



7 October 2009

Notice of Annual General Meeting

The DKN Financial Group Limited Annual General Meeting will be held on Monday 9 November 2009 at 10.00 am.

A copy of the Notice of Meeting documentation is attached to this announcement. The documentation will be sent to shareholders tomorrow.

Derek Russell
Company Secretary



DKN FINANCIAL GROUP LIMITED

ABN 75 008 112 150

Notice of Annual General Meeting

Notice is hereby given that the Annual General Meeting of the members of DKN Financial Group Limited will be held at the offices of Baker & McKenzie Level 19, 181 William Street, Melbourne, Victoria at 10 am on Monday 9 November 2009.

1. Financial Reports

To receive and consider the directors' report, financial report and auditors' report for the Company for the year ended 30 June 2009.

2. Re-election of Mr Hunwick

Mr Rob Hunwick retires by rotation in accordance with the Company's Constitution and, being eligible, offers himself for re-election.

3. Re-election of Mr Wright

Mr Ken Wright retires by rotation in accordance with the Company's Constitution and, being eligible, offers himself for re-election.

4. Re-election of Mr Della

Mr Greg Della, appointed to fill a casual vacancy, retires in accordance with the Company's Constitution and, being eligible, offers himself for re-election.

5. Remuneration Report

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

"That the remuneration report section of the director's report for the Company for the year ended 30 June 2009 be adopted."

6. Issue of options to Mr Butterworth

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

"That for the purposes of ASX Listing Rule 10.11 and for all other purposes, the Company approve the issue of up to 1,000,000 options to Mr Phil Butterworth, Chief Executive Officer; the exercise price being at least a 20% premium to the Company share price on the Grant Date and expiring four years thereafter, on the terms and conditions described in the Explanatory Memorandum."

By order of the Board

A handwritten signature in black ink, appearing to read 'Derek Russell', written over a horizontal line.

Derek Russell
Company Secretary

7 October 2009

Voting Entitlement

For voting purposes, those persons registered as holders of quoted shares at the close of business of trading on the second last day before the date of the meeting shall be entitled to vote, and for the purposes of the meeting, transfers registered after that time will be disregarded. Therefore the date and time of voting entitlement is 7 November 2009 at 7pm.

Proxy Notes

1. A member entitled to attend and vote at the Annual General Meeting is entitled to appoint not more than two proxies.
2. A member who is entitled to cast two or more votes may appoint two proxies, in which case they may specify the proportion or number of votes each proxy is appointment to exercise. If the member appoints two proxies and the appointment does not specify the proportion or number of vote each proxy may exercise, each proxy may exercise half of the votes of the member. If the member appoints two proxies, neither may vote on a show of hands, but a proxy may demand or join in demanding a poll. If no directions are given the proxy may vote as the proxy thinks fit or may abstain from voting.
3. A proxy need not be a member of the Company. If a person attends a meeting both as a member and as a proxy for another member, such person will only be counted once on a show of hands.
4. If signing under a Power of Attorney, a member's Power of Attorney must have already been lodged with the registry, or a certified photocopy of the Power of Attorney must be attached to the Proxy Form. Proxies given by corporations must be executed under seal or signed under the hand of a duly authorised officer or attorney.

To be valid, proxies must be received at the Company's share registry by 10am on 7 November 2009, being not later than 48 hours prior to the commencement of the Annual General Meeting.

Proxy forms may be lodged using the reply paid envelope, by delivering it to Level 12, 680 George Street, Sydney NSW 2000, or by posting or facsimile to:

DKN Financial Group Limited
C/- Link Market Services Limited
Locked Bag A14
Sydney South NSW 1235
Facsimile: (02 9287 0309)

EXPLANATORY MEMORANDUM

1. Financial Reports

This relates to the receipt and consideration of the Company's 2009 financial reports. No formal resolution in relation to this is required.

The Company reports to shareholders by using its website as the default method of distributing annual reports rather than sending them to all shareholders. Notwithstanding this, members may elect to receive a copy of the annual report, free of charge, in hard copy form by contacting the Company by phone on (03) 9667 0700, and a member may request that this occurs on a standing basis for future years. Alternatively, members can access the annual report at the Company's website: <http://www.dkn.com.au/Shareholders/Annualreport.aspx>

2. Re-election of Mr Hunwick

Mr Hunwick was appointed as a director in 2001. He retires by rotation in accordance with the Company's Constitution and has submitted himself for re-election.

Mr Hunwick, aged 63, was a partner of Deloitte Touche Tohmatsu from 1972 until 1978 and has extensive experience in accounting and the financial services industry.

3. Re-election of Mr Wright

Mr Wright was appointed as a director in 2007. He retires by rotation in accordance with the Company's Constitution and has submitted himself for re-election.

Mr Wright, aged 53, is the Managing Partner of Meagher, Howard & Wright and has extensive experience in accounting and the financial services industry.

4. Re-election of Mr Della

Mr Greg Della was appointed to fill a casual vacancy in 15 December 2008. He retires in accordance with the Company's Constitution and has submitted himself for re-election.

Mr Della, aged 50, is currently Head of Strategic Finance & Investment at Zurich Australia Limited and Chief Life Actuary at Zurich Financial services Australia Limited. Mr Della has extensive experience in the financial services industry and accounting.

5. Remuneration Report

A listed entity is required to put to the vote a resolution that the remuneration report section of the director's report be adopted. This remuneration report can be found in the 2009 Annual Report on pages 17 to 23. It sets out a range of matters relating to the remuneration of directors, secretaries and senior managers of the Company. A vote on this resolution is advisory only and does not bind the directors or the Company.

6. Issue of options to Mr Butterworth

Mr Butterworth is engaged as the Chief Executive Officer of the Company. For the year ended 30 June 2009 and excluding the value of previously issued options, his total cash remuneration excluding superannuation as set out in the 2009 Annual Report was \$581,003 (reduced from the 30 June 2008 year). Mr Butterworth is engaged on an ongoing basis terminable on six months notice. Mr Butterworth presently holds 723,220 shares and 710,000 options exercisable at \$1.40 each expiring on 10 November 2010 issued pursuant to the Company's Employee Share Option Plan.

Shareholder approval is sought for the issue to Mr. Butterworth of up to 1,000,000 options at nil consideration to subscribe for shares in the capital of the Company. The Grant Date will be no later than one month from 9 November 2009 and in any event no later than one month after the date of the AGM. The options will expire four years after the Grant Date. If shareholder approval is given then approval is not required under Listing Rule 7.1. If shareholder approval is not given then no options will be issued.

The exercise price will be a price which is at least a 20% premium to the Company's share price on the Grant Date. The exact exercise price will be determined based on a valuation of the options having regard to the Grant Date closing price in order to result in a \$120,000 value. This value will be amortised by the Company over the 3 year vesting period.

The Company has obtained a third party indicative valuation of the proposed options in accordance with the requirements of the accounting standards AASB 2, giving consideration to factors such as

expected volatility, option life, dividend yield and risk free interest rates. Based on this valuation and using a 1,000,000 options quantum and \$120,000 value:

- if the Grant Date closing price is 72 cents or less, the premium will be 20%; and
- if the Grant Date closing price is 73 cents or more, the premium will be more than 20% (the higher the share price, the higher the premium).

The Board has a discretion to issue less than 1,000,000 options at a 20% premium but still having regard to a \$120,000 value.

The options are to be issued pursuant to the amended terms of the Company's Employee Share Option Plan recently announced to ASX. This provides, amongst other things, that, subject to the Board's discretion to prevent options from vesting because of unsatisfactory performance by the Company and/or an employee, 50% of the options vest 2 years after the Grant Date and 50% of the options vest 3 years after the Grant Date.

The purpose of the options issue is to assist in further aligning the interests of Mr Butterworth with those of shareholders. The options will also serve as a retention mechanism as the options will be governed by the terms of the Company's Employee Share Option Plan, which include provisions that the options will expire 60 days after the resignation of Mr Butterworth, unless the Board determines otherwise.

The other directors consider that the proposed options issue is reasonable given the circumstances of the Company as it moves forward. The other directors have had regard to the entire remuneration package payable to Mr Butterworth in determining the proposed options issue as well as market rates for CEO's of similar companies. The proposed options issue will represent up to 0.7% of the shares on issue of the Company.

The Company will disregard any votes cast on the resolution by or on behalf of Mr Butterworth in relation to that resolution and an associate of his when determining the result of the resolution except where the vote 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 is cast by the Chairman 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.



DKN Financial Group Limited
ABN 75 008 112 150

LODGE YOUR VOTE

By mail:
DKN Financial Group Limited
C/- Link Market Services Limited
Locked Bag A14
Sydney South NSW 1235 Australia

By fax: (02) 9287 0309

All enquiries to:
 Telephone: 1300 554 474
(02) 8280 7111



X99999999999

SECURITYHOLDER VOTING FORM

I/We being a member(s) of DKN Financial Group Limited and entitled to attend and vote hereby appoint:

STEP 1

APPOINT A PROXY

the Chairman
of the Meeting
(mark box)

OR if you are NOT appointing the Chairman 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

or failing the person/body corporate named, or if no person/body corporate is named, the Chairman of the Meeting, as my/our proxy and to vote for me/us on my/our behalf at the Annual General Meeting of the Company to be held at 10:00am on Monday, 9 November 2009, at Level 19, 181 William Street, Melbourne and at any adjournment or postponement of the meeting.

Proxies will only be valid and accepted by the Company if they are signed and received no later than 48 hours before the meeting. Please read the voting instructions overleaf before marking any boxes with an

STEP 2

VOTING DIRECTIONS

	For	Against	Abstain*		For	Against	Abstain*
Resolution 2 Re-election of Mr Hunwick	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	Resolution 5 Adoption of Remuneration Report (non-binding resolution)	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Resolution 3 Re-election of Mr Wright	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	Resolution 6 Issue of options to Mr Butterworth	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Resolution 4 Re-election of Mr Della	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>				

* 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 votes will not be counted in computing the required majority on a poll.

STEP 3

SIGNATURE OF SECURITYHOLDERS - THIS MUST BE COMPLETED

Securityholder 1 (Individual)

Sole Director and Sole Company Secretary

Joint Securityholder 2 (Individual)

Director/Company Secretary (Delete one)

Joint Securityholder 3 (Individual)

Director

This form should be signed by the securityholder. If a joint holding, either securityholder may sign. If signed by the securityholder's attorney, the power of attorney must have been previously noted by the registry or a certified copy attached to this form. If executed by a company, the form must be executed in accordance with the company's constitution and the *Corporations Act 2001* (Cth).

DKN PRX901



HOW TO COMPLETE THIS PROXY FORM

Your Name and Address

This is your name and address as it appears on the company's security register. If this information is incorrect, please make the correction on the form. Securityholders sponsored by a broker should advise their broker of any changes. **Please note: you cannot change ownership of your securities using this form.**

Appointment of a Proxy

If you wish to appoint the Chairman of the Meeting as your proxy, mark the box in Step 1. If the person you wish to appoint as your proxy is someone other than the Chairman of the Meeting please write the name of that person in Step 1. If you leave this section blank, or your named proxy does not attend the meeting, the Chairman of the Meeting will be your proxy. A proxy need not be a securityholder of the company. A proxy may be an individual or a body corporate.

Votes on Items of Business - Proxy Appointment

You may direct your proxy how to vote by placing a mark in 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 voting rights are to be voted on any item by inserting the percentage or number of securities you wish to vote in the appropriate box or boxes. If you do not mark any of the boxes on the items of business, your proxy may vote as he or she chooses. If you mark more than one box on an item your vote on that item will be invalid.

Appointment of a Second Proxy

You are entitled to appoint up to two persons as proxies to attend the meeting and vote on a poll. If you wish to appoint a second proxy, an additional Proxy Form may be obtained by telephoning the company's security registry or you may copy this form and return them both together.

To appoint a second proxy you must:

- (a) on each of the first Proxy Form and the second Proxy Form state the percentage of your voting rights or 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.

Signing Instructions

You must sign this form as follows in the spaces provided:

Individual: where the holding is in one name, the holder must sign.

Joint Holding: where the holding is in more than one name, either securityholder may sign.

Power of Attorney: to sign under Power of Attorney, you must lodge the Power of Attorney with the registry. If you have not previously lodged this document for notation, please attach a certified photocopy of the Power of Attorney to this form when you return it.

Companies: where the company has a Sole Director who is also the Sole Company Secretary, this form must be signed by that person. If the company (pursuant to section 204A of the *Corporations Act 2001*) does not have a Company Secretary, a Sole Director can also sign alone. Otherwise this form must be signed by a Director jointly with either another Director or a Company Secretary. Please indicate the office held by signing in the appropriate place.


Corporate Representatives


If a representative of the corporation is to attend the meeting the appropriate "Certificate of Appointment of Corporate Representative" should be produced prior to admission in accordance with the Notice of Meeting. A form of the certificate may be obtained from the company's security registry.


Lodgement of a Proxy Form

This Proxy Form (and any Power of Attorney under which it is signed) must be received at an address given below by 10:00am on Saturday, 7 November 2009, being not later than 48 hours before the commencement of the meeting. Any Proxy Form received after that time will not be valid for the scheduled meeting.

Proxy Forms may be lodged using the reply paid envelope or:

 **by mail:**
DKN Financial Group Limited
C/- Link Market Services Limited
Locked Bag A14
Sydney South NSW 1235
Australia

 **by fax:**
(02) 9287 0309

 **by hand:**
delivering it to Link Market Services Limited, Level 12, 680 George Street, Sydney NSW 2000.

If you would like to attend and vote at the Annual General Meeting, please bring this form with you.
This will assist in registering your attendance.