

# LEMARNE CORPORATION LIMITED

ABN 72 004 834 584

## NOTICE OF ANNUAL GENERAL MEETING & EXPLANATORY STATEMENT

For the Annual General Meeting to be held:

at **9.00am**

on **Tuesday, 18 November 2014**

at the offices of Kelly Hazell Quill Lawyers, **Level 15, 440 Collins Street, Melbourne VIC 3000**

In this document you will find:

1. Notice of Meeting.
2. An Explanatory Statement containing an explanation of, and information about, the proposed resolutions to be considered at the Annual General Meeting.
3. Proxy Form.

This Notice of Meeting and the accompanying Explanatory Statement should be read in its entirety. If Shareholders are in doubt as to how they should vote, they should seek advice from their accountant, solicitor or other professional adviser prior to voting.

## NOTICE OF ANNUAL GENERAL MEETING

Notice is given that the Annual General Meeting of LEMARNE CORPORATION LIMITED (**Company**) will be held at **9.00am on Tuesday, 18 November 2014** at Kelly Hazell Quill Lawyers, **Level 15, 440 Collins Street, Melbourne VIC 3000**.

Terms and abbreviations used in this Notice of Meeting are defined in the Glossary.

## AGENDA

### 1 Discussion of 2013 Annual Report

---

To consider the Annual Report, Financial Statements, and the reports of the directors and the auditor for the year ended 30 June 2013.

**Note:** there is no requirement for shareholders to approve these reports and financial statements.

### 2 Discussion of 2014 Annual Report

---

To consider the Annual Report, Financial Statements, and the reports of the directors and the auditor for the year ended 30 June 2014.

**Note:** there is no requirement for shareholders to approve these reports and financial statements.

### 3 Resolution 1: Adoption of 2013 Remuneration Report

---

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

*"That for the purposes of section 250R(2) of the Corporations Act, the remuneration report (which forms part of the Directors' report for the year ended 30 June 2013) is adopted".*

**Note:** Although section 250R(3) of the Corporations Act provides that the vote on this Resolution is advisory only and does not bind the Directors, there are potentially serious consequences associated with a "No" vote greater than 25%. Please see section 2 of the Explanatory Statement for details.

**Voting Exclusion:** A vote on Resolution 1 must not be cast (in any capacity) by or on behalf of any of the following persons:

- (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, a person described above may cast a vote on Resolution 1 if:

- (a) the voter is appointed as proxy by writing that specifies the way the proxy is to vote on the resolution; or
- (b) the voter is the chair of the meeting and the appointment of the chair as proxy:
  - does not specify the way the proxy is to vote on the resolution; and
  - expressly authorises 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 for the company or, if the company is part of a consolidated entity, for the entity.

### 4 Resolution 2: Adoption of 2014 Remuneration Report

---

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

*"That for the purposes of section 250R(2) of the Corporations Act, the remuneration report (which forms part of the Directors' report for the year ended 30 June 2014) is adopted".*

**Note:** Although section 250R(3) of the Corporations Act provides that the vote on this Resolution is advisory only and does not bind the Directors, there are potentially serious consequences associated with a "No" vote greater than 25%. Please see section 2 of the Explanatory Statement for details.

**Voting Exclusion:** A vote on Resolution 2 must not be cast (in any capacity) by or on behalf of any of the following persons:

- (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, a person described above may cast a vote on Resolution 2 if:

- (a) the voter is appointed as proxy by writing that specifies the way the proxy is to vote on the resolution; or
- (b) the voter is the chair of the meeting and the appointment of the chair as proxy:
  - does not specify the way the proxy is to vote on the resolution; and
  - expressly authorises 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 for the company or, if the company is part of a consolidated entity, for the entity.

---

#### **5 Resolution 3: Re-election of Paul Delosa**

---

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

*“That, for the purpose of clause 8.3 of the Constitution and for all other purposes, Mr Paul Delosa, retires, and being eligible, is re-elected as a Director.”*

---

#### **6 Resolution 4: Re-election of Marc Spicer**

---

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

*“That, for the purpose of clause 8.3 of the Constitution and for all other purposes, Mr Marc Spicer, retires, and being eligible, is re-elected as a Director.”*

---

#### **7 Resolution 5: Re-election of Ilan Goldstein**

---

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

*“That, for the purpose of clause 8.3 of the Constitution and for all other purposes, Mr Ilan Goldstein, retires, and being eligible, is re-elected as a Director.”*

---

#### **8 Resolution 6: Re-election of Yeoryios Markos**

---

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

*“That, for the purpose of clause 8.3 of the Constitution and for all other purposes, Mr Yeoryios Markos, retires, and being eligible, is re-elected as a Director.”*

---

#### **9 Resolution 7: Election of Stephen Leslie Mason**

---

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

*“That Mr Stephen Leslie Mason is elected as a Director.”*

---

#### **10 Resolution 8: Election of Rohan William Booth**

---

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

*“That Mr Rohan William Booth is elected as a Director.”*

---

#### **11 Resolution 9: Election of William Thomson McCartney**

---

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

*“That Mr William Thomson McCartney is elected as a Director.”*

By order of the Board

A handwritten signature in dark ink, appearing to read 'yeoryios markos' in a cursive script.

Yeoryios Markos

Chair

**10 October 2014**

## PROCEDURAL NOTES

These notes form part of the Notice of Meeting.

### 1 Determination of Shareholders' Right to Vote

---

In accordance with regulations 7.11.37 of the *Corporations Regulations 2001*, the Board has determined that for the purposes of the meeting, a person's entitlement to vote at the General Meeting will be the entitlement of that person set out in the Company's share register as at 9.00am on Monday, 17 November 2014.

### 2 Appointing a proxy

---

To vote by proxy, please complete and sign the enclosed Proxy Form and return it by the time and in accordance with the instructions set out on the Proxy Form. You may appoint the Chair of the meeting or someone else.

Shareholders are advised that:

- (a) each Shareholder has a right to appoint a proxy;
- (b) the proxy need not be a Shareholder; and
- (c) a Shareholder who is entitled to cast 2 or more votes may appoint 2 proxies and may specify the proportion or number of votes each proxy is appointed to exercise. If the Shareholder appoints 2 proxies and the appointment does not specify the proportion or number of the Shareholder's votes, then each proxy may exercise one-half of the votes.

An appointment of a proxy may specify the way the proxy is to vote on a particular resolution and, if it does:

- (a) the proxy need not vote on a show of hands, but if the proxy does so, the proxy must vote that way (i.e. as directed);
- (b) if the proxy has 2 or more appointments that specify different ways to vote on the resolution – the proxy must not vote on a show of hands;
- (c) if the proxy is the Chair of the meeting at which the resolution is voted on – the proxy must vote on a poll, and must vote that way (i.e. as directed); and
- (d) if the proxy is not the Chair – the proxy need not vote on the poll, but if the proxy does so, the proxy must vote that way (i.e. as directed).

If:

- (a) an appointment of a proxy specifies the way the proxy is to vote on a particular resolution at a meeting of the Shareholders;
- (b) the appointed proxy is not the Chair of the meeting;
- (c) at the meeting, a poll is duly demanded on the resolution; and
- (d) either of the following applies:
  - the proxy is not recorded as attending the meeting; or
  - the proxy does not vote on the resolution,

the Chair of the meeting is taken, before voting on the resolution closes, to have been appointed as the proxy for the purposes of voting on the resolution at the meeting.

### 3 Bodies Corporate

---

A body corporate may appoint an individual as its representative to exercise any of the powers the body may exercise at meetings of the Company's shareholders. The appointment may be a standing one. Unless the appointment states otherwise, the representative may exercise all of the powers that the appointing body could exercise at a meeting or in voting on a resolution.

The representative should bring to the meeting evidence of his or her appointment, including any authority under which the appointment is signed, unless it has previously been given to the Company.

#### **4 Incorporation of Explanatory Statement**

---

The Explanatory Statement attached to this Notice of Meeting, is hereby incorporated into and forms part of this Notice of Meeting.

#### **5 Questions from Shareholders**

---

At the Annual General Meeting, the Chair will allow a reasonable opportunity for Shareholders to ask questions in relation to the Resolutions to be put to the meeting.

In addition, the Chair will allow a reasonable opportunity for Shareholders to ask questions or make comments on the management of the Company and the Remuneration Report.

Jeffrey Luckins of William Buck Corporate Finance Pty Ltd as the auditor responsible for preparing the auditor's report for the year ended 30 June 2014 (or his representative) will attend the Annual General Meeting. The Chair will also allow a reasonable opportunity for Shareholders to ask the auditor questions about:

- (a) the conduct of the audit;
- (b) the preparation and content of the auditor's report;
- (c) the accounting policies adopted by the Company in relation to the preparation of financial statements; and
- (d) the independence of the auditor in relation to the conduct of the audit.

## **EXPLANATORY STATEMENT**

This information forms part of the Notice of Meeting. The main purpose of this Explanatory Statement is to provide Shareholders with information concerning the Resolutions.

The Explanatory Statement and all attachments are important documents. They should be read carefully. The Directors recommend Shareholders read this Explanatory Statement in full before making any decision in relation to the Resolutions.

### **1 Financial report and the reports of the Directors and Auditor**

---

The Corporations Act requires the financial report and the reports of the Directors and Auditor to be laid before the Annual General Meeting. Shareholders will be given a reasonable opportunity to raise questions on all these reports at the meeting.

### **2 Resolutions 1 and 2: 2013 and 2014 Remuneration Reports**

---

#### **2.1 Background**

The Annual Report for the year ended 30 June 2013 contains a Remuneration Report at pages 7 and 8, and the Annual Report for the year ended 30 June 2014 contains a Remuneration Report at pages 6 to 10.

The Corporations Act (under section 250R) 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. 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 AGMs, shareholders will be required to vote at the second of those AGMs on a resolution (a “spill resolution”) that another meeting be held within 90 days at which all of the Company’s directors (other than the Managing Director) must go up for re-election.

The remuneration report:

- (a) describes the policy behind, and the structure of, the remuneration arrangements of the Company and the link between the remuneration of employees and the Company’s performance;
- (b) sets out the remuneration arrangements in place for each Director and for certain members of the senior management team; and
- (c) explains the differences between the basis for remunerating Non-Executive Directors and executives of the Company.

A reasonable opportunity for discussion of the remuneration reports will be provided at the meeting.

#### **2.2 Recommendation**

The Directors of the Company unanimously recommend to all Shareholders that they vote in favour of Resolutions 1 and 2.

The Chair will be casting undirected proxy votes held by him in favour of Resolutions 1 and 2, except for any proxies, undirected or otherwise, from Key Management Personnel which are restricted.

### **3 Resolutions 3 to 6: Re-election of Directors**

---

#### **3.1 Background**

Clause 8.1 of the Constitution allows the Company in general meeting by resolution and the Directors to appoint at any time a person to be a Director, either to fill a casual vacancy or as an addition to the existing Directors, but only where the total number of Directors does not at any time exceed the maximum number specified by the Constitution.

Any Director so appointed holds office only until the next following annual general meeting and is then eligible for re-election.

### **3.2 Mr Paul Delosa**

Mr Paul Delosa was appointed in general meeting by resolution at the extraordinary general meeting held on 6 December 2013. Mr Delosa as such retires in accordance with clause 8.3 of the Constitution and being eligible seeks re-election.

Mr Delosa is an executive director and chief executive officer of the Company. Since joining the Company, Mr Delosa has been a highly successful senior executive having a background in operations, business development and managerial roles in various industries sectors, commencing his professional career in 1999.

Mr Delosa's prior experience was the successful development and growth of a small boutique investment property services group DPS Investments. In addition, Mr Delosa has owned and operated a number of commercial businesses between 2003-2007 achieving State and Local Government excellence awards for exceptional management and innovation.

His extensive experience and expertise in financial analysis and advising clients on financial and strategic issues are viewed as an asset by the Board.

The Board supports the re-election of Mr Delosa. The Chair will be casting undirected proxy votes held by him in favour of Resolution 3.

### **3.3 Mr Marc Spicer**

Mr Marc Spicer was appointed by the Board on 8 April 2014. Mr Spicer retires in accordance with clause 8.3 of the Constitution and being eligible seeks re-election.

Mr Spicer is currently an authorised representative of an Australian Financial Services Licensee. He has held positions in executive management as a non-executive director on Cohiba Minerals Ltd where he was instrumental in generating a return for shareholders regarding its investment in Altius Mining Ltd. He was also the former company secretary of the Company. Mr Spicer has also held executive management positions as company secretary on various ASX listed companies in the diversified financials and mining sectors. He has also held positions in the institutional banking division as a market risk analyst and finance consultant with ANZ Bank Ltd.

Mr Spicer holds a Bachelor of Business majoring in Accounting and Finance, Diploma of Financial Planning, ASX Accredited Derivatives Advisor and Graduate Diploma of Applied Corporate Governance with Governance Institute of Australia.

The Board supports the re-election of Mr Spicer. The Chair will be casting undirected proxy votes held by him in favour of Resolution 4.

### **3.4 Ilan Goldstein**

Mr Ilan Goldstein was appointed by the Board on 8 April 2014. Mr Goldstein retires in accordance with clause 8.3 of the Constitution and being eligible seeks re-election.

Mr Goldstein is an executive with extensive experience in a variety of roles ranging from commodity trading to sales and managerial roles within the finance sector. He holds a Bachelor of Marketing and currently procures and manages high net worth clients in the global derivatives markets.

In past roles he has built strong teams well exceeding company expectations. The Company believes that Mr Goldstein's ability to utilise the synergies derived from close teamwork and to raise funds across various sectors will prove to be an exceptionally valuable asset to the Board.

The Board supports the re-election of Mr Goldstein. The Chair will be casting undirected proxy votes held by him in favour of Resolution 5.

### **3.5 Mr Yeoryios Markos**

Mr Yeoryios Markos was appointed by the Board on 6 May 2014. Mr Markos retires in accordance with clause 8.3 of the Constitution and being eligible seeks re-election.

Mr Markos has been a registered member and fellow of the Institute of Public Accountants since 1980. His 40 year career includes company mergers, acquisitions, reconstructions, liquidations,

criminal law, corporations law, tax law, corporate advisory, capital raising, merchant banking, futures, construction and property development.

He is an entrepreneur with substantial interests in a diverse selection of private companies in a variety of industries.

The Board supports the re-election of Mr Markos. The Chair will be casting undirected proxy votes held by him in favour of Resolution 6.

#### **4 Resolutions 7 to 9: Election of Directors**

---

Resolutions 7 to 9 (inclusive) are being proposed pursuant to a requisition notice received by the Company from:

- (a) Stephen Leslie Mason;
- (b) FDF Commercial Services Pty Ltd;
- (c) Rawlo International Pty Ltd; and
- (d) Cheryl Ellen Mason,

(**Requisitioners**) pursuant to section 249D of the Corporations Act (**249D Notice**). The 249D Notice received by the Company did not specify the reasons why the Requisitioners have requested the proposed appointment of:

- (a) Stephen Leslie Mason;
- (b) Rohan William Booth; and
- (c) William Thomson McCartney,

(**Nominees**).

The Board does not support the election of the Nominees as it considers that a four person Board is currently an optimal size. Putting in place seven Directors would impose a disproportionate cost burden on the Company. The Chair will be casting undirected proxy votes held by him against Resolutions 7 to 9 (inclusive).

## GLOSSARY

The following words and expressions used in the notice of meeting and Explanatory Statement have the following meanings unless the context requires otherwise:

**ASIC** means the Australian Securities & Investments Commission.

**ASX** means ASX Limited ACN 98 008 624 691

**Board** means the board of directors of the Company.

**Business Day** has the meaning given to that term in the Listing Rules.

**Company** means Lemarne Corporation Limited (ABN 72 004 834 584).

**Constitution** means the Company's constitution.

**Corporations Act** means the *Corporations Act 2001* (Cth).

**Director** means a director of the Company.

**Explanatory Statement** means the explanatory statement accompanying the notice of meeting for the general meeting of the Company to be held on 18 November 2014.

**Listing Rules** means the Listing Rules of the ASX.

**Notice of Meeting** means this notice of general meeting including the Explanatory Statement and the Proxy Form.

**Proxy Form** means the proxy form accompanying the Notice of Meeting.

**Resolution** means a resolution proposed in the Notice of Meeting.

**Share** means a fully paid ordinary share in the capital of the Company.

**Shareholder** means a holder of Shares.

# Lemarne Corporation Limited: Proxy Form

## Section 1: Security Holder

Name(s) \_\_\_\_\_

Address \_\_\_\_\_

Security Holder Reference Number \_\_\_\_\_

## Section 2: Appointment of Proxy

I/We being a member/s of the Company hereby appoint:

☐ **The Chair of the Meeting**  
(mark with an "x")

OR

(Write here the name of the person you are appointing if this person/s is someone other than the Chair of the meeting)

(Write here the name of the person you are appointing if you are appointing a second proxy)

Write here % of votes  
or number of shares if  
appointing 2 proxies

Write here % of votes  
or number of shares if  
appointing 2 proxies

or failing the person/s named, or if no person/s is named, the Chair of the meeting, as my/our proxy and to act generally at the meeting on my/our behalf and to vote in accordance with the directions in Section 3 below (or if no directions have been given, as the proxy sees fit) at the Annual General Meeting of Lemarne Corporation Limited to be held at Level 15, 440 Collins Street, Melbourne VIC 3000 at **9.00am on 18 November 2014** and at any adjournment or postponement of that meeting.

*Chair of meeting authorised to exercise undirected proxies on remuneration related resolutions: Where 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) I/we expressly authorise the Chair of the meeting to exercise my/our proxy on Resolutions 1 and 2 (except where I have indicated a different voting direction in Section 3 below) even though Resolutions 1 and 2 are connected directly or indirectly with the remuneration of members of key management personnel, which includes the Chair.*

## Section 3: Items of Business

I/We direct as follows:

		For	Against	Abstain
Resolution 1	2013 Remuneration Report	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Resolution 2	2014 Remuneration Report	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Resolution 3	Re-election of Mr Paul Delosa	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Resolution 4	Re-election of Mr Marc Spicer	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Resolution 5	Re-election of Mr Ilan Goldstein	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Resolution 6	Re-election of Mr Yeoryios Markos	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Resolution 7	Election of Mr Stephen Leslie Mason	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Resolution 8	Election of Mr Rohan William Booth	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Resolution 9	Election of Mr William Thomson McCartney	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

### Please note:

- (1) If you have appointed a proxy and do not mark any direction box for an item, your proxy is authorised to vote or abstain from voting on the relevant item in their absolute discretion.
- (2) If you have appointed a proxy and mark the abstain box for an item, you are directing your proxy not to vote on your behalf on a show of hands or a poll and your votes will not be counted in computing the required majority.
- (3) The Chair of the meeting intends to vote undirected proxies in favour of Resolutions 1 to 6 (inclusive) and against Resolutions 7 to 9 (inclusive). In exception circumstances, the Chair of the meeting may change his/her voting intention on any resolution, in which case an ASX announcement will be made.

#### **Section 4: Authorised Signature/s**

This section must be signed in accordance with the instructions overleaf to enable your directions to be implemented.

Security Holder 1 (Individual)

Security Holder 2 (Individual)

Security Holder 3 (Individual)

Sole Director and Sole Company Secretary

Director

Director/Company Secretary (delete one)

\_\_\_\_\_ ( ) \_\_\_\_\_

Contact Name

Contact daytime telephone

\_\_\_\_\_

Email

Date

#### **YOUR VOTE IS IMPORTANT - PLEASE READ THE INFORMATION BELOW**

If you are unable to attend the meeting, you are encouraged complete and lodge this form.

##### **Appointing a proxy**

Voting 100% of your holding: Direct your proxy how to vote by marking one of the boxes opposite each item of business. If you do not mark a box your proxy may vote as they choose. If you mark more than one box on an item your vote will be invalid for that item.

Voting a portion of your holding: Indicate a portion of your voting rights by inserting the percentage or number of shares you wish to vote in the For, Against or Abstain box or boxes. The sum of the votes cast must not exceed your voting entitlement of 100%.

Appointing a second proxy: You are entitled to appoint up to two proxies to attend the meeting and vote on a poll. If you appoint two proxies you must specify the percentage of votes or number of shares for each proxy, otherwise each proxy may exercise half of the votes. When appointing a second proxy write both names and the percentage of votes or number of shares for each in Section 2 overleaf.

A proxy need not be a shareholder of the Company.

##### **Signing Instructions**

Individual: Where the holding is in one name, the shareholder must sign.

Joint Holding: Where the holding is in more than one name, all of the shareholders should sign.

Power of Attorney: If you have not already lodged the Power of Attorney with the registry, 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 sign in the appropriate place to indicate the office held.

##### **Attending the Meeting**

Please bring this form to assist registration. If a representative of a corporate shareholder or proxy is to attend the meeting you will need to provide the appropriate "Certificate of Appointment of Corporate Representative" prior to admission. A form of the certificate may be obtained from <https://www-au.computershare.com/Content/download.asp?docId=%7Bebdfa266-fa5c-463f-a431-21fcab149a00%7D&cc=AU&lang=en&bhjs=1&fla=1&issuerid=scaubhp&theme=scaubhp>

**For your vote to be effective it must be received no later than 9.00am on 16 November 2014**

##### **Lodging a proxy form**

Send completed forms to:

<b>By Fax:</b>	<b>(03) 9221 6331</b>
<b>By Mail:</b>	<b>Lemarne Corporation Ltd, Level 27, 101 Collins St, Melbourne VIC 3000</b>
<b>In Person:</b>	<b>Kelly Hazell Quill Lawyers, Level 15, 440 Collins Street, Melbourne VIC 3000</b>