



NOTICE OF 2017 ANNUAL GENERAL MEETING
AND EXPLANATORY STATEMENT



Notice of Annual General Meeting

Notice is hereby given that the Annual General Meeting of Elanor Investors Limited (“**EIL**” or “the **Company**”) and Elanor Investment Fund (“**EIF**”), (together “**Elanor**” or “the **Group**”) will be held:

on **Tuesday 17 October 2017**

at **10.30 am Sydney time**

at **Computershare Investor Services, Level 4, 60 Carrington Street, Sydney NSW 2000**

for the purpose of transacting the items of business set out below.

The attached Explanatory Statement is provided to supply shareholders and unitholders (together “**Securityholders**”) with information to enable Securityholders to make an informed decision regarding the Resolutions set out in this Notice. The Explanatory Statement is to be read in conjunction with this Notice.



Items of Business

1. FINANCIAL STATEMENTS AND REPORTS

To receive and consider the annual statements and reports of the Group for the financial year ended 30 June 2017.

2. ADOPTION OF THE REMUNERATION REPORT

Resolution 1

To consider and, if thought fit, to pass, with or without amendment, the following resolution as a **non-binding resolution** of EIL:

“That, for the purpose of Section 250R(2) of the Corporations Act and for all other purposes, approval is given for the adoption of the remuneration report as contained in the Group’s annual report for the financial year ended 30 June 2017.”

Short explanation: EIL is required to put a resolution to adopt the remuneration report of the Group at each annual general meeting. This is an advisory resolution only and does not bind the Directors or EIL.

Voting exclusion: A voting exclusion applies to this resolution – details are set out in the Explanatory Statement.

3. RE-ELECTION OF EIL DIRECTOR AND CHAIRMAN – MR PAUL BEDBROOK

Resolution 2

To consider and, if thought fit, to pass, with or without amendment, the following resolution as an **ordinary resolution** of EIL:

“That, for the purpose of the Constitution and for all other purposes, Mr Paul Bedbrook, a non-executive Director and Chairman who retires by rotation, and being eligible, is re-elected as a non-executive Director and Chairman of the Company.”

Short explanation: Mr Paul Bedbrook is currently a non-executive Director and Chairman, and is presented for re-election in accordance with the rotation requirements of EIL’s Constitution.

4. APPROVAL OF ADDITIONAL PLACEMENT CAPACITY

Resolution 3

To consider and, if thought fit, to pass, with or without amendment, the following resolution as a **special resolution** of each of EIL and EIF:

“That, for the purposes of ASX Listing Rule 7.1A and for all other purposes, approval is given for the Group to issue Equity Securities up to 10% of the issued capital of the Group (at the time of issue) calculated in accordance with the formula prescribed in ASX Listing Rule 7.1A.2, to be issued on the terms and conditions set out in the Explanatory Statement accompanying this Notice.”

Short explanation: ASX Listing Rule 7.1A permits eligible entities to obtain Securityholder approval to issue an additional 10% of the entities issued Equity Securities during a 12 month period. Securityholder approval must be given by a special resolution (at least 75% approval) at an annual general meeting.

Voting exclusion: A voting exclusion applies to this resolution – details are set out in the Explanatory Statement.



5. GRANT OF RESTRICTED SECURITIES TO THE MANAGING DIRECTOR AND CHIEF EXECUTIVE OFFICER

Resolution 4

To consider and, if thought fit, to pass, with or without amendment, the following as an **ordinary resolution** of each of EIL and EIF:

“That, for the purposes of ASX Listing Rule 10.14 and all other purposes, approval is given for the issue of up to a maximum of 700,000 Restricted Securities to the Managing Director and Chief Executive Officer (in relation to the FY18 deferred STI award) under the Elanor Investors Group Short Term Incentive Plan, on the terms summarised in the Explanatory Statement.”

Short explanation: Elanor Investors Group plans to issue Restricted Securities (in relation to the FY18 deferred STI award) to incentivise the Managing Director and Chief Executive Officer on the terms summarised in the Explanatory Statement.

Voting exclusion: A voting exclusion applies to this resolution – details are set out in the Explanatory Statement.

6. GRANT OF 2017 LOAN SECURITIES AND EXECUTIVE OPTIONS TO THE MANAGING DIRECTOR AND CHIEF EXECUTIVE OFFICER

Resolution 5

To consider and, if thought fit, to pass, with or without amendment, the following as an **ordinary resolution** of each of EIL and EIF:

“That, for the purposes of ASX Listing Rule 10.14 and all other purposes, approval is given for the grant of 4,250,000 Loan Securities and 2,000,000 Executive Options, as part of the long-term incentive component of the Managing Director and Chief Executive Officer’s remuneration, on the terms summarised in the Explanatory Statement.”

Short explanation: Elanor Investors Group plans to grant multi-year term Loan Securities and Executive Options under the Elanor Investors Group Executive Loan Security Plan and the Elanor Investors Group Executive Incentive Plan – Rights and Options respectively, to incentivise the Managing Director and Chief Executive. The Loan Securities and Executive Options will be issued by the Group on the terms summarised in the Explanatory Statement.

Voting exclusion: A voting exclusion applies to this resolution – details are set out in the Explanatory Statement.



How To Vote – Voting Notes

These Voting Notes should be read together with and form part of the Notice of Meeting.

1. SECURITYHOLDERS ELIGIBLE TO VOTE

In accordance with section 1074E(2)(g)(i) of the Corporations Act and regulation 7.11.37 of the Corporations Regulations, Elanor has determined that for the purposes of the Meeting, all Securities will be taken to be held by the registered holders at 7pm Sydney time on 15 October 2017.

Accordingly, Security transfers registered after that time will be disregarded in determining entitlements to attend and vote at the Meeting.

2. ADMISSION TO MEETING

If you will be attending the Annual General Meeting and you will not appoint a proxy, please bring your proxy form (if you still have one) to the meeting to help speed admission. Your proxy form contains identification details that can be scanned upon entry. You will be able to register from 9:30am on the day of the meeting. If you do not bring your proxy form with you, you will still be able to attend and vote at the Annual General Meeting, but representatives from Computershare will need to verify your identity.

3. PROXIES

If you are eligible to vote but do not plan to attend the AGM, you are encouraged to complete and return a proxy form. You are entitled to appoint one or two proxies. Where two proxies are appointed, you may specify the number or proportion of votes that each may exercise, failing which each may exercise half of the votes.

A proxy need not be a Securityholder of Elanor. If you want to appoint one proxy, you can use the form provided. If you want to appoint two proxies, please follow the instructions on the proxy form. If you sign and return a proxy form and do not nominate a person to act as your proxy, the Chair will be appointed as your proxy by default.

The Constitution provides that on a show of hands, every person present and entitled to vote has one vote. If you appoint a proxy who is also a Securityholder or is also a proxy for another Securityholder, your directions may not be effective on a show of hands. Your directions will however be effective if a poll is taken on the relevant resolution.

4. WHERE TO LODGE YOUR PROXY

You may lodge a proxy by following the instructions set out on the proxy form accompanying this Notice of Meeting. To be effective the proxy must be received by Computershare in accordance with the instructions on the proxy form at the postal address, fax number or website below, **not later than 10.30am Sydney time on 15 October 2017:**

Computershare Investor Services Pty Limited
GPO Box 242
Melbourne VIC 3000 Australia

Or to: Fax 1800 783 447
if overseas to: +61 (3) 9473 2555

Or: Online at www.investorvote.com.au
Instructions on how to lodge online can be found on the proxy form



5. CORPORATE REPRESENTATIVES

A corporate Securityholder wishing to appoint a person to act as its representative at the AGM may do so by providing that person with:

- a letter, certificate or form authorising him or her as the corporate Securityholder's representative, executed in accordance with the corporate Securityholder's Constitution; or
- a copy of the Resolution appointing the representative, certified by a secretary or director of the corporate Securityholder.

A form may be obtained from the Computershare website at www.investorcentre.com under the information tab "Downloadable Forms".

6. APPOINTMENT OF THE CHAIR OR OTHER KEY MANAGEMENT PERSONNEL AS YOUR PROXY

Due to the voting exclusions and requirements referred to in the Notice of Meeting, if you intend to appoint any Director or Key Management Personnel or their Closely Related Parties, **other than the Chair**, as your proxy, you should direct your proxy how to vote on Resolution 1 (Adoption of the Remuneration Report), Resolution 4 (Grant of Restricted Securities to the Managing Director and Chief Executive Officer), and Resolution 5 (Grant of 2017 Loan Securities and Executive Options to the Managing Director and Chief Executive Officer) by marking either "For", "Against" or "Abstain" on the proxy form for the relevant item of business.

If you do not direct such a proxy how to vote on that Resolution, they will **not** be able to vote an undirected proxy and your vote will not be counted on that Resolution. This does not apply to the Chair, who is able to vote undirected proxies on all Resolutions.

7. HOW THE CHAIR WILL VOTE UNDIRECTED PROXIES

The Chair intends to vote any undirected proxies in favour of all five Resolutions.

You should note that if you appoint the Chair as your proxy, or the Chair is appointed your proxy by default, you will be taken to authorise the Chair to exercise the proxy even if the Resolution is connected directly or indirectly with the remuneration of a member of the Key Management Personnel.

If you wish, you can appoint the Chair as your proxy and direct the Chair to cast your votes contrary to the above stated voting intention or to abstain from voting on a Resolution. Simply mark your voting directions on the proxy form before you return it.

8. VOTING EXCLUSIONS

Certain voting exclusions apply to Resolutions 1, 3, 4 and 5 – details are set out in the Explanatory Statement.

By order of the Board

Symon Simmons
Company Secretary
Date: 15 September 2017



Explanatory Statement to the Notice of Annual General Meeting

This Explanatory Statement is intended to provide Securityholders with sufficient information to assess the merits of the Resolutions contained in the Notice.

The Directors recommend that Securityholders read this Explanatory Statement in full before making any decision in relation to the Resolutions.

1. FINANCIAL STATEMENTS AND REPORTS

The business of the Annual General Meeting will include receipt and consideration of the annual financial report of the Group for the financial year ended 30 June 2017.

The Group is not required to provide a hard copy of the Group's annual financial report to Securityholders unless a Securityholder has specifically elected to receive a printed copy.

Whilst the Group will not provide a hard copy of the Group's annual financial report unless specifically requested to do so, Securityholders may view the Group annual financial report on its website at <http://www.elanorinvestors.com>.

Securityholders will be offered the following opportunities:

- (a) discuss the Annual Financial Report for the financial period ended 30 June 2017;
- (b) ask questions to, and make comments on, the management of the Group; and
- (c) ask the auditor, Deloitte Touche Tohmatsu, questions about the conduct of the audit and preparation and content of the auditor's report.

2. INFORMATION RELATING TO RESOLUTION 1

Adoption of the Remuneration Report

General

The Corporations Act requires that at a listed Group's Annual General Meeting, a resolution that the Remuneration Report be adopted must be put to the Securityholders. However, such a resolution is advisory only and does not bind the Directors or the Group.

The Remuneration Report sets out the Group's remuneration arrangements for the Directors and senior management of the Group. The Remuneration Report is part of the Directors' report contained in the annual financial report of the Group for the financial year ended 30 June 2017.

A reasonable opportunity will be provided for discussion of the Remuneration Report at the Annual General Meeting.

Voting Consequences

Under the Corporations Act, if 25% or more of votes that are cast are voted against the adoption of the Remuneration Report at two consecutive annual general meetings, Securityholders will be required to vote at the second of those annual general meetings on a resolution (a "spill resolution") that another general meeting be held within 90 days at which all of the Directors (other than the Managing Director) must stand for re-election.



Proxy Restrictions

If you choose to appoint a proxy, you are encouraged to direct your proxy how to vote on Resolution 1 (Remuneration Report) by marking either “For”, “Against” or “Abstain” on the Proxy Form for Resolution 1.

If you appoint a member of the Key Management Personnel whose remuneration details are included in the Remuneration Report (who is not the Chairman) or a closely related party of that member as your proxy, and you do not direct that person on how to vote on this Resolution 1, the proxy cannot exercise your vote and your vote will not be counted in relation to this Resolution 1.

The Chairman intends to vote all undirected proxies in favour of Resolution 1. If the Chairman of the Meeting is appointed as your proxy and you have not specified the way the Chairman is to vote on Resolution 1, by signing and returning the proxy form you are giving express authorisation for the Chairman to vote the proxy in accordance with the Chairman’s intention.

Key Management Personnel of the Group are the Directors and those other persons having authority and responsibility for planning, directing and controlling the activities of the Group, directly or indirectly. The Remuneration Report identifies the Group’s key management personnel for the financial year to 30 June 2017. Their closely related parties are defined in the Corporations Act, and include certain of their family members, dependants and companies they control.

Voting Exclusion

A vote in respect of Resolution 1 must not be cast (in any capacity) by or on behalf of any of the following persons (the “voter”):

- (a) a member of the Key Management Personnel, details of whose remuneration are included in the Remuneration Report; or
- (b) a Closely Related Party of such a member.

However, the voter may cast a vote on Resolution 1 as a proxy if the vote is not cast on behalf of a person described in paragraphs (a) or (b) and either:

- (a) the voter is appointed as a proxy in writing that specifies the way the proxy is to vote on Resolution 1; or
- (b) the voter is the chair of the Meeting and has been appointed as a proxy (expressly or by default) without being directed how to vote on the Resolution.

3. INFORMATION RELATING TO RESOLUTION 2

Re-election of EIL Director and Chairman – Mr Paul Bedbrook

General

Rule 22 of the EIL Constitution requires that, while the Group is listed, at least one of the Directors (except the Managing Director) must retire at each annual general meeting. No Director (except a Managing Director) shall hold office for a period in excess of three years, or until the third annual general meeting following his or her appointment, whichever is the longer, without submitting himself or herself for re-election.

Mr. Paul Bedbrook is a non-executive Director and Chairman of the Group. He was elected on 13 June 2014 and retires in accordance with these provisions and, being eligible, offers himself for re-election as a Director and Chairman.

Details of the qualifications and expertise of Mr. Bedbrook are set out in the 2017 Annual Report of the Group.

Recommendation

The Board (other than Mr. Bedbrook) recommends the re-election of Mr. Bedbrook as a Director.



4. INFORMATION RELATING TO RESOLUTION 3

Approval of Additional Placement Capacity

General

ASX Listing Rule 7.1 permits entities to issue 15% of its issued capital without Securityholder approval in a 12 month period, subject to a number of exceptions.

ASX Listing Rule 7.1A permits eligible entities, which have obtained Securityholder approval by special resolution, to issue Equity Securities up to an additional 10% of its issued capital by placements over a 12 month period after the annual general meeting (“Additional Placement Capacity”).

The Group seeks Securityholder approval under this Resolution to be able to issue Equity Securities under the Additional Placement Capacity. The exact number of Equity Securities to be issued is not fixed and will be determined in accordance the formula prescribed in ASX Listing Rule 7.1A.2 (set out below).

Requirements of ASX Listing Rule 7.1A

- (a) Eligible entities: An eligible entity for the purposes of ASX Listing Rule 7.1A is an entity that is not included in the S&P/ASX 300 Index and has a market capitalisation of \$300 million or less. The Group is an eligible entity;
- (b) Securityholder approval: Securityholders must approve the Additional Placement Capacity by special resolution at the annual general meeting. A resolution under ASX Listing Rule 7.1A cannot be put at any other Securityholder meeting;
- (c) Equity Securities: Securities issued under the Additional Placement Capacity must be in the same class as an existing class of Securities of the Group that are quoted on ASX. As at the date of this Notice, the Securities that are quoted on ASX are fully paid ordinary shares stapled with fully paid units; and
- (d) Formula for calculating number of Equity Securities that may be issued under the Additional Placement Capacity.

If this Resolution is passed, the Group may issue or agree to issue, during the 12 month period after this Meeting, the number of Equity Securities calculated in accordance with the following formula: $(A \times D) - E$

A	The number of Securities on issue 12 months before the date of issue or agreement: <ul style="list-style-type: none">• plus the number of fully paid Securities issued in the 12 months under an exception in ASX Listing Rule 7.2;• plus the number of partly paid securities that became fully paid in the 12 months, if any;• plus the number of fully paid securities issued in the 12 months with the approval of Securityholders under ASX Listing Rules 7.1 or 7.4;• less the number of fully paid Securities cancelled in the 12 months, if any.
D	10%
E	The number of Equity Securities issued or agreed to be issued under ASX Listing Rule 7.1A.2 in the 12 months before the date of issue or agreement to issue that are not issued with the approval of Securityholders under ASX Listing Rules 7.1 or 7.4.

Note: no Securities were partly paid and no Securities have been cancelled.



Interaction between ASX Listing Rules 7.1 and 7.1A. The Group has 89,472,229 Securities on issue as at the date of this Notice. If this Resolution is passed, the Group will be permitted to issue 8,947,223 Equity Securities under ASX Listing Rule 7.1A.

The actual number of Securities that the Group will be permitted to issue under ASX Listing Rule 7.1A will be calculated at the date of issue or agreement to issue the Securities in accordance with the formula prescribed in ASX Listing Rule 7.1A.2 (as set out above).

The effect of this Resolution will be to allow the Group to issue securities under ASX Listing Rule 7.1A without using the Group's placement capacity under ASX Listing Rule 7.1.

Information for Securityholders as required by ASX Listing Rule 7.3A

- (a) **Minimum price:** The issue price of the new Equity Securities will be no lower than 75% of the volume weighted average price (VWAP) for securities in the relevant quoted class calculated over the 15 trading days on which trades in that class were recorded immediately before:
- the date on which the price of the Equity Securities are to be issued is agreed; or
 - if the Equity Securities are not issued within 5 trading days of the date above, the date on which the Equity Securities are issued.
- (b) **Risk of economic and voting dilution:** If this Resolution is passed and the Group issues securities under the Additional Placement Facility, existing Securityholders' voting power in the Group will be diluted.

There is the risk that:

- the market price for the Group's existing Securities may be lower or significantly lower on the date of issue of the new Securities than on the date of the Meeting; and
- the new Securities may be issued at a price that is at a discount to the market price of the Group's existing Securities on the issue date or the new Securities may be issued as part of the consideration for the acquisition of a new asset, which may have an effect on the amount of funds raised by the issue of the new Securities.

The table below shows the dilution of existing Securityholders on the basis of the current market price of Securities and the current number of Securities for variable "A" calculated in accordance with the formula in ASX Listing Rule 7.1A.2 as at the date of this Notice. The hypothetical table also illustrates:

- two examples where variable "A" has increased by 50% and 100%. Variable "A" is based on the number of Securities the Group has on issue. The number of Securities may increase as a result of issues of Securities that do not require Securityholder approval (for example a pro-rata entitlement issue) or future placements under ASX Listing Rule 7.1 that are approved by Securityholders in the future;
- two examples of where the issue price of Equity Securities has decreased by 50% and increased by 100% as against the current market price.



Variable 'A' in ASX Listing Rule 7.1A.2		Dilution		
		\$1.10 50% decrease in Issue Price	\$2.19 Issue Price	\$4.38 100% increase in Issue Price
Current Variable A	10% Voting Dilution	8,947,223 Securities	8,947,223 Securities	8,947,223 Securities
89,472,229 Securities	Funds raised	\$9,797,209	\$19,594,418	\$39,188,836
50% increase in current Variable A	10% Voting Dilution	13,420,834 Securities	13,420,834 Securities	13,420,834 Securities
134,208,344 Securities	Funds raised	\$14,695,814	\$29,391,627	\$58,783,254
100% increase in current Variable A	10% Voting Dilution	17,894,446 Securities	17,894,446 Securities	17,894,446 Securities
178,944,458 Securities	Funds raised	\$19,594,418	\$39,188,836	\$78,377,673

This table has been prepared on the following assumptions:

- The Group issues the maximum number of Securities available under the Additional Placement Capacity.
- The 10% voting dilution reflects the aggregate percentage dilution against the issued share capital at the time of issue. This is why the voting dilution is shown in each example as 10%.
- The table does not show an example of dilution that may be caused to a particular Securityholder by reason of placements under the Additional Placement Capacity, based on that Securityholder's holding at the date of the Meeting.
- The table shows only the effect of issues of Securities under ASX Listing Rule 7.1A, not under the 15% placement capacity under ASX Listing Rule 7.1. The Group's ability to issue securities under ASX Listing Rule 7.1A is in addition to its ability to issue securities under ASX Listing Rule 7.1.
- The issue of Equity Securities under the Additional Placement Capacity consists only of Securities. If the issue of Equity Securities includes quoted Options, it is assumed that those Options are exercised into Securities for the purpose of calculating the voting dilution effect on existing Securityholders.
- The issue price is \$2.19 cents, being the closing price of the Securities on ASX on 24 August 2017.



- (c) **Placement Period:** Securityholder approval of the Additional Placement Capacity under ASX Listing Rule 7.1A is valid from 17 October 2017 (the date of this Meeting) and expires on the earlier of:
- 16 October 2018, which is 12 months after this AGM; or
 - the date that Securityholders approve a transaction under ASX Listing Rule 11.1.2 (significant change to nature or scale of activities) or ASX Listing Rule 11.2 (disposal of the main undertaking),
- or such longer period as allowed by ASX (the “**Placement Period**”).

The Group will only issue and allot new securities during the Placement Period. The approval will cease to be valid in the event that Securityholders’ approve a transaction under ASX Listing Rules 11.1.2 or 11.2.

- (d) **Purposes for which the new Equity Securities may be issued:** The Group may seek to issue new Equity Securities for the following purposes:
- cash consideration to raise funds for the acquisition of new assets or investments (including the expenses associated with such acquisition), continued expenditure on the Group’s current assets and for general working capital; or
 - non-cash consideration for acquisition of new assets and investments or for the payment of goods or services provided to the Group. In such circumstances the Group will provide a valuation of the non-cash consideration as required by ASX Listing Rule 7.1A.3.
- (e) **Allocation policy:** The Group’s allocation policy for the issue of new Securities under the Additional Placement Capacity will depend on the market conditions existing at the time of the proposed issue. The allottees will be determined at the relevant time having regard to factors such as:
- the methods of raising funds that are available to the Group, including but not limited to, a placement or a rights issue;
 - the effect of the issue of new Securities on the control of the Group;
 - the financial situation and solvency of the Group; and
 - advice from corporate, financial and broking advisers (as relevant).

As at the date of this Notice the potential allottees are not known and there is no current intention to issue any new Securities under the Additional Placement Capacity but the group wishes to maintain maximum flexibility. Potential allottees could include existing substantial Securityholders and/or new Securityholders. No allottee under the Additional Placement Capacity will be a related party or associate of a related party. Existing Securityholders may or may not be entitled to subscribe for any Equity Securities issued under the Additional Placement Capacity and it is possible that their shareholding will be diluted.

If the Additional Placement Capacity is used to acquire new assets or investments then it is likely that the allottees will be the vendors of the new assets.

The Group will comply with the disclosure obligations under ASX Listing Rules 7.1A(4) and 3.10.5A on the issue of any new securities.

- (f) **Details of Equity Securities issued in the 12 months preceding the date of Meeting:** Pursuant to Listing Rule 7.3A.6 the following information is provided to Securityholders:
- The total number of Equity Securities issued in the 12 months before this Meeting (that is, since 17 October 2016) is 0 (zero).



Voting Exclusion

EIL and EIF will disregard any votes cast on this Resolution 3 by a person who may participate in the proposed issue and a person who might obtain a benefit (except a benefit solely in the capacity of a Securityholder) if the Resolution is passed and any associates of those persons. However, EIL and EIF need not disregard a vote cast on this Resolution if:

- (a) it is cast by a person as a 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 person chairing the Meeting as a 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, the Group has not approached any particular existing Securityholder or an identifiable class of existing Securityholder to participate in a proposed issue of Equity Securities under the proposed Additional Placement Capacity. No existing Securityholder's votes will therefore be excluded under the voting exclusion in the Notice.

5. INFORMATION RELATING TO RESOLUTION 4

Grant of Restricted Securities to the Managing Director and Chief Executive Officer

The Group is proposing to grant Restricted Securities (as described below) to the Managing Director and Chief Executive Officer, Mr Glenn Willis, under the Elanor Investors Group Deferred Short Term Incentive Plan (Plan) on the terms and conditions outlined below.

Overview of the Plan

The Group established the Plan to enable a portion of executives' annual cash STI bonus to be delivered as a grant of Restricted Securities in the Group, which may vest subject to satisfaction of the relevant vesting conditions over the vesting period.

Why is Securityholder approval being sought?

ASX Listing Rule 10.14 requires Securityholder approval in order for a Director to be issued Securities in the Group under an employee incentive scheme.

In order to provide the Board with the flexibility to make the grant to Mr. Glenn Willis using either securities acquired on-market or newly issued securities, as considered appropriate at the time of grant, approval is being sought for the proposed grant of Restricted Securities to Mr. Glenn Willis.

Securityholders are therefore being asked to approve the grant of Restricted Securities, up to a maximum of 700,000 Restricted Securities, to Mr. Glenn Willis under the Elanor Investors Group Deferred Short Term Incentive Plan, on the terms and conditions set out below.

Approval of this resolution will also result in the Restricted Securities granted to Mr. Glenn Willis being an exception to ASX Listing Rule 7.1.

Further details of Mr Glenn Willis' total remuneration package can be found in the Annual Report.



Key terms of the grant to Mr. Glenn Willis

A brief overview of the key terms of the proposed Restricted Securities grant to Mr. Glenn Willis is set out below.

Term	Detail
Details of the proposed Restricted Securities grant	<p>The total maximum number of Restricted Securities proposed to be granted to Mr. Glenn Willis in relation to the FY18 STI award, is 700,000.</p> <p>The actual number of Restricted Securities that will be granted to Mr Glenn Willis will be calculated by dividing 50% of his actual FY18 STI award outcome by the volume weighted average price (VWAP) of the Group's securities over the 5 trading days immediately prior to the date of grant. Mr. Glenn Willis' actual FY18 STI award outcome has not yet been determined. The actual FY18 STI award outcome will be determined by the Board based on their assessment of the Group's profit performance for FY18.</p> <p>The Group may issue new Securities, procure the acquisition of securities on-market or transfer Securities from an employee share trust, in making the grant of Restricted Securities.</p>
Entitlements	<p>Each Restricted Security is a security in the Group that is subject to trading restrictions from the time of allocation until satisfaction of the vesting conditions set out below. Upon vesting, the securities will not be subject to any further restrictions, subject to compliance with the Securities Trading Policy that applies to the Group.</p> <p>Mr. Glenn Willis will be entitled to receive distributions and dividends on the Restricted Securities from the date of grant, including during the vesting period.</p> <p>Restricted Securities are non-transferable, except in limited circumstances or with the consent of the Board.</p> <p>Trading restrictions may be imposed either by way of a holding lock or through use of an employee share trust.</p>
Date of grant	<p>If Securityholder approval is obtained, the Restricted Securities will be granted to Mr. Glenn Willis no later than 12 months after the meeting.</p>
Vesting period and conditions	<p>Restricted Securities will vest, and no longer be subject to trading restrictions, if Mr. Glenn Willis remains employed by the Group until the end of the two year vesting period, which commences on the date the securities are granted.</p>
Price payable for securities	<p>No amount will be payable in respect of the allocation of Restricted Securities to Mr. Glenn Willis, or upon lifting of the trading restrictions.</p>
Cessation of employment	<p>Where Mr. Glenn Willis ceases employment with the Group prior to his Restricted Securities vesting, the treatment will depend on the circumstances of his cessation.</p> <p>Where employment ceases due to resignation or termination for cause (including gross misconduct), all unvested Restricted Securities will lapse at cessation.</p> <p>Where employment ceases for any other reason prior to vesting, all unvested Restricted Securities will generally continue on-foot and remain subject to restrictions (i.e. remain restricted until two years from grant).</p> <p>However, the Board has a broader discretion to apply any other treatment it deems appropriate in the circumstances (including that another number of Restricted Securities may vest either at cessation or at the end of the original vesting date, or that some or all of the Restricted Securities will be forfeited).</p>



Other information

No Director of the Group, other than the Managing Director and Chief Executive Officer, is eligible to participate in the Plan or any other employee incentive scheme of the Company.

At the annual general meeting held on 10 November 2016, Securityholders approved the grant of 700,000 Restricted Securities to Mr. Glenn Willis in respect of the FY17 financial year.

Since the last approval at the annual general meeting held on 10 November 2016, no Restricted Securities were granted in FY17.

There is also no loan scheme in relation to the grant of Restricted Securities under the Plan.

Recommendation

The Board (other than Mr. Glenn Willis who abstains from making a recommendation because of his interest in the resolution) recommends that Securityholders vote in favour of Resolution 4.

Voting Exclusion

EIL and EIF will disregard any votes cast in relation to Resolution 4, by the Managing Director and Chief Executive Officer (being the only Director of either EIL or EFML who is eligible to participate in the Elanor Investors Group Short Term Incentive Plan), and any of his associates.

Further, a vote must not be cast on Resolution 4 by any member of the Key Management Personnel ("KMP") of the Group, or a Closely Related Party of any member of the KMP, that is appointed as proxy, if their appointment does not specify the way in which the proxy is to vote.

However, EIL and EIF need not disregard a vote on Resolution 4 (and that person is not prohibited from voting) if the vote is cast by:

- (a) a person identified above as a proxy for a person who is entitled to vote on Resolution 4 and the vote is cast in accordance with the directions on the proxy form; or
- (b) the Chairman of the Meeting (who may be a KMP) as a proxy for a person who is entitled to vote, and the proxy appointment expressly authorises the Chairman to exercise the proxy even if the resolutions is connected, directly or indirectly, with the remuneration of the KMP.

IMPORTANT: IF YOU APPOINT THE CHAIRMAN OF THE MEETING AS YOUR PROXY

If you appoint the Chairman of the AGM as your proxy on Resolution 4 and you do not direct your proxy how to vote on Resolution 4, you will be expressly authorising the Chairman of the AGM to exercise your proxy, even if the resolution is connected, directly or indirectly, with the remuneration of the KMP.



6. INFORMATION RELATING TO RESOLUTION 5

Grant of Loan Securities and Executive Options to the Managing Director and Chief Executive Officer

The Group is proposing to grant Loan Securities and Executive Options (as described below) to the Managing Director and Chief Executive Officer, Mr Glenn Willis, under the Elanor Investors Group Executive Loan Security Plan (Loan Plan) and the Elanor Investors Group Executive Incentive Plan – Rights and Options (Options Plan) respectively (together, the Long-Term Incentive Plan or LTIP) on the terms and conditions outlined below.

Overview of the LTIP

The Group established the LTIP to assist in attracting, motivating and retaining key management and employees with the opportunity to participate in the future growth in value of Group Securities.

Mr. Glenn Willis' long-term incentive component of remuneration is provided under the LTIP in the form of a multi-year grant of Loan Securities and Executive Options (consistent with the previous equity awards granted to Mr. Glenn Willis at the time of listing in July 2014). The Board confirmed the vesting of the 2014 LTIP awards on 18 August 2017.

During FY17, the Board reviewed the Group's LTIP and determined that the Loan Securities and Executive Options remained the most appropriate equity award vehicles for the 2017 LTIP awards, encouraging a continued focus on security price growth and strong alignment of executives to Securityholders.

Prior to determining Mr Glenn Willis' quantum opportunity, the Board sought independent advice and market information from a leading independent remuneration advisor. The advice confirmed that the quantum, on an annualised basis, would not be out of line with general market norms for long-term incentive grant values having regard to the Group's size and industry. Additionally, reflective of the Group's focus on growth and to ensure alignment to Securityholder interests, Mr Glenn Willis' equity awards are highly leveraged, meaning that value will only be realised under the awards where the vesting conditions are met and the Group's Security price exceeds the relevant acquisition or exercise price, being \$2.13 for Loan Securities and \$3.05 for Executive Options (i.e., no value will be received unless the relevant Total Securityholder Return (TSR) hurdle is met and Security price increases). This also means, particularly in the case of the Executive Options, that a higher number of awards is required in order to provide the same expected value relative to less leveraged awards such as "performance rights" or "performance shares".

The Board believes that the LTIP is attractive for both Mr. Glenn Willis and other senior executives and Securityholders because of the following key design features:

- (a) the Loan Securities will vest in equal tranches after 2, 3 and 4 years, to incentivise Mr. Glenn Willis based on longer term performance targets, and to reduce retention risk associated with a single vesting period;
- (b) the Loan Securities and Executive Options only vest, if the Group achieves specified TSR hurdles (10% per annum for the Loan Securities, with retesting for years 2 and 3 only, and 15% per annum for the Executive Options) and if Mr. Glenn Willis remains employed by the Group throughout the relevant performance period;
- (c) the annualised cost to the Group of the LTI award to Mr. Glenn Willis is only approximately \$0.164 million per annum over 4 years; and
- (d) taking into account the proposed LTIP, Elanor's target remuneration mix for Mr. Glenn Willis will be weighted more heavily towards variable performance-based equity incentives rather than fixed cash remuneration.

Overall, the Board considers the design structure of the LTIP to be appropriate and consistent with the objective of delivering a strong link between executive pay and returns to Securityholders.



Why is Securityholder approval being sought?

ASX Listing Rule 10.14 requires Securityholder approval in order for a Director to be issued Securities in the Group under an employee incentive scheme.

Securityholders are therefore being asked to approve a grant of 4,250,000 Loan Securities and 2,000,000 Executive Options, to Mr. Glenn Willis as part of the long-term incentive component of the Managing Director and Chief Executive Officer's remuneration, on the terms and conditions set out in this Explanatory Statement.

Approval of this resolution will also result in the Loan Securities granted to Mr. Glenn Willis being an exception to ASX Listing Rule 7.1.

Further details of Mr Glenn Willis' total remuneration package can be found in the Annual Report.

Key terms of the of Loan Securities grant to Mr. Glenn Willis

A brief overview of the key terms of the proposed Loan Securities grant to Mr. Glenn Willis is set out below.

Term	Detail
Details of the proposed Loan Securities grant	<p>The total number of Loan Securities proposed to be granted to Mr. Glenn Willis in relation to the 2017 LTIP award, is 4,250,000.</p> <p>Mr. Glenn Willis will be offered a limited recourse loan from the Company (Loan) to acquire the Loan Securities, on the conditions set out below.</p>
Price payable for securities	<p>Mr. Glenn Willis will be required to pay an agreed amount for each Loan Security. The price payable per Loan Security will be the higher of:</p> <ul style="list-style-type: none">(a) the Volume Weighted Average Price (VWAP) of a Security on the ASX during the five trading days immediately prior to 28 August 2017 (being the grant date of Loan Securities for Loan Plan participants other than Mr. Glenn Willis); or(b) the VWAP of a Security on the ASX during the five trading days immediately prior to the date of the Annual General Meeting (17 October 2017). <p>This approach is required to ensure the price payable per Loan Security is not less than market value of a Security at the time of acquisition. To ensure Mr. Glenn Willis is treated consistently with other Loan Plan participants, where the pre-AGM VWAP is higher than the price which will be paid by other Loan Plan participants (based on the pre-28 August 2017 VWAP), Mr. Glenn Willis will be granted a conditional cash award, payable only to the extent the Loan Securities vest.</p> <p>In this case, the conditional cash award payable per Loan Security will be calculated as the excess of the price paid by Mr. Glenn Willis for each Loan Security over the price payable by all other Loan Plan participants. The conditional cash amount will be paid to Mr. Glenn Willis, to the extent the Loan Securities vest, at the time the relevant portion of the Loan becomes repayable. If the pre-AGM VWAP does not exceed the pre-28 August 2017 VWAP (i.e., the price payable by other Loan Plan participants), Mr. Glenn Willis will acquire the Loan Securities at the pre-28 August 2017 VWAP and no conditional cash award will be granted.</p> <p>The total amount payable for the Loan Securities will be funded via the Loan to Mr. Glenn Willis on the terms summarised below.</p>



Term	Detail
Loan terms	<p>Interest payable on the Loan will be equal to the amount of any cash dividend and/or distribution of income payable to Mr. Glenn Willis in relation to his Loan Securities (Distribution). Any Distributions payable to Mr. Glenn Willis will be applied towards the interest repayable until the Loan is fully repaid.</p> <p>The relevant portion of the Loan, in respect of the Loan Securities in a tranche that have vested, must be repaid by the end of the Loan Repayment Period for that tranche (being 12 months after the relevant vesting date).</p>
Entitlements	<p>Each Loan Security is a security in the Group that is subject to trading restrictions from the time of allocation until satisfaction of the vesting conditions set out below and repayment of the Loan.</p> <p>As noted above, Mr. Glenn Willis will be required to direct any Distributions payable in relation to the Loan Securities in satisfaction of the Loan interest until the Loan is fully repaid.</p> <p>Mr. Glenn Willis can exercise the voting rights attached to the Securities from the date of grant.</p> <p>Loan Securities are non-transferable, except in limited circumstances or with the consent of the Board.</p>
Grant date	<p>If Securityholder approval is obtained, the Loan Securities will be granted to Mr. Glenn Willis as soon as practicable following the 2017 Annual General Meeting.</p>
Vesting period and conditions	<p>Upon satisfaction of the Vesting Conditions, Loan Securities will vest in three equal tranches following the end of each vesting period as follows:</p> <ul style="list-style-type: none">(a) 1/3 following a two-year vesting period from 1 July 2017 to 30 June 2019 (Tranche 1);(b) 1/3 following a three-year vesting period from 1 July 2017 to 30 June 2020 (Tranche 2); and(c) 1/3 following a four-year vesting period from 1 July 2017 to 30 June 2021 (Tranche 3). <p>Tranche vesting has been introduced for this grant of Loan Securities to balance the focus on long-term performance targets with potential retention risk associated with a single vesting period.</p> <p>Vesting Conditions are achievement of a minimum 10% per annum TSR Hurdle over the relevant vesting period, and that Mr. Glenn Willis remains employed by the Group until the vesting date for each tranche.</p> <p>The vesting date for each tranche will be the date the Board determines the extent to which the relevant vesting conditions are satisfied and the Loan Securities vest, following finalisation of the Group's full-year financial results after the end of the respective vesting period (or following re-testing in respect of tranches 1 and 2).</p>



Term	Detail
Vesting period and conditions (cont.)	<p>If a tranche of Loan Securities does not vest following testing at the relevant vesting date, the following re-testing approach will apply:</p> <ul style="list-style-type: none">• Tranche 1 – where vesting does not occur at the end of the initial two-year vesting period, re-testing will occur after three years (together with the initial test of Tranche 2). Where vesting does not occur at this first re-test, Tranche 1 will be tested again after four years (together with testing of Tranche 3).• Tranche 2 – where vesting does not occur at the end of the initial three-year vesting period, re-testing will occur after four years (together with the initial, and only, test of Tranche 3).• Tranche 3 – no re-testing will occur. <p>The Board has introduced re-testing for the Loan Securities portion of Mr. Glenn Willis' 2017 LTIP award to ensure there is a continued focus on achieving long-term Securityholder returns. Where any Loan Securities do not vest following testing at the end of year four (i.e., re-tested Tranches 1 and 2, and Tranche 3) all unvested Loan Securities will be forfeited in satisfaction of the relevant portion of the Loan.</p> <p>Broadly, the TSR Hurdle measures the change in the Group's security price together with the value of dividends and distributions during the vesting period, assuming all dividends and distributions are notionally re-invested into new Securities.</p> <p>The Board retains discretion to adjust the TSR hurdle in exceptional circumstances to ensure that a participant is neither advantaged nor disadvantaged by matters outside management's control that materially affect achievement of the TSR hurdle.</p> <p>Following vesting of each tranche, Mr. Glenn Willis will be able to repay the relevant portion of the Loan, in respect of the Loan Securities in a tranche that have vested, until the end of the applicable Loan Repayment Period, using his own funds (including proceeds from the sale of some or all of the Loan Securities).</p> <p>The Loan Repayment Period for each tranche is 12 months after the relevant vesting date.</p> <p>Where the Loan is not repaid by the end of the applicable Loan Repayment Period, the Loan Securities in that tranche will be forfeited in full satisfaction of the relevant portion the Loan, unless the Board makes a determination that another treatment should apply.</p>



Term	Detail
Cessation of employment	<p>Where Mr. Glenn Willis ceases employment with the Group prior to his Loan Securities in a particular tranche vesting, the treatment will depend on the circumstances of his cessation in satisfaction of the respective portion of the Loan.</p> <p>Where employment ceases due to resignation or termination for cause (including gross misconduct), all unvested Loan Securities in a tranche will be forfeited at cessation in satisfaction of the respective portion of the Loan.</p> <p>Where employment ceases for any other reason prior to vesting, all unvested Loan Securities in a tranche will generally continue on-foot and remain subject to restrictions (i.e., remain restricted until Loan Securities vest), vesting only to the extent the Vesting Conditions are satisfied at the end of the relevant vesting period.</p> <p>However, the Board has a broader discretion to apply any other treatment it deems appropriate in the circumstances (including that another number of Loan Securities may vest either at cessation or at the end of the original vesting period, or that some or all of the Loan Securities will be forfeited).</p> <p>Where Mr. Glenn Willis ceases employment subsequent to vesting of a tranche, but before the end of the applicable Loan Repayment Period (other than as a result of termination for cause), Loan Securities will not be forfeited subject to repayment of the Loan within ninety (90) days of termination, in accordance with the terms of the Loan Plan.</p>
Other information	<p>No Director of the Group, other than the Managing Director and Chief Executive Officer, is eligible to participate in the Loan Plan or any other employee incentive scheme of the Company.</p>

Key terms of the Executive Options grant to Mr. Glenn Willis

A brief overview of the key terms of the proposed Executive Options grant to Mr. Glenn Willis is set out below.

Term	Detail
Details of the proposed issue of Options	<p>The number of Options proposed to be granted to Mr. Glenn Willis under the Options Plan is 2,000,000.</p> <p>Each Option allows Mr. Glenn Willis to acquire one Security, subject to meeting the applicable Vesting Conditions and payment of the exercise price (refer below).</p> <p>The Group may issue new Securities or procure the acquisition of Securities on-market, in satisfying the requirement to allocate Securities upon exercise of the Options under the Plan.</p>



Term	Detail
Entitlements	<p>Upon vesting, Options may be exercised at the Exercise Price, which is set at \$3.05 per Option, being a premium of 43% to the five trading day VWAP immediately preceding 28 August 2017, of \$2.13 (“Offer Price”).</p> <p>Upon the valid exercise of Options and payment of the Exercise Price, Mr. Glenn Willis will be allocated one Security for each Option that is exercised in the next available trading window (as defined in the Group’s Securities Trading Policy) for Securities following vesting.</p> <p>Securities allocated on vesting and exercise of Options will not be subject to any further trading restrictions, subject to compliance with the Group’s Securities Trading Policy.</p> <p>Options do not carry a right to vote or to distributions or dividends or, in general, a right to participate in other corporate actions such as bonus issues.</p> <p>Options are non-transferable, except in limited circumstances or with the consent of the Board.</p>
Grant date	<p>If Securityholder approval is obtained, the Options will be issued to Mr. Glenn Willis as soon as practicable following the 2017 Annual General Meeting.</p>
Vesting period and conditions	<p>Options will vest three years from the beginning of the vesting period (beginning 1 July 2017 and ending 30 June 2020), subject to achievement of the applicable Vesting Conditions.</p> <p>Vesting Conditions for the 2017 LTI award are achievement of a minimum 15% per annum TSR Hurdle, and that Mr. Glenn Willis remains employed by the Group until the end of the Vesting Period.</p> <p>Any Options that do not vest at this time will lapse.</p> <p>The Board retains discretion to adjust the TSR hurdle in exceptional circumstances to ensure that a participant is neither advantaged nor disadvantaged by matters outside management’s control that materially affect achievement of the TSR hurdle.</p>
Vesting Date	<p>The vesting date will be the date the Board determines the extent to which the relevant vesting conditions are satisfied and the Options vest and become exercisable, following finalisation of the Group’s full-year financial results after the end of the Vesting Period.</p>
Exercise price	<p>The Exercise Price is set at \$3.05 per Option, being a premium of 43% to the five trading day VWAP immediately prior to 28 August 2017 or \$2.13.</p> <p>The Board retains the discretion to allow “net settlement” of vested Options, where the number of Securities that can be acquired by Mr. Glenn Willis on exercise of the Options is reduced in lieu of payment of the exercise price. The Board may also, in its discretion, permit vested Options to be disposed of by Mr. Glenn Willis for consideration in the form of Securities and/or cash.</p>
Exercise period	<p>Options may be exercised from the Vesting Date until the date four years from 28 August 2017 (subject to compliance with the Group’s Securities Trading Policy).</p>



Term	Detail
Cessation of employment	<p>Where Mr. Glenn Willis ceases employment with the Group prior to his Options vesting, the treatment will depend on the circumstances of his cessation.</p> <p>Where employment ceases due to resignation or termination for cause (including gross misconduct), all unvested Options will be forfeited at cessation.</p> <p>Where employment ceases for any other reason prior to vesting, all Options will generally continue on-foot, vesting only to the extent the Vesting Conditions are satisfied at the end of the relevant vesting period.</p> <p>However, the Board has a broader discretion to apply any other treatment it deems appropriate in the circumstances (including that another number of Options may vest either at cessation or at the end of the original vesting date, or that some or all of the Options will be forfeited).</p> <p>Where Mr. Glenn Willis ceases employment subsequent to vesting, but before exercise of vested Options (other than as a result of termination for cause), all vested Options must be exercised within ninety (90) days following the date of cessation (or such other period determined by the Board). Any vested Options that are not exercised in accordance with the above will lapse immediately.</p>
Other information	<p>No Director of the Group, other than the Managing Director and Chief Executive Officer, is eligible to participate in the Options Plan or any other employee incentive scheme of the Company.</p>

Recommendation

The Board (other than Mr. Glenn Willis who abstains from making a recommendation because of his interest in the resolution) recommends that Securityholders vote in favour of Resolution 5.

Voting Exclusion

EIL and EIF will disregard any votes cast in relation to Resolution 5, by the Managing Director and Chief Executive Officer (being the only Director of either EIL or EFML who is eligible to participate in the Elanor Investors Group Long Term Incentive Plan), and any of his associates.

Further, a vote must not be cast on Resolution 5 by any member of the Key Management Personnel ("KMP") of the Group, or a Closely Related Party of any member of the KMP, that is appointed as proxy, if their appointment does not specify the way in which the proxy is to vote.

However, EIL and EIF need not disregard a vote on Resolution 5 (and that person is not prohibited from voting) if the vote is cast by:

- (a) a person identified above as a proxy for a person who is entitled to vote on Resolution 5 and the vote is cast in accordance with the directions on the proxy form; or
- (b) the Chairman of the Meeting (who may be a KMP) as a proxy for a person who is entitled to vote, and the proxy appointment expressly authorises the Chairman to exercise the proxy even if the resolutions is connected, directly or indirectly, with the remuneration of the KMP.

IMPORTANT: IF YOU APPOINT THE CHAIRMAN OF THE MEETING AS YOUR PROXY

If you appoint the Chairman of the AGM as your proxy on Resolution 5 and you do not direct your proxy how to vote on Resolution 5, you will be expressly authorising the Chairman of the AGM to exercise your proxy, even if the resolution is connected, directly or indirectly, with the remuneration of the KMP.



Enquiries

Securityholders may contact Computershare on 1300 850 505 (or if overseas, on +61 (3) 9415 4000) if they have any queries in respect of the matters set out in these documents.

Defined Terms

In the Notice of Meeting and in this Explanatory Statement, unless the context otherwise requires:

Annual General Meeting or **AGM** means the general meeting to be held at Computershare, Level 4, 60 Carrington Street Sydney, NSW, 2000 on Tuesday 17 October 2017 at 10.30 am.

ASX means ASX Limited or the securities market which it operates, as the case may be.

Board or **Board of Directors** means the board of Directors of Elanor.

Closely Related Party means, as defined in the Corporations Act, a closely related party of a member of the Key Management Personnel being:

- (a) a spouse or child of the member; or
- (b) a child of the member's spouse; or
- (c) a dependant of the member or of the member's spouse; or
- (d) anyone else who is one of the member's family and may be expected to influence the member, or be influenced by the member, in the member's dealings with the entity; or
- (e) a company the member controls; or
- (f) a person prescribed by the *Corporations Regulations 2001* (Cth).

Constitution means the constitution of Elanor.

Director means a Director of Elanor.

Dollar or **\$** means Australian dollars, the lawful currency of the Commonwealth of Australia.

Elanor or Group means, together, Elanor Investors Limited and Elanor Funds Management Limited, as responsible entity of Elanor Investment Fund.

Equity Securities has the meaning given in the Listing Rules.

Financial Statements means the financial statements of Elanor for the year ended 30 June 2017.

Key Management Personnel are those people described as Key Management Personnel in Elanor's Remuneration Report and includes all Directors.

Listing Rule means a listing rule of the ASX.

Notice of Meeting or **Notice** means the notice of meeting for the Annual General Meeting which accompanies this Explanatory Statement.

Security means a fully paid ordinary stapled security in Elanor, comprising a fully paid ordinary share in Elanor Investors Limited and a fully paid unit in Elanor Investment Fund.

Securityholder means a holder of Securities.

VWAP means the volume weighted average price of Elanor's securities.

Singular includes plural and vice versa.

