



**COMPASS HOTEL GROUP LIMITED**

ACN 127 909 835

**COMPASS HOTEL GROUP TRUST**

ARSN 128 197 197

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**NOTICE OF COMBINED ANNUAL GENERAL MEETING**

**EXPLANATORY MEMORANDUM**

**PROXY FORM**

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Date of Meeting: 30<sup>th</sup> November 2009

Time of Meeting: 2.00pm (WST)

Place of Meeting: Albion Hotel 535 Stirling Highway, Cottesloe WA 6011

***The Notice of Combined General Meeting, Explanatory Memorandum and Proxy Form should be read in their entirety. If security holders 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 COMBINED ANNUAL GENERAL MEETING

Notice is hereby given that the Annual General Meeting of Compass Hotel Group Limited (the Company) will be held in conjunction with a meeting of members of the Compass Hotel Group Trust (the Trust) (collectively, together with all controlled entities, referred to as “the Group”) at **Albion Hotel, 535 Stirling Highway, Cottesloe, Western Australia at 2.00pm (WST) on Monday 30 November 2009.**

An Explanatory Memorandum containing information in relation to each of the following Resolutions accompanies this Notice of Combined General Meeting.

## AGENDA

### Ordinary Business

#### 1. Consideration of the 2009 Annual Financial Report

To receive the Annual Financial Report of the Group for the year ended 30 June 2009, the reports of the Directors and auditor thereon.

#### 2. Resolution 1 – Approval of Remuneration Report (Non-binding resolution)

To consider, and if thought fit, to pass the following resolution as an ordinary resolution for the Company and its controlled entities, excluding the Trust:

"That the Remuneration Report for the year ending 30 June 2009 be considered and adopted."

**Note:** The vote on this resolution is advisory only and does not bind the Directors or the Company.

#### 3. Resolutions 2(a), 2(b) and 2(c) – Election of Directors

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

- (a) “That Mr R Hill, who retires by rotation in accordance with Clause 6.1(f) of the Company’s constitution and, being eligible for re-election, be re-elected as a Director of the Company”
- (b) “That Mr R Garton Smith, a Director appointed since the last annual general meeting, retires in accordance with Clause 6.1(e) of the Company’s constitution and, being eligible for re-election, be re-elected as a Director of the Company”
- (c) “That Ms A Thome, a Director appointed since the last annual general meeting, retires in accordance with Clause 6.1(e) of the Company’s constitution and, being eligible for re-election, be re-elected as a Director of the Company”

### Voter Exclusion Statement

The Company will disregard any votes cast on Resolutions 2(a) by Mr R Hill, Resolution 2(b) by Mr R Garton Smith and Resolution 2(c) by Ms A Thome and/or their associates, respectively. However the Company need not disregard a vote if:

- (a) it is cast by a person as proxy for a person who is entitled to vote in accordance with the directions on the proxy form;
- (b) it is cast by the person chairing the meeting as proxy for a person who is entitled to vote in accordance with the direction on the proxy form to vote as the proxy decides.

**4. Questions and Comments by Holders of Stapled Securities at the Meeting**

In accordance with the *Corporations Act 2001* the chairman of the meeting will allow a reasonable opportunity for security holders to ask questions about or make comments on the management of the Company at the meeting and also to ask questions of the auditor relevant to:

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

**BY ORDER OF THE BOARDS**



**Malcolm McLean**  
**Secretary of the Company**



**Barbara Boyd**  
**Company Secretary of Primary Compass Ltd, the responsible entity of the Compass Hotel Group Trust**

**Dated: 29 October 2009**

# PROXY AND VOTING ENTITLEMENT INSTRUCTIONS

## EXPLANATORY MEMORANDUM

The accompanying Explanatory Memorandum forms part of the Notice of Combined General Meeting and should be read in conjunction with it.

## PROXY INSTRUCTIONS

Security holders entitled to attend and vote at the meeting may appoint up to two individuals to act as proxies to attend and vote on their behalf. Where more than one proxy is appointed each proxy may be appointed to represent a specific proportion of the security holders' voting rights. If the appointment does not specify the proportion or number of votes each proxy may exercise, each proxy may exercise half of the votes.

The proxy form (and the power of attorney or other authority, if any, under which the proxy form is signed) or a copy or facsimile which appears on its face to be an authentic copy of the proxy form (and the power of attorney or other authority) must be deposited at or sent by facsimile transmission to the registered office of **Compass Hotel Group Limited, PO Box 2065, Warwick WA 6024** or by fax, number **(08) 9448 7955** and marked for the attention of **the Company Secretary**, not less than 48 hours, that is by 2.00pm WST on Saturday 28 November 2009, before the time for holding the Meeting, or adjourned meeting as the case may be, at which the individual named in the proxy form proposes to vote.

The proxy form must be signed by the security holder or his/her attorney duly authorised in writing or, if the security holder is a corporation, in a manner permitted by the Corporations Act.

The proxy may, but need not, be a security holder.

In the case of securities jointly held by two or more persons, all joint holders must sign the proxy form.

A proxy form is attached to this Notice.

## CORPORATE REPRESENTATIVE

Any corporate security holder may elect to appoint an individual to act as its representative in accordance with section 250D of the Corporations Act, in which case the Company will require a certificate of appointment of the corporate representative executed in accordance with the Corporations Act. The certificate of appointment must be lodged with the Company before the Meeting or at the registration desk on the day of the Meeting. Certificates of appointment of corporate representative are available at [www.computershare.com.au](http://www.computershare.com.au) or on request by contacting Computershare Investor Services on telephone number 1300 557 010 (within Australia) or +61 8 9323 2000 (outside Australia).

## VOTING ENTITLEMENT

In accordance with regulation 7.11.37 and 7.11.38 of the Corporations Regulations 2001, for the purposes of determining voting entitlements at the Annual General Meeting, security holders entitled to vote will be taken to be those security holders who are registered as holding the securities at 2.00pm (WST) on Saturday, 28 November 2009. Accordingly, transactions registered after that time will be disregarded in determining entitlements to attend and vote at the Meeting.

## QUESTIONS FROM SECURITY HOLDERS

In accordance with the *Corporations Act 2001* the chairman of the meeting will allow a reasonable opportunity for security holders to ask questions about or make comments on the management of the Company at the meeting and also to ask questions of the auditor relevant to:

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

To assist the Board and the auditor of the Company in responding to your questions please submit any questions you may have using the enclosed "Questions from Shareholders Form" by fax or to the address below by no later than 5pm (WST) on 16 November 2009.

**By fax (08) 9448 7955**

**By Post PO Box 2065  
WARWICK WA 6024**

As required under section 250PA of the Corporations Act, at the Annual General Meeting, the Company will distribute a list setting out the questions directed to the auditor received in writing at least five business days prior to the meeting that the auditor considers relevant to the content of the auditor's report or the conduct of the audit of the annual financial report for the year ended 30 June 2009. The Chairman will allow a reasonable opportunity for the auditor to respond to the questions set out on this list.

## PROXY FORM

The Company Secretary  
Compass Hotel Group Limited

Primary Compass Ltd as responsible entity of the Compass Hotel Group Trust

PO Box 2065  
WARWICK WA 6024

Fax Number: (08) 9448 7955 (marked for the attention of Mr M J McLean, Company Secretary).

I/We \_\_\_\_\_

of \_\_\_\_\_

being a member/s of Compass Hotel Group Limited and Compass Hotel Group Trust

hereby appoint \_\_\_\_\_

of \_\_\_\_\_

or failing this person/body corporate \_\_\_\_\_

of \_\_\_\_\_

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, as the proxy sees fit) at the Combined General Meeting of Compass Hotel Group Limited and Compass Hotel Group Trust to be held at **Albion Hotel, 535 Stirling Highway, Cottesloe, Perth, Western Australia** on **Monday, 30 November 2009 commencing at 2.00pm (WST)** and at any adjournment of that meeting.

If two proxies are appointed, the proportion of voting rights this proxy is authorised to exercise is \_\_\_\_\_%.  
(An additional proxy form will be supplied by Compass on request.)

If you wish to indicate how your proxy is to vote, please tick the appropriate places below. If no indication is given on a resolution, the proxy may abstain or vote at his or her discretion.

I/we direct my/our proxy to vote as indicated below:

|                                      | For                      | Against                  | Abstain                  |
|--------------------------------------|--------------------------|--------------------------|--------------------------|
| 1. Remuneration Report               | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |
| 2a. Re-election of Mr R Hill         | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |
| 2b. Re-election of Mr R Garton Smith | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |
| 2c. Re-election of Ms A Thoume       | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |

Proxies given by a natural person must be signed by each appointing security holder or the security holder's attorney duly authorised in writing. Proxies given by companies must be executed in accordance with section 127 of the Corporations Act or signed by the appointor's attorney duly authorised in writing.

The Chairman intends to vote all undirected proxies in favour of the Resolutions.

If you do not wish to direct your proxy how to vote, please place a mark in the box.

By marking this box, you acknowledge that the Chairman may exercise your proxy even if he has an interest in the outcome of the resolution and votes cast by him other than, as proxy holder will be disregarded because of that interest.

As witness my/our hand/s this                      day of                                              2009

**If a natural person:**

SIGNED by:

\_\_\_\_\_  
Signature

\_\_\_\_\_  
Signature (if joint holder)

\_\_\_\_\_  
Print Name in full

\_\_\_\_\_  
Print Name in full

**If a company:**

Executed in accordance with section     )  
127 of the Corporations Act                )

\_\_\_\_\_  
Signature of Director

\_\_\_\_\_  
Signature of Director / Secretary

\_\_\_\_\_  
Print Name in full

\_\_\_\_\_  
Name of Director / Secretary in full

**If by power of attorney:**

SIGNED for and on behalf of                )  
                                                          by                                                         )  
under a Power of Attorney dated            )  
                                                          and who declares that                         )  
he/she has not received any revocation    )  
of such Power of Attorney in the            )  
presence of:                                        )

\_\_\_\_\_  
Signature of Attorney

\_\_\_\_\_  
Signature of Witness

\_\_\_\_\_  
Name of Witness in full

# Questions from Holders of Stapled Securities

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This form is provided with the Notice of Combined General Meeting to be held at **Albion Hotel, 535 Stirling Highway, Cottesloe, Western Australia at 2.00pm (WST) on Monday 30 November 2009** to assist stakeholders of stapled securities in asking questions of:

- the Directors of the Company in relation to the management of the Company; and
- The lead audit partner (or their representative) responsible for the audit of the financial statements of Group for the year ended 30 June 2009, in relation to the conduct of the audit, the preparation and content of the auditor's report, the accounting policies adopted by the Company in relation to the preparation of the financial statements and the independence of the auditor in relation to the conduct of the audit.

The chairman and the auditor will endeavour to respond to the questions received by stakeholders of stapled securities to the extent that the chair of the meeting determines is reasonable given the time available at the Combined General Meeting.

**Name of Stapled Security Holder/s:**

\_\_\_\_\_

**Questions (please place an "X" in the box next to the question if your question is directed at the auditor)**

**1** \_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_

**2** \_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_

**3** \_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_

**Lodging this form**

If you wish to ask questions using this form, you should submit this form by fax or to one of the addresses below by no later than 5.00 pm (WST) on 16 November 2009.

**By Post: PO Box 2065, Warwick, WA 6024**

**By facsimile: (08) 9448 7955**



## **EXPLANATORY MEMORANDUM**

This Explanatory Memorandum should be read in conjunction with the accompanying Notice of Combined General Meeting.

The Company and the Responsible Entity have appointed Mr Roland Hill to be Chairman of the Combined General Meeting.

### **1. RECEIPT OF ANNUAL FINANCIAL REPORT**

The first item of the Notice of Combined General Meeting deals with the presentation of the consolidated annual financial report of the Company for the financial year ended 30 June 2009 together with the Directors' declaration and report in relation to that financial year and the auditors' report on those financial statements. Security holders should consider these documents and raise any matters of interest with the Directors when this item is being considered.

No Resolution is required to be moved in respect of this item.

### **2. RESOLUTION 1 - REMUNERATION REPORT**

Section 298 of the Corporations Act requires that the annual Directors' Report contain a Remuneration Report prepared in accordance with section 300A of the Corporations Act.

By way of summary, the Remuneration Report:

- a) Discusses the Company's policy and the process for determining the remuneration of its executive officers and employees;
- b) Addresses the relationship between the remuneration of the Company's executive officers and the performance of the Company; and
- c) Sets out remuneration details for each Director and each executive officers of the Company named in the Remuneration Report for the financial year ended 30 June 2009.

Security holders are entitled to vote on the question whether the Remuneration Report as contained in the Annual Report for the year ended 30 June 2009 is to be adopted. Section 250R(2) of the Corporations Act requires companies to put a resolution to their members that the Remuneration Report be adopted.

Pursuant to section 250R(3), shareholders should note that Resolution 1 is an "advisory only" resolution which does not bind the Directors or the Company.

The Directors recommend that the shareholders vote in favour of Resolution 1.

### **RESOLUTION 2 (a) – RE-ELECTION OF MR R HILL**

#### **Re-election of Mr R Hill**

Mr R Hill retires by rotation in accordance with Clause 6.1(f) of the Company's Constitution. It is a requirement of the Company's Constitution that one –third of the Directors retire from office at each Annual General Meeting. The retiring

Director however, if eligible in accordance with Clause 6.1(m) of the Company's Constitution, may offer themselves for re-election.

Mr R Hill retires from office in accordance with this requirement, and being eligible, offers himself for re-election. The remaining Directors recommend to the security holders that Mr R Hill be re-elected as a Director of Compass Hotel Group Limited.

Mr R Hill has fifteen years of corporate finance experience through senior roles in stockbroking and investment banking with several international and domestic financial institutions.

Mr R Hill also held the role of Portfolio Manager with Deutsche Asset Management and has developed extensive hotel operational experience through managing several hotels in Western Australia.

## **RESOLUTION 2 (b) – RE-ELECTION OF MR R GARTON SMITH**

### **Re-election of Mr R Garton Smith**

Mr R Garton Smith, who was appointed since the last Combined Annual General Meeting, retires in accordance with Clause 6.1(e) of the Company's constitution. The retiring Director however, if eligible in accordance with Rule 6.1(m) of the Company's Constitution, may offer themselves for re-election.

Mr R Garton Smith retires from office in accordance with this requirement, and being eligible, offers himself for re-election. The re-election is on the basis as a caretaker director as detailed in the announcement to the ASX on 8 September 2009. The remaining Directors recommend to the security holders that Mr R Garton Smith be re-elected as a Director of Compass Hotel Group Limited.

Robert Garton Smith is the Managing Director and owner of the Primary Group and is its key person in relation to managed investments. He has degrees in law, commerce and financial planning and is a legal practitioner as well as being a Fellow of the Financial Services Institute of Australia. He is a member of the Law Society of Western Australia and the Australian Compliance Institute. Robert Garton Smith has worked in the area of managed investments since 1981.

Robert has prepared and overseen dozens of managed investment schemes relating to real estate, mortgages, equity, forestry, viticulture, horticulture, manufacturing and film, and also prepared share, debenture stock and unsecured notes issues. Robert Garton Smith has practiced law since 1970 and is admitted as a practitioner in Australia and in England and Wales. Robert is on the board of several unlisted public technology companies.

## **RESOLUTION 2(c) - RE-ELECTION OF MS A THOUME**

### **Re-election of Ms A Thome**

Ms A Thome who was appointed since the last Combined Annual General Meeting, retires in accordance with Clause 6.1(e) of the Company's constitution. The retiring Director however, if eligible in accordance with Rule 6.1(m) of the Company's Constitution, may offer themselves for re-election.

Ms A Thome retires from office in accordance with this requirement, and being eligible, offers herself for re-election. The re-election is on the basis as a caretaker director as detailed in the announcement to the ASX on 8 September 2009. The remaining Directors recommend to the security holders that Ms A Thome be re-elected as a Director of Compass Hotel Group Limited.

Anne Thome has extensive experience in the commerce, banking and trustee industries. Beginning as a trust officer, and moving into management of unit trusts, she has acted as both Manager and Trust and Corporate and Company Secretary of a major international bank. Anne has also worked as a senior executive with Perpetual Trustees (WA) Ltd and as General Manager of a Singaporean trust company.

As a former director of Professional Funds Management Pty Ltd, Anne was responsible for the day to day operations and administration of that company's trustee and corporate service division.