

NOTICE OF ANNUAL GENERAL MEETING

DATE OF MEETING

Tuesday 23 October 2012
commencing at 10.00 AM (WST)

This Notice of Annual General Meeting and 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.

PLACE OF MEETING

Parmelia Hilton Hotel
14 Mill Street
Perth WA 6000

CLOUGH LIMITED
ABN 59 008 678 813



Clough Limited

ABN 59 008 678 813

NOTICE OF ANNUAL GENERAL MEETING

Location of the Meeting

Parmelia Hilton Hotel
14 Mill Street
Perth WA 6000

Corporate Directory

Directors	Mr Keith Spence	Independent Non-Executive Chairman
	Mr David Crawford	Independent Non-Executive Director
	Ms Emma Stein	Independent Non-Executive Director
	Mr Cobus Bester	Non-Executive Director
	Mr Ian Henstock	Non-Executive Director
	Mr Henry Laas	Non-Executive Director
	Mr Kevin Gallagher	CEO and Managing Director
	Mr Neil Siford	CFO and Executive Director

Company Secretary Mr John Whitehand

Registered Office Level 15
58 Mounts Bay Road
Perth WA 6000
Telephone: +61 8 9281 9281
Facsimile: +61 8 9281 9946
Email: clough@clough.com.au
Website: www.clough.com.au

Auditor Deloitte Touche Tohmatsu
Level 14 Woodside Plaza
240 St Georges Terrace
Perth WA 6000

Share Registry Link Market Services Limited
178 St Georges Terrace
Perth WA 6000
Telephone 1300 554 474

ASX Code CLO

NOTICE OF ANNUAL GENERAL MEETING

The 2012 Annual General Meeting of Clough Limited will be held at the Parmelia Hilton Hotel, 14 Mill Street, Perth, Western Australia on Tuesday, 23 October 2012 commencing at 10.00 AM (WST) (**Meeting**).

Agenda

Item 1 - Financial Statements and Reports (no resolution required)

To receive and consider the Annual Financial Report, together with the Directors' and Auditor's Reports for the year ended 30 June 2012.

Item 2 – Resolution 1: Adoption of Remuneration Report (non-binding)

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

“That, for the purposes of section 250R (2) of the Corporations Act and for all other purposes, Shareholders adopt the Remuneration Report for the year ended 30 June 2012.”

Please note that the vote on this Resolution is advisory only, and does not bind the Directors or the Company (however, please consider the effect of a 'no' vote of 25 per cent or higher, as explained in the Explanatory Statement accompanying this Notice). Resolution 1 is put to Shareholders to allow a reasonable opportunity for Shareholders to ask questions about or comment on the Remuneration Report. A Voting Prohibition Statement for this Resolution is set out below.

Item 3 – Resolution 2: Election of Director

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

“That, for the purpose of rule 3.3 of the Constitution and for all other purposes, Ian Henstock, who was appointed by the Board since the last Annual General Meeting and retires in accordance with rule 3.3 of the Constitution, and, being eligible, offers himself for election, be elected as a Director.”

Information about Mr Henstock is contained in the Explanatory Statement accompanying this Notice.

Item 4 – Resolutions 3: Approval of the Executive Incentive Scheme

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

“That, for the purpose of the Listing Rule 7.2 (Exception 9(b)) and for all other purposes, Shareholder approval be given to the Executive Incentive Scheme, the terms of which are summarised in the Explanatory Statement accompanying this Notice, and the issue of securities under the Executive Incentive Scheme.”

Information about the Executive Incentive Scheme is contained in the Explanatory Statement accompanying this Notice. A Voting Prohibition Statement and Voting Exclusion Statement for this Resolution are set out below.

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Item 5 – Resolution 4: The Grant of Performance Rights to Neil Siford - CFO and Executive Director

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

“That, for the purposes of Listing Rule 10.14 and for all other purposes, Shareholder approval be given for the grant of 305,885 Performance Rights to Neil Siford pursuant to the Executive Incentive Scheme, the terms of which are summarised in the Explanatory Statement accompanying this Notice.”

A Voting Prohibition Statement and Voting Exclusion Statement for this Resolution are set out below.

Item 6 - Resolution 5: Ratification of the Prior Grant of Performance Rights

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

“That, for the purposes of Listing Rule 7.4 and for all other purposes, Shareholder approval be given for the prior grant of 1,284,717 Performance Rights pursuant to the Executive Incentive Scheme summarised in the Explanatory Statement accompanying this Notice.”

A Voting Prohibition Statement and Voting Exclusion Statement for this Resolution are set out below.

VOTING PROHIBITIONS AND EXCLUSIONS

Voting Prohibition Statement (Corporations Act) – Resolution 1

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 the vote is not cast on behalf of a person described above and either:

- (c) the person does so as a proxy appointed by writing that specifies how the proxy is to vote on Resolution 1; or
- (d) the person is the chair of meeting and the appointment of the chair as proxy:
 - (i) does not specify the way the proxy is to vote on the resolution; and
 - (ii) 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.

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Voting Prohibition Statement (Corporations Act) – Resolutions 3, 4 and 5

A person appointed as a proxy must not vote, on the basis of that appointment, on Resolutions 3, 4 or 5 if:

- (a) the proxy is either:
 - (i) a member of the key management personnel for the Company; or
 - (ii) a closely related party of a member of the key management personnel for the Company; and
- (b) the appointment does not specify the way the proxy is to vote on the resolution.

However, the above prohibition does not apply if:

- (c) the proxy is the chair of the Meeting; and
- (d) the appointment expressly authorises the chair to exercise the proxy even if the resolution is connected directly or indirectly with remuneration of a member of the key management personnel of the Company.

Voting Exclusion Statement (Listing Rules) – Resolutions 3, 4 and 5

Further to the Corporations Act voting prohibition set out above, under Listing Rule 14.11, the Company will disregard any votes cast on:

- Resolutions 3 or 4 by any Director (except one who is ineligible to participate in any employee incentive scheme in relation to the Company) and any associate of those Directors; and
- Resolution 5 by any person who participated in the issue and any associate of such a person.

However, the Company need not disregard a vote if:

- 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; or
- 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.

By Order of the Board of Directors

John Whitehand

Company Secretary

Clough Limited

20 September 2012

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The Explanatory Statement accompanying this Notice of Annual General Meeting is incorporated in and comprises part of this Notice. Shareholders are referred to the Glossary in the Explanatory Statement which contains definitions of capitalised terms used both in this Notice and the Explanatory Statement.

Proxies - Please note that:

1. a Shareholder of the Company entitled to attend and vote at the Meeting is entitled to appoint a proxy;
2. a proxy need not be a Shareholder of the Company; and
3. a Shareholder of the Company entitled to cast two or more votes may appoint two proxies and may specify the proportion or number of votes each proxy is appointed to exercise, but where the proportion or number is not specified, each proxy may exercise half of the votes.

If you appoint a proxy, the Company encourages you to direct your proxy how to vote on each Resolution.

Express authorisation for undirected proxies on Resolutions 1, 3, 4 and 5

As a member of the Company's key management personnel, the chairman can only vote undirected proxies on Resolution 1 (Adoption of Remuneration Report), Resolution 3 (Approval of the Executive Incentive Scheme), Resolution 4 (The Grant of Performance Rights to Neil Siford - CFO and Executive Director) and Resolution 5 (Ratification of the Prior Grant of Performance Rights) if the proxy appointment expressly authorises the chairman to vote those undirected proxies on those Resolutions.

If a Shareholder appoints the chairman as their proxy in relation to Resolution 1, Resolution 3, Resolution 4 or Resolution 5 but does not complete any of the boxes "For", "Against" or "Abstain" opposite those resolutions on the proxy form, that Shareholder **will be expressly authorising** the Chairman to vote on the relevant resolution in accordance with the chairman's stated voting intention, even if the resolutions are connected directly or indirectly with the remuneration of a member of the key management personnel for the Company. The chairman of the Meeting intends to vote all undirected proxies on, and **in favour** of, each Resolution. Therefore, if a Shareholder appoints the chairman of the Meeting as its proxy, without a voting direction, that Shareholder's votes will be cast **for** each of Resolution 1, Resolution 3, Resolution 4 and Resolution 5.

If a Shareholder wishes to appoint the chairman as proxy with a direction to vote against, or abstain from voting, on any of Resolution 1, Resolution 3, Resolution 4 or Resolution 5, the Shareholder **must** specify this by ticking the "Against" or "Abstain" box next to Resolution 1, Resolution 3, Resolution 4 or Resolution 5 (as appropriate) on the Proxy Form.

Changes to Voting by Proxy

New sections 250BB and 250BC of the Corporations Act took effect on 1 August 2011 and apply to voting by proxy. Shareholders and their proxies should be aware of these changes to the Corporations Act, as they will apply to this Meeting. Generally, the changes mean that if proxy holders vote, they must cast all directed proxies as directed, and any directed proxies which are not voted will automatically default to the

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Chairman, who must vote the proxies as directed. 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.

The **enclosed** Proxy Form must be received not later than 48 hours before the commencement of the Meeting, i.e. no later than 10.00am (WST) on Sunday, 21 October 2012. Any Proxy Form received after that time will not be valid for the Meeting. The Proxy Form may be lodged in the following ways:

Mail	Facsimile	Online
Link Market Services Limited Locked Bag A14 SYDNEY SOUTH NSW 1235	Link Market Services Limited +61 2 9287 0309	www.linkmarketservices.com.au

To use the online lodgement facility, select 'Investor Login' and enter "Clough Limited" or the ASX code (CLO) in the 'Issuer Name' field, your Holder Identification Number (HIN) or Securityholder Reference Number (SRN) (which is shown on the front of your proxy form or your holding statement), postcode and security code which is shown on the screen and click 'Login'. Select the 'Voting' tab and then follow the prompts. Shareholders will be taken to have signed their Proxy Form if they lodge it in accordance with the instructions given on the website. The enclosed Proxy Form also provides further details on appointing proxies and lodging Proxy Forms.

"Snap-shot" Time

The Company's Directors have determined that, for the purpose of voting at the Meeting, Shareholders are those persons who are the registered holders of Shares at 10.00 AM (WST) on Sunday, 21 October 2011.

Corporate Representative

A body corporate who has appointed a person to act as its corporate representative at the Meeting should provide that person with a certificate or letter executed in accordance with the Corporations Act authorising him or her to act as that company's representative. The authority may be sent to the Company and/or registry in advance of the Meeting or handed in at the Meeting when registering as a corporate representative. An appointment of Corporate Representative form is available from the Company's share registry's website: <http://www.linkmarketservices.com.au/corporate/InvestorServices/Forms.html>.

EXPLANATORY STATEMENT

This Explanatory Statement has been prepared for the information of Shareholders in relation to the business to be conducted at the Company's 2012 Annual General Meeting. The purpose of this Explanatory Statement is to provide Shareholders with all information known to the Company which is material to a decision on how to vote on the Resolutions in the accompanying Notice. This Explanatory Statement forms part of, and should be read in conjunction with, the Notice. Capitalised terms in this Explanatory Statement are defined in the Glossary.

Item 1: Financial Statements and Reports

The Annual Financial Report, Directors' Report and Auditor's Report for the Company for the year ended 30 June 2012 will be laid before the Meeting. A copy of the 2012 Annual Report, which includes these reports, is available on the Company's website at www.clough.com.au and on ASX's website www.asx.com.au. There is no requirement for Shareholders to approve these reports.

The Chairman will allow a reasonable opportunity for Shareholders to ask questions or make comments about those reports and the management of the Company. Shareholders will also be given a reasonable opportunity to ask the auditor questions about the conduct of the audit and the preparation and content of the Auditor's Report.

In addition to taking questions at the Meeting, written questions to the Chairman about the management of the Company, or to the Company's auditor about:

- the preparation and content of the Auditor's Report;
- the conduct of the audit;
- 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,

may be submitted no later than five business days before the Meeting date to Link Market Services Limited, Locked Bag A14, Sydney South NSW 1235, or by facsimile to (in Australia) (02) 9287 0309 or (Overseas) +61 2 9287 0309.

Item 2 – Resolution 1: Adoption of Remuneration Report

The Remuneration Report of the Company for the financial year ended 30 June 2012 is set out in the Directors' Report in the Annual Report. The Remuneration Report sets out the Company's remuneration arrangements for the Executive and Non-Executive Directors and Executive employees of the Company. A reasonable opportunity will be given for the discussion of the Remuneration Report at the Meeting. Shareholders should note that the vote on Resolution 1 is advisory only and does not bind the Company or the Directors.

However, the Corporations Act provides that if a company's remuneration report receives a 'no' vote of 25 per cent or more at two consecutive annual general meetings, a resolution must then be put to

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shareholders at the second annual general meeting as to whether another meeting should be held (within 90 days) at which all directors (other than the managing director) who were in office at the date of approval of the applicable directors' report must stand for re-election. In summary, Shareholders will be entitled to vote in favour of holding a general meeting to re-elect the Board if the Remuneration Report receives "2 strikes".

Item 3 - Resolution 2: Election of Director

Rule 3.3 of the Constitution provides that any Director appointed by the Board since the last Annual General Meeting automatically retires at the next Annual General Meeting, with that Director being eligible for re-election. As Ian Henstock was appointed as a Director by the Board since the last Annual General Meeting, he, being eligible, seeks election as a Director in accordance with Resolution 2.

Ian Henstock CA, BCompt (Hons), CTA, MBA**Non-Executive Director**

Ian Henstock joined the Clough Board in January 2012. Mr Henstock is the Group Commercial Director of Murray & Roberts, and also serves on the Board of Murray & Roberts Limited and Murray & Roberts International Holdings Limited.

Prior to joining Murray & Roberts, Mr Henstock held a number of leadership roles in the financial sector. He commenced his career with Ernst & Young as an articled clerk, and rose to the position of Executive Deputy Chairman, before leaving to take the role as Executive Director of Capital Partners. After a short time with Deloitte & Touche as a Senior Partner, he took the role as the Chief Executive of Bridge Capital, growing that business into a successful niche investment banking firm.

Mr Henstock joined ABSA Group in 2004 to head up ABSA Merchant Bank, and within six months he was promoted to Managing Executive, before transferring to ABSA Private Bank in April 2006 after Barclays Bank acquired control of the ABSA Group, being appointed as Senior Executive: Strategic Wealth Management.

In April 2008 Mr Henstock established an independent management consultant and corporate finance firm. He joined Murray & Roberts as Group Commercial Director effective from 1 July 2008.

Board recommendation: The Board, other than Mr Henstock whose election is the subject of Resolution 2, recommends that Shareholders vote in favour of Resolution 2.

Item 4 – Resolution 3: Approval of the Executive Incentive Scheme**Background**

Resolution 3 seeks Shareholder approval of the Executive Incentive Scheme for the purposes of Listing Rule 7.2 (Exception 9(b)) and for all other purposes.

Reason Shareholder approval is required

Listing Rule 7.1 imposes a limit on the number of equity securities (including Shares issued pursuant to the vesting of performance rights under the Executive Incentive Scheme (**Performance Rights**)) that a

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company can issue or agree to issue without shareholder approval. Generally, a company may not without shareholder approval issue in any 12 month period a number of equity securities that is more than 15% of the number of fully paid ordinary shares on issue 12 months before the issue.

Listing Rule 7.2 (Exception 9(b)) effectively provides that securities issued pursuant to an employee incentive plan are not included in the calculation of the 15% limit for Listing Rule 7.1 purposes, provided that the employee incentive scheme and the securities to be issued pursuant to the scheme have been approved by shareholders within the three years prior to the issue of securities.

In the case of a Director, no Performance Rights may be issued under the Executive Incentive Scheme without express Shareholder approval (pursuant to the related party provisions in the Listing Rules and the Corporations Act) of the number and terms of the specific Performance Rights to be granted and the Shares to be issued.

A summary of key aspects of the scheme are set out below.

Summary of the terms of the Executive Incentive Scheme

<p>Purpose</p>	<p>The Executive Incentive Scheme is a new incentive scheme approved by the Board in January 2012 to retain a number of key employees deemed to be strategically important to the business. The Executive Incentive Scheme was subsequently amended in August 2012 to provide the Board with greater flexibility to issue Performance Rights with performance criteria.</p> <p>Under the Executive Incentive Scheme, Performance Rights may be granted to employees of the Company or its subsidiaries (Eligible Employees). Performance Rights:</p> <ul style="list-style-type: none"> • will be granted subject to the terms and conditions of the Executive Incentive Scheme; and • will be granted in circumstances where the Board believes that it is in the best interests of the Company to align the interests of Eligible Employees with the performance of the Company, to incentivise those Eligible Employees and to reduce cash expenditure on incentive based remuneration.
<p>Term</p>	<p>The Executive Incentive Scheme was approved by the Board in January 2012 and amended in August 2012, and continues in operation until it is ended by the Board.</p>
<p>Performance Rights</p>	<p>A Performance Right is a right to either (at the Company's election):</p> <ul style="list-style-type: none"> • acquire one Share; or • receive in cash the cash value of one Share as at the vesting date (refer further below). <p>Until a Performance Right vests, an Eligible Employee, in his or her capacity as a holder of a Performance Right:</p>

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	<ul style="list-style-type: none"> • does not have a legal or beneficial interest in Shares; and • is not entitled to receive dividends or other Shareholder benefits.
Board's discretion to invite Eligible Employees	The Board has a discretion to determine if an Eligible Employee should be invited to participate in the Executive Incentive Scheme, and the number of Performance Rights that should be offered to an Eligible Employee.
Transfers	The Executive Incentive Scheme does not allow participants to transfer Performance Rights or create security interests over them, unless the Board gives its prior written consent. A breach of this provision by a participant would result in an immediate lapsing of the Performance Rights in question, unless the Board decides otherwise.
No consideration payable	No consideration is payable by a participant in respect of the grant of Performance Rights, nor is any amount payable upon the vesting of Performance Rights, or the subsequent issue of Shares in respect of them.
5% cap	Broadly, the maximum number of securities that may be issued under the Executive Incentive Scheme (and any other employee share scheme operated by the Company) in a five year period is limited to 5% of the issued shares in the Company (calculated at the date of the invitation under the Executive Incentive Scheme), subject to a range of exclusions, including, for example, securities issued under a disclosure document, or which did not require disclosure because of section 708 of the Corporations Act.
Performance Criteria	<p>Performance Rights will be issued on terms that impose a real risk of forfeiture to the participants if the performance criteria are not met.</p> <p>Performance criteria are the criteria as determined by the Board which must be satisfied before a Performance Right can vest. The performance criteria for each participant will be specified in their individual invitation. Performance criteria may include criteria such as share price growth, total relative shareholder return or continued employment.</p>
Performance Period	The Board has a discretion to determine the period over which the performance criteria will be tested. The performance period applicable to each participant will be specified in their individual invitation.
Vesting of Performance Rights	<p>A Performance Right granted under the Executive Incentive Scheme will vest on the earliest of:</p> <ul style="list-style-type: none"> • the Board giving notice to the participant that the relevant performance criteria in relation to that Performance Right has been satisfied; • if the relevant participant ceases to be an employee for a "qualifying reason" (refer further below), provided that in this case the Board has the discretion to determine the number of Performance Rights held by that participant that will vest, with the remainder lapsing; and • if a "change of control event" (refer further below) occurs in respect of the Company. <p>A "qualifying reason" means, broadly, ceasing to be an employee of the Company or</p>

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	<p>any of its subsidiaries due to an event that is outside of the control of the participant such as death, disablement, retirement, redundancy, the subsidiary employing the participant ceasing to be a member of the Company's corporate group, or another reason determined by the Board to be exceptional, outside of the control of the participant and which justifies the exercise of the Board's discretion to treat it as a qualifying reason.</p> <p>A "change of control event" means Shareholders approving a scheme of arrangement, or a takeover bid for at least 50% of Shares that the bidder does not already own becoming unconditional, or a person or group acquiring such a relevant interest (that they did not have before) as to allow them to replace all or a majority of the Board in a general meeting.</p>
<p><i>Shares or cash alternative</i></p>	<p>When a Performance Right vests, the participant will become entitled to (at the Company's election) either:</p> <ul style="list-style-type: none"> • receive one Share; or • receive in cash, the volume weighted average sale price of a Share on ASX during the period of 20 business days on which trading in Shares on ASX took place prior to the vesting date.
<p><i>Lapse of Performance Rights</i></p>	<p>A Performance Right granted will lapse on the earliest to occur of:</p> <ul style="list-style-type: none"> • the end of the performance period if the performance criteria (if any) relating to that Performance Right has not been satisfied; • the participant purporting to transfer or grant a security interest over that Performance Right without Board approval; • the participant ceasing to be employed by the Company or a subsidiary of the Company for any reason other than a "qualifying reason" (as described above); • the participant ceasing to be employed by the Company or a subsidiary of the Company for a "qualifying reason" (in which case, as explained above, the Board has a discretion to determine whether a Performance Right will lapse or vest); • if in the opinion of the Board, the participant has acted fraudulently or dishonestly or in breach of his obligations to the Company or any of its subsidiaries, and the Board determining that the Performance Rights held by that participant should lapse; and • the date that is seven years after the grant of the Performance Right.
<p><i>Administration</i></p>	<p>The Board will manage and administer the Executive Incentive Scheme unless it decides to delegate the management and administration of the Executive Incentive Scheme to a committee.</p>
<p><i>Adjustments upon alterations of capital</i></p>	<p>Prior to the allocation of Shares, or payment of the cash value (as applicable), to a participant upon vesting of Performance Rights, the Board may make any adjustments it considers appropriate to the terms of any Performance Right granted to that participant in order to minimise or eliminate any material advantage or disadvantage to a participant</p>

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	<p>resulting from a corporate action such as a capital raising or capital reconstruction.</p> <p>Subject to the above adjustments, during the currency of any Performance Rights and prior to vesting and the issue of Shares, or payment of the cash value (as applicable), in respect of those Performance Rights, the participants are not entitled to participate in any new issue of securities of the Company as a result of them holding of Performance Rights.</p>
Amendments	<p>The Board may by written instrument amend all or any of the provisions of the Executive Incentive Scheme, with retrospective effect, provided that the amendment does not materially reduce the rights of the participants as they existed before the date of amendment. The Executive Incentive Scheme provisions do, however, provide that in limited circumstances (for example, for the purpose of complying with relevant legislation or the Listing Rules) amendments may be made even if they materially reduce the rights of the participants.</p>

Securities issued under the Executive Incentive Scheme

The Executive Incentive Scheme has not previously been put to Shareholders for their approval.

1,284,717 Performance Rights have been issued to senior executives under the Executive Incentive Scheme since it was approved by the Board in January 2012 (the subject of approval under Resolution 5). In addition, 305,885 Performance Rights are proposed to be issued to Mr Neil Siford under the Executive Incentive Scheme, subject to the passing of Resolution 4.

Board recommendation: The Board, other than Mr Siford and Mr Gallagher, recommends that Shareholders vote in favour of Resolution 3.

Item 5 – Resolution 4: Grant of Performance Rights to Neil Siford – CFO and Executive Director

Neil Siford, the Company's Chief Financial Officer, was appointed a Director by the Board in August 2010. In January 2012 the Board approved the establishment of an Executive Incentive Scheme (the subject of approval under Resolution 3) under which Performance Rights were to be issued to six key senior executives including Mr Siford. Performance Rights were issued to five senior executives in March 2012, however, as Mr Siford is a related party of the Company (being a Director), in accordance with the Listing Rules, any issue of securities (including Performance Rights issued under the Executive Incentive Scheme) to him requires prior approval of Shareholders.

Pursuant to Resolution 4, the Company is seeking Shareholder approval in accordance with Listing Rule 10.14 to make a grant of Performance Rights to Mr Siford in accordance with the terms and conditions of the Executive Incentive Scheme.

The following information is provided in accordance with Listing Rule 10.15 with respect to Resolution 4:

- (a) **Maximum number of securities:** The maximum number of Performance Rights that may be issued under the Executive Incentive Scheme to Mr Siford is 305,885.
- (b) **Terms of issue:** The Performance Rights will be issued in accordance with the terms of the Executive Incentive Scheme (in the form it existed as at the time of invitation in March 2012, which

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is substantially the same as the current form of the Executive Incentive Scheme which is summarised in Item 4 of this Explanatory Statement above).

The Performance Rights that will be issued will have the following key terms:

Vesting Date	1 March 2015
Performance Criteria	Continuous employment from the date of grant to the Vesting Date

- (c) **Issue price:** Performance Rights issued under the Executive Incentive Scheme are issued for nil cash consideration. Any Shares issued upon vesting of Performance Rights will also be for nil cash consideration.
- (d) **Prior participation:** No persons referred to in Listing Rule 10.14 have been issued securities under the Executive Incentive Scheme.
- (e) **Future participation:** Mr Siford and Mr Gallagher are the only persons of the kind referred to in Listing Rule 10.14 that are entitled to participate in the Executive Incentive Scheme.
- (f) **Loan:** No loan is being made available in connection with the Executive Incentive Scheme.
- (g) **Date of issue:** All Performance Rights to be issued to Mr Siford in accordance with Resolution 4 will be issued no later than one year after the date of the Meeting.

Board Recommendation: the Board, other than Mr Siford, recommends that Shareholders vote in favour of Resolution 4.

Item 6 – Resolution 5: Ratification of the Prior Grant of Performance Rights

In January 2012 the Board approved the establishment of an Executive Incentive Scheme under which 1,284,717 Performance Rights were issued to five senior executives in March 2012. The Executive Incentive Scheme (the subject of approval under Resolution 3) has not previously been put to Shareholders for their approval.

Pursuant to Resolution 5, the Company is seeking Shareholder approval for the prior grant of 1,284,717 Performance Rights for the purposes of Listing Rule 7.4.

Listing Rule 7.1 imposes a limit on the number of equity securities (including Shares issued pursuant to the vesting of Performance Rights) that a company can issue or agree to issue without shareholder approval. Generally, a company may not without shareholder approval issue in any 12 month period a number of equity securities that is more than 15% of the number of fully paid ordinary shares on issue 12 months before the issue.

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Listing Rule 7.4 sets out an exception to Listing Rule 7.1. It provides that where a company in general meeting ratifies the previous issue of securities made pursuant to Listing Rule 7.1 (and provided that the previous issue did not breach Listing Rule 7.1) those securities will be deemed to have been made with Shareholder approval for the purpose of Listing Rule 7.1.

The following information is provided in accordance with Listing Rule 7.5 with respect to Resolution 5:

- (a) **Number of securities allotted:** 1,284,717 Performance Rights were granted.
- (b) **Issue price:** Performance Rights issued under the Executive Incentive Scheme were issued for nil cash consideration. Any Shares issued upon vesting of Performance Rights will also be for nil cash consideration.
- (c) **Terms of issue:** The Performance Rights were issued in accordance with the terms of the Executive Incentive Scheme (in the form it existed as at the time of invitation in March 2012, which is substantially the same as the current form of the Executive Incentive Scheme which is summarised in Item 4 of this Explanatory Statement above).

The Performance Rights have the following key terms:

Vesting Date	1 March 2015
Performance Criteria	Continuous employment from the date of grant to the Vesting Date

- (d) **Allotees:** The Performance Rights were granted to five senior executives of the Company.
- (e) **Intended use of funds:** No funds were raised pursuant to the grant of the Performance Rights.

Board Recommendation: the Board recommends that Shareholders vote in favour of Resolution 5.

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Glossary

In this Notice and Explanatory Statement:

Annual Financial Report means the Company's financial report contained in the Annual Report.

Annual Report means the Company's annual report for the year ending 30 June 2012.

Auditor's Report means the Auditor's Report contained in the Annual Report.

ASX means ASX Limited or the Australian Securities Exchange operated by ASX Limited, as the context requires.

Board means the board of Directors.

Chairman means the Chairman of the Company.

closely related party of a member of the key management personnel means:

- a spouse or child of the member;
- a child of the member's spouse;
- a dependant of the member or of the member's spouse;
- 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 Company;
- a company that the member controls; or
- a person prescribed to be a closely related party by the Corporations Regulations 2001 (Cth).

Company means Clough Limited ABN 59 008 678 813.

Constitution means the Constitution of the Company.

Corporations Act means the *Corporations Act 2001* (Cth), as amended.

Director means a director of the Company.

Directors' Report means the Directors' Report contained in the Annual Report.

Executive Incentive Scheme means the Clough Limited Executive Incentive Scheme approved by Board in January 2012 and amended August 2012.

Explanatory Statement means the explanatory statement to the Notice.

key management personnel has the same meaning as in the accounting standards; and so the term, broadly, includes those persons with the authority and responsibility for planning, directing and controlling the activities of the Company (whether directly or indirectly), and includes any director of the Company.

Listing Rules means the listing rules of ASX.

Meeting has the meaning given in the introductory paragraph of the Notice and includes, for the avoidance of doubt, any meeting arising from the adjournment or postponement of the Meeting.

Notice means this notice of meeting.

Performance Rights means a performance right issued in accordance with the terms of the Executive Incentive Scheme.

Proxy Form means the proxy appointment form enclosed with this Notice.

Remuneration Report means the Remuneration Report contained in the Director's Report.

Resolution means a resolution contained in the Notice.

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

Shareholder means a holder of a Share.

WST means Australian Western Standard Time.



By mail:
Clough Limited
C/- Link Market Services Limited
Locked Bag A14
Sydney South NSW 1235 Australia



By fax: +61 2 9287 0309



All enquiries to: Telephone: 1300 554 474 Overseas: +61 2 8280 7111



X99999999999

SECURITYHOLDER VOTING FORM

I/We being a member(s) of Clough Limited and entitled to attend and vote hereby appoint:

STEP 1

APPOINT A PROXY

the Chairman of the Meeting (mark box) OR if you are **NOT** appointing the Chairman of the Meeting as your proxy, please write the name of the person or body corporate (excluding the registered securityholder) you are appointing as your proxy. I/we appoint the Chairman of the Meeting as an alternate proxy to the person named.

If no person/body corporate is named, the Chairman of the Meeting, is appointed as my/our proxy and to vote for me/us on my/our behalf at the Annual General Meeting of the Company to be held at **10:00 am (WST) on Tuesday, 23 October 2012 at Parmelia Hilton Hotel, 14 Mill Street, Perth WA** and at any adjournment or postponement of the meeting. I/we expressly authorise the Chairman of the Meeting to exercise my/our proxy even if the resolution is connected directly or indirectly with the remuneration of a member of the key management personnel.
The Chairman of the Meeting intends to vote undirected proxies in favour of all items of business.

Proxies will only be valid and accepted by the Company if they are signed and received no later than **48 hours** before the meeting. Please read the voting instructions overleaf before marking any boxes with an

STEP 2

VOTING DIRECTIONS

	For	Against	Abstain*		For	Against	Abstain*
Resolution 1 Adoption of Remuneration Report (non-binding)	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	Resolution 4 The Grant of Performance Rights to Neil Siford - CFO and Executive Director	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Resolution 2 Election of Director - Mr Ian Henstock	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	Resolution 5 Ratification of the Prior Grant of Performance Rights	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Resolution 3 Approval of the Executive Incentive Scheme	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>				

i * If you mark the Abstain box for a particular Item, you are directing your proxy not to vote on your behalf on a show of hands or on a poll and your votes will not be counted in computing the required majority on a poll.

STEP 3

SIGNATURE OF SECURITYHOLDERS - THIS MUST BE COMPLETED

Securityholder 1 (Individual) <input style="width: 200px; height: 20px;" type="text"/>	Joint Securityholder 2 (Individual) <input style="width: 200px; height: 20px;" type="text"/>	Joint Securityholder 3 (Individual) <input style="width: 200px; height: 20px;" type="text"/>
Sole Director and Sole Company Secretary	Director/Company Secretary (Delete one)	Director

This form should be signed by the securityholder. If a joint holding, either securityholder may sign. If signed by the securityholder's attorney, the power of attorney must have been previously noted by the registry or a certified copy attached to this form. If executed by a company, the form must be executed in accordance with the company's constitution and the *Corporations Act 2001* (Cth).



HOW TO COMPLETE THIS PROXY FORM

Your Name and Address

This is your name and address as it appears on the company's security register. If this information is incorrect, please make the correction on the form. Securityholders sponsored by a broker should advise their broker of any changes. **Please note: you cannot change ownership of your securities using this form.**

Appointment of a Proxy

If you wish to appoint the Chairman of the Meeting as your proxy, mark the box in Step 1. If the person you wish to appoint as your proxy is someone other than the Chairman of the Meeting please write the name of that person in Step 1. If you appoint someone other than the Chairman of the Meeting as your proxy, you will also be appointing the Chairman of the Meeting as your alternate proxy to act as your proxy in the event the named proxy does not attend the meeting.

Votes on Items of Business - Proxy Appointment

You may direct your proxy how to vote by placing a mark in one of the boxes opposite each item of business. All your securities will be voted in accordance with such a direction unless you indicate only a portion of voting rights are to be voted on any item by inserting the percentage or number of securities you wish to vote in the appropriate box or boxes. If you do not mark any of the boxes on the items of business, your proxy may vote as he or she chooses. If you mark more than one box on an item your vote on that item will be invalid.

Appointment of a Second Proxy

You are entitled to appoint up to two persons as proxies to attend the meeting and vote on a poll. If you wish to appoint a second proxy, an additional Proxy Form may be obtained by telephoning the company's security registry or you may copy this form and return them both together. The appointment of the Chairman of the Meeting as your alternate proxy also applies to the appointment of the second proxy.

To appoint a second proxy you must:

- (a) on each of the first Proxy Form and the second Proxy Form state the percentage of your voting rights or number of securities applicable to that form. If the appointments do not specify the percentage or number of votes that each proxy may exercise, each proxy may exercise half your votes. Fractions of votes will be disregarded.
- (b) return both forms together.

Signing Instructions

You must sign this form as follows in the spaces provided:

Individual: where the holding is in one name, the holder must sign.

Joint Holding: where the holding is in more than one name, either securityholder may sign.

Power of Attorney: to sign under Power of Attorney, you must lodge the Power of Attorney with the registry. If you have not previously lodged this document for notation, 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 indicate the office held by signing in the appropriate place.

Corporate Representatives

If a representative of the corporation is to attend the meeting the appropriate "Certificate of Appointment of Corporate Representative" should be produced prior to admission in accordance with the Notice of Meeting. A form of the certificate may be obtained from the company's security registry.

Lodgement of a Proxy Form

This Proxy Form (and any Power of Attorney under which it is signed) must be received at an address given below by **10:00 am (WST) on Sunday, 21 October 2012** being not later than 48 hours before the commencement of the meeting. Any Proxy Form received after that time will not be valid for the scheduled meeting.

Proxy Forms may be lodged using the reply paid envelope or:



ONLINE

www.linkmarketservices.com.au

Login to the Link website using the holding details as shown on the proxy form. Select 'Voting' and follow the prompts to lodge your vote. To use the online lodgement facility, securityholders will need their "Holder Identifier" (Securityholder Reference Number (SRN) or Holder Identification Number (HIN) as shown on the front of the proxy form).



by mail:

Clough Limited
C/- Link Market Services Limited
Locked Bag A14
Sydney South NSW 1235
Australia



by fax:

+61 2 9287 0309



by hand:

delivering it to Link Market Services Limited, 1A Homebush Bay Drive, Rhodes NSW 2138.

**If you would like to attend and vote at the Annual General Meeting, please bring this form with you.
This will assist in registering your attendance.**