

PENTAL LIMITED
ABN 29 091 035 353
NOTICE OF ANNUAL GENERAL MEETING

Notice is given that the Annual General Meeting of the members of Pental Limited (**Pental or Company**) will be held at The Packard Room, The Royce Hotel, 379 St Kilda Road, Melbourne, Victoria, at 11.00 am AEDT on 28 November 2019.

BUSINESS

FINANCIAL REPORT

To receive and consider the Annual Financial Statements, the Directors' Report and Audit Report of the Company and its Controlled Entities for the year ended 30 June 2019.

The above documents are contained in the Annual Report. Shareholders who have elected to receive an electronic copy of the Annual Report can download a copy at Pental.com.au under the "Investors" tab in the "Reports" section. Shareholders who have elected to receive a hard copy of the Annual Report will receive one with this Notice of Meeting.

RESOLUTION 1 - ADOPTION OF REMUNERATION REPORT

To consider and, if thought fit, to pass the following non-binding resolution:

That the Remuneration Report contained in the Directors' Report for the year ended 30 June 2019 be adopted.

Short Explanation

The Corporations Act requires listed companies to put to Shareholders at the Annual General Meeting a non-binding resolution concerning the Remuneration Report which is contained in the Directors' Report section of the Annual Report.

Shareholders will be given an opportunity to ask questions concerning the Remuneration Report at the Annual General Meeting.

As stated, Resolution 1 is non-binding.

Voting Exclusion Statement

The Company will disregard any votes cast on the proposed resolution for adoption of the remuneration report by or on behalf of:

- (a) a Key Management Personnel (**KMP**) named in the Remuneration Report; or
- (b) a Closely Related Party of a KMP,

whether the votes are cast as a Shareholder, proxy or in any other capacity.

However, the Company will not disregard a vote cast by a KMP or Closely Related Party of a KMP if it is cast as a proxy and it is not cast on behalf of a KMP or a Closely Related Party of a KMP. If the proxy is the Chairman, and the proxy does not specify the way in which the proxy should vote, the Chairman intends to vote in favour of the resolution

Important for Resolution 1

If you are KMP or a Closely Related Party of KMP (or are acting on behalf of any such person) and purport to cast a vote that will be disregarded by the Company (as indicated above), you may be liable for an offence for breach of voting restrictions that apply to you under the Corporations Act.

RESOLUTION 2 - RETIREMENT OF DIRECTORS BY ROTATION AND BY OPERATION OF THE CONSTITUTION

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

- 2.1 *That, having retired pursuant to the Constitution of the Company, Peter Robinson be re-elected as a director.*
- 2.2 *That, having been elected during the year and retired pursuant to the Constitution of the Company, Jeff Miciulis be elected as a director.*
- 2.3 *That, having been elected during the year and retired pursuant to the Constitution of the Company, Mark Hardgrave be elected as a director.*
- 2.4 *That, having been elected during the year and retired pursuant to the Constitution of the Company, Fred Harrison be elected as a director.*

Short Explanation

The Company's Constitution requires one third of the directors (other than the Managing Director) to retire at each Annual General Meeting, being the directors longest in office since being re-elected by Shareholders at the date of the Annual General Meeting. It also requires any director appointed during the year to retire at the first AGM held after their election. Messers Robinson, Miciulis, Hardgrave and Harrison must therefore retire and have offered themselves for re-election.

Details of the Directors are contained in the Directors' Report section of the Annual Report.

CONDITIONAL RESOLUTION 3 – SPILL RESOLUTION

Condition for Resolution 3: Resolution 3 will be considered at the AGM only if at least 25% of the votes cast on Item 1 are against the adoption of the Remuneration Report. The Explanatory Statement further explains the circumstances in which Resolution 3 will be put to the meeting.

Conditional on at least 25% of votes being cast against Resolution 1, to consider and if thought fit, to pass the following ordinary resolution:

- 3.1 *a meeting of the Company's members be held within 90 days of the date of the 2019 Annual General Meeting (the spill meeting);*
- 3.2 *each of Peter Robinson*, Jeff Miciulis*, Mark Hardgrave*, Fred Harrison* and John Etherington cease to hold office immediately before the end of the spill meeting; and*

3.3 *resolutions to appoint persons to offices that will be vacated immediately before the end of the spill meeting be put to the vote at the spill meeting.*

* assuming the director is re-elected at this AGM.

Short Explanation

As stated above, the Corporations Act requires listed companies to put to Shareholders at the Annual General Meeting a non-binding resolution concerning the Remuneration Report. If at least 25% of votes are cast against the resolution for two consecutive years, the Company is required to put a resolution to shareholders to hold a meeting to spill the Board (**Spill Resolution**). At the 2018 AGM at least 25% of votes were cast against the resolution, therefore:

1. If less than 25% of Shareholders vote against the Remuneration Report, the requirement to hold a Spill Resolution is not met and the Spill Resolution will not be put to Shareholders; or
2. If at least 25% of shareholders vote against the Remuneration Report the requirement to hold a Spill Resolution is met, and:
 - a. The Spill Resolution will be put to Shareholders; and
 - b. If more than 50% of Shareholders vote in favour of the Spill Resolution a meeting will be held within 90 days at which all directors will stand for re-election.

Voting Exclusion Statement

The Company will disregard any votes cast on the proposed resolution by or on behalf of:

- (a) a KMP; or
- (b) a Closely Related Party of a KMP,

whether the votes are cast as a Shareholder, proxy or in any other capacity.

However, the Company will not disregard a vote cast by a KMP or Closely Related Party of a KMP if it is cast as a proxy and it is not cast on behalf of a KMP or a Closely Related Party of a KMP. If the proxy is the Chairman, and the proxy does not specify the way in which the proxy should vote, the Chairman intends to vote against the resolution.

By order of the Board:



Oliver Carton
Company secretary
Dated: 10 October 2019

NOTES

IMPORTANT: Shareholders are urged to direct their proxy how to vote by clearly marking the relevant box for each item on the proxy form.

1. A Member entitled to attend and vote at the Annual General Meeting has the right to appoint a person (who does not need to be a Member) as the Member's proxy to attend and vote at the meeting.
2. A Member who is entitled to cast two or more votes may appoint two proxies and may specify the proportion or number of votes each proxy is appointed to exercise. If the Member appoints two proxies and the appointment does not specify the proportion or number of the Member's votes each proxy may exercise, each proxy may exercise one half of the Member's votes.
3. The proxy form must be signed by the Member or the Member's attorney. Proxies given by corporations must be executed under seal or signed under the hand of a duly authorised officer or attorney.
4. To be valid, the enclosed proxy form and the power of attorney or other authority (if any) under which it is signed (or a certified copy of it) must be lodged:
 - a) at the offices of the Share Registry – Boardroom Pty Ltd GPO Box 3993 Sydney NSW 2001;
 - b) by faxing it to the Share Registry office on fax number (02) 9290 9655;
 - c) online: www.votingonline.com.au/pentalagm2019.

not later than 48 hours before the time for commencement of the meeting being **11.00 am AEDT on 26 November 2019**.

5. A proxy may decide whether to vote on any motion, except where the proxy is required by law, the ASX Listing Rules or the Constitution to vote, or abstain from voting, in their capacity as proxy. If a proxy is directed to vote on an item of business, the proxy may vote on that item only in accordance with the direction. If a proxy is not directed how to vote on an item of business, the proxy may vote as they think fit.
6. Amendments to the Corporations Act have been made recently which apply to proxy voting. Shareholders and their proxies should be aware of these changes to the Corporations Act, as they will apply to this meeting. Broadly, the changes mean that:
 - (a) if proxy holders vote, they must cast all directed proxies as directed; and
 - (b) any directed proxies which are not voted will automatically default to the Chairman of the meeting, who must vote as the proxies as directed.
7. A proxy form accompanies this Notice of Meeting.
8. The proxy form accompanying this Notice of Meeting contains detailed instructions regarding how to complete the proxy form if a Shareholder wishes to appoint the Chairman as his or her proxy. You should read those instructions carefully.
9. By appointing the Chairman of the meeting as your proxy in relation to Resolution 1 you expressly authorise the Chairman to vote in favour of Resolution 1 unless:

- (a) you direct the Chairman to vote against or to abstain from voting on the resolution; or
- (b) you are a Member of the key management personnel of the Company and its subsidiaries, details of whose remuneration are included in the remuneration report for the year ended 30 June 2019 (**KMP**).

10. The Chairman of the meeting intends to exercise all available proxies by voting in favour of resolutions 1 and 2, but **AGAINST** resolution 3.
11. A person may attend the meeting under an appointment of corporate representative pursuant to section 250D of the Corporations Act or Power of Attorney only if a copy of that duly executed appointment or Power of Attorney is lodged with the Share Registry or produced prior to the commencement of the meeting.
12. The Company has determined that a person's entitlement to vote at the Annual General Meeting will, in accordance with the Corporations Act, be the entitlement of that person set out in the register of Shareholders as at 7:00 pm AEDT 26 November 2019. This means that any Shareholder registered at 7:00 pm AEDT on 26 November 2019 is entitled to attend and vote at the Annual General Meeting.
13. Shareholders or their attorneys wishing to vote in person should attend the Annual General Meeting.
14. Attorneys should bring with them the original or a certified copy of the power of attorney under which they have been authorised to attend and vote at the meeting, unless it had already been provided to the Share Registry.

EXPLANATORY STATEMENT

INTRODUCTION

The purpose of this Explanatory Statement is to provide Shareholders with an explanation of the business of the meeting and the Resolution proposed to be considered at the Annual General Meeting.

1 FINANCIAL STATEMENTS AND REPORT

At the Annual General Meeting, Shareholders will be given an opportunity to ask questions and comment on the Directors' Report, Financial Statements and Independent Auditor's Report for the year ended 30 June 2019.

Shareholders who have elected not to receive a hard copy of the Company's 2019 Annual Report can view or download a copy from the Company's website at www.Pental.com.au.

The Company's auditors will be present at the meeting and be available to answer questions as to the conduct of the audit and the auditor's report.

2 RESOLUTION 1 – REMUNERATION REPORT

In accordance with section 250R(2) of the Corporations Act, listed companies are required to put to Shareholders at the Annual General Meeting a non-binding resolution concerning the Remuneration Report which is contained in the Directors' Report section of the Annual Report.

As stated the resolution is non binding however if at least 25% of the votes cast on the resolution at the Annual General Meeting are against adoption of the report, then there are the following consequences. The Corporations Act was amended in June 2011 to introduce the "two-strikes" rule. The two strikes rule provides that if at least 25% of the votes cast (excluding KMP and their Closely Related Parties) on the adoption of the remuneration report at two consecutive AGMs are against adopting the remuneration report, members will have the opportunity to vote on a Spill Resolution.

A Spill Resolution is a resolution that a separate meeting be called where all Directors other than the Managing Director retire and can be re-elected.

The Directors recommend that all Shareholders vote in favour of the Remuneration Report.

As stated the Company will disregard any votes cast on the proposed resolution for adoption of the remuneration report by or on behalf of:

- (a) a KMP; or
- (a) a Closely Related Party of a KMP.

3 RESOLUTION 2 - RETIREMENT OF DIRECTORS BY ROTATION AND BY OPERATION OF THE CONSTITUTION

The Pental Constitution requires directors appointed during the year to retire and offer themselves for election at the first AGM following their appointment. The Constitution also requires one third of Directors, other than the Managing Director, to retire at each Annual General Meeting. Those directors are eligible to be elected by Shareholders. The rules apply this year to Peter Robinson, Jeff Miciulis, Mark Hardgrave and Fred Robinson, all of whom seek to be re-elected.

The details and experience of are set out in the Directors' Report section of the Annual Report. In particular:

Peter Robinson is Chairman of Pental Limited. Peter has a wealth of experience in the manufacturing sector within Australia and internationally. He was the Chief Executive of ACI Packaging Group and Vice President of Owens-Illinois Inc, the parent company of ACI Packaging Group. Previous roles include Chief Operating Officer and Director of BTR Nylex Limited, and General Manager of Bowater Scott, where he held substantial marketing roles.

Jeff Miciulis brings 35 years' experience in Sales, Marketing, Country Leadership, and Regional Leadership at Energizer in both Household Batteries, and Personal Care Shaving Products. He commenced his career as a Sales Trainee with Eveready Australia and rose to become National Sales Manager before taking his career overseas for the next 20 years. During that time he held numerous leadership roles of increasing responsibility across multiple international markets.

Mark Hardgrave has over 35 years' experience having held previous positions in corporate finance, funds management and various C-suite roles. He is currently a non-Executive Director of ASX listed companies Traffic Technologies Limited, Wingara AG Limited and a Director of Reclink Australia.

Fred Robinson is the CEO of Ritchies Stores Pty Ltd. He began his career as a casual with Ritchies in 1975, whilst still at Frankston High School, and worked his way up to management before being appointed as General Manager in 1987 and then as Chief Executive Officer in 1994.

The Directors recommend that all Shareholders vote in favour of these resolutions. The Chairman intends to vote open proxies in favour of them.

4 CONDITIONAL RESOLUTION 3 – SPILL RESOLUTION

Shareholders should note that Resolution 3 will be considered at the AGM only if at least 25% of the votes cast on Resolution 1 are against the adoption of the Remuneration Report.

The Corporations Act was amended in June 2011 to introduce the “two-strikes” rule. The two strikes rule provides that if at least 25% of the votes cast (excluding KMP and their Closely Related Parties) on the adoption of the remuneration report at two consecutive AGMs are against adopting the remuneration report, members will have the opportunity to vote on the Spill Resolution.

At last year's AGM, at least 25% of the votes cast on the resolution to adopt the remuneration report were against adopting the report. This constitutes a “first strike”.

If less than 25% of the votes cast on Resolution 1 are against adopting the remuneration report at the 2019 AGM, then there will be no second strike and the Spill Resolution will not be put to the meeting.

If at least 25% of the votes cast on Resolution 1 are against adopting the Remuneration Report this will constitute a second strike and Resolution 3 will be put to the meeting and voted on as required by section 250V of the Corporations Act.

If put, the Spill Resolution will be considered as an ordinary resolution.

If the spill resolution is passed, a further meeting of members must be held within 90 days (the spill meeting). Immediately before the end of the spill meeting, each of Peter Robinson*, Jeff Miciulis*, Mark Hardgrave*, Fred Harrison* and John Etherington, being the directors who approved the last Directors' Report, cease to hold office (the Relevant Directors). Each Relevant Director is eligible to seek re-election as a director of the Company at the spill meeting.

If the spill resolution is passed, Shareholders should note that each of the Relevant Directors intends to stand for re-election at the spill meeting. Shareholders should also note that there are no voting restrictions for the spill meeting and Directors have advised that they will vote their shares to re-elect each Relevant Director.

* This assumes the director is elected or re-elected at the AGM.



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
-  **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 11:00am AEDT on Tuesday, 26 November 2019.**

TO VOTE ONLINE

BY SMARTPHONE

STEP 1: VISIT <https://www.votingonline.com.au/pentalagm2019>

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

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



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:

- (a) 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.
- (b) 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 **11:00am (AEDT) on Tuesday, 26 November 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/pentalagm2019>

 **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 **Pental 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 **The Packard Room, The Royce Hotel, 379 St Kilda Road, Melbourne VIC 3004 on Thursday 28 November 2019 at 11:00am (AEDT)** 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 Resolutions 1 and 3, I/we expressly authorise the Chair of the Meeting to exercise my/our proxy in respect of this Resolution even though Resolution 1 and 3 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 Resolution 1, 2.1, 2.2, 2.3 and 2.4 and AGAINST Resolution 3. 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 the Remuneration Report	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Resolution 2.1	Re-election of Peter Robinson as a Director	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Resolution 2.2	Election of Jeff Miciulis as a Director	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Resolution 2.3	Election of Mark Hardgrave as a Director	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Resolution 2.4	Election of Fred Harrison as a Director	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Resolution 3	Spill Resolution (Conditional Item)	<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