

## **NOTICE OF ANNUAL GENERAL MEETING 2012**

Notice is given that the 2012 Annual General Meeting of Cellnet Group Limited will be held at 10.00am (Brisbane time) on Monday 19 November 2012 at 59 - 61 Qantas Drive Eagle Farm, Queensland 4009.

### ***Ordinary Business***

#### **FINANCIAL STATEMENTS AND REPORTS**

To receive and consider the financial and other reports for the year ended 30 June 2012.

### ***Resolution 1***

#### **ADOPTION OF REMUNERATION REPORT**

To consider and, if thought fit, pass the following in accordance with Section 250R(2) of the Corporations Act 2001 as an ordinary resolution:

*"That the Remuneration Report for the year ended 30 June 2012 is hereby adopted".*

- Notes:
- (1) *This resolution is advisory only and does not bind the Company or the directors.*
  - (2) *If 25% or more of votes that are cast are voted against the remuneration report at two consecutive AGMs, shareholders will be required to vote at the second of those AGMs on a resolution (a 'spill' resolution) that another meeting be held within 90 days at which all of the Company's directors (other than the Managing Director) must stand for re-election.*

### **Voting exclusion**

*The Company will disregard and not count any votes cast (in any capacity) on Resolution 1 by or on behalf of either or both the following persons:*

- (a) *a member of the Company's Key Management Personnel; or*
  - (b) *a Closely Related Party of a member of the Company's Key Management Personnel.*
- unless:*
- (c) *the person*
    - (i) *does so in relation to a resolution where they hold a Directed Proxy Form; or*
    - (ii) *is the Chairman of the Meeting and is expressly authorised to exercise the proxy even though the resolution is a Remuneration Resolution; and*
  - (d) *the vote is not cast on behalf of a person described in paragraph (a) and (b) above.*

**Resolution 2**

**RE-ELECTION OF DIRECTOR – MR MEL BROOKMAN**

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

*"Mr Mel Brookman, a non-executive director retiring in accordance with the Constitution and the ASX Listing Rules and being eligible for re-election, be re-elected as a director of the Company".*

**Resolution 3**

**RE-ELECTION OF DIRECTOR - MR ELLIOTT KAPLAN**

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

*"Mr Elliott Kaplan, a non-executive director retiring in accordance with the Company's Constitution and being eligible for re-election, be re-elected as a director of the Company".*

**Resolution 4**

**CANCELLATION OF SHARES ISSUED TO MR STUART SMITH**

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

*"That for the purposes of section 258D of the Corporations Act 2001, and for all other purposes, the 2,000,000 shares issued to Mr Stuart Smith under the Long Term Incentive Plan which have been forfeited be and are hereby cancelled."*

**Notes:**

*Persons entitled to vote:*

1. Under regulation 7.11.37 of the Corporations Regulations 2001, the Directors have determined that the shareholding of each member for the purposes of ascertaining their voting entitlements at the meeting will be as it appears in the share register at 7.00pm (Sydney time) on Saturday 17 November 2012.

*Proxies:*

2. Votes at the Meeting may be given personally or by proxy, attorney or representative. A member entitled to attend and vote at the meeting has the right to appoint no more than two proxies.
3. A member who is 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.
4. If the member appoints two proxies and the appointment does not specify the proportion or the number of the member's votes each proxy may exercise, each proxy may exercise one half of the member's votes. If the member appoints two proxies, neither proxy may vote on a show of hands.
5. A proxy form is attached. A proxy need not be a member of the Company.
6. A proxy form must be signed by the member or his or her power of attorney who has not received any notice of revocation of the authority. Proxies given by corporations must be signed by a director, company secretary, sole director and sole company secretary or under the hand of a duly authorized officer or attorney.
7. The proxy form (and any power of attorney under which it is signed) must be received by the Link Market Services Pty Limited either by –
  - (a) fax to 61 2 9287 0309
  - (b) by mail in the enclosed self addressed envelope, or
  - (c) by delivery to Level 12, 680 George Street, Sydney NSW 2000 or 1A Homebush Bay Drive, Rhodes NSW 2138

no later than 48 hours before the commencement of the meeting, that is by no later than 10.00am (Brisbane time) on Saturday 17 November 2012. Any proxy form received after that time will not be valid for the scheduled meeting.

8. A member of the Company's Key Management Personnel or their Closely Related Party must not, whether in person or by proxy, vote in their own right on the adoption of the Remuneration Report in Resolution 1.
9. A person appointed as proxy may vote or abstain from voting as he or she thinks fit except in the following circumstances:
  - (a) The proxy holds a Directed Proxy Form;
  - (b) Where the proxy is voting in relation to a Remuneration Resolution and the proxy is either a Key Management Personnel for the Company or a Closely Related Party and holds an Undirected Proxy Form; and
  - (c) The proxy is required by law or the Company's Constitution to vote in a certain manner or abstain from voting.

10. Clause 9(b) does not apply if the Chairman of the meeting is appointed as proxy and his appointment expressly authorises the Chairman to exercise the proxy even if the resolution is a Remuneration Resolution.
11. The Chairman intends to vote all Undirected Proxy Forms in favour of all resolutions, including Remuneration Resolutions.
12. The following definitions apply in this document:

**Closely Related Party** means the closely related parties of Key Management Personnel as defined in the *Corporations Act 2001*, and include certain members of their family, dependents and companies they control.

**Directed Proxy Form** means a proxy form which specifies how a proxy is to vote.

**Key Management Personnel** of the Company are the directors of the Company and those other persons having authority and responsibility for planning, directing and controlling the activities of the Company, directly or indirectly. The Remuneration Report identifies the Company's key management personnel for the financial year to 30 June 2012.

**Remuneration Resolution** means a resolution connected directly or indirectly with the remuneration of a member of the Key Management Personnel.

**Undirected Proxy Form** means a proxy form which does not specify how the proxy is to vote.

### **Explanatory Memorandum**

An Explanatory Memorandum accompanies and forms part of this Notice of Meeting and shareholders should read this document in full.

By Order of the Board

Chris Barnes  
Company Secretary

18 October 2012

## **Explanatory Memorandum**

This Explanatory Memorandum has been prepared to assist members with their consideration of the resolutions to be put to the Annual General Meeting to be held at 10.00am (Brisbane time) on Monday 19 November 2012. These explanatory notes should be read with, and form part of, the accompanying Notice of Annual General Meeting.

### **Ordinary Business– Financial Statements and Reports**

The Corporations Act 2001 requires the Financial Report, Directors' Report and Audit Report to be laid before the Annual General Meeting. In addition, Cellnet Group Limited's Constitution provides for such reports to be received and considered at the meeting. Apart from the matters involving remuneration, which are required to be voted upon, neither the Corporations Act 2001 nor Cellnet Group Limited's Constitution requires shareholders to vote on such reports.

However, shareholders will be given ample opportunity to ask questions or make comments about these reports and the management at the meeting. 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 asking questions at the meeting, shareholders may address written questions to the Company's Auditor which are relevant to:

- the content of the Auditor's Report to be considered at the meeting; or
- the conduct of the audit of the annual financial report to be considered at the meeting.

### **Resolution 1 - Adoption of Remuneration Report**

In accordance with Section 250R(2) of the Corporations Act 2001, shareholders are asked to adopt the Company's remuneration report at the Company's Annual General Meeting. The remuneration report is set out in the Directors' Report on pages 10-18 of the Annual Report.

A reasonable opportunity will be provided for discussion of the remuneration report at the meeting. The vote on this resolution is advisory only and does not bind the Directors or the Company.

Under the Corporations Act 2001, if 25% or more of the votes that are cast are voted against the adoption of the Remuneration Report at two consecutive AGMs, shareholders will be required to vote at the second of those AGMs on a resolution (a 'spill' resolution) that another meeting be held within 90 days at which all of the Company's directors (other than the Managing Director) must go up for re-election.

A voting exclusion applies to Key Management Personnel and their Closely Related Parties in certain circumstances – see notes to Resolution 1.

***As the directors have a personal interest in the proposed Resolution 1, they make no recommendations as to how the shareholders should vote on the Resolution.***

## **Resolution 2 – Re-election of Mr Mel Brookman as a Director**

Clause 17.1 of the Company's constitution requires that at annual general meeting, one-third of the Directors (other than the Managing Director) must retire from office.

Mr Brookman was appointed a Director on 4 June 1992. Mr Brookman will, in accordance with the Constitution, retire by rotation and, being eligible, offer himself for re-election.

Mr Brookman is a director of ASX listed mNet Limited and has over 20 years experience in the telecommunications industry and brings significant commercial and entrepreneurial experience to the Board of Cellnet.

***The Directors recommend that shareholders vote in favour of this resolution.***

## **Resolutions 3 – Re-election of Mr Elliott Kaplan as a Director**

Mr Elliott Kaplan was appointed to the Board on 25 July 2012 and in accordance with the Company's Constitution retires and is eligible for re-election as a director.

Mr Kaplan is a Chartered Accountant with extensive experience in senior financial and chief executive officer roles in both private and publicly listed companies. His experience, from both an investor and investee perspective spans a diverse range of industries including manufacturing, environmental, distribution and services. Mr Kaplan is Managing Director of CVC Private Equity Limited, Chairman and Non Executive Director of Pro-Pac Packaging Limited (ASX code: PPG), and former Non-Executive Director of Dolomatrix Limited (ASX code: DMX). Mr Kaplan will also be a member of the Audit & Risk Management Committee.

***The Directors recommend that shareholders vote in favour of this resolution.***

## **Resolution 4 – Cancellation of shares issued to Mr Stuart Smith**

Mr Smith was issued with 2,000,000 fully paid shares with an issue price of \$0.35 per share (**Plan Shares**) on the terms and conditions of the Company's Long Term Incentive Plan. The Company provided Mr Smith with financial accommodation of \$700,000 to acquire the shares (**Loan**). Shareholder approval for the issue of shares and financial accommodation was granted on 28 October 2009.

Under the terms of issue, Mr Smith is required to forfeit his Plan Shares by transferring them to the Company if the Loan becomes repayable. On 25 July 2012, Mr Smith resigned as Chief Executive Officer and Executive Director of Cellnet Group Limited and the Loan became repayable.

Mr Smith has agreed to the forfeiture and cancellation of those shares under their terms and conditions of issue and has no outstanding liability to the Company. In order to give effect to the forfeiture, these shares must be cancelled by an ordinary resolution of shareholders under section 258D of the Corporations Act 2001. If approved, the total issued shares of the Company following cancellation will be reduced by 2,000,000 shares.

***The Directors recommend that shareholders vote in favour of this resolution.***



**Cellnet Group Limited**  
 ABN 97 010 721 749

**LODGE YOUR VOTE**

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

**By fax:** +61 2 9287 0309

**All enquiries to:** Telephone: (02) 8280 7454 Overseas: +61 2 8280 7454



**X99999999999**

**SHAREHOLDER VOTING FORM**

I/We being a member(s) of Cellnet Group 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 shareholder) 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 Extraordinary General Meeting of the Company to be held at 10:00am (Brisbane Time) on Monday, 19 November 2012, at the company's office 59-61 Qantas Drive, Eagle Farm 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*
<b>Resolution 1</b> Adoption of Remuneration Report	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
<b>Resolution 2</b> Re-election of Director - Mr Mel Brookman	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
<b>Resolution 3</b> Re-election of Director - Mr Elliott Kaplan	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
<b>Resolution 4</b> Cancellation of shares issued to Mr Stuart Smith	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

\* 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 SHAREHOLDERS - THIS MUST BE COMPLETED**

Shareholder 1 (Individual) <input type="text"/>	Joint Shareholder 2 (Individual) <input type="text"/>	Joint Shareholder 3 (Individual) <input type="text"/>
Sole Director and Sole Company Secretary	Director/Company Secretary (Delete one)	Director

This form should be signed by the shareholder. If a joint holding, either shareholder may sign. If signed by the shareholder'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).

**CLT PRX201R**



## HOW TO COMPLETE THIS PROXY FORM

### Your Name and Address

This is your name and address as it appears on the company's share register. If this information is incorrect, please make the correction on the form. Shareholders sponsored by a broker should advise their broker of any changes. **Please note: you cannot change ownership of your shares 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 shares 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 shares 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 share 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 shares 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 shareholder 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 share 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 **10:00am on Saturday, 17 November 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:



by mail:

Cellnet Group 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 or Level 12, 680 George Street, Sydney NSW 2000.

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