

Preferred Capital Limited
ACN 101 938 176
Darling Park, Tower 1
Ground Floor, 201 Sussex Street
Sydney NSW 2000

NOTICE OF ANNUAL GENERAL MEETING

PREFERRED CAPITAL LIMITED

ACN 101 938 176

Notice is hereby given that the Annual General Meeting of Preferred Capital Limited (the "Company") will be held on Thursday 14 November 2013 at Level 19 of Darling Park Tower 1, 201 Sussex Street, Sydney NSW commencing at 11.00am to conduct the following business:

Agenda for AGM

1. Discussion of Financial Statements

To receive and consider the Financial Report for the Company for the year ended 30 June 2013, Directors' Report and the Auditor's Report on the Financial Report.

2. Remuneration Report

To adopt the Remuneration Report for the year ended 30 June 2013.

Determination of Shareholders' Right to Vote

For the purposes of the meeting, those ordinary shareholders holding shares at 11:00 a.m. on 12 November 2013 will be voting members for the meeting. PERLS III holders are entitled to speak and ask questions at an annual general meeting but they are not entitled to vote.

Appointment of proxy – ordinary shareholders only

If you are an ordinary shareholder and are unable to attend and vote at the Annual General Meeting on 14 November 2013, you are entitled to appoint a proxy to attend and vote on your behalf. A proxy need not be a shareholder and may be an individual or body corporate.

If you are an ordinary shareholder entitled to cast two or more votes, you may appoint up to two proxies and may specify the proportion of voting rights or the number of votes each proxy is entitled to exercise.

The proxy appointment must be received by the Company Secretary at the Company's registered office at Ground Floor, Tower 1, Darling Park, 201 Sussex Street, Sydney NSW 2000 or by facsimile to (02) 9118 7192 by 11.00am (Sydney time) Tuesday 12 November 2013 (being 48 hours before the meeting).

By order of the Board

Maria Karagiannis
Company Secretary
18 October 2013

Explanatory Memorandum

Agenda Item 2:

Remuneration Report

The Annual Financial Report (the "Report") for the year ended 30 June 2013 contains a Remuneration Report (refer page 4 of the Report). The Remuneration Report has been prepared in accordance with the requirements of the Corporations Act 2001 (Cth) ("Corporations Act") and the accounting standards and sets out the remuneration arrangements applying to the Directors who are also the Key Management Personnel of the Company.

The Corporations Act requires the agenda for an Annual General Meeting to include a resolution for the adoption of the Remuneration Report. The vote on the resolution is advisory only and is not binding on the Directors or the Company.