



**CARBINE RESOURCES**  
LIMITED

**ABN 81 122 976 818**

---

## **NOTICE OF ANNUAL GENERAL MEETING**

**Annual General Meeting of the Company will be held  
At 1pm (WST) on Tuesday 31<sup>st</sup> May 2011,  
at BDO Chartered Accountants, Ground Floor, 38 Station  
Street, Subiaco, Western Australia.**

This Notice 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 prior to voting.

Should you wish to discuss any matter please do not hesitate to contact the Company Secretary by telephone on +61 (08) 9226 0085.

---

## CORPORATE DIRECTORY

<b>Directors</b>	Ms Aoife McGrath Dr Paul Kitto Mr Evan Cranston Mr Ronald Sayers	(Executive Director - Exploration) (Non-Executive Director) (Non-Executive Director) (Non-Executive Director)
<b>Company Secretary</b>	Mr Grant Mooney	
<b>Principal &amp; Registered Office</b>	Suite 23, 513 Hay Street Subiaco, WA 6005 Telephone: Facsimile: Email:	(08) 6142 0986 (08) 9388 8824 carbine@carbineresources.com.au
<b>Share Registry</b>	Security Transfer Registrars Pty Ltd 770 Canning Highway Applecross WA 6153 Telephone: Facsimile:	(08) 9315 2333 (08) 9315 2233
<b>Auditor</b>	BDO Audit (WA) Pty Ltd 38 Station Street Subiaco WA 6008	
<b>Legal Advisers</b>	Hardy Bowen Level 1, 28 Ord Street West Perth WA 6005 Telephone: Facsimile:	(08) 9211 3600 (08) 9211 3690
<b>ASX Codes</b>	CRB CRBO (15c expiring 31 July 2011)	

# CARBINE RESOURCES LIMITED

ABN 81 122 976 818

---

## NOTICE OF ANNUAL GENERAL MEETING

---

Notice is hereby given that the Annual General Meeting of Shareholders of Carbine Resources Limited (Company) will be held at 1pm (WST) on 31st May 2011 at BDO Chartered Accountants, Ground Floor, 38 Station Street, Subiaco, Western Australia (Meeting).

The Explanatory Memorandum to this Notice provides additional information on matters to be considered at the Meeting. The Explanatory Memorandum and the Proxy Form form part of this Notice.

The Directors have determined pursuant to regulation 7.11.37 of the Corporations Regulations 2001 (Cth) that the persons eligible to vote at the Meeting are those who are registered as Shareholders on at 5.00pm (WST) on 29<sup>th</sup> May 2011.

Terms and abbreviations used in this Notice and the Explanatory Memorandum are defined in Schedule 1.

---

## AGENDA

---

### 1. Annual Report

To table and consider the Annual Report of the Company and its controlled entities for the year ended 31 December 2010, which includes the Financial Report, Directors' Report and the Auditor's Report.

---

### 2. Resolution 1 – Adoption of Remuneration Report

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

*"That the Remuneration Report be adopted by the Shareholders on the terms and conditions in the Explanatory Memorandum."*

---

### 3. Resolution 2 – Re-election of Director – Mr Evan Cranston

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

*"That Mr Evan Cranston, who retires in accordance with Article 79(1) of the Constitution and, being eligible, offers himself for re-election, be re-elected as a director."*

---

#### **4. Resolution 3 – Adoption of New Constitution**

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

*"That, with effect from the passing of this resolution and in accordance with section 136 of the Corporations Act and for all other purposes, the regulations contained in the printed document tabled at this Meeting and signed by the Chairman for identification purposes are hereby approved and adopted as the constitution of the Company in substitution for and to the exclusion of the existing Constitution of the Company."*

**BY ORDER OF THE BOARD**

A handwritten signature in black ink, appearing to read 'Grant Mooney', is written over a light blue horizontal line.

Grant Mooney  
**Company Secretary**

Dated: 28 April 2011

## **EXPLANATORY MEMORANDUM**

---

### **1. Introduction**

This Explanatory Memorandum has been prepared for the information of Shareholders of the Company in connection with the business to be conducted at the Annual General Meeting to be held at 1pm (WST) on 31<sup>st</sup> May 2011 at BDO Chartered Accountants, Ground Floor, 38 Station Street, Subiaco, Western Australia.

This Explanatory Memorandum should be read in conjunction with and forms part of the accompanying Notice. The purpose of this Explanatory Memorandum is to provide information to Shareholders when deciding whether or not to pass the Resolutions set out in the Notice.

---

### **2. Action to be taken by Shareholders**

Shareholders should read the Notice and this Explanatory Memorandum carefully before deciding how to vote on the Resolutions.

A Proxy Form is attached to the Notice. This is used by Shareholders if they wish to appoint a representative (**proxy**) to vote in their place. All Shareholders are invited and encouraged to attend the Meeting or, if they are unable to attend in person, sign and return the Proxy Form to the Company in accordance with the instructions thereon. Lodgement of a Proxy Form will not preclude a Shareholder from attending and voting at the Meeting in person.

---

### **3. Annual Report**

There is no requirement for Shareholders to approve the Annual Report.

Shareholders will be offered the following opportunities:

- (a) To discuss the Annual Report for the financial year ended 31 December 2010 which can be accessed online at [www.carbineresources.com.au](http://www.carbineresources.com.au).
- (b) To ask questions or make comment on the management of the Company.
- (c) To ask the auditor questions about the conduct of the audit and preparation and content of the Auditor's Report.

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

- (a) the preparation and content of the Auditor's Report;
- (b) the conduct of the audit;
- (c) accounting policies adopted by the Company in relation to the preparation of the financial statements; and

(d) the independence of the auditor in relation to the conduct of the audit,

may be submitted no later than 5 Business Days before the Meeting to the Company Secretary at the Company's registered office.

---

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

Pursuant to section 250R(2) of the Corporations Act 2001 (Cth), the Company is required to put the Remuneration Report to the vote of Shareholders. The Directors' Report for the year ended 31 December 2010 contains a Remuneration Report which sets out the remuneration policy for the Company and reports the remuneration arrangements in place for the executive director, senior executives and non-executive directors.

The Corporations Act provides that Resolution 1 is advisory only and does not bind the Directors of the Company. Of itself, a failure of Shareholders to pass Resolution 1 will not require the Directors to alter any of the arrangements in the Remuneration Report. However, the Board will take the outcome of the vote into consideration when considering the remuneration policy.

The Chair of the Meeting will allow a reasonable opportunity for Shareholders as a whole to ask about, or make comments on the Remuneration Report.

---

## **5. Resolution 2 - Re-election of Director – Mr Evan Cranston**

Article 79(1) of the Constitution requires that one third of the Directors must retire at each annual general meeting (rounded to the nearest whole number or if the number is not three or a multiple of three, then the number nearest one-third).

Article 81(3) provides that a Director who retires is eligible for re-election.

The Company currently has 4 Directors and, accordingly, 1 must retire.

Pursuant to these Articles, Mr Evan Cranston will retire by rotation and, being eligible, will seek re-election.

Mr Cranston is a lawyer specialising in corporate and mining law. He has extensive experience in the areas of public listed entities including capital raisings, initial public offerings and liaison with market analysts and potential investors, together with Corporate Governance, the Australian Securities Exchange's Listing Rules and the Corporations Act.

His experience in mining law extends to tenement acquisition agreements, mineral rights agreements, joint ventures and mergers and acquisitions. He holds both a Bachelor of Commerce and Bachelor of Law.

The Board supports the re-election of Mr Cranston.

---

## **6. Resolution 3 – Adoption of New Constitution**

### **6.1 General**

It is proposed that the Constitution be updated to reflect compliance with current law and enable the Company to better function in accordance with its constituent documents.

Resolution 3 seeks Shareholder approval for the adoption of a new constitution in accordance with section 136 of the Corporations Act (**Proposed Constitution**). The

Proposed Constitution has been approved by ASX as required under the ASX Listing Rules.

Resolution 3 is a special resolution and requires approval of 75% of the votes cast by Shareholders.

A copy of the Proposed Constitution will be sent to any Shareholder upon request and will also be available for inspection at the Perth office of the Company (Level 23, 513 Hay Street, Subiaco, Western Australia) during normal business hours prior to the Meeting and at the Meeting.

The Proposed Constitution will become effective from the passing of this Resolution.

## **6.2 Proposed Changes - Constitution**

In summary, the Proposed Constitution includes provisions to the following effect:

### ***Shares***

The issue of shares and options by the Company is under the control of the Directors, subject to the Corporations Act, ASX Listing Rules and any rights attached to any special class of shares.

### ***Preference Shares***

The Corporations Act requires certain rights of preference shares to be either set out in the Company's constitution or approved in general meeting by special resolution before preference shares are issued.

The Proposed Constitution sets out a framework of rights for preference share issues from which the Board can determine to allot and issue preference shares, without the need to obtain further shareholder approval every time an allotment of preference shares is proposed. Schedule 6 to the Proposed Constitution contains the framework as well as specific rights of preference shares as to the repayment of capital, requirements for redemption (if the preference shares are redeemable), participation in surplus assets and profits, voting rights and priority of payment of capital and dividends. Other specific terms, including the dividend amount, the redemption date (if applicable) and redemption amount (if applicable), would be set by the issuing resolution of the Directors.

Details of the preference share provisions are contained in Schedule 2 of this Explanatory Memorandum.

### ***Reductions of Capital***

The Proposed Constitution is consistent with the Corporations Act requirements which must be satisfied by the Company in undertaking an alteration of capital.

### ***Liens***

If the Company issues partly paid shares and a call made on those shares is unpaid, the Company will have a lien over the shares on which the call is unpaid. The lien may be enforced by a sale of those shares.

## ***Transfer of Shares***

The Company may participate in any clearing and settlement facility provided under the Corporations Act, the ASX Listing Rules and the ASX Settlement & Transfer Corporation Pty Ltd (**ASTC**) Operating Rules. Transfers through ASTC are affected electronically in ASTC's Clearing House Electronic Subregister System (CHESS). For the purposes of the Company's participation in the CHESS, the Company may issue holding statements in lieu of share certificates. The Company will not charge any fee for registering a transfer of shares. The Directors may refuse to register a transfer of shares in the circumstances permitted or required under the Corporations Act and ASX Listing Rules.

## ***Proportional Takeovers***

A proportional takeover bid is one in which the offeror offers only to buy a specified proportion of each Shareholders' shares.

The Proposed Constitution provides for Shareholder approval of any proportional takeover bid for the shares. Subject to the ASX Listing Rules and ASTC Operating Rules, the provisions require the Directors to refuse to register any transfer of shares made in acceptance of a proportional takeover offer until the requisite Shareholder approval has been obtained.

The perceived advantages of including proportional takeover provisions in the Proposed Constitution are that such provisions may:

- (a) enhance the bargaining power of Directors in connection with any potential sale of the Company;
- (b) improve corporate management by eliminating the possible threat of a hostile takeover through longer term planning;
- (c) make it easier for Directors to discharge their fiduciary and statutory duties to the Company and its Shareholders to advise and guide in the event of a proportional bid occurring; and
- (d) strengthen the position of Shareholders of the Company in the event of a takeover, assuming the takeover will result in a sharing of wealth between the offeror and Shareholders, as the more cohesive Shareholders are in determining their response the stronger they are. A requirement for approval can force Shareholders to act in a more cohesive manner. Where Shareholders know that a bid will only be successful if a specified majority of Shareholders accept the offer, they have less to fear by not tendering to any offer which they think is too low.

The perceived disadvantages of including proportional takeover provisions in the Proposed Constitution include the following matters:

- (a) a vote on approval of a specific bid suffers from a bias in favour of the incumbent Board;
- (b) the provisions are inconsistent with the principle that a share in a public company should be transferable without the consent of other Shareholders; and
- (c) a Shareholder may lack a sufficient financial interest in any particular company to have an incentive to determine whether the proposal is appropriate.

To comply with the Corporations Act, the proportional takeover provisions must be renewed by Shareholders in general meeting at least every 3 years to remain in place.

Details of the proportional takeover provisions are contained in 6(f) of this Explanatory Memorandum.

### ***Alterations of Share Capital***

Shares may be converted or cancelled with Shareholder approval and the Company's share capital may be reduced in accordance with the requirements of the Corporations Act and the ASX Listing Rules.

### ***Buy Backs***

The Company may buy back shares in itself on terms and at such times determined by the Directors.

### ***Disposal of less than a Marketable Parcel***

For the sake of avoiding excessive administration costs, the Proposed Constitution contains provisions enabling the Company to procure the disposal of shares where the Shareholder holds less than a marketable parcel of shares within the meaning of the ASX Listing Rules (being a parcel of shares with a market value of less than \$500). To invoke this procedure, the Directors must first give notice to the relevant Shareholder holding less than a marketable parcel of shares, who may then elect not to have his or her shares sold by notifying the Directors.

The proposed disposal of unmarketable parcel provisions of the Proposed Constitution are set in Schedule 4 of this Explanatory Memorandum.

### ***Variation of Class Rights***

Class rights attaching to a particular class of shares may be varied or cancelled with the consent in writing of holders of 75% of the shares in that class or by a special resolution of the holders of shares in that class.

### ***Meetings of Shareholders***

Directors may call a meeting of Shareholders whenever they think fit. Shareholders may call a meeting as provided by the Corporations Act. The Proposed Constitution contains provisions prescribing the content requirements of notices of meetings of Shareholders and all Shareholders are entitled to a notice of meeting. Consistent with the new Corporations Act provisions, a meeting may be held in two or more places linked together by audio-visual communication devices. A quorum for a meeting of Shareholders is 2 eligible voters.

The Company will hold annual general meetings in accordance with the Corporations Act and the ASX Listing Rules.

### ***Voting of Shareholders***

Resolutions of Shareholders will be decided by a show of hands unless a poll is demanded. On a show of hands, each eligible voter present has one vote. On a poll, each eligible Shareholder has one vote for each fully paid share held and a fraction of a vote for each partly paid share determined by the amount paid up on that share.

### ***Proxies***

An eligible Shareholder may appoint a proxy to attend and vote at the meeting on the Shareholder's behalf. The Proposed Constitution contains provisions specifying the

manner of lodgement of proxy instruments. A Shareholder may appoint an individual or corporation to act as its representative.

### ***Directors***

Unless changed by the Company in general meeting, the minimum number of directors is 3 and the maximum is 10. The existing Directors and the Company may appoint a new Director to fill a casual vacancy or as an addition to the board. Any such Director must retire at the next following annual general meeting of the Company (at which meeting he or she may be eligible for election as director). No Director other than the Managing Director may hold office for longer than 3 years without submitting himself or herself for re-election.

### ***Powers of Directors***

The business of the Company is to be managed by or under the direction of the Directors.

### ***Remuneration of Directors***

The Company may pay non-executive Directors a maximum of the total amount as determined by the Shareholders in General Meeting and such sum must not be paid by way of commission on, or percentage of, profits or operating revenue.

The remuneration of executive Directors will be subject to the provisions of any contract between each of them and the Company and may be by way of commission on, or percentage of, profits of the Company, but will not be by way of commission on, or percentage of, operating revenue.

### ***Execution of Documents***

The Proposed Constitution provides for execution of documents by the Company without the use of the Company's company seal.

### ***Dividends***

Subject to and in accordance with the Corporations Act, the Listing Rules, the rights of any preference shares and to the rights of the holders of any shares created or raised under any special arrangement as to dividend, the Directors may from time to time declare dividend to be paid to the shareholders entitled to the dividend. Subject to the rights of any preference shares and to the rights of the holders of any Shares created or raised under any special arrangement as to dividend, the dividend as declared shall be payable on all Shares according to the proportion that the amount paid (not credited) is of the total amounts paid and payable (excluding amounts credited) in respect of such Shares.

### ***Indemnities and Insurance***

To the extent permitted by law, the Company indemnifies every person who is or has been a Director or Secretary of the Company against a liability incurred by that person in his or her capacity as a Director or Secretary provided that the liability does not arise out of conduct involving a lack of good faith (otherwise referred to as an excluded liability). A similar indemnity is provided in respect of legal proceedings. The Company may also pay the premiums on directors' and officers' liability insurance.

## Schedule 1 - Definitions

---

In this Explanatory Memorandum and Notice:

**Annual Report** means the Directors' Report, the Financial Report, and Auditor's Report in respect to the period ended 31 December 2010.

**Article** means an article of the Constitution.

**ASIC** means the Australian Securities and Investments Commission.

**ASX** means the ASX Limited and where the context permits the Australian Securities Exchange operated by the ASX.

**Auditor's Report** means the auditor's report on the Financial Report.

**Board** means the board of Directors.

**Business Day** means a day on which ASX is open for trading.

**Chairman** means the chairman of the Company.

**Company** means Carbine Resources Limited ABN 81 122 976 818.

**Constitution** means Constitution of the Company as at the commencement of this Meeting.

**Corporations Act** means the *Corporations Act 2001* (Cth).

**Director** means a director of the Company.

**Directors' Report** means the annual directors' report prepared under chapter 2M of the Corporations Act for the Company and its controlled entities.

**Explanatory Memorandum** means the explanatory memorandum to the Notice.

**Financial Report** means the Company's annual financial report prepared under Chapter 2M of the Corporations Act.

**Listing Rules** means the listing rules of ASX.

**Meeting** has the meaning given in the introductory paragraph of the Notice.

**Notice** means this notice of meeting.

**Proposed Constitution** has the meaning given in Section 0 of the Explanatory Memorandum.

**Proxy Form** means the proxy form attached to the Notice.

**Remuneration Report** means the remuneration report of the Company contained in the Directors' Report.

**Resolution** means a resolution contained in this Notice.

**Schedule** means a schedule to this Notice.

**Section** means a section contained in this Explanatory Memorandum.

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

**Shareholder** means a shareholder of the Company.

**WST** means Western Standard Time, being the time in Perth, Western Australia.

In this Notice and Explanatory Memorandum, words importing the singular include the plural and vice versa.

## Schedule 2 - Terms of Preference Shares

---

### 1. Definitions

In this Schedule, unless the context otherwise requires:

**Conversion Circumstances** means, in respect of a Converting Preference Share, whether the Preference Share is liable to be converted or convertible:

- (a) at the option of the Holder, or of the Company, or both;
- (b) upon the happening of a particular event; or
- (c) at a fixed time.

**Conversion Date** means, in respect of a Converting Preference Share, the date (if any) specified in the Issue Resolution for the conversion of that Preference Share or the date upon which an event specified in the Issue Resolution occurs which results in the conversion of that Preference Share.

**Conversion Number** means the number, or formula for determining the number, of ordinary Shares into which a Converting Preference Share will convert upon conversion.

**Converting Preference Share** means a Preference Share which is specified in the Issue Resolution as being liable to be converted or convertible into ordinary Shares in a manner permitted by the Corporations Act, whether at the option of the Holder or otherwise.

**Dividend** means any distribution of any property (including, without limitation, money, Paid Up shares, debentures, debenture stock or other securities of the Company or of any other Corporation) to a Holder in respect of a Preference Share as a dividend, whether interim or final.

**Dividend Date** means, in respect of a Preference Share, a date specified in the Issue Resolution on which a Dividend in respect of that Preference Share is payable.

**Dividend Rate** means, in respect of a Preference Share, the terms specified in the Issue Resolution for the calculation of the amount of Dividend to be paid in respect of that Preference Share on any Dividend Date, which calculation may be wholly or partly established by reference to an algebraic formula.

**Franked Dividend** has the meaning given in section 160APA of the Income Tax Assessment Act 1936 (Cth).

**Holder** means, in respect of a Preference Share, the registered holder of that Preference Share.

**Issue Resolution** means the resolution specified in paragraph 3.

**Preference Share** means a Share issued under Article 2.2 of the Proposed Constitution.

**Redeemable Preference Share** means a Preference Share which is specified in the Issue Resolution as being liable to be redeemed in a manner permitted by the Corporations Act.

**Redemption Amount** means, in respect of a Redeemable Preference Share, the amount specified in the Issue Resolution to be paid on redemption of the Redeemable Preference Share.

**Redemption Circumstances** means, in respect of a Redeemable Preference Share, whether the Redeemable Preference Share is liable to be redeemed:

- (a) at the option of the Holder, or of the Company, or both;
- (b) upon the happening of a particular event; or
- (c) at a fixed time.

**Redemption Date** means, in respect of a Redeemable Preference Share, the date specified in the Issue Resolution for the redemption of that Redeemable Preference Share or the date upon which an event specified in the Issue Resolution occurs which results in the redemption of that Redeemable Preference Share.

**Specified Date** means, in respect of a Redeemable Preference Share, the date (if any) specified in the Issue Resolution before which that Redeemable Preference Share may not be redeemed by the Holder.

---

## 2. Rights of Holders

Each Preference Share confers upon its Holder:

- (a) the rights referred to in Articles 2.2(b) and 2.2(c) of the Proposed Constitution;
- (b) the right in winding up to payment in cash of the amount then paid up on it, and any arrears of Dividend in respect of that Preference Share in priority to any other class of Shares;
- (c) the right in priority to any payment of a Dividend to any other class of Shares, to a cumulative preferential dividend payable on each Dividend Date in relation to that Preference Share calculated in accordance with the Dividend Rate in relation to that Preference Share; and
- (d) no right to participate beyond the extent elsewhere specified in this paragraph 2 in surplus assets or profits of the Company, whether in winding up or otherwise.

---

## 3. Issue Resolution

- (a) The Directors may allot a Preference Share by a resolution of the Directors specifying:
  - (i) the Dividend Date;
  - (ii) the Dividend Rate;
  - (iii) whether the Preference Share is or is not a Redeemable Preference Share;
  - (iv) if the Preference Share is a Redeemable Preference Share, the Redemption Amount, the Redemption Date, the Redemption Circumstances and any Specified Date for that Redeemable Preference Share;
  - (v) whether the Preference Share is or is not a Converting Preference Share;
  - (vi) if the Preference Share is a Converting Preference Share, the Conversion Circumstances, the Conversion Number and any Conversion Date; and
  - (vii) any other terms and conditions to apply to that Preference Share.

- (b) The Issue Resolution in establishing the Dividend Rate for a Preference Share may specify that the Dividend is to be:
    - (i) fixed;
    - (ii) variable depending upon any variation of the respective values of any factors in an algebraic formula specified in the Issue Resolution; or
    - (iii) variable depending upon such other factors as the Directors may specify in the Issue Resolution,and may also specify that the Dividend is to be a Franked Dividend or not a Franked Dividend.
  - (c) Where the Issue Resolution specifies that the Dividend to be paid in respect of the Preference Share is to be a Franked Dividend the Issue Resolution may also specify:
    - (i) the extent to which such Dividend is to be franked; and
    - (ii) the consequences of any Dividend paid not being so franked, which may include a provision for an increase in the amount of the Dividend to such an extent or by reference to such factors as may be specified in the Issue Resolution.
- 

## 4. Redemption

- (a) The Company must redeem a Redeemable Preference Share on issue:
  - (i) in the case where the Redeemable Preference Share is liable to be redeemed at the option of the Company, on the Specified Date where the Company, not less than 10 Business Days before that date, has given a notice to the Holder of that Redeemable Preference Share stating that the Redeemable Preference Share will be redeemed on the Specified Date;
  - (ii) in the case where the Redeemable Preference Share is liable to be redeemed at the option of the Holder, on the Specified Date where the Holder of that Redeemable Preference Share, not less than 10 Business Days before that date, has given a notice to the Company stating that the Redeemable Preference Share will be redeemed on the Specified Date; and
  - (iii) in any event, on the Redemption Date,but no Redeemable Preference Share may be redeemed by the Holder before the Specified Date unless the Redemption Date occurs before that date.
- (b) On redemption of a Redeemable Preference Share, the Company, after the Holder has surrendered to the Company the Certificate (if any) in respect of that Redeemable Preference Share, must pay to the Holder the Redemption Amount by:
  - (i) directly crediting the account nominated in writing by the Holder from time to time; or
  - (ii) cheque made payable to the Holder or such other person nominated in writing by the Holder sent through the post to:
    - (A) in the case where the Holder is a joint holder of the Redeemable Preference Share, the address in the Register of the person whose name stands first on the Register in respect of the joint holding; or
    - (B) the address of the Holder in the Register.

---

## 5. Conversion

- (a) The Company must convert a Converting Preference Share on issue:
  - (i) in the case where the Converting Preference Share is liable to be redeemed at the option of the Company, on the Specified Date where the Company, not less than 10 Business Days before that date, has given a notice to the Holder of that Converting Preference Share stating that the Converting Preference Share will be converted on the Specified Date;
  - (ii) in the case where the Converting Preference Share is liable to be redeemed at the option of the Holder, on the Specified Date where the Holder of that Converting Preference Share, not less than 10 Business Days before that date, has given a notice to the Company stating that the Converting Preference Share will be converted on the Specified Date; and
  - (iii) in any event, on the Conversion Date.
- (b) On conversion of a Converting Preference Share the Company must allot to the Holder additional ordinary Shares such that following conversion the Holder holds that number of ordinary Shares in accordance with the Conversion Number. Conversion of a Converting Preference Shares does not constitute a cancellation, redemption or termination of a Converting Preference Share or the issue, allotment or creation of a new Share.
- (c) The allotment of additional ordinary Shares on Conversion does not constitute a cancellation, redemption or termination of a Converting Preference Share. Conversion is the taking effect of existing rights of a Converting Preference Share and the ending of the special rights attached to the Converting Preference Share.
- (d) Following Conversion, each Converting Preference Share will rank equally with and will confer rights identical with and impose obligations identical with all other fully paid ordinary Shares then on issue.

---

## 6. Certificate

The Certificate (if any) issued by the Company in relation to any Preference Share must specify in relation to that Preference Share:

- (a) the date of issue of the Preference Share;
- (b) the Dividend Rate and Dividend Dates;
- (c) whether the Preference Share is a Redeemable Preference Share;
- (d) if the Preference Share is a Redeemable Preference Share, the:
  - (i) Redemption Circumstances;
  - (ii) Redemption Amount; and
  - (iii) Redemption Date to the extent possible or if not, the event which if it occurs will result in redemption of that Redeemable Preference Share; and
- (e) if the Preference Share is a Converting Preference Share, the:
  - (i) Conversion Circumstances;
  - (ii) Conversion Number; and
  - (iii) Conversion Date to the extent possible or if not, the event which if it occurs will result in conversion of that Converting Preference Share; and
- (f) any other matter the Directors determine.

## Schedule 3 - Proportional Takeover Bid Provisions

---

### 1. Definitions

In this Schedule:

**Approving Resolution** means a resolution to approve a proportional takeover bid in accordance with this Schedule.

**Deadline** means the 14th day before the last day of the bid period for a proportional takeover bid.

**Voter** means a person (other than the bidder under a proportional takeover bid or an associate of that bidder) who, as at the end of the day on which the first offer under that bid was made, held bid class securities for that bid.

---

### 2. Refusal of Transfers

#### 2.1 Requirement for an Approving Resolution

- (a) The Company must refuse to register a transfer of Shares giving effect to a takeover contract for a proportional takeover bid unless and until an Approving Resolution is passed in accordance with this Schedule.
- (b) This Schedule ceases to apply on the 3rd anniversary of its last adoption, or last renewal, in accordance with the Corporations Act.

#### 2.2 Voting on an Approving Resolution

- (a) Where offers are made under a proportional takeover bid, the Directors must, call and arrange to hold a meeting of Voters for the purpose of voting on an Approving Resolution before the Deadline.
- (b) The provisions of the Proposed Constitution concerning meetings of Members (with the necessary changes) apply to a meeting held under paragraph (a).
- (c) Subject to the Proposed Constitution, every Voter present at the meeting held under paragraph (a) is entitled to one vote for each Share in the bid class securities that the Voter holds.
- (d) To be effective, an Approving Resolution must be passed before the Deadline.
- (e) An Approving Resolution that has been voted on is taken to have been passed if the proportion that the number of votes in favour of the resolution bears to the total number of votes on the resolution is greater than 50%, and otherwise is taken to have been rejected.
- (f) If no Approving Resolution has been voted on as at the end of the day before the Deadline, an Approving Resolution is taken, for the purposes of this Schedule, to have been passed in accordance with this Schedule.

## **Schedule 4 - Unmarketable Parcels**

---

### **1. Definitions**

In this Schedule:

**Sale Share** means a Share which is sold or disposed of in accordance with this Schedule.

---

### **2. Power to Sell Unmarketable Parcels**

#### **2.1 Existing unmarketable parcels**

- (a) The Company may sell the Shares of a Shareholder if:
  - (i) the total number of Shares of a particular class held by that Shareholder is less than a marketable parcel;
  - (ii) the Company gives that Shareholder notice in writing stating that the Shares are liable to be sold or disposed of by the Company; and
  - (iii) that Shareholder does not give notice in writing to the Company, by the date specified in the notice of the Company (being not less than 42 days after the date of the Company giving that notice), stating that all or some of those Shares are not to be sold or disposed of.
- (b) The Company may only exercise the powers under paragraph (a), in respect of one or more Shareholders, once in any 12 month period.
- (c) The power of the Company under paragraph (a) lapses following the announcement of a takeover bid. However, the procedure may be started again after the close of the offers made under the takeover bid.

#### **2.2 New unmarketable parcels**

- (a) The Company may sell the Shares of a Shareholder if:
    - (i) the Shares of a particular class held by that Shareholder are in a new holding created by a transfer on or after 1 September 1999; and
    - (ii) that transfer is of a number of Shares of that class that was less than a marketable parcel at the time the transfer document was initiated, or in the case of a paper based transfer document, was lodged with the Company.
  - (b) The Company may give a Shareholder referred to in paragraph (a) notice in writing stating that the Company intends to sell or dispose of the Shares.
- 

### **3. Exercise of Power of Sale**

#### **3.1 Extinguishment of interests and claims**

The exercise by the Company of its powers under paragraph 2 extinguishes, subject to this Schedule:

- (a) all interests in the Sale Shares of the former Shareholder; and
- (b) all claims against the Company in respect of the Sale Shares by that Shareholder, including all Dividends determined to be paid in respect of those Share and not actually paid.

### **3.2 Manner of sale**

- (a) The Company may sell or dispose of any Shares under paragraph 2 at any time:
  - (i) using a financial services licensee on the basis that person obtains the highest possible price for the sale of the Shares; or
  - (ii) in any other manner and on any terms as the Directors resolve.
- (b) The Company may:
  - (i) exercise any powers permitted under the Applicable Law to enable the sale or disposal of Shares under this Schedule;
  - (ii) receive the purchase money or consideration for Sale Shares;
  - (iii) appoint a person to sign a transfer of Sale Shares; and
  - (iv) enter in the Register the name of the person to whom Sale Shares are sold or disposed.
- (c) The person to whom a Sale Share is sold or disposed need not enquire whether the Company:
  - (i) properly exercised its powers under this Schedule in respect of that Share; or
  - (ii) properly applied the proceeds of sale or disposal of those Shares, and the title of that person is not affected by those matters.
- (d) The remedy of any person aggrieved by a sale or disposal of Sale Shares is in damages only and against the Company exclusively.
- (e) A certificate in writing from the Company signed by a Director or Secretary that a Share was sold or disposed of in accordance with this Schedule is sufficient evidence of those matters.

### **3.3 Application of proceeds**

- (a) If the Company exercises the powers under paragraph 2, either the Company or the person to whom a Sale Share is sold or disposed of must pay the expenses of the sale or disposal.
- (b) The Company must apply the proceeds of any sale or disposal of any Sale Shares in the following order:
  - (i) in the case of an exercise of the powers under paragraph 2, the expenses of the sale or disposal;
  - (ii) the amounts due and unpaid in respect of those Shares; and
  - (iii) the balance (if any) to the former Shareholder or the former Shareholder's Personal Representative, on the Company receiving the certificate (if any) for those Shares or other evidence satisfactory to the Company regarding the ownership of those Shares.

### **3.4 Voting and dividend rights pending sale**

- (a) If the Company is entitled to exercise the powers under paragraph 2, the Company may by resolution of the Directors remove or change either or both:
  - (i) the right to vote; and
  - (ii) the right to receive Dividends,of the relevant Shareholder in respect of some or all of the Shares liable to be sold or disposed of.
- (b) After the sale of the relevant Sale Shares, the Company must pay to the person entitled any Dividends that have been withheld under paragraph (a).

*This page has been left blank intentionally.*

