

## NOTICE OF ANNUAL GENERAL MEETING

**The Annual General Meeting of Austock Group Limited (“Company”)  
will be held in offices of the Company at  
Level 12, 15 William Street, Melbourne VIC 3000  
on Tuesday, 26 October 2010 at 9 a.m. (Melbourne time)**

### ORDINARY BUSINESS

#### Item 1: Financial Reports

To receive and consider the Financial Report of the Company and the Reports of the Directors and Auditor for the financial year ended 30 June 2010.

#### Item 2: Adoption of Remuneration Report

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

*“That the Remuneration Report of the Company for the financial year ended 30 June 2010 be adopted.”*

This resolution is advisory only and does not bind the directors or the Company.

#### Item 3: Election of Directors

3.1 To consider and if thought fit to pass, the following resolution:

*“Mr Steven Gregg, who will cease to hold office in accordance with Rule 11.1(c) of the Company’s Constitution at the conclusion of this meeting and, being eligible, offers himself for election, be elected a Director of the Company.”*

3.2 To consider and if thought fit to pass the following resolution:

*“Mr Kevin Franklin Clarke, who will cease to hold office in accordance with Rule 11.1(c) of the Company’s Constitution at the conclusion of this meeting and, being eligible, offers himself for election, be elected a Director of the Company.”*



## **SPECIAL BUSINESS**

### **Item 4: Increase Cap on Non Executive Directors' Fees**

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

*That:*

- (a) *the total amount of fees that may be paid each year to the Company's non-executive directors be increased by \$250,000 from \$500,000 to a maximum of \$750,000; and*
- (b) *the Company fix the amount of \$750,000 for the purposes of rule 11.3(a) of the Company's constitution.*

By order of the Board.

Adrian Hill  
Company Secretary

17 September 2010

### **Voting Exclusion Statement**

In accordance with the ASX Listing Rules, the Company will disregard any votes cast on resolution 4 by a director of the Company and an associate of any director of the Company.

However, the Company need not disregard a vote if it is cast by:

- a director as a proxy for a person who is entitled to vote, in accordance with the directions on the proxy form; or
- the person chairing the meeting as a proxy for a person who is entitled to vote, in accordance with a direction on the proxy form to vote as the proxy decides.

## **NOTES**

### **Explanatory Statement**

The attached Explanatory Statement forms part of this Notice.

### **Voting Entitlements**

The Board of Austock Group Limited has determined that a member's voting entitlement at this meeting will be taken to be the entitlement of the person shown in the register of members as at 7 p.m. on Sunday, 24 October 2010.

### **Proxies**

- A member entitled to attend and vote at this meeting is entitled to appoint a proxy (who need not be a member of the Company) to attend and vote in the member's place. A proxy form accompanies this Notice of Meeting for this purpose.
- Members who are entitled to cast two or more votes may appoint not more than two proxies to attend and vote at this meeting. Members wishing to appoint a second proxy should request an additional proxy form from the Company's share registry – Registries Limited. Where two proxies are appointed, both forms should be completed with the nominated proportion or number of votes each



proxy may exercise. If no such proportion or number is specified, each proxy may exercise half of the votes.

- Where a member appoints 2 proxies, on a show of hands neither proxy may vote if more than one proxy attends and on a poll each proxy may only exercise votes in respect of those shares or voting rights the proxy represents.
- The appointment of one or more duly appointed proxies will not preclude a member from attending this meeting and voting personally. If the member votes on a resolution, the proxy must not vote as the member's proxy on that resolution.
- Any instrument appointing a proxy in which the name of the appointee is not completed is regarded as given in favour of the Chair of the Meeting.
- To be effective, proxy forms must be received by the Company at its registered office or delivered in person, by mail or by fax to the Company's Share Registry's office (details below). Proxy forms may also be lodged online by visiting [www.registries.com.au/vote/austockagm2010](http://www.registries.com.au/vote/austockagm2010). Completed proxy forms must be received no later than 48 hours before the appointed time of the meeting.
- The Company's Share Registry details are as follows:
  - Registries Limited
  - Level 7, 207 Kent Street, Sydney, NSW 2000
  - GPO Box 3993, Sydney, NSW, 2001
  - Facsimile: +61 2 9290 9655
- If a body corporate is appointed as proxy, please write the full name of that body corporate (eg, Company X Pty Ltd). Do not use abbreviations. The body corporate will need to ensure that it:
  - a) appoints an individual as its corporate representative to exercise its powers at meetings, in accordance with section 250D of the Corporations Act 2001 (Cth); and
  - b) provides satisfactory evidence of the appointment of its corporate representative prior to commencement of the meeting.

If no such evidence is received before the meeting, then the body corporate (through its representative) will not be permitted to act as your proxy.

#### **Body corporate representatives**

- A corporation, by resolution of its directors, may authorise a person to act as its representative to vote at the meeting.
- A representative appointed by a corporation may be entitled to execute the same powers on behalf of the corporation as the corporation could exercise if it were an individual member of Austock.
- To evidence the authorisation, either a certificate of corporate body representative executed by the corporation or under the hand of its attorney or an equivalent document evidencing the appointment will be required.
- The certificate or equivalent document must be produced prior to the meeting.



## **EXPLANATORY STATEMENT**

### **Introduction**

The purpose of this Explanatory Statement (which is included in and forms part of this Notice of Annual General Meeting) is to provide shareholders with an explanation of the matters to be considered at the Annual General Meeting on Tuesday, 26 October 2010.

### **Item 1: Financial Reports**

The Company's 2010 Annual Report, which includes the Financial Report, Directors' Report and Auditor's Report for the financial year ended 30 June 2010, is available on the Company's website at [www.austock.com](http://www.austock.com) (under About Us / Investor Relations / Annual Reports). A copy has been forwarded to all shareholders who elected to receive it.

The Chairman and Managing Director will address the meeting. Shareholders will be given a reasonable opportunity as a whole to ask questions about or make comments on the management of the Company. The Company's auditor, KPMG will also attend the meeting and will be available to receive questions relevant to the conduct of the audit, the preparation and content of the Auditor's Report, the accounting policies adopted by the Company in relation to the preparation of the financial statements and the independence of the auditor in relation to the conduct of the audit.

### **Item 2: Adoption of Remuneration Report**

Shareholders are asked to adopt the Company's Remuneration Report, which is set out on pages 31 - 34 of the 2010 Annual Report.

The resolution to adopt the Remuneration Report is advisory only and does not bind the Directors or the Company, pursuant to section 250R of the Corporations Act 2001 (Cth). Nevertheless, the discussion on this resolution and the outcome of the vote will be taken into consideration by the Board when considering the remuneration arrangements of the Company in the future.

### **Item 3: Election of Directors**

Rule 11.1(c) of the Company's Constitution provides that Directors appointed by the Board hold office until the next annual general meeting, at which they will be eligible for election. Mr Steven Gregg and Mr Kevin Clarke, who were appointed as Non-Executive Directors on 27 November 2009, cease to hold office and, being eligible, offer themselves for election in accordance with Rule 11.1(c) of the Constitution.

Mr Timothy David Boyle retires by rotation in accordance with Rule 11.1(d) of the Constitution and does not offer himself for re-election.

Details of each director's experience and special responsibilities are outlined below.

#### **Mr Steven Gregg – Independent Non-Executive Chairman**

##### *Experience*

Steven joined Austock Group Limited in November 2009 and brings with him over 27 years experience in investment banking and management consulting, 17 years of which were in London. He has held many senior positions, including Global Head of Investment Banking at ABN Amro. In 2005, upon returning to Australia, he joined McKinsey & Company where he served as a senior advisor and partner in corporate finance. He



currently works with investment advisory firm Grant Samuel Group as a consultant and serves as a director on the Board of Goodman Fielder, William Inglis & Sons and Sunshine Homes.

Special responsibilities

Steven is Chairman of the Company and a Member of the Remuneration and Nomination Committee.

*The Directors of the Company (other than Mr Gregg) unanimously recommend that shareholders vote in favour of this resolution.*

**Mr Kevin Franklin Clarke – Independent Non-Executive Director**

Experience

Kevin brings 27 years industry experience, with an extensive background in manufacturing and distributor of branded industrial products. Kevin has a range of directorship experience, currently acting as chairman for mining and constructions services, Jeminex, the AMP controlled Focus Property Services, and National Fire Solutions. He was also a Director on the Australasian Retail Projects Board. Until 2006, Kevin was CEO of Alesco Corporation Limited for 11 years, a company that grew from a market capitalisation of less than \$100 million to almost \$1 billion at the time he left. Prior to that, he was CEO of Hudaco Industries Limited, a publicly listed manufacturer and distributor of branded industrial products servicing the industrial and mining sectors in South Africa.

Special responsibilities

Kevin is a Member of the Remuneration and Nomination Committee.

*The Directors of the Company (other than Mr Clarke) unanimously recommend that shareholders vote in favour of this resolution.*

**Item 4: Increase Cap on Non Executive Directors' Fees**

In accordance with Listing Rule 10.17, the limit on total aggregate remuneration that may be paid to non-executive directors is fixed by ordinary resolution of a general meeting of shareholders of the Company. The current limit of \$500,000 per annum was determined prior to the Company's listing on ASX in December 2007, is set out in rule 11.3(a) of the Company's constitution and was disclosed in the prospectus dated 12 November 2007 ("IPO Prospectus") issued by the Company in connection with the initial public offering of its shares. This amount includes superannuation and fees paid to those directors of the Company in their capacity as members of Board committees and directors of subsidiary company boards.

As set out at page 33 of the 2010 Annual Report, in the year ended 30 June 2010 a total of \$444,617 was paid to the non-executive directors. The Board wishes to increase the maximum amount of fees that may be paid each year to non-executive directors by \$250,000 from \$500,000 to \$750,000. \$750,000 will also be the new amount fixed for the purposes of rule 11.3(a) of the Company's constitution. Under the Listing Rules the total amount of directors' fees includes superannuation contributions made by the Company or any of its child entities for the benefit of non-executive directors and any fees which a non-executive director agrees to sacrifice on a pre-tax basis. Under the Company's constitution certain insurance premiums paid by the Company for a non-executive director are excluded.

At the time that the previous limit was determined, the Company did not have an independent Chairman or a majority of independent non-executive directors. When it listed on ASX, the Company had only four directors, two of which were non-executive. The Company disclosed in the IPO Prospectus its intention to identify and appoint additional non-executive directors, which it has since done.



Assuming that the resolutions in Item 3 of the Notice of Annual General Meeting are passed, the Company will have five directors, four of which are non-executive, including the Chairman who is independent. The Board has been expanded to achieve a level of depth and breadth of skills and experience which is appropriate for a listed entity such as the Company. The proportion of non-executive directors on the Board has been increased to satisfy representations made to investors in the IPO Prospectus and to comply with ASX corporate governance requirements.

The regulatory environment for non-executive directors continues to change in a way which excludes more and more individuals from the pool of people who are both qualified and willing to act in the role. Simultaneously, the corporate governance environment for listed companies has evolved rapidly in recent years in a way which creates greater demand for non-executive directors. These market forces have generally increased the cost of attracting and retaining suitable non-executive directors.

In addition, the Global Financial Crisis has affected the financial services industry and the Company in a way which makes a seat on the Company's Board relatively less appealing in 2010 than it was in 2007. This too has an impact on the cost of attracting and retaining suitable non-executive directors.

As a result of the above factors, the cap on non-executive directors' fees set in 2007 is no longer appropriate for the Company in 2010.

*Given the interest in this matter by each non-executive director, the Directors of the Company make no recommendation on this resolution.*

Dated: 17 September 2010.

**FOR ALL ENQUIRIES CALL:**  
(within Australia) 1300 737 760 (outside Australia)  
+61 2 9290 9600

**FACSIMILE**  
+61 2 9290 9655

## Name and Address

**ALL CORRESPONDENCE TO:**  
Registries Limited  
GPO Box 3993  
Sydney NSW 2001  
Australia

**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 on the form. Securityholders sponsored by a broker should advise your broker of any changes. **Please note, you cannot change ownership of your securities using this form.**

## YOUR VOTE IS IMPORTANT

FOR YOUR VOTE TO BE EFFECTIVE IT MUST BE RECORDED BEFORE 9:00AM ON SUNDAY, 24 OCTOBER 2010

## TO VOTE ONLINE

Reference Number: <HIN/SRN>



**STEP 1 : VISIT** [www.registries.com.au/vote/austockagm2010](http://www.registries.com.au/vote/austockagm2010)

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

**STEP 3: Enter your Reference Number and VAC: <VAC NUMBER>**

## TO VOTE BY COMPLETING THE PROXY FORM

### STEP 1 Appointment of Proxy

Indicate here 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.

#### 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.

#### Appointment of a Second Proxy

You are entitled to appoint up to two 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 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

You can tell your Proxy how to vote

To direct your proxy how to vote, place a mark in one of the boxes opposite each item of business. All your securities will be voted in accordance with such a direction unless you indicate only a portion of voting rights are to be voted on any item by inserting the percentage or number of securities you wish to vote in the appropriate box or boxes. If you do not mark any of the boxes on a given item, 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.

### 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 must 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 must be signed by that person. **Please indicate the office held by signing in the appropriate place.**

### STEP 4 Lodgement of a Proxy

This Proxy Form (and any Power of Attorney under which it is signed) must be received at an address given below not later than 48 hours before the commencement of the meeting at **9:00am on Sunday, 24 October 2010**. Any Proxy Form received after that time will not be valid for the scheduled meeting.

**Proxies may be lodged using the reply paid envelope or:**

**BY MAIL -** Share Registry – Registries Limited, GPO Box 3993, Sydney NSW 2001 Australia

**BY FAX -** + 61 2 9290 9655

**IN PERSON -** Share Registry – Registries Limited, Level 7, 207 Kent Street, Sydney NSW 2000 Australia

**Vote online at:**

**[www.registries.com.au/vote/austockagm2010](http://www.registries.com.au/vote/austockagm2010)**  
**or turnover to complete the Form →**

### Attending the Meeting

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

# Austock Group Limited

<Co Name>  
 <Address 1>  
 <Address 2>  
 <Address 3>  
 <Address 4>  
 <Address 5>

<BARCODE>

## STEP 1 - Appointment of Proxy

I/We being a member/s of **Austock Group Limited** and entitled to attend and vote hereby appoint

the Chairman of the Meeting (mark with an 'X')
 OR

If you are not appointing the Chairman of the Meeting as your proxy please write here the full name of the individual or body corporate (excluding the registered Securityholder) you are appointing as your proxy.

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 Company Limited to be held at Level 12, 15 William Street, Melbourne VIC 3000 on Tuesday, 26 October 2010 at 9:00am** 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.

If the Chairman 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 in respect of a resolution, please mark this box. By marking this box, you acknowledge that the Chairman of the Meeting may vote as your proxy even if he has an interest in the outcome of the resolution and 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 Chairman of the Meeting will not cast your votes on the resolution and your votes will not be counted in calculating the required majority if a poll is called. The Chair intends to vote all undirected proxies in favour of the resolution.

## STEP 2 - Voting directions to your Proxy – please mark to indicate your directions

Ordinary Business		For	Against	Abstain*
Item 1	Financial Reports	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Item 2	Adoption of Remuneration Report	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Item 3	Election of Directors			
3.1	Re-election of Mr Steven Gregg as a director	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
3.2	Re-election of Mr Kevin Franklin Clarke as a director	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Item 4	Increase Cap on Non Executive Directors' Fees	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

In addition to the intentions advised above. The Chairman of the Meeting intends to vote undirected proxies in favour of each of the items of business.  
 \*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 - PLEASE SIGN HERE This section *must* be signed in accordance with the instructions overleaf to enable your directions to be implemented.

Individual or Securityholder 1	Securityholder 2	Securityholder 3
Sole Director and Sole Company Secretary	Director	Director/Company Secretary

Contact Name ..... Contact Daytime Telephone ..... Date / / 2010