

13 January 2014

Dear Shareholder

## **Notice of Annual General Meeting**

Notice is hereby given that the Annual General Meeting of Heemskirk Consolidated Limited will be held at the RACV Club, Level 2, 501 Bourke Street, Melbourne, Victoria on Thursday 20 February 2014 at 11:00am (AEDT).

## **Items of Business**

### **Item 1 Receipt of Financial Report, Directors' Report and Auditor's Report**

To receive and consider the Financial Report, Directors' Report and Auditor's Report for the year ended 30 September 2013.

### **Item 2 Remuneration Report**

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

"That for the purpose of section 250R(2) of the Corporations Act, the Remuneration Report of the Company for the financial year ended 30 September 2013 be adopted."

**Voting exclusion:** The Company will disregard any votes cast on this resolution by certain persons. Details of the Voting Exclusion applicable to this Resolution are set out in the Explanatory Notes accompanying this Notice of Annual General Meeting.

*While noting that each Director has a personal interest in their remuneration, as described in the Remuneration Report, the Board unanimously recommends that shareholders vote in favour of adopting the Remuneration Report.*

### **Item 3 Re-election of Mr Garry Cameron as Director**

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

"That Mr Garry Cameron, who retires by rotation in accordance with Rule 16.1 of the Company's Constitution, being eligible offers himself for re-election, be re-elected as a Director of the Company."

*Notes: The non-candidate Directors unanimously support the re-election of Mr Garry Cameron. The Chairman of the meeting intends to vote undirected proxies in favour of Mr Garry Cameron's re- election.*

### **Item 4 Re-election of Mr John Taylor as Director**

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

"That Mr John Taylor, who retires by rotation in accordance with Rule 16.1 of the Company's Constitution, being eligible offers himself for re-election, be re-elected as a Director of the Company."

*Notes: The non-candidate Directors unanimously support the re-election of Mr John Taylor. The Chairman of the meeting intends to vote undirected proxies in favour of Mr John Taylor's re- election.*

**Item 5 Issue of Shares under the Heemskirk Employee Share Plan**

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

“That for the purpose of ASX Listing Rule 7.2 Exception 9 and all other purposes, approval be given to the issue of shares under the Heemskirk Employee Share Plan to persons eligible to participate in the Heemskirk Employee Share Plan on the terms and conditions set out in the Explanatory Notes to the Notice of Annual General Meeting.”

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

**Item 6 Issue of Shares under the Heemskirk Employee Share Plan to the Managing Director**

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

“That for the purpose of ASX Listing Rule 10.14 and all other purposes approval be given to the issue of 300,000 ordinary shares at an issue price of \$0.12 cents per share to Mr Peter Bird under the Heemskirk Employee Share Plan on the terms and conditions described in the Explanatory Notes to the Notice of Annual General Meeting.”

*The Board, with the exception of Mr Peter Bird, unanimously recommends that shareholders vote in favour of this resolution.*

**Item 7 Approval of Additional 10% Placement Capacity**

To consider, and if thought fit, pass the following resolution as a special resolution:

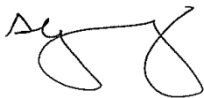
“That for the purpose of ASX Listing Rule 7.1A and all other purposes, approval be given for the issue of up to 10% of the Company’s share capital calculated in accordance with Listing Rule 7.1A.2 and on the terms and conditions set out in the Explanatory Notes to the Notice of Annual General Meeting.”

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

Further details of the above resolutions are set out in the Explanatory Notes to this Notice of Annual General Meeting.

By order of the Board

Yours sincerely



Stephen Gray  
Company Secretary

## **Explanatory Notes to Shareholders**

### **Item 1 - Financial Statements and Results**

The *Corporations Act 2001 (Cth)* ("Corporations Act") requires the Financial Report (which includes Financial Statements, Notes to the Financial Statements and Directors' Declaration), the Directors' Report and the Auditor's Report to be tabled at the Annual General Meeting. The Constitution of Heemskirk Consolidated Limited provides for these reports to be received and considered at the Meeting. There is no requirement either in the Corporations Act or the Constitution for shareholders to approve the Financial Report, the Directors' Report or the Auditor's Report. Shareholders will be given a reasonable opportunity to ask questions and make comments on these reports.

The Company's Annual Report (which includes the Financial Report and associated reports of the Directors and the Auditors) is available on the Company's website at [www.heemskirk.com](http://www.heemskirk.com)

### **Item 2 –Remuneration Report**

In accordance with the requirements of the Corporations Act, the Board is submitting its Remuneration Report to shareholders for consideration and adoption by way of advisory resolution. This resolution does not bind the Directors or the Company. The Directors' Report on page 20 of the 2013 Annual Report sets out the Remuneration Policy for Heemskirk and explains the remuneration arrangements in place for Executive Directors, Senior Executives and Non-Executive Directors.

A reasonable opportunity will be provided for shareholders to ask questions about or make comments on the Remuneration Report at the Meeting.

The *Corporations Amendment (Improving Accountability for Director and Executive Remuneration) Bill 2011* has introduced new prohibitions on key management personnel and their closely related parties from voting or voting undirected proxies on a resolution for the adoption of the Remuneration Report. Accordingly, any undirected proxies held by the Directors or by other Key Management Personnel or their closely related parties for the purposes of the Resolution in Item 2 will not be voted on the Resolution in Item 2. This prohibition does not apply to the Chairman of the meeting who may vote undirected proxies in favour of the resolution, providing that the shareholder expressly authorises the Chairman to exercise the proxy even if the resolution is connected directly or indirectly with the remuneration of a member of the Key Management Personnel.

The Company encourages all Shareholders to cast their votes in relation to the Resolution in Item 2 and if Shareholders choose to appoint a proxy, Shareholders are encouraged to direct their proxy how to vote on the Resolution in Item 2 by marking either "For", "Against" or "Abstain" on the proxy form or by marking the Chairman's box (in which case the Chairman of the meeting will vote in favour of the Resolution in Item 2 as your proxy).

### **Recommendation on Item 2**

The Remuneration Report forms part of the Directors' Report for the year ended 30 September 2013 and is made in accordance with a unanimous resolution of the Directors. While noting that each Director has a personal interest in their remuneration, as described in the Remuneration Report, the Board unanimously recommends that shareholders vote in favour of adopting the Remuneration Report.

### **Item 3: Re-election of Director – Mr Garry Cameron**

#### **Garry Cameron PSM**

*BBus(A/c,) BEc(Hons), MEc, FAICD, FCPA*

#### **Non Executive Director and Chairman of the Audit & Risk Committee**

Garry was Managing Director of a listed property group for 10 years and prior executive roles include Executive Director Finance for Telstra. He is currently a Non Executive Director with ANZ Specialised Asset Management and Molopo Energy Limited. The ANZ roles over the past seven years have been in funds management of energy and infrastructure projects particularly focused on large coal, gas and biofuels projects from exploration to delivery.

Garry was recognised in 1992 on the Australia Day Honours list for his contributions to the Finance and Telecommunications industries.

Garry is Chairman of the Audit & Risk Committee and a member of the Remuneration & Nomination Committee. He joined the Board on 24 February 2011.

#### **Recommendation on Item 3**

The Board (other than Mr Garry Cameron) unanimously recommends that Shareholders vote in favour of Mr Cameron's re-election. The Chairman will vote any undirected proxies in favour of this resolution.

### **Item 4: Re-election of Director – Mr John Taylor**

#### **John Taylor**

*BE(Chem), MBA, FIChemE.*

#### **Non Executive Director and Chairman of the Remuneration & Nomination Committee**

John Taylor was Managing Director of Outotec Australasia Pty Ltd (previously Outokumpu Technology and prior to that, Lurgi Australia). He has held senior positions in management, process engineering and plant construction, primarily in the mining, minerals processing and environmental sectors.

John is a Non Executive Director of KGR Resources Ltd and was previously a Non Executive Director of listed companies Ticor Ltd, Environmental Group Ltd and Ausmelt Limited.

He is a part time consultant to Outotec South East Asia Pacific.

John joined the Board on 9 May 2011. He is a member of the Audit & Risk Committee and Chairman of the Remuneration & Nomination Committee.

#### **Recommendation on Item 4**

The Board (other than Mr John Taylor) unanimously recommends that Shareholders vote in favour of Mr Taylor's re-election. The Chairman will vote any undirected proxies in favour of this resolution.

### **Item 5 – Issue of shares under the Heemskirk Employee Share Plan**

#### **5.1 Introduction**

Approval is sought pursuant to ASX Listing Rule 7.2 Exception 9 to the issue of shares under the Heemskirk Employee Share Plan (*the Plan*) to persons eligible to participate in the Plan on the terms and conditions set out below.

## **5.2 General Information**

Subject to a number of exceptions, ASX Listing Rule 7.1 limits the number of securities a company can issue without shareholder approval in any 12 month period to 15% of its issued securities.

There is an exception to ASX Listing Rule 7.2 where shareholders have approved the issue of securities under an employee incentive scheme within 3 years before the date of issue of securities.

## **5.3 Objectives of Plan**

The objectives of the Plan are as follows:

- (a) to provide an incentive to employees of the Company to lift the performance of the Company and maximise the price of the Company's shares; and
- (b) to assist in attracting and retaining employees.

## **5.4 Summary of Key Terms of the Plan**

### **(a) Eligibility**

The Board may issue shares under the Plan to any employee of the Company and its subsidiaries, including executive Directors and non-executive Directors.

### **(b) General Terms**

Shares will be issued upon employees receiving an interest-free loan from the Company for the purchase price of the shares.

Pursuant to the terms of the Plan, unless otherwise determined by the Company, the share price at which the shares will be issued under the Plan will be the volume weighted average price for the 5 business days after the day of release of the Company's most recent full year financial year results.

Shares financed by the loan are held on trust for the employee.

The loan is to be repaid through dividends paid on the shares, along with any repayments the employee wishes to make from time to time. The requirement for repayment of the loan generally arises only at the time of selling the shares or upon the employee's employment with the Company ending.

Employees are restricted from selling the shares in the first year following issuing of the shares. Following such one year period, one quarter of the shares will become unrestricted and following each one year period thereafter a further one quarter of the shares will become unrestricted.

### **(c) Maximum number of shares that may be issued under the Plan**

The maximum number of shares that may be offered for issue under the Plan in aggregate with the number of shares issued during the previous 5 years pursuant to any employee share scheme operated by the Company, but disregarding any offer made or shares issued that did not require disclosure or that was made under a disclosure document must not exceed 5% of the total number of shares on issue at the time of making the offer.

This limit has been imposed in order to allow for the Plan to be exempt from certain provisions of Chapter 6D of the Corporations Act as provided for in ASIC Class Order 03/184. By limiting the number of shares that may be issued under the Plan as detailed above, the Company will be exempt from issuing a prospectus in relation to shares offered for issue under the Plan.

1,034,776 shares have been issued under the Plan since the Plan was last approved by Shareholders on 23 February 2010.

## **5.5 Copies of the Plan**

Copies of the rules of the Plan are available for inspection at the registered office of the Company and will be sent free of charge to any shareholder on request.

## **Recommendation on Item 5**

The Board unanimously recommends that Shareholders vote in favour of issuing shares under the Plan. The Chairman will vote any undirected proxies in favour of this resolution.

## **Item 6 – Issue of shares under the Plan to the Managing Director**

Approval is sought pursuant to Listing Rule 10.14 to issue 300,000 ordinary shares in the Company to Mr Peter Bird under the Heemskirk Employee Share Plan (*the Plan*).

Listing Rule 10.14 prohibits an entity from permitting certain persons (which includes a director) from acquiring securities under an employee incentive scheme without the approval of its shareholders.

Accordingly, as Mr Peter Bird is a Director of the Company, he may not obtain shares under the Plan without prior shareholder approval being obtained.

The following information is provided in accordance with Listing Rule 10.15:

- (a) the shares may be acquired by Mr Peter Bird;
- (b) the shares to be acquired by Mr Peter Bird are to be held by HSK Staff Share Plan Pty Ltd the trustee of the Plan, subject to the limited recourse loan referred to in paragraph (j);
- (c) the number of shares to be issued is 300,000 fully paid ordinary shares;
- (d) in accordance with the Plan, the issue price per share will be \$0.12;
- (e) no shares have been issued under the Plan to persons referred to in Listing Rule 10.14 since the plan was last approved by shareholders;
- (f) employees of the Company and its subsidiaries are entitled to participate in the Plan. Directors and Non-Executive Directors are also entitled to participate;
- (g) the shares will rank equally in all respects with the Company's existing fully paid ordinary shares;
- (h) the shares will be restricted and will become unrestricted according to the following vesting schedule:
  - i. 25% one year after the date of issue;
  - ii. 25% two years after the date of issue;
  - iii. 25% three years after the date of issue; and
  - iv. 25% four years after the date of issue;

whilst the shares are restricted, any dividends Mr Bird receives for the shares will be applied towards repayment of the loan.

- (i) the shares issued to Mr Peter Bird will be financed by an interest-free limited recourse loan from the Company. The quantum of the loan will be \$36,000;
- (j) the loan will be a limited recourse in that Mr Peter Bird shall have no obligation to repay the full amount of the loan where the net proceeds are less than the amount of the loan outstanding and the Company shall accept the net proceeds and the extinguishment of Mr Peter Bird's interest in the shares in full satisfaction of the loan. Furthermore, repayment of the loan will only be required:
  - i. out of dividends paid on the shares issued pursuant to the Resolution the subject of Item 6 (subject to deduction of the tax reimbursement amount that equal to the amount of tax payable on the dividend taking into consideration any franking credits);
  - ii. upon the sale of the shares; or
  - iii. upon the relevant director ceasing to be an employee of the Company.
- (k) the shares will be issued to Mr Peter Bird within 12 months following the receipt of shareholder approval.
- (l) the proposed issue of shares to Mr Peter Bird involves giving a financial benefit to a related party for the purposes of Chapter 2E of the *Corporations Act 2001*. Chapter 2E prohibits the Company from giving a financial benefit to a related party of the Company unless either:
  - i. the giving of the financial benefit falls within one of the nominated exceptions to the provisions; or
  - ii. prior shareholder approval is obtained for the giving of the financial benefit;

The Directors of the Company believe that the issue of shares is appropriate and reasonable in all circumstances, as part of the remuneration for the services of Mr Peter Bird. Therefore the Company considers that the issue of shares comes within one of the exceptions to Chapter 2E, and shareholder approval is not required for that purpose.

Subject to a number of exceptions, ASX Listing Rule 7.1 limits the number of securities that the Company can issue without shareholder approval in any 12 month period to 15% of its issued securities. Shareholder approval of an issue of securities pursuant to ASX Listing Rule 10.14 is an exception to ASX Listing Rule 7.1 (under ASX Listing Rule 7.2 Exception 9). If approval is given under ASX Listing Rule 10.14, approval is not required under Listing Rule 7.1.

#### **Recommendation on Item 6**

The Board (other than Mr Peter Bird) unanimously recommends that Shareholders vote in favour of issuing shares under the Plan to the Managing Director. The Chairman will vote any undirected proxies in favour of this resolution.

#### **Item 7 –Approval of additional 10%placement capacity under Listing Rule 7.1A**

Listing Rule 7.1A permits eligible entities to seek shareholder approval by special resolution at an Annual General Meeting to issue an additional 10% of issued capital by way of placements over a 12 month period

(10% Placement Capacity). The additional 10% placement capacity is in addition to the Company's 15% placement capacity under Listing Rule 7.1.

The effect of the Resolution in Item 7 will be to allow the Directors to issue equity securities under Listing Rule 7.1A during the period of 12 months following the Annual General Meeting without using the Company's 15% placement capacity under Listing Rule 7.1.

### **Eligibility**

An eligible entity under Listing Rule 7.1A is one which has a market capitalisation of \$300 million or less and is not included in the S&P / ASX 300 Index. The Company is an eligible entity for the purposes of Listing Rule 7.1A.

The Company hereby seeks shareholder approval by way of a special resolution to have the ability to issue equity securities under the 10% Placement Capacity.

The exact number of equity securities that may be issued pursuant to the 10% Placement Capacity will be determined in accordance with the formula prescribed in Listing Rule 7.1A.2 which provides that eligible entities which have obtained shareholder approval at an annual general meeting may issue or agree to issue, during the 12 month period after the date of the annual general meeting, a number of equity securities calculated as follows:

$$(A \times D) = E$$

where

**A** is the number of fully paid ordinary securities on issue 12 months before the date of issue or agreement:

- plus the number of fully paid shares issued in the 12 months under an exception in Listing Rule 7.2;
- plus the number of partly paid shares that became fully paid in the 12 months;
- plus the number of fully paid shares issued in the 12 months with approval of holders of shares under Listing Rule 7.1 or 7.4. This does not include an issue of fully paid shares under the Company's 15% placement capacity without shareholder approval;
- less the number of fully paid shares cancelled in the 12 months;

Note that A has the same meaning in the Listing Rule 7.1 when calculating an entity's 15% placement capacity.

**D** is 10%

**E** is the number of equity securities issued or agreed to be issued under rule 7.1A.2 in the 12 months before the date of issue or agreement to issue that are *not* issued with the approval of holders of ordinary securities under Rule 7.1 or 7.4.

Any equity securities issued under the 10% Placement Capacity must be in an existing quoted class of the Company's equity securities. The Company presently has only one class of quoted securities being fully paid ordinary shares.

If the Company issues any equity securities under the 10% Placement Capacity, the entity must, pursuant to Listing Rules 7.1A.4 and 3.10.5A:

- (a) give to the ASX a list of the allottees of the equity securities and the number of equity securities caused to be allotted to each (but this list is not required to be released to the market); and

- (b) disclose to the market the details of the dilution to the existing holders of ordinary securities caused by the issue; where the equity securities are issued for cash consideration, a statement of the reasons why the eligible entity issued the equity securities as a placement rather than as a pro rata issue; the details of any underwriting arrangements and fees payable to the underwriter; and any other fees or costs incurred in connection with the issue.

### Minimum price

Any equity securities issued by the Company Under Listing Rule 7.1A can only be issued at a price that is no less than 75% of the volume weighted average price for securities in that class calculated over the 15 trading days on which trades in that class were recorded immediately before:

- the date on which the price at which the securities are to be issued is agreed; or
- the date on which the securities are issued if the securities are not issued within five trading days of the date on which the issue price is agreed.

### Dilution to existing security holders

If Item 7 is approved by shareholders and the Company issues securities under the 10% Placement Capacity, the additional economic and voting interests in the Company will be diluted. There is a risk that the market price of the Company's securities may be significantly lower on the issue date than on the date of the Annual General Meeting and the securities may be issued at a price that is at a discount to the market price on the issue date.

The table below shows a number of hypothetical scenarios for a 10% placement as required by Listing Rule 7.3A.2 where the number of the Company's shares on issue (variable "A" in the formula in Listing Rule 7.1A.2) has remained current or increased by either 50% or 100% and the share price has decreased by 50%, remained current or increased by 100% based on the closing share price on ASX at 10 January 2014.

Number of shares on issue Variable "A"	Additional 10% placement Shares issued & Funds raised	Dilution		
		\$0.03 Issue price at half current market price	\$0.06 Issue price at current market price	\$0.12 Issue price at double current market price
<b>Current</b> 154,104,876	Shares issued	15,410,488	15,410,488	15,410,488
	Funds raised	\$462,315	\$924,629	\$1,849,259
<b>50% increase</b> 231,157,314	Shares issued	23,115,731	23,115,731	23,115,731
	Funds raised	\$693,472	\$1,386,944	\$2,773,888
<b>100% increase</b> 308,209,752	Shares issued	30,820,975	30,820,975	30,820,975
	Funds raised	\$924,629	\$1,849,259	\$3,698,517

The dilution table uses the following assumptions which the Company does not represent will necessarily occur:

- the Company issues the maximum number of securities available under the additional 10% placement;

- b) the table shows only the effect of issues of securities under Listing Rule 7.1A, not under the 15% placement capacity under Listing Rule 7.1;
- c) no options (including options issued under the 10% Placement Capacity) are exercised into shares before the date of issue of equity securities;
- d) the 10% voting dilution reflects the aggregate percentage dilution against the issued share capital at the time of issue. This is why the voting dilution is shown in each example as 10%;
- e) the table does not show an example of dilution that may be caused to a particular shareholder by reason of the placements under Listing Rule 7.1A, based on that shareholder's holding at the date of the Annual General Meeting; and
- f) the issue price at current market price is the closing price of the shares on ASX on 10 January 2014.

### **10% placement period**

Shareholder approval under Listing Rule 7.1A is valid from the date of the Annual General Meeting until the earlier of:

- a) 12 months after the Annual General Meeting; or
- b) The date of approval by shareholders of a transaction under Listing Rule 11.1.2 (a significant change to the nature or scale of activities) or Listing Rule 11.2 (disposal of main undertaking).

### **Purpose of 10% additional placement**

The Company may seek to issue securities under the 10% placement for either:

- a) Cash consideration. The Company may use the funds for working capital, towards potential transactions or for other corporate purposes deemed by the Board to be in the best interests of the Company; or
- b) Non-cash consideration for transactions deemed by the Board to be in the best interests of the Company. In such circumstances the Company will release to the market a valuation of the non-cash consideration that demonstrates that the issue price of the securities complies with Listing Rule 7.1A.3.

The Company will comply with any disclosure obligations under Listing Rules 7.1A.4 and 3.10.5A upon the issue of any securities under Listing Rule 7.1A.

### **Allocation policy**

The Company's allocation policy is dependent upon the prevailing market conditions at the time of any proposed issue pursuant to the 10% placement. The identity of allottees of equity securities will be determined on a case by case basis having regard to factors including but not limited to the following:

- a) the methods of raising funds that are then available to the Company;
- b) the effect of the issue of the equity securities on the control of the Company;
- c) the financial situation and solvency of the Company; and
- d) advice from professional and corporate advisers (if applicable).

Allottees under the 10% placement have not been determined as at the date of this Notice of Meeting and may include existing and/or new security holders but cannot include any related parties or associates of a related party of the Company.

## **Previous Issues of Securities**

The Company has not issued any equity securities in the 12 months preceding the date of the Annual General Meeting. The Company has not previously obtained shareholder approval to have the additional capacity to issue equity securities under ASX Listing Rule 7.1A.

## **Voting exclusion**

A voting exclusion statement is included in the Notice of Meeting. At the date of the Notice of Meeting the Company has not invited and has not determined to invite any particular existing security holder or an identifiable class of existing security holders to participate in an offer under Listing Rule 7.1A. Therefore no existing security holder will be excluded from voting on item 7.

## **Recommendation on Item 7**

The Board unanimously recommends that Shareholders vote in favour of the 10% Placement Capacity. The Chairman will vote any undirected proxies in favour of this resolution.

## **Voting exclusion statements**

### **Item 2**

A vote on Item 2 must not be cast by the following persons:

- a) each of the 5 Directors of the Company named in the table on page 23 of the 2013 Annual Report;
- b) each of the other key management personnel of the Company named in the table on page 23 of the 2013 Annual Report; and
- c) each “closely related party” (as defined in Section 9 of the Corporations Act) of a person in a) or b) above,

unless the vote is cast by a person as proxy for a person entitled to vote in accordance with the direction on the proxy form and the vote is not cast on behalf of a person described in items (a) to (c) above.

The restrictions described above do not apply to the Chairman where the proxy appointment expressly authorises the Chairman to exercise an undirected proxy. If the member appoints the Chairman as their proxy and the member acknowledges that the Chairman may exercise the 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 Item 2.

### **Item 5**

The Company will disregard any votes cast on Item 5 by:

- (a) a director of the entity (except one who is ineligible to participate in the Plan); and
- (b) an associate of that person.

However, the Company need not disregard a vote if:

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

**Item 6**

The Company will disregard any votes cast on Item 6 by:

- (a) a director of the entity (except one who is ineligible to participate in the Plan); and
- (b) an associate of that person.

However, the Company need not disregard a vote if:

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

**Item 7**

The Company will disregard any vote cast on Item 7 by:

- (a) a person who may participate in the proposed issue and a person might obtain a benefit, except a benefit solely in the capacity of a holder of ordinary securities if the resolution is passed; and
- (b) an associate of that person.

However, the Company need not disregard a vote if:

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

## General Notes

### Entitlement to Vote

The Company has determined in accordance with Part 7.11 of the Corporations Regulations that for the purpose of voting at the Meeting, shares will be taken to be held by those persons recorded on the Company's register as at 7:00pm Australian Eastern Daylight Saving Time on Tuesday 18 February 2014.

### Corporate Representatives

For a corporate representative to vote, they will require a Certificate of Appointment of Corporate Representative executed in accordance with the Corporations Act.

### Voting

On a show of hands, every member present in person or by proxy or by attorney or, in the case of a corporation, by duly appointed representative, shall have one vote and on a poll one vote for every share held provided that if a member appoints two proxies or two attorneys, neither proxy nor attorney shall be entitled to vote on a show of hands.

### Proxies

A member entitled to attend and vote at the Annual General Meeting may appoint one or two persons to attend and vote at the Meeting as the member's proxy. If you wish to appoint a second proxy you will need to complete a second form. Boardroom Pty Limited will provide additional proxy forms upon request.

A proxy need not be a member. If two proxies are appointed, each proxy must be appointed to represent a specified proportion of the member's voting rights. If the vote split is not specified, it is deemed to be equally divided between the two proxies.

*Under recent amendments to the Corporations Act, if:*

- *an appointment of a proxy specifies the way the proxy is to vote on a particular resolution at the meeting;*
- *the appointed proxy is not the Chairman of the meeting;*
- *at the meeting, a poll is duly demanded on the resolution; and*
- *either the proxy is not recorded as attending the meeting or the proxy does not vote on the resolution,*

*the Chairman of the Meeting is taken, before voting on the resolution closes, to have been appointed as the proxy for the purposes of voting on the resolution at the meeting.*

To be effective, proxy forms must be received by the registry:

In person: Boardroom Pty Limited  
Level 7, 207 Kent Street  
Sydney NSW 2000

By mail:  
(reply paid envelope enclosed); Boardroom Pty Limited  
GPO Box 3993  
Sydney NSW 2001

By fax: Boardroom Pty Limited  
+ 61 2 9290 9655

Online: Vote online at  
[www.boardroomlimited.com.au/vote/heemskirkagm2014](http://www.boardroomlimited.com.au/vote/heemskirkagm2014)

by no later than 11.00am Australian Eastern Daylight Saving Time on Tuesday 18 February 2014.

#### All Correspondence to:

✉ **By Mail** Boardroom Pty Limited  
GPO Box 3993  
Sydney NSW 2001 Australia

Level 7, 207 Kent Street,  
Sydney NSW 2000 Australia

📠 **By Fax:** +61 2 9290 9655

💻 **Online:** [www.boardroomlimited.com.au](http://www.boardroomlimited.com.au)

☎ **By Phone:** (within Australia) 1300 737 760  
(outside Australia) +61 2 9290 9600

## YOUR VOTE IS IMPORTANT

For your vote to be effective it must be recorded **before 11:00am AEDT on Tuesday 18 February 2014.**

### 🖥 TO VOTE ONLINE

**STEP 1: VISIT** [www.boardroomlimited.com.au/vote/heemskirkagm2014](http://www.boardroomlimited.com.au/vote/heemskirkagm2014)

**STEP 2: Enter your holding/investment type:**

**STEP 3: Enter your Reference Number:**

**STEP 4: Enter your Voting Access Code:**

**PLEASE NOTE:** For security reasons it is important you keep the above information confidential.

### TO VOTE BY COMPLETING THE PROXY FORM

#### STEP 1 APPOINTMENT OF PROXY

Indicate who you want to appoint as your Proxy.

If you wish to appoint the Chairman of the Meeting as your proxy, mark the box. If you wish to appoint someone other than the Chairman of the Meeting as your proxy please write the full name of that individual or body corporate. If you leave this section blank, or your named proxy does not attend the meeting, the Chairman of the Meeting will be your proxy. A proxy need not be a security holder of the company. Do not write the name of the issuer company or the registered securityholder in the space.

#### Appointment of a Second Proxy

You are entitled to appoint up to two proxies to attend the meeting and vote. If you wish to appoint a second proxy, an additional Proxy Form may be obtained by contacting the company's securities registry or you may copy this form.

To appoint a second proxy you must:

- (a) complete two Proxy Forms. On each Proxy Form state the percentage of your voting rights or the 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 in the same envelope.

#### STEP 2 VOTING DIRECTIONS TO YOUR PROXY

To direct your proxy how to vote, mark 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 securities are to be voted on any item by inserting the percentage or number that you wish to vote in the appropriate box or boxes. If you do not mark any of the boxes on a given item, your proxy may vote as he or she chooses. If you mark more than one box on an item for all your securities your vote on that item will be invalid.

#### Proxy which is a Body Corporate

Where a body corporate is appointed as your proxy, the representative of that body corporate attending the meeting must have provided an "Appointment of Corporate Representative" prior to admission. An Appointment of Corporate Representative form can be obtained from the company's securities registry.

#### STEP 3 SIGN THE FORM

The form **must** be signed as follows:

**Individual:** This form is to be signed by the securityholder.

**Joint Holding:** where the holding is in more than one name, all the securityholders should sign.

**Power of Attorney:** to sign under a Power of Attorney, you must have already lodged it with the registry. Alternatively, attach a certified photocopy of the Power of Attorney to this form when you return it.

**Companies:** this form must be signed by a Director jointly with either another Director or a Company Secretary. Where the company has a Sole Director who is also the Sole Company Secretary, this form should be signed by that person. **Please indicate the office held by signing in the appropriate place.**

#### STEP 4 LODGEMENT

Proxy forms (and any Power of Attorney under which it is signed) must be received no later than 48 hours before the commencement of the meeting, therefore by **11:00am AEDT on Tuesday, 18 February 2014.** Any Proxy Form received after that time will not be valid for the scheduled meeting.

Proxy forms may be lodged using the enclosed Reply Paid Envelope or:

💻 **Online** [www.boardroomlimited.com.au/vote/heemskirkagm2014](http://www.boardroomlimited.com.au/vote/heemskirkagm2014)

📠 **By Fax** + 61 2 9290 9655

✉ **By Mail** Boardroom Pty Limited  
GPO Box 3993,  
Sydney NSW 2001 Australia

👤 **In Person** Level 7, 207 Kent Street,  
Sydney NSW 2000 Australia

#### Attending the Meeting

If you wish to attend the meeting please bring this form with you to assist registration.

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**Your Address**

This is your address as it appears on the company's share register. If this is incorrect, please mark the box with an "X" and make the correction in the space to the left. Securityholders sponsored by a broker should advise their broker of any changes. **Please note, you cannot change ownership of your securities using this form.**

**PROXY FORM**

**STEP 1 APPOINT A PROXY**

I/We being a member/s of **Heemskirk Consolidated Limited** (Company) and entitled to attend and vote hereby appoint:

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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 below

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 at the Annual General Meeting of the Company to be held at the **RACV Club, Level 2, 501 Bourke Street, Melbourne, Victoria on Thursday, 20 February, 2014 at 11:00am AEDT** and at any adjournment of that meeting, to act 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.

**Chairman authorised to exercise undirected proxies on remuneration related matters:** If I/we have appointed the Chairman of the Meeting as my/our proxy or the Chairman of the Meeting becomes my/our proxy by default and I/we have not directed my/our proxy how to vote in respect of Resolution 2, I/we expressly authorise the Chairman of the Meeting to exercise my/our proxy in respect of this resolution even though the resolution is connected with the remuneration of a member of key management personnel for Heemskirk Consolidated Limited.

The Chairman of the Meeting will vote all undirected proxies in favour of all items of business (including Resolution 2). If you wish to appoint the Chairman of the Meeting as your proxy with a direction to vote against, or to abstain from voting on an item, you must provide a direction by marking the 'Against' or 'Abstain' box opposite that resolution.

**Important for Items 5 and 6:** If the Chair of the meeting is appointed as your proxy, or may be appointed by default and you do **not** wish to direct your proxy how to vote as your proxy in respect of resolutions 5 and 6, please place a mark in the box.

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By marking this box, you acknowledge that the Chairman of the meeting may exercise your proxy even if he has an interest in the outcome of Resolution 5 and 6 and that votes cast by the Chairman of the meeting for those Resolutions other than as proxy holder will be disregarded because of that interest. If you do not mark this box, and you have not directed your proxy how to vote, the Chair will not cast your votes on Resolutions 5 and 6 and your votes will not be counted in calculating the required majority if a poll is called on those resolutions.

**STEP 2 VOTING DIRECTIONS**

\* 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 vote will not be counted in calculating the required majority if a poll is called.

**ORDINARY RESOLUTIONS**

		For	Against	Abstain*
Resolution 2	Remuneration Report	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Resolution 3	Re-election Mr Garry Cameron as Director	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Resolution 4	Re-election Mr John Taylor as Director	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Resolution 5	Issue of Shares under the Heemskirk Employee Share Plan	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Resolution 6	Issue of Shares under the Heemskirk Employee Share Plan to the Managing Director	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

**SPECIAL RESOLUTION**

Resolution 7	Approval of Additional 10% Placement Capacity	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
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**STEP 3 SIGNATURE OF SHAREHOLDERS**

This form must be signed to enable your directions to be implemented.

Individual or Securityholder 1

Sole Director and Sole Company Secretary

Securityholder 2

Director

Securityholder 3

Director / Company Secretary

Contact Name.....

Contact Daytime Telephone.....

Date / / 2014