



NOTICE OF ANNUAL GENERAL MEETING

NOTICE is given that the 2014 Annual General Meeting of Gale Pacific Limited ACN 082 263 778 ("**Company**") will be held at Sofitel Melbourne on Collins, West Tower Suite, 25 Collins Street, Melbourne on Friday 28 November 2014 at 11.00 am

BUSINESS

Shareholders are invited to consider the following items of business at the Annual General Meeting:

ORDINARY BUSINESS

1. ITEM 1 – FINANCIAL AND RELATED REPORTS

To lay before the Annual General Meeting the Financial Report of the Company and its controlled entities and the related Directors' and Auditor's Reports for the year ended 30 June 2014 for shareholders to receive and consider.

2. ITEM 2 – ADOPTION OF REMUNERATION REPORT (NON-BINDING VOTE)

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

***"THAT** the Remuneration Report of the Company and its controlled entities for the year ended 30 June 2014 be adopted."*

The vote on this item is advisory only and does not bind the directors or the Company.

Voting Exclusion Statement:

The Company will disregard any votes cast on the resolution contained in Item 2 (in any capacity, whether as proxy or as shareholders) by any of the following persons:

- (a) Key Management Personnel; and
- (b) Closely Related Parties of Key Management Personnel.

However, the Company need not disregard a vote if it is:

- (c) cast by a person as a proxy appointed in accordance with the directions of the proxy form that specifies how the proxy is to vote on the resolution contained in Item 2; and the vote is not cast on behalf of a person described in subparagraphs (a) and (b) above; or
- (d) cast by the chair of the Meeting as proxy appointed in accordance with the directions of the proxy form for a person who is entitled to vote, and such appointment on the proxy form expressly authorises the chair to exercise the proxy even if the resolution is connected directly with the remuneration report; and the vote is not cast on behalf of a person described in subparagraphs (a) and (b) above.

3. ITEM 3 – RE-ELECTION OF JOHN MURPHY

Mr Murphy retires as a director of the Company by rotation in accordance with rule 7.1(f) of the constitution of the Company and, being eligible, offers himself for re-election.

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

“THAT Mr John Murphy be re-elected as a director of the Company”.

4. ITEM 4 – ELECTION OF PETER LANDOS

Mr Landos, having been appointed as a Director on 1 May 2014 to fill a casual vacancy to the Board, retires as a director of the Company in accordance with rule 7.1(d) of the constitution of the Company, ASX Listing Rule 14.4 and section 201H of the *Corporations Act 2001* (Cth) and, being eligible, offers himself for election.

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

“THAT Mr Peter Landos be elected as a director of the Company”.

5. ITEM 5 – APPROVAL OF ISSUE OF PERFORMANCE RIGHTS TO GROUP MANAGING DIRECTOR UNDER THE GALE PACIFIC LIMITED PERFORMANCE RIGHTS PLAN

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

“THAT for the purposes of ASX Listing Rule 10.14, the grant of certain performance rights to Mr N. Pritchard, the Group Managing Director of the Company, under the Gale Pacific Limited Performance Rights Plan be approved on the terms set out in the explanatory notes accompanying the notice convening this meeting.”

In accordance ASX Listing Rule 10.15A.6 A, a voting exclusion statement applies as set out below. For those reasons, Mr Pritchard and the other Directors will not be making recommendations as to voting on this resolution.

Voting Exclusion Statement:

The Company will disregard any votes cast on the resolution contained in Item 5 by:

- Mr Nick Pritchard, and any other person who may participate in the Gale Pacific Limited Performance Rights Plan; and
- the associates of Mr Nick Pritchard and any other person who may participate in the Gale Pacific Limited Performance Rights Plan.

However, the Company need not disregard a vote if it is:

- (a) cast by a person as 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 proxy for a person who is entitled to vote, in accordance with a direction on the proxy form to vote as the proxy decides.

Dated 28 October 2014

By order of the Board of Gale Pacific Limited



Sophie Karzis, Company Secretary

VOTING INFORMATION

Voting by proxy

- (a) A shareholder entitled to attend and vote at the Annual General Meeting may appoint one proxy or, if the shareholder is entitled to cast 2 or more votes at the meeting, 2 proxies, to attend and vote instead of the shareholder.
- (b) Where 2 proxies are appointed to attend and vote at the meeting, each proxy may be appointed to represent a specified proportion or number of the shareholder's voting rights at the meeting.
- (c) A proxy need not be a shareholder of the Company.
- (d) A proxy may be an individual or a body corporate. If a body corporate is appointed, the proxy form must indicate the full name of the body corporate and the full name or title of the individual representative of the body corporate for the meeting.
- (e) A proxy form accompanies this notice. If a shareholder wishes to appoint more than 1 proxy, they may make a copy of the proxy form attached to this notice. For the proxy form to be valid it must be received together with the power of attorney or other authority (if any) under which the form is signed, or a (notarially) certified copy of that power of authority **by 11.00 am (Melbourne time) on 26 November 2014:**
 - by post at GPO Box 242, Melbourne, Victoria 3001; or
 - by personal delivery at Yarra Falls, 452 Johnston Street, Abbotsford, Victoria, 3067; or
 - by facsimile: Australia – 1800 783 447, overseas - +61 3 9473 2555; or
 - Custodian voting - For Intermediary Online subscribers only (custodians) please visit **www.intermediaryonline.com** to submit your voting intentions.

Voting and other entitlements at the Annual General Meeting

A determination has been made by the Board of the Company under regulation 7.11.37 of the *Corporations Regulations 2001* (Cth) that shares in the Company which are on issue at 7.00 pm (Melbourne time) on 26 November 2014 will be taken to be held by the persons who held them at that time for the purposes of the Annual General Meeting (including determining voting entitlements at the meeting).

EXPLANATORY NOTES TO NOTICE OF ANNUAL GENERAL MEETING

1. Item 1 – Financial and related reports

The 2014 Annual Report contains the Directors' Reports, the Financial Reports and the Remuneration Report. The Company's 2014 Annual Report is available from the Company's website (www.galepacific.com).

2. Item 2 – Adoption of Remuneration Report

Shareholders are asked to adopt the Company's Remuneration Report. The Remuneration Report is set out in the 2014 Annual Report and is available from the Company's website (www.galepacific.com).

The Remuneration Report:

- describes the policies behind, and the structure of, the remuneration arrangements of the Company and the link between the remuneration of executives and the Company's performance;
- sets out the remuneration arrangements in place for each director and for certain members of the senior management team; and
- explains the differences between the basis for remunerating non-executive directors and senior executives, including the Group Managing Director and executive director.

If a 'no' vote of 25% or more of the shareholders voting on the item is received, the Board will take into account comments made at the AGM on the Company's Remuneration Report and will include a report of actions taken by the Board accordingly in the Company's next Annual Report.

A 'no' vote of 25% or more **WAS NOT** received at the Company's 2013 Annual General Meeting.

3. Item 3 – Re-election of John Murphy

Please refer to the 2014 Annual Report for information about Mr John Murphy.

Recommendation

The Board, with Mr John Murphy abstaining, recommends that shareholders vote in favour of Mr Murphy's re-election.

4. Item 4 – Election of Peter Landos

Please refer to the 2014 Annual Report for information about Mr Peter Landos.

Recommendation

The Board, with Mr Peter Landos abstaining, recommends that shareholders vote in favour of Mr Landos' election.

5. Item 5 –Approval of Issue of Performance Rights to Group Managing Director

Background to the Gale Pacific Performance Rights Plan

The issuing of performance rights is a recognised practice in Australia as part of the remuneration of senior executives. A summary of the Gale Pacific Limited Performance Rights Plan (**PR Plan**) is set out below:

Eligibility	Executives and senior management of the Company or of any subsidiary of the Company or of an associated company, as determined by the Board.
Form of grant	Performance Rights, being a right to acquire fully paid ordinary shares in the Company subject to satisfaction of relevant performance conditions. Each Performance Right granted will entitle the executive to 1 fully paid ordinary share in the Company.
Participation	Eligible executives and senior managers may be invited by the Board to participate in the PR Plan.
Maximum Number of Performance Rights	The aggregate number of Performance Rights to be issued under this PR Plan is limited to no more than 5% of the total number of shares on issue at that time.
Performance conditions	The Board has discretion under the Rules to set performance conditions which will apply to a grant of Performance Rights. The relevant performance conditions may vary between grants.
Grant price	Although the Board has the discretion under the PR Plan to set a grant price, it is intended that Performance Rights will be granted at no cost to the participating executive (on the basis that the grant comprises part of the executive's remuneration).
Vesting and exercise price	There is no exercise price for Performance Rights, once relevant Performance conditions are met, the Performance Rights vest and executive may call for the underlying Performance Shares to be issued to them.
Restrictions attaching to Performance Rights	Performance Rights may only be transferred with the consent of the Board or by force of law (i.e. upon death or bankruptcy), and will lapse immediately where an executive purports to transfer them in breach of the Rules.
Restrictions attaching to Performance Shares	The Board has discretion under the Performance Rights Plan to impose trading or other restrictions on Performance Shares issued to an executive upon vesting of a Performance Right.
Cessation of employment	If the Executive ceases to be employed by a group company due to death, disability, bona fide redundancy or other reason with the approval of the Board: - the Board has the discretion to determine that some or all of the executive's unvested Performance Rights will vest; and - if the Board does not make a determination, or determines that only some of the executive's Performance Rights will vest, then all remaining unvested Performance Rights will lapse. If the executive ceases to be employed for any other reason the executive's unvested performance rights will lapse. If the executive acts fraudulently or dishonestly or is in breach of his or her obligations to any group company, the Board may deem any unvested Performance Rights of the executive to have lapsed, and deem all or any Performance Shares held by the executive to be forfeited.

Takeover/scheme of arrangement	In the event of a takeover bid or scheme of arrangement in respect of the Company, the Board has discretion to determine that some or all of an executive's Performance Rights vest, having regard to pro rata performance against the relevant performance conditions.
Bonus issues, rights issues and reconstruction	If shares are issued pro rata to the Company's shareholders generally by way of bonus issue or rights issue or any reorganisation of the issued capital of the Company is effected, the number of Performance Rights to which an executive is entitled will be adjusted by the Board to ensure that no advantage or disadvantage accrues to the executive.
Amendment to the PR Plan	Subject to the Listing Rules and to specified restrictions in the Rules, the Company may at any time by written instrument or by resolution of the Board, amend the Rules or the terms of Performance Rights granted.

In relation to employee incentive schemes such as the PR Plan, ASX Listing Rule 7.2 (Exception 9) provides an exception to the requirement to obtain shareholder approval each time securities are issued under the PR Plan. For this exception to apply however, the ASX Listing Rules require shareholder approval in respect of any issues under the PR Plan to be "refreshed" every three (3) years. The PR Plan was approved by the Board in November 2006 and was approved by shareholders at annual general meetings of the Company in 2006, 2009 and 2013.

There are no Performance Rights on issue at the date of this notice. All Performance Rights that were previously on issue have either lapsed or been cancelled.

Under the current Performance Rights Plan program, it is intended that Performance Rights will be granted to the Company's executives based on performance hurdles relating to average annual earnings per share growth targets over a three (3) year period, together with requirements to be in continuous employment with the Company over that three (3) year period. The number of Performance Rights to be issued to executives will be based on a value that is linked to a percentage of each participant's base salary.

Approval of Issue of Performance Rights to Nick Pritchard

In general, ASX Listing Rule 10.14 provides that a company must not permit a director, an associate of a director, or a person whose relationship with the Company is in ASX's opinion, such that approval should be obtained, to acquire securities under an employee incentive scheme without shareholder approval. Mr Nick Pritchard, the Company's only executive director, is the only person referred to in Listing Rule 10.14 entitled to participate in the Company's Performance Rights Plan.

In accordance with the Listing Rules, shareholders are being asked under Resolution 5 to approve the grant of Performance Rights (and to the extent those Performance Rights vest, Performance Shares) to the Company's Group Managing Director, Mr Nick Pritchard under the Company's Performance Rights Share Plan (**Performance Rights Plan**) for the 2015 financial year. A summary of the terms of the PR Plan is set out in the above table.

On 10 October 2014, the Company made the offer of Rights to Mr Pritchard, subject to shareholder approval in accordance with the ASX Listing Rules and the Corporations Act, and Mr Pritchard accepted the offer on 15 October 2014.

The Directors consider that the grant of the Rights under the PR Plan constitutes the giving of a financial benefit to a related party of the Company under Part 2E.1 of the Corporations Act, however the granting of the rights does not require the approval of the shareholders in general meeting as it falls within the exception set out in section 211 being that the benefit is remuneration to the Group Managing Director and is reasonable given both the Company's circumstances and the responsibilities involved in the office of the Group Managing Director.

The following information is provided to shareholders to enable shareholders to consider the proposed allocation of Rights to the Group Managing Director.

As stated above, the issuing of performance rights is a recognised practice in Australia as part of the remuneration of senior executives. If no performance rights were issued, the cash remuneration of the Group Managing Director may have to be increased. Issuing performance rights is accordingly considered a preferable alternative as the recipient benefits if the Company's earnings per share increase – in which case all shareholders benefit. If however the Company's earnings per share do not exceed predetermined growth targets during the assessment period, the performance rights are of no benefit and will lapse. This part of the Group Managing Director's remuneration is therefore directly related to the longer-term improved performance of the Company.

Mr Pritchard's current remuneration comprises a base remuneration package of \$450,000 per annum, plus variable performance incentives as follows:

- a) maximum cash bonus of 50% of his base remuneration package providing the Company achieves or exceeds pre-determined financial targets; and
- b) participation in the current Gale Pacific Limited PR Plan.

At this 2014 Annual General Meeting, approval is being sought for the grant of Performance Rights to the Group Managing Director, Nick Pritchard in respect of the 2015 financial year and will be tested over the 2015, 2016 and 2017 financial years.

If approval is required for grants of performance rights in future financial years then separate shareholder approvals will be sought in respect of such grants.

The number of Performance Rights to be granted to Mr Nick Pritchard for the 2015 financial year will be no more than 865,385. As each Performance Right represents an entitlement to one ordinary share in the Company, the maximum number of shares which may be acquired by the Group Managing Director, Mr Nick Pritchard, is equal to the number of Performance Rights issued (subject to certain changes in the Company's capital during the performance period – as noted in the summary of the terms of the Performance Rights Plan above). Performance Rights will only vest if the relevant performance conditions are satisfied. The performance conditions for this grant of Performance Rights will be tested over a three (3) year performance period commencing on 1 July 2014 and ending 30 June 2017 (the **Performance Period**).

The performance conditions will be based on achievement by the Company of a target based on average annual earnings per share growth and the Group Managing Director remaining in continuous employment with the Company for the a period of two months after the Performance Period. The objective of the performance conditions is to encourage improvement in the Company's performance within the specified timeframe.

The Performance Rights will vest in accordance with the following terms:

- If the Company achieves an increase in the earnings per Share (**EPS**)* for each of the three (3) years ending 30 June 2015, 30 June 2016 and 30 June 2017 (over the prior year in each case) such that the average of the three percentage increases (**Average EPS Growth Rate**) reaches a specified value (**Performance Hurdle**); and

- The Group Managing Director remains in continuous employment with the Company until 31 August 2017;

a certain percentage of the number of Performance Rights issued will vest;

- The number of Rights that will vest will be determined proportionately on a straight line basis from zero Rights vesting at +3.0% Average EPS Growth Rate, to 100% of Rights vesting at +10.0% (or higher) Average EPS Growth Rate.

** Actual EPS will be normalised by the Board as considered necessary (at the Board's absolute discretion) so that it reflects underlying profit.*

- Determination of the extent to which the Performance Conditions have been achieved will be made by the Board at the end of each year of the Performance Period, based on the audited accounts of the Company.
- Each Right will entitle Mr Pritchard to subscribe for one ordinary share subject to the rules governing the PR Plan (Plan Rules).
- The Rights will be granted at nil issue price. Vested Rights may be exercised at nil exercise price. No funds are expected to be raised by the issue or exercise of Rights.
- Whether or not all of the Rights will vest (and, therefore, become exercisable) and the proportion of Rights that become vested will depend on the Company achieving an increase in average earnings per Share annual growth rate to a specified value.

If this resolution is passed the Company will grant Nick Pritchard on an annual basis in accordance with the PR Plan, such number of Rights (rounded to the nearest thousand) as is equivalent to 50% of Mr Pritchard's annual base remuneration package, as follows:

- The number of Performance Rights to be granted in 2014 has been calculated to be 865,385. This number has been determined by dividing 50% of Mr Pritchard's annual base remuneration package as at the date of the offer (i.e. \$450,000, 50% of which is \$225,000) by the closing price of the Company's shares on 8 October 2014 (i.e. \$0.26 per share).
- The number of Rights to be granted in 2015 and 2016 will be calculated by applying the following formula on the date of issue:

$$\text{Number of Rights} = \frac{50\% \times \text{Mr Pritchard's annual base remuneration package as at the date of issue}}{\text{VWAP of the Company's shares over 20 trading days ending at close of trade on the day which is 2 days before the date of offer}}$$

Whilst it is not possible to determine the exact number of Performance Rights to be granted to Mr Pritchard in 2015 and 2016 as such calculations will be based on the future price of the Company's shares, **the maximum number** of Performance Rights that will be granted to Mr Pritchard will be 11,317,372 in 2015 and 11,317,372 in 2016. This maximum number is provided to shareholders for the purposes of ASX Listing Rule 10.15A.2, and is calculated by reference to:

- The fact that the aggregate number of Performance Rights to be issued under this PR Plan is limited to no more than 5% of the total number of shares on issue at that time. As the Company currently has 297,474,396 shares on issue, the current PR Plan limit is 14,873,720 Performance Rights.
- The assumption that the Performance Rights the subject of this resolution are approved and the first tranche of 865,385 Performance Rights are issued to Mr Pritchard, which would result in the remaining balance available under the 5% capacity of the PR Plan being 14,008,335.

- The fact that the Board has invited 8 senior managers to participate in the PR Plan and it is expected that a further 2,690,963 Performance Rights will be issued on or around 1 December 2014. Once these shares are issued, the balance available under the PR Plan will be 11,317,372.

A summary of the principal terms of the issue of the Performance Rights to Mr Pritchard is as follows:

- (a) The Company's agreed arrangement with Mr Pritchard to issue Performance Rights to him in 2014 is subject to approval by the Company's shareholders (i.e. the passing of the resolutions set out in Agenda Item 5);
- (b) The Company's agreed arrangement with Mr Pritchard to issue Performance Rights to him in each of the two years following 2014 is subject to the following conditions being satisfied:
 - i. approval by the Board to the number of Performance Rights and the issue of Performance Rights to Mr Pritchard in each of 2015 and 2016;
 - ii. Mr Pritchard continuing to be the Group Managing Director of the Company;
 - iii. the passing of the resolution set out in Agenda Item 5; and
 - iv. approval by the Company's shareholders of the grant of Performance Rights to Mr Pritchard for the purposes of the ASX Listing Rules being "refreshed" every three (3) years.
- (c) Each Performance Right will entitle Mr Pritchard to subscribe for one ordinary share subject to the rules governing the PR Plan.
- (d) The Performance Rights will be granted at nil issue price. Vested Rights may be exercised at nil exercise price. No funds are expected to be raised by the issue or exercise of Rights.
- (e) The Company will not make any loans in relation to the acquisition of Performance Rights.
- (f) Whether or not all of the Rights will vest (and, therefore, become exercisable) and the proportion of Rights that become vested will depend on the Company achieving an increase in earnings per Share average annual growth rate to a specified value.
- (g) If shareholder approval is obtained, then it is intended that grants to the Group Managing Director for the 2015 financial year will be made shortly after this meeting, and in any case no later than 1 month from the date of this meeting. In respect of the Rights proposed to be granted in each of the two years following 2014 (**Relevant Year**): Achievement of the Average Annual EPS Growth Rate criteria will be assessed on 30 September of the third year after the Relevant Year (**Third Year**). The relevant proportion of the Rights granted will vest on 30 September of the Third Year, and will be exercisable between 1 October of the Third Year and 30 November of the Third Year. Any Rights not vested or which have vested but not been exercised by 5.00pm (Melbourne time) on 30 November of the Third Year will lapse.
- (h) The Rights to be granted in 2014, 2015 and 2016 will be issued not more than three (3) years after the date of the Company's 2014 AGM.

The value of the Rights to be issued to Mr Pritchard at the date the offer of the Rights was made has been determined to be \$187,096 adopting a discounted cash flow methodology. In calculating the value of these Rights, the following inputs were used:

● Valuation date	9 October 2014
● Volume weighted average share price over the 20 trading days ending on the valuation date	\$0.26
● Dividend yield per annum	9.0%
● Indicative value per Right	\$0.2162
● Total value of Rights to be issued	\$187,096

Mr Pritchard does not currently hold any shares, options or performance rights in the capital of the Company.

If Mr Pritchard's Rights vest and are exercised, it is expected that such exercise will have a small dilutionary effect on existing shareholders' interests. If all of the Rights granted to Mr Pritchard in 2014 vest and are exercised, based on the current number of issued shares in the Company, he would hold an interest in approximately 0.29% of the issued shares in the Company on a fully diluted basis, as illustrated in the following table:

GAP ordinary shareholder	After conversion of 2014 Rights held by Mr Pritchard^{2,3}	
	Number of GAP ordinary shares	Percentage of total GAP ordinary shares¹
Nick Pritchard and his associates	865,385	0.29%
All GAP ordinary shareholders other than Nick Pritchard and his associates	297,474,396	99.71%
TOTAL	298,339,781	100.0%

Notes:

1. *Approximate figures.*
2. *Assuming the Company does not issue any other equity securities, and assuming neither Mr Pritchard nor his associates acquire any other equity securities in the Company.*
3. *Assuming the 2014 Rights referred to in this resolution are issued to Mr Pritchard, fully vested and exercised on a one-for-one basis.*

The last approval by shareholders of Performance Rights granted to a director or an associate of a director, in accordance with Listing Rule 10.14 was in 2012; since that time, the Company issued 1,200,000 Performance Rights to the Company's former Managing Director and CEO. The Performance Rights were issued for nil consideration. The Performance Rights lapsed on 25 August 2014. No shares were granted in relation to these Performance Rights.

Details of the shares acquired by executives under the Performance Rights Plan will be published in each annual report of the Company relating to a year in which an award is made under the Plan (including a note that approval for the acquisition of those shares was obtained under Listing Rule 10.14).

As at the date of this Notice of Meeting, none of the Directors other than Mr Pritchard is entitled to participate in the PR Plan.

If any Director other than Mr Pritchard (or an associate of such Director) becomes entitled to participate in the PR Plan after this resolution 5 is approved and that person is not named in this Notice of Meeting, then that person will not participate in the PR Plan until the Company's shareholders approve such participation for the purposes of ASX Listing Rule 10.14.

Recommendation

Other than Mr Pritchard, no other Director has an interest in the outcome of this resolution. However, for the purposes of the Listing Rules, a voting exclusion statement applies as set out on page 2 of this Notice of Meeting. For those reasons, Mr Pritchard and the other Directors will not be making recommendations as to voting on this resolution, being item 5 of the Notice of Meeting.

DEFINITIONS

Closely Related Party (of a member of KMP of an entity) has the definition given to it by section 9 of the Corporations Act, and means:

- 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 regulations for the purposes of this definition (nothing at this stage).

Key Management Personnel or **KMP** means those persons having authority and responsibility for planning, directing and controlling the activities of the entity, directly or indirectly, including any director (whether executive or otherwise) of that entity.

Lodge your vote:



By Mail:

Computershare Investor Services Pty Limited
GPO Box 242 Melbourne
Victoria 3001 Australia

Alternatively you can fax your form to
(within Australia) 1800 783 447
(outside Australia) +61 3 9473 2555

For Intermediary Online subscribers only
(custodians) www.intermediaryonline.com

For all enquiries call:

(within Australia) 1300 850 505
(outside Australia) +61 3 9415 4000

Proxy Form

For your vote to be effective it must be received by 11.00am (AEDT) on Wednesday 26 November 2014

How to Vote on Items of Business

All your securities will be voted in accordance with your directions.

Appointment of 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 or abstain as they choose (to the extent permitted by law). If you mark more than one box on an item your vote will be invalid on that item.

Voting a portion of your holding: Indicate a portion of your voting rights by inserting the percentage or number of securities 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 or 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 securities 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 securities for each in Step 1 overleaf.

A proxy need not be a securityholder of the Company.

Signing Instructions

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

Joint Holding: Where the holding is in more than one name, all of the securityholders 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. Delete titles as applicable.

Attending the Meeting

Bring this form to assist registration. If a representative of a corporate securityholder 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 Computershare or online at www.investorcentre.com under the help tab, "Printable Forms".

Comments & Questions: If you have any comments or questions for the company, please write them on a separate sheet of paper and return with this form.

Turn over to complete the form ➔



View your securityholder information, 24 hours a day, 7 days a week:

www.investorcentre.com

- ☒ Review your securityholding
- ☒ Update your securityholding

Your secure access information is:



PLEASE NOTE: For security reasons it is important that you keep your SRN/HIN confidential.

☐

Change of address. If incorrect, mark this box and make the correction in the space to the left. Securityholders sponsored by a broker (reference number commences with 'X') should advise your broker of any changes.

Proxy Form

Please mark ☒ to indicate your directions

STEP 1 Appoint a Proxy to Vote on Your Behalf

I/We being a member/s of Gale Pacific Limited hereby appoint

☐

the Chairman
of the Meeting **OR**



PLEASE NOTE: Leave this box blank if you have selected the Chairman of the Meeting. Do not insert your own name(s).

or failing the individual or body corporate named, or if no individual or body corporate is named, the Chairman of the Meeting, as my/our proxy to act generally at the Meeting on my/our behalf and to vote in accordance with the following directions (or if no directions have been given, and to the extent permitted by law, as the proxy sees fit) at the Annual General Meeting of Gale Pacific Limited to be held at Sofitel Melbourne on Collins, West Tower Suite, 25 Collins Street, Melbourne on Friday 28 November 2014 at 11.00am (AEDT) and at any adjournment or postponement of that Meeting.

Chairman authorised to exercise undirected proxies on remuneration related resolutions: Where I/we have appointed the Chairman of the Meeting as my/our proxy (or the Chairman becomes my/our proxy by default), I/we expressly authorise the Chairman to exercise my/our proxy on Items 2 and 5 (except where I/we have indicated a different voting intention below) even though Items 2 and 5 are connected directly or indirectly with the remuneration of a member of key management personnel, which includes the Chairman.

Important Note: If the Chairman of the Meeting is (or becomes) your proxy you can direct the Chairman to vote for or against or abstain from voting on Items 2 and 5 by marking the appropriate box in step 2 below.

STEP 2 Items of Business



PLEASE NOTE: If you 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.

		For	Against	Abstain
Item 2	Adoption of Remuneration Report (non-binding vote)	☐	☐	☐
Item 3	Re-election of John Murphy	☐	☐	☐
Item 4	Election of Peter Landos	☐	☐	☐
Item 5	Approval of issue of performance rights to Group MD under the Gale Pacific Limited Performance Rights Plan	☐	☐	☐

The Chairman of the Meeting intends to vote undirected proxies in favour of each item of business.

In exceptional circumstances, the Chairman of the Meeting may change his/her voting intention on any resolution, in which case an ASX announcement will be made.

SIGN

Signature of Securityholder(s) *This section must be completed.*

Individual or Securityholder 1

Sole Director and Sole Company Secretary

Securityholder 2

Director

Securityholder 3

Director/Company Secretary

Contact
Name

Contact
Daytime
Telephone

Date / /
