

HOMELOANS LIMITED ABN 55 095 034 003

Notice of Annual General Meeting and Explanatory Memorandum

Date of Meeting: Friday 25 November 2016

Time of Meeting: 10.00am (Australian Western Standard Time)

Place of Meeting: Level 9
40 St Georges Terrace
Perth, Western Australia

HOMELOANS LIMITED
ABN 55 095 034 003
NOTICE OF ANNUAL GENERAL MEETING

NOTICE IS HEREBY GIVEN that the 2016 Annual General Meeting of Homeloans Limited will be held at Level 9, 40 St Georges Terrace Perth, Western Australia on 25th November 2016 at 10.00am (Australian Western Standard Time).

BUSINESS OF THE MEETING

1. FINANCIAL STATEMENTS AND REPORTS

To receive and consider the Company's financial statements and reports of the directors and auditors for the year ended 30 June 2016.

2. REMUNERATION REPORT

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

"That the Remuneration Report for the year ended 30 June 2016 be adopted."

Note: the vote on this resolution is advisory only and does not bind the directors or the company.

Voting exclusion statement - Resolution 2

Homeloans Limited will disregard any votes cast (in any capacity) on Resolution 2 by or on behalf of a member of Homeloans Limited's Key Management Personnel (KMP) and their closely related parties. The names of the KMP are included in the Company's Remuneration Report for 2016.

However, the Company will not disregard a vote cast on Resolution 2 by a member of Homeloans Limited KMP or their closely related parties if:

- the vote is cast as a proxy appointed in writing that specifies how the proxy is to vote on the resolution and the vote is not cast on behalf of a member of Homeloans Limited KMP or their closely related parties; or
- the vote is cast by the Chairman of the meeting as proxy, who has been expressly authorised to vote on this resolution even though it is connected with the remuneration of KMP.

3. RE-ELECTION OF DIRECTORS

To consider and if thought fit, to pass the following resolutions as ordinary resolutions.

3(a) *"That Mr Robert Peter Cockburn Salmon who retires by rotation in accordance with clause 13.4 of the Company's Constitution is re-elected as a director."*

3(b) *"That Mr Robert Norman Scott who retires by rotation in accordance with clause 13.4 of the Company's Constitution is re-elected as a director."*

Items 3(a) and 3(b) will be voted on as separate ordinary resolutions.

4. INCREASE IN DIRECTORS' FEES

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

"That with effect from the passing of this Resolution (ie. 25 November 2016) the aggregate maximum sum available for the remuneration of the non-executive directors of the Company be increased by an amount of \$300,000 to \$550,000 per financial year."

Voting exclusion statement - Resolution 4

Homeloans Limited will disregard any votes cast on Resolution 4 by any director of the Company; and any associate of a director of the Company.

However the Company will not disregard a vote cast on Resolution 4 if it is cast by:

- a person as proxy appointed in writing that specifies how the proxy is to vote on the resolution and the vote is not cast on behalf of a director; or
- the vote is cast by the Chairman of the meeting as proxy, who has been expressly authorised to vote on this resolution even though it is connected directly with the remuneration of non-executive directors which includes the Chairman.

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

BY ORDER OF THE BOARD



Jennifer Murray
Company Secretary

Dated this 25th day of October 2016

INFORMATION FOR SHAREHOLDERS

Explanatory Memorandum

The Explanatory Memorandum is included in and forms part of this Notice of Annual General Meeting and should be read in conjunction with it. It is an important document and should be read in its entirety. Please consult your professional advisor if you do not understand, or require further clarification in respect of any part of the document.

Attending the Meeting

All shareholders may attend the Annual General Meeting. In the case of joint shareholders, all holders may attend the meeting but only one holder may vote at the meeting in respect of the relevant shares (including by proxy). If more than one joint holder is present, and more than one of the joint holders vote in respect of the relevant shares, only the vote of the joint holder whose name stands first in the register in respect of the relevant shares is counted. A corporate shareholder may appoint one or more persons to act as its representative(s) but only one representative may exercise the corporate shareholder's powers at any one time. Appropriate evidence of appointment of corporate representative(s) must be provided.

Asking questions at the Meeting

We welcome shareholders' questions at the meeting. However, in the interests of all present, we ask that you confine your questions to matters before the meeting that are relevant to the shareholders as a whole.

We ask that you please submit your questions with your proxy form. You may also submit questions via the Company's website www.homeloans.com.au/enquire-now/

Voting entitlements

The following persons may vote at the Annual General Meeting:

- (a) a person entitled to vote if they have an interest in the company that allows them to do so;
- (b) a proxy of a person entitled to vote. Where more than one proxy is appointed, each proxy must be appointed to represent a specified proportion of the member's voting rights. If a member appoints two proxies, and the appointment does not specify the proportion of the member's voting rights, each proxy may exercise one-half of the voting rights; and
- (c) the chairman as proxy for a person entitled to vote, in accordance with their directions.

Proxy votes

All shareholders who are entitled to attend and vote at the meeting have the right to appoint a proxy to attend and vote for them in accordance with the directions on the proxy form. If no directions are given to the proxy on the form, the proxy may vote as he or she thinks fit. A proxy need not be a shareholder of the company and may be an individual or body corporate.

A corporate shareholder must sign the proxy form in accordance with its Constitution or otherwise in accordance with the Corporations Act 2001 (Cth). Where the proxy form is signed under the hand of a duly authorised person or persons of a corporate shareholder, such authorisation must have been sighted at the company's share registry.

In accordance with the Corporations Act 2001 (Cth) any directed proxies that are not voted on a poll at the meeting will automatically default to the chairman of the meeting, who is required to vote proxies as directed.

If you wish to appoint a proxy please complete the form in accordance with the instructions on the form. To be valid, a proxy form and the power of attorney or other authority (if any) under which it is signed (or an attested copy of it) must be received by no later than 10.00am (Australian Western Standard Time) on 23rd November 2016:

By the Company:

Online: At www.investorvote.com.au

By Mail: Share Registry – Computershare Investor Services Pty Limited
GPO Box 242, Melbourne Victoria 3001, Australia

By Fax: 1800 783 447 (within Australia)
+61 3 9473 2555 (outside Australia)

By mobile: Scan the QR Code on your proxy form and follow the prompts

Custodian Voting: For intermediary Online subscribers only (custodians) please visit www.intermediaryonline.com to submit your voting instructions.

A proxy form accompanies this Notice of Meeting.

Determination of entitlement to attend and vote

The directors have determined that the shareholding of each member and their voting entitlements for the Annual General Meeting be as set out in the Company's Share Register at 10.00am (Australian Western Standard Time) on Wednesday 23rd November 2016. Accordingly share transfers registered after that time will be disregarded in determining entitlements to attend and vote at the meeting.

Annual Report information

The Annual Report for the year ended 30 June 2016 accompanies this notice of meeting (unless you have elected not to receive a copy of the report).

The 2016 Annual Report is also available on the company's website at www.homeloans.com.au

HOMELOANS LIMITED

ABN 55 095 034 003

EXPLANATORY MEMORANDUM to Notice of Annual General Meeting

This Explanatory Memorandum is provided to shareholders of Homeloans Limited (the “Company”) to explain the resolutions to be put to shareholders for their consideration at the forthcoming Annual General Meeting to be held on 25th November 2016 at 10.00am (Australian Western Standard Time).

The Explanatory Memorandum provides shareholders with information that is reasonably required by shareholders to decide how to vote upon the resolutions to be considered at the meeting. The directors recommend that shareholders carefully read this Explanatory Memorandum before determining the manner in which they vote on a resolution.

Other than as contained in the Notice of Annual General Meeting, this Explanatory Memorandum and the Company’s Annual Report for the year ended 30 June 2016, the directors believe that there is no other information known to the Company or the directors that is reasonably required by shareholders to decide whether or not to pass each resolution.

1. Financial Statements and Reports

The Corporations Act requires the company’s financial statements and reports for the last financial year to be laid before the Annual General Meeting. The financial statements and reports are contained in the Company’s Annual Report for the year ended 30 June 2016 which accompanies the Notice of Annual General Meeting (unless you have elected not to receive a copy of the report). A copy of the Company’s Annual Report is also available on the website at www.homeloans.com.au

No resolution is required in relation to the financial statements and reports. However shareholders will be given reasonable opportunity to raise questions on the financial statements and reports.

A representative from the firm of Ernst & Young, (the Company’s auditors) will also be present at the meeting and shareholders will have an opportunity to ask the auditor questions in relation to the conduct of the audit, the auditor’s report, the Company’s accounting policies and the independence of the auditor.

2. Remuneration Report

2.1 Non-binding vote

The directors submit the Company’s Remuneration Report to shareholders for consideration and adoption by way of a non-binding resolution.

The Remuneration Report is set out in the Directors’ Report which forms part of the Annual Report for 2016. The Remuneration Report details the remuneration paid to the directors and other Key Management Personnel (KMP) during the financial year. It also explains the Board’s policy for determining the nature and amount of the remuneration paid by the Company. The relationship between the Board’s remuneration policy and the Company’s performance and the performance hurdles applicable to the remuneration of KMP.

The Company’s remuneration policies and practices have been designed to align the interests of directors and KMP of the company and those of the Company’s shareholders. Although the vote on the proposed resolution is advisory only the Board will take the outcome of the vote into consideration when reviewing the remuneration practices and policies.

Shareholders will be given a reasonable opportunity at the meeting to comment on and ask questions about the Company’s Remuneration Report.

2.2 Recommendation

The Board unanimously recommends that shareholders vote in favour of this resolution.

3. Election of Directors

Mr Robert Peter Cockburn Salmon

3.1 Mr Robert Peter Cockburn Salmon retires by rotation in accordance with clause 13.4 of the Company's Constitution at the forthcoming Annual General Meeting and being eligible offers himself for re-election at the meeting.

Mr Salmon's qualifications, experience and other information are set out in the Company's Annual Report, and summary is set out below:

Mr Salmon was appointed to the Board on 9 November 2000. He has 45 years experience in the finance and banking industry. In 1985 he joined with the Late Mr Timothy Holmes to establish International Financing and Investment Pty Ltd, the predecessor to Homeloans Limited.

Mr Salmon has a Bachelor of Economics from the University of Western Australia.

Mr Salmon is the Chairman of the Nomination and Remuneration Committee and a member of the Audit and Risk Management Committee.

Mr Robert Norman Scott

1.2 Mr Robert Norman Scott retires by rotation in accordance with clause 13.4 of the Company's Constitution at the forthcoming Annual General Meeting and being eligible offers himself for re-election at the meeting.

Mr Scott's qualifications experience and other information are set out in the Company's Annual Report, and summary is set out below:

Mr Scott was appointed to the Board on 9 November 2000. He is a Chartered Accountant with over 37 years experience. He was an International Partner with Arthur Anderson retiring from that firm in 1995.

Mr Scott is a non-executive director of the following listed public companies: Sandfire Resources NL, RTG Mining Inc, Lonestar (US) Inc.

Mr Scott is the Chairman of the Audit and Risk Management Committee and a member of the Nomination and Remuneration Committee.

1.3 Recommendation

The Board (other than Mr Salmon and Mr Scott who are the subject of the relevant resolutions) recommends that shareholders vote in favour of their re-election.

4. Increase in Directors' Fees

The maximum aggregate remuneration of \$550,000 is to cover the total of directors' fees that could be paid in a financial year to all non-executive directors of the Company. This is an increase of \$300,000 from the total approved by shareholders at the Annual General Meeting in November 2005. The new annual fee limit will take effect from the passing of this Resolution (ie. 25 November 2016). It is considered appropriate and necessary to increase the non-executive directors' fees to enable the Company to maintain directors' fees in line with those paid by companies of a similar size. The increased limit will enable the Company to continue to attract and retain new directors with appropriate skills and competencies to contribute to the Board and will provide greater flexibility for the appointment of additional directors.

It is not proposed to utilize the whole of the increased sum at the present time.

Non-executive directors have not been issued with securities in the company in the last three years.

Homeloans



Homeloans Limited

ABN 55 095 034 003

HOM

MR SAM SAMPLE
FLAT 123
123 SAMPLE STREET
THE SAMPLE HILL
SAMPLE ESTATE
SAMPLEVILLE VIC 3030

Lodge your vote:



Online:

www.investorvote.com.au



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 264 082
(outside Australia) +61 3 9415 4391

Proxy Form

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Vote and view the annual report online

- Go to www.investorvote.com.au or scan the QR Code with your mobile device.
- Follow the instructions on the secure website to vote.

Your access information that you will need to vote:

Control Number: 999999

SRN/HIN: I999999999

PIN: 99999

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



 **For your vote to be effective it must be received by 10.00am (Perth time) Wednesday, 23 November 2016**

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 for Postal Forms

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.

**GO ONLINE TO VOTE,
or turn over to complete the form** ➔

MR SAM SAMPLE
FLAT 123
123 SAMPLE STREET
THE SAMPLE HILL
SAMPLE ESTATE
SAMPLEVILLE VIC 3030

☐

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.



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IND

Proxy Form

Please mark ☒ to indicate your directions

STEP 1 Appoint a Proxy to Vote on Your Behalf

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I/We being a member/s of Homeloans 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 Homeloans Limited to be held at Level 9, 40 St Georges Terrace, Perth, Western Australia on Friday, 25 November 2016 at 10.00am (Perth time) 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 Resolutions 2 and 4 (except where I/we have indicated a different voting intention below) even though Resolutions 2 and 4 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 Resolutions 2 and 4 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
Resolution 2	Remuneration Report	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Resolution 3a	Re-election of Director - Mr Robert Peter Cockburn Salmon	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Resolution 3b	Re-election of Director - Mr Robert Norman Scott	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Resolution 4	Increase in Directors' Fees	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

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



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