



**LION**  
NATHAN  
ABN 34 093 160 448

## **EXPLANATORY NOTES ON THE BUSINESS TO BE TRANSACTIONED AT THE LION NATHAN LIMITED ANNUAL GENERAL MEETING FOR THE FINANCIAL YEAR ENDED 30 SEPTEMBER 2008**

### **Item 1 – Statutory accounts and reports for the financial year ended 30 September 2008**

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Section 317(1) of the Corporations Act 2001 (Cwlth) (“**Corporations Act**”) requires a public company to lay before its Annual General Meeting the financial report, the Directors’ report and the auditor’s report for the financial year that ended before the Annual General Meeting.

At this Annual General Meeting, shareholders of Lion Nathan Limited (“**Company**”) will be given a reasonable opportunity to consider, comment on and ask questions of the Directors and the auditor of the Company about the management of the Company, the conduct of the audit, and the preparation and contents of the financial statements and reports for the financial year ended 30 September 2008.

### **Item 2 – Adoption of the Remuneration Report for the financial year ended 30 September 2008**

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In accordance with section 250R(2) of the Corporations Act, the Remuneration Report for the financial year ended 30 September 2008 is put to shareholders for adoption. The Remuneration Report is set out on pages 21 to 30 of the Annual Report. The Company’s Annual Report can be found at [www.lion-nathan.com/Investors/Annual-Reports.aspx](http://www.lion-nathan.com/Investors/Annual-Reports.aspx).

The vote on this resolution is advisory only and does not bind the Directors or the Company. Shareholders will be given a reasonable opportunity to ask questions about, and make comments on, the Remuneration Report at the meeting.

The Directors unanimously recommend that shareholders vote in favour of the resolution outlined in Item 2 of the Notice of Meeting.

### **Item 3 – Re-election of Directors**

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#### **Item 3(a) – Re-elect Mr Andrew Maxwell Reeves**

Mr Andrew Reeves is an Executive Director and was appointed to the Board of the Company in April 2004. He is also a member of the Strategy Committee.

Mr Reeves is currently Managing Director of Lion Nathan Australia and has responsibility for a business with revenues in excess of \$1 billion annually. Mr Reeves was previously Managing Director of Coca-Cola Amatil and Managing Director of The Smiths Snack Food Company.

Mr Reeves is considered by the Board to be a non-independent Director in accordance with the Lion Nathan Policy on Independence of Directors.

In accordance with Article 10.3 of the Company's Constitution, Mr Reeves stands down and offers himself for re-election at this meeting.

The Directors (with Mr Reeves abstaining and not voting) recommend that shareholders vote in favour of the resolution outlined in Item 3(a) of the Notice of Meeting.

### **Item 3(b) – Re-elect Mr Gavin Ronald Walker**

Mr Walker has had a long career in investment banking, having previously been Chief Executive of Bankers Trust Australia Investment Bank and a member of the Business Council of Bankers Trust Company in New York. Mr Walker has made a valued contribution to the Company's Board, especially as Chairman of the Audit, Finance & Risk Committee.

Mr Walker is also a Director of Goldman Fielder Limited, BT Investments Management and the Southern Cross Building Society.

Mr Walker was appointed a Director of the Company in March 2000. Mr Walker is Chairman of the Audit, Finance & Risk Committee and a member of the Strategy Committee.

Mr Walker is considered by the Board to be an independent Director in accordance with the Lion Nathan Policy on Independence of Directors.

In accordance with Article 10.3 of the Company's Constitution, Mr Walker stands down and offers himself for re-election at this meeting.

The Directors (with Mr Walker abstaining and not voting) recommend that shareholders vote in favour of the resolution outlined in Item 3(b) of the Notice of Meeting.

### **Item 3(c) – Re-elect Ms Barbara Kay Ward**

Ms Barbara Kay Ward has experience in policy development and public administration as a senior ministerial adviser and experience in the transport and aviation industries, most recently as Chief Executive of Ansett Worldwide Aviation Services. Ms Ward has made a valued contribution to the Company's Board as well as the Strategy and Audit, Finance and Risk Committees.

Ms Ward is also a Director of Country Energy Limited and Qantas Airways Limited.

Ms Ward was appointed to the Board in February 2003. Ms Ward is a member of the Strategy Committee and the Audit, Finance and Risk Committee.

Ms Ward is considered by the Board to be an independent Director in accordance with the Lion Nathan Policy on Independence of Directors.

In accordance with Article 10.3 of the Company's Constitution, Ms Ward stands down and offers herself for re-election at this meeting.

The Directors (with Ms Ward abstaining and not voting) recommend that shareholders vote in favour of the resolution outlined in Item 3(c) of the Notice of Meeting.

## **Review prior to Board Recommendation**

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Prior to the Board making its recommendation and proposing the re-election of these Directors, the Chairman of the Company reviewed the contribution with the Board of each of the Directors standing for re-election. The review was based on processes developed by the Leadership, Nomination and Remuneration Committee.