 June 2018 is set out on pages 16 to 22 of the Company's 2018 Annual Report, which is also available on the Company's website at www.avjennings.com.au.

The Remuneration Report sets out the Company's remuneration arrangements for directors and certain executives who together constitute Key Management Personnel.

Section 250R of the *Corporations Act 2001* (Cth) requires a publicly listed company to put a resolution to shareholders to adopt the Company's Remuneration Report. The following comments in respect of this resolution should be noted.

a) The vote on this resolution is advisory only and does not bind the directors or the Company. However under the "two strikes" legislation which came into effect on 1 July 2011, a "first strike" is triggered if at least 25% of the votes cast at the annual general meeting are against adoption of the Remuneration Report. If, in the following year, at least 25% of the votes cast are again against adoption, a "second strike" will be triggered and the Company is required to put to shareholders a "spill" resolution. If the "spill" resolution is passed, the Company must within 90 days hold an additional meeting (a spill meeting) under which all directors (except the Managing Director/CEO) are deemed to vacate office as a director of the Company and persons including those directors may be appointed to the board of the Company.

b) At the Company's 2017 AGM a "first strike" was recorded against the Company's remuneration report. Accordingly, the Company is required to put to the shareholders at this AGM a resolution ("spill resolution") proposing the calling of an extraordinary general meeting to consider the appointment of directors of the Company. A spill resolution has been included on the Agenda (see item 4 of the Agenda).

The Chair of the meeting will allow a reasonable opportunity for shareholders to ask questions about, or make comments on, the Remuneration Report prior to voting on the resolution relating to Item 2.

The directors of the Company strongly recommend that shareholders vote ***in favour*** of the resolution to adopt the Remuneration Report. The nature of the Company's share register means that shareholders holding a significant number of shares are excluded from casting votes on this resolution by reason of being key management personnel or closely related parties (see Explanatory Note 5). This means that a relatively small number of votes is all that is necessary in order for 25% of the votes cast to be against the resolution.

At the Company's 2017 AGM, 28% of eligible votes cast were against the Remuneration Report. The "no" votes represented only 5% of the issued capital of the Company and almost all were cast by connected parties. The major dissenting shareholders were contacted to ascertain the reason for voting "no" however, no specific objection to the content of the remuneration report was provided. Accordingly, the directors of the Company have been unable to address any particular concerns such shareholders may have with the Company's remuneration strategy.

Subject to the voting exclusion statement relating to this resolution as set out in Explanatory Note 5, the Chair of the meeting intends to vote undirected proxies in favour of this resolution.

Note 3
Re-election of Directors

Two directors, Messrs Jerome Rowley and Bruce Hayman retire by rotation at this Annual General Meeting and seek re-election. A profile of each director follows.

Jerome Rowley *SF Fin, FAICD*
Independent Non-Executive Director

Mr Rowley has been a director of the Company since 22 March 2007. He is Deputy Chairman of the Board, Chairman of the Risk Management Committee and a member of the Audit, Investments and Nominations Committees.

Mr Rowley has been a career banker since the early 1970s with Citigroup, Morgan Grenfell and ABN Amro. From 1992 until 2002, he served as Managing Director and CEO of ABN Amro Australia and Head of Relationship Management and Structured Finance for ABN Amro, Asia Pacific. He has been active in both wholesale and investment banking domestically and internationally. During his career, Mr Rowley devoted considerable effort towards the recognition, understanding and management of risk as a means of profit optimization. Of particular significance was his involvement in advising and funding including debt, equity and hybrids, of infrastructure projects in both Australia and Asia Pacific. Mr Rowley resides in Sydney.

Mr Rowley has been a valuable member of the Board and in particular provides strategic commercial guidance to the Board and the Company as Deputy Chairman and as a member of various Board sub-committees.

The other members of the Board unanimously support the re-election of Mr Rowley and recommend that shareholders vote ***in favour*** of this resoluti0on. The Chair of the meeting intends to vote undirected proxies in favour of this resolution.

Bruce G Hayman
Independent Non-Executive Director

Mr Hayman has been a director of the Company since 18 October 2005. He is a member of the Remuneration, Nominations, Investments and Risk Management Committees.

Mr Hayman has many years of commercial management experience with over 20 of those at operational Chief Executive or General Manager level. He is currently Chairman of Chartwell Management Services where he brings his very wide business experience to clients by way of the leadership, marketing, business performance and coaching programs he offers. He has fulfilled senior management roles both in Australia and overseas for companies such as Nicholas Pharmaceutical Group, Dairy Farm Group, Hong Kong Land and Seagram Corporation. During his time in Singapore, he held the position of Foundation President of the Singapore Australia Business Council, now known as AUSTCHAM Singapore. He has also served as CEO of the Australian Rugby Union and as Chairman of the Board of the Rugby Club Ltd. He is Chairman of the Ella Foundation and a Director of Diabetes NSW. Mr Hayman resides in Sydney.

Mr Hayman has been a valuable member of the Board and has made significant and constructive contributions to the Board and the Company during his years of service as a Director and as a member of the various Board sub-committees.

The other members of the Board unanimously support the re-election of Mr Hayman and recommend that shareholders vote ***in favour*** of this resolution. The Chair of the meeting intends to vote undirected proxies in favour of this resolution.

Note 4
Spill Resolution

This resolution will be put to the meeting only if the Company receives a "second strike" on its Remuneration Report as detailed in Explanatory Note 2.

Subject to the voting exclusion statement relating to this resolution as set out in Explanatory Note 5, if more than 50% of the eligible shareholders vote in favour of the spill resolution, the Company must convene an extraordinary general meeting ("spill meeting") within 90 days of the 2018 AGM. All of the directors of the Company (except the Managing Director/CEO) who were in office when the 2018 Directors Report was approved will cease to hold office immediately before the end of the spill meeting, but may stand for re-election at the spill meeting. Following the spill meeting, those persons whose election or re-election as directors is approved will be the directors of the Company.

Shareholders should be aware, however, that convening a spill meeting will result in the Company incurring material additional expense in conducting a meeting as well as disruption and distraction to senior management's focus on core business operations. Moreover, shareholders should note that there are no voting exclusions applicable to resolutions appointing directors at the spill meeting. This would mean that there is no barrier to existing major shareholders of the Company exercising their voting rights to reappoint the existing directors of the Company without any changes to the composition of the Board.

The directors of the Company strongly recommend that shareholders vote ***against*** the spill resolution. The Chair of the meeting intends to vote undirected proxies against this resolution.

Note 5
Voting Exclusion Statement:

A vote on items 2 and 4 must not be cast (in any capacity) by, or on behalf of, the following:

- A Member of the key management personnel (KMP) (being the directors and the other KMP as disclosed in the Remuneration Report); and
- Closely related parties of such a KMP (such as close family members and any companies the KMP controls).

However, a person described above may cast a vote on items 2 and 4 as a proxy if the vote is not cast on behalf of a person described above and either:

- The proxy appointment is in writing that specifies the way the proxy is to vote (e.g. for, against, abstain) on the resolution; or
- The vote is cast by the Chairman of the meeting and the appointment of the Chairman as proxy:
  (a) Does not specify the way the proxy is to vote on the resolutions; and
  (b) Expressly authorises the Chairman to exercise the proxy even if the resolution is connected directly or indirectly with the remuneration of a member of the KMP, which includes the Chairman.

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

The Chairman of the meeting intends to vote all available proxies in favour of all items of business except item 4, where he will be voting against.

Any directed proxies that are not voted on a poll at the meeting will automatically default to the Chairman of the meeting, who is required to vote proxies as directed.

The Company will disregard any votes cast on items 2 and 4 of the Agenda by a KMP or closely related party, which have not been cast in accordance with this voting exclusion statement.

AVJENNINGS LIMITED
ABN 44 004 327 771
Incorporated in Australia

Voting Instruction Form
Annual General Meeting – Friday, 23 November 2018

Please read the notes overleaf before completing and signing this form. A copy of the Notice of Annual General Meeting is enclosed.

To: AV Jennings Limited
c/o The Central Depository (Pte) Limited
11 North Buona Vista Drive #06-07
The Metropolis Tower 2
Singapore 138589

I/We

request you to appoint the Chairman of the Meeting as my/our proxy to attend and vote for me/us on my/our behalf at the Annual General Meeting of AVJennings Limited to be held at Metropol Meeting Room 2, Level 3, Crown Metropol Melbourne, 8 Whiteman Street, Southbank Vic 3006, Australia at 10.00 a.m. (AEDT) on Friday, 23 November 2018 and at any adjournment of that meeting.

I/We direct that my/our proxy vote as indicated:

ORDINARY BUSINESS		**For**	**Against**	**Abstain***
2	Adoption of Remuneration Report			
3(a)	Re-election of Mr Jerome Rowley as a Director			
3(b)	Re-election of Mr Bruce Hayman as a Director			
4	Spill Resolution (if required)			

Number of Ordinary Shares to which this instruction relates
Securities Account Number to which this instruction relates

If you mark the Abstain box for a particular item, you are directing your proxy not to vote on your behalf on a poll.

TO BE COMPLETED BY DIRECT ACCOUNT HOLDER(S)/DEPOSITORY AGENT IF HE/SHE/IT WISHES TO GIVE VOTING INSTRUCTIONS:

For Individuals: **For Corporations:**

_____ _____
Signature of Direct Account Holder Signature of Director(s)/Secretary Common Seal

_____
Signature of Direct Account Holder

Dated this …… day of …….. 2018

Notes:

1. Your shares are registered with the Central Depository (Pte) Limited ("CDP"). As CDP is not allowed under the Constitution of the Company to appoint more than 2 proxies, Depositors are not able to attend or appoint their own proxies to attend the Company's Annual General Meeting, and can only request CDP to appoint the Chairman of the Meeting as their proxy to attend and vote on their behalf in accordance with the voting instructions herein. CDP will not appoint a proxy other than the Chairman of the Meeting to attend and vote in accordance with the voting instructions herein.

2. This voting instruction form, duly completed, must be returned by the Direct Account Holder(s) or Depository Agent to the office of AVJennings Limited c/o The Central Depository (Pte) Limited, 11 North Buona Vista Drive #06-07, The Metropolis Tower 2, Singapore 138589 by **5.00 pm on Thursday, 15 November 2018 (the "Receipt Date").**

3. The Direct Account Holder or Depository Agent should complete each box for the Meeting resolutions indicating the number of shares to be voted for or against or abstain. The total number of shares represented should not exceed the total shareholding.

4. The Direct Account Holder or Depository Agent should provide the Securities Account Number to which the number of ordinary shares in this voting instruction relates. If the securities account number is not provided, this Form will be deemed to be incomplete and CDP is entitled (but not obliged) to disregard your instruction.

5. If CDP does not receive your specific instructions by the Receipt Date, it will not vote or take any action with respect to your shares at the Company's Annual General Meeting.

6. If a Direct Account Holder or Depository Agent wishes to give voting instructions on its shares, this Form must be signed by the Direct Account Holder or Depository Agent or his/her/its attorney duly authorised in writing or if the Direct Account Holder or Depository Agent is a corporation, executed under its common seal or under the hand of its attorney duly authorised in writing. In the case of joint Direct Account Holders, all joint Direct Account Holders must sign this Form. The Power of Attorney or other authority appointing the attorney or a notarially/duly certified copy of that Power of Attorney or other Attorney or other Authority must be attached to this Form if it is signed by an attorney.

7. If, as at the Receipt Date, the total shareholding of the Direct Account Holder or Depository Agent exceeds the total number of shares to which any voting instruction relates, CDP will forward the Direct Account Holder's or Depository Agent's voting instructions only in respect of the shares in respect of which any voting instruction relates.

8. If, as at the Receipt Date, the total shareholding of the Direct Account Holder or Depository Agent is less than the total number of shares to which any voting instruction relates, CDP will forward the Direct Account Holder's or Depository Agent's voting instructions only in respect of the lesser number of shares, i.e. the Direct Account Holder's or Depository Agent's total shareholding as at the Receipt Date, provided that any instruction which requires CDP to allocate the securities between votes "For" or "Against" or "Abstain" any resolution shall be invalid. For example, if on the Receipt Date an account holder's total shareholding is 10 shares but his voting instruction relates to 20 shares, CDP will forward the voting instructions in respect of 10 shares if the votes are either wholly for or against the resolution. If the account holder has split his or her shares into votes for and against the resolution, CDP will not be able to allocate the shares amongst the split votes and will accordingly treat the voting instruction as invalid.