



# MIKOH Corporation Limited

ACN 003 218 862

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## NOTICE OF ANNUAL GENERAL MEETING

### EXPLANATORY MEMORANDUM

### PROXY FORM

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#### **Date of Meeting**

Monday 29 November 2010

#### **Time of Meeting**

2.30 p.m. (Sydney time)

#### **Place of Meeting**

Union, University and Schools Club of Sydney  
25 Bent Street,  
SYDNEY NSW 2000

# **NOTICE OF 2010 ANNUAL GENERAL MEETING**

## **MIKOH CORPORATION LIMITED ACN 003 218 862**

**NOTICE IS HEREBY GIVEN** that the 2010 Annual General Meeting of the members of **MIKOH Corporation Limited** (“the Company”) will be held at the Union, University and Schools Club of Sydney, 25 Bent Street, Sydney, at **2.30 p.m. (Sydney time) on Monday 29 November 2010.**

### **BUSINESS:**

#### **To receive the accounts**

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

### **ORDINARY RESOLUTIONS:**

#### **1. Resolution 1: Adoption of Remuneration Report:**

To adopt the Remuneration Report for the year ended 31 March 2010.

**Note:** The vote on this Resolution is advisory only and does not bind the Directors or the Company.

#### **2. Resolution 2: To re-elect a Director – Dr John Keniry**

To consider and, if thought fit, to pass, with or without amendment, the following as an ordinary resolution:

*“That, for the purpose of clause 6 of the Constitution and for all other purposes, Dr John Keniry, a Director who retires by rotation, and being eligible, is re-elected as a Director.”*

### **SPECIAL BUSINESS:**

To consider, and if thought fit, pass, with or without amendment, the following resolutions as ordinary resolutions:

#### **Ratification of Share Placements:**

#### **3. Resolution 3: Ratification of Share Placement**

*“That for the purposes of Listing Rule 7.4 and for all other purposes, approval is given for the ratification of the prior issue of 104,050 fully paid ordinary shares issued to the Company’s former Chief Financial Officer, Ian Clark, for the purposes of a sign-on fee, at an issue price of \$0.1039 per share as announced to the ASX on 24 December 2009”.*

Voting Exclusion Statement:

*The Company will disregard any votes cast on Resolution 3 by Ian Clark, and by an associate of Ian Clark, excluded from voting as provided for in Australian Securities Exchange Listing Rule 14.11.*

*However, the Company need not disregard a vote if:*

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

**4. Resolution 4:                    Ratification of Share Placement**

*“That for the purposes of Listing Rule 7.4 and for all other purposes, approval is given for the ratification of the prior issue of 200,000 fully paid ordinary shares issued to the Company’s former Chief Financial Officer, Ian Clark, for the purposes of the initial share component of his base salary, at an issue price of \$0.1011 per share as announced to the ASX on 24 December 2009”.*

Voting Exclusion Statement:

*The Company will disregard any votes cast on Resolution 4 by Ian Clark, and by an associate of Ian Clark, excluded from voting as provided for in Australian Securities Exchange Listing Rule 14.11.*

*However, the Company need not disregard a vote if:*

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

**5. Resolution 5:                    Ratification of Share Placement**

*“That for the purposes of Listing Rule 7.4 and for all other purposes, approval is given for the ratification of the prior issue of 1,000,000 fully paid ordinary shares issued to the Company’s Transition Chief Executive Officer, Paul Scully-Power, as a sign on fee at an issue price of \$0.05 per share as announced to the ASX on 17 March 2010”.*

Voting Exclusion Statement:

*The Company will disregard any votes cast on Resolution 5 by Paul Scully-Power, and by an associate of Paul Scully-Power, excluded from voting as provided for in Australian Securities Exchange Listing Rule 14.11.*

*However, the Company need not disregard a vote if:*

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

**6. Resolution 6:                    Ratification of Share Placement**

*“That for the purposes of Listing Rule 7.4 and for all other purposes, approval is given for the ratification of the prior issue of 1,000,000 fully paid ordinary shares issued to the Company’s Transition Chief Executive Officer, Paul Scully-Power, as a contract based incentive at an issue price of \$0.05 per share as announced to the ASX on 17 March 2010”.*

*Voting Exclusion Statement:*

*The Company will disregard any votes cast on Resolution 6 by Paul Scully-Power, and by an associate of Paul Scully-Power, excluded from voting as provided for in Australian Securities Exchange Listing Rule 14.11.*

*However, the Company need not disregard a vote if:*

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

**7. Resolution 7:                    Ratification of Share Placement**

*“That for the purposes of Listing Rule 7.4 and for all other purposes, approval is given for the ratification of the prior issue of 2,218,185 fully paid ordinary shares issued to Somapa Information Technology Company Limited at an issue price of \$0.05 per share as announced to the ASX on 17 March 2010”.*

*Voting Exclusion Statement:*

*The Company will disregard any votes cast on Resolution 7 by Somapa Information Technology Company Limited, and by an associate of Somapa Information Technology Company Limited, excluded from voting as provided for in Australian Securities Exchange Listing Rule 14.11.*

*However, the Company need not disregard a vote if:*

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

**8. Resolution 8:           Ratification of Share Placement**

*“That for the purposes of Listing Rule 7.4 and for all other purposes, approval is given for the ratification of the prior issue of 5,997,334 fully paid ordinary shares issued to various parties introduced through Hanumans Private Wealth as the first tranche of shares pursuant to the Company’s \$1.4m underwritten share placement, for the purposes of working capital, at an issue price of \$0.075 per share as announced to the ASX on 31 May 2010”.*

**9. Resolution 9:           Ratification of Share Placement**

*“That for the purposes of Listing Rule 7.4 and for all other purposes, approval is given for the ratification of the prior issue of 9,260,001 fully paid ordinary shares issued to various parties introduced through Hanumans Private Wealth as the second tranche of shares pursuant to the Company’s \$1.4m underwritten share placement, for the purposes of working capital, at an issue price of \$0.075 per share as announced to the ASX on 6 July 2010”.*

**10. Resolution 10:       Ratification of Share Placement**

*“That for the purposes of Listing Rule 7.4 and for all other purposes, approval is given for the ratification of the prior issue of 4,000,000 fully paid ordinary shares issued to various parties introduced through Hanumans Private Wealth as the third tranche of shares pursuant to the Company’s \$1.4m underwritten share placement, for the purposes of working capital, at an issue price of \$0.075 per share as announced to the ASX on 19 July 2010”.*

Voting Exclusion Statement:

*The Company will disregard any votes cast on Resolution 8 to 10 by the various parties introduced by Hanumans Private Wealth, and by an associate of the various parties introduced by Hanumans Private Wealth, excluded from voting as provided for in Australian Securities Exchange Listing Rule 14.11.*

*However, the Company need not disregard a vote if:*

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

**11. Resolution 11:       Ratification of Share Placement**

*“That for the purposes of Listing Rule 7.4 and for all other purposes, approval is given for the ratification of the prior issue of 259,267 fully paid ordinary shares issued to two of the Company’s consultants in lieu of fees, being 28,350 to the Company Secretary, Justin Clyne, and 230,917 to a consultant, Marcus Zeltzer, for the months of June, July and August 2010 at an 8% discount to the monthly VWAP for each respective month as announced to the ASX on 17 September 2010”.*

Note:

Marcus Zeltzer's 230,917 shares were issued as follows:

76,080 shares were issued at a price of \$0.067 for services provided in June 2010, 73,440 shares were issued at a price of \$0.0681 for services provided in July 2010 and 81,397 shares were issued at a price of \$0.064 for services provided in August 2010.

Justin Clyne's 28,350 shares were issued at a price of \$0.064 for services provided in August 2010.

Voting Exclusion Statement:

The Company will disregard any votes cast on Resolution 11 by Justin Clyne or Marcus Zeltzer, and by an associate of Justin Clyne and Marcus Zeltzer, excluded from voting as provided for in Australian Securities Exchange Listing Rule 14.11.

However, the Company need not disregard a vote if:

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

**Issue of Shares to Directors in Lieu of Directors' Fees:**

**12. Resolution 12: Grant of Shares to Mr Peter Tyree, Chairman – Director's Fees**

*"Subject to shareholder approval, that the Chairman, Mr Peter Tyree, be issued and allotted 4,500,000 shares in the Company for nil consideration as director's fees for the fifteen month period from 1 July 2009 to 30 September 2010."*

**13. Resolution 13: Grant of Shares to Mr Riad Tayeh, Director – Director's Fees**

*"Subject to shareholder approval, that the Non-Executive Director, Mr Riad Tayeh, be issued and allotted 1,000,000 shares in the Company for nil consideration as director's fees for the twelve month period from 1 July 2009 to 30 September 2010."*

**14. Resolution 14: Grant of Shares to Dr John Keniry, Director – Director's Fees**

*"Subject to shareholder approval, that the Non-Executive Director, Mr John Keniry, be issued and allotted 1,000,000 shares in the Company for nil consideration as director's fees for the twelve month period from 1 July 2009 to 30 September 2010."*

Note:

Shares approved under Resolutions 12 to 14 will be issued within one month of the meeting i.e. prior to 23 December 2010

Voting Exclusion Statement:

*The Company will disregard any votes cast on Ordinary Resolutions 12 to 14 by any Director and by an associate of any Director excluded from voting as provided for in Australian Securities Exchange Listing Rules 10.11 and 14.11.*

*However, the Company need not disregard a vote if:*

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

**OTHER BUSINESS:**

15. To transact any other business which may be brought forward in accordance with the Company's Constitution.

Further information in relation to these resolutions is set out in the Explanatory Notes below.

**PROXIES**

To be effective, the proxy form and the power of attorney or other authority (if any) under which each is signed (or a copy of that power or authority certified in a manner acceptable to the Directors of the Company) must be received not later than **2.30 p.m. on Sunday 28 November 2010**, or to any adjourned meeting, by the Company at:

**Computershare Investor Services:**

***By Mail or Hand Delivery:***

GPO Box 242  
MELBOURNE VIC 3001  
Level 4, 60 Carrington Street,  
SYDNEY NSW 2000

***By Facsimile:***

+61 3 9473 2555

A member entitled to attend and vote is entitled to appoint not more than two persons as his/her proxy to attend and vote instead of the member. A proxy need not be a member of the Company. If more than one proxy is appointed, each proxy must be appointed to represent a specified proportion of the member's voting rights. Unless under Power of Attorney (which should have been noted by the Company) a proxy form by a corporation should be executed under its common seal or in accordance with the *Corporations Act*.

**Dated: 22 October 2010**

**By order of the Board  
MIKOH Corporation Limited**

A handwritten signature in black ink, reading "Justin Clyne". The signature is written in a cursive style with a large, sweeping initial 'J' and a long, trailing flourish at the end.

**Justin B Clyne  
Company Secretary**

## NOTES:

### 1. **Explanatory Memorandum**

The Explanatory Memorandum accompanying this Notice of Annual General Meeting is incorporated in and comprises part of this Notice of Annual General Meeting, and should be read in conjunction with this Notice of Annual General Meeting.

Shareholders are specifically referred to the Glossary in the Explanatory Memorandum which contains definitions of capitalised terms used both in this Notice of Annual General Meeting and the Explanatory Notes.

### 2. **Voting Exclusions**

In accordance with section 224 of the Corporations Act, a vote in respect of each of resolutions 12 to 14 will be disregarded by the Company if it is cast by or on behalf of a person who is named in the relevant resolution or an associate of that named person.

However the Company need not disregard a vote if:

- (a) it is cast by a person as proxy for a person who is entitled to vote, in accordance with the directions on the relevant proxy form; and
- (b) it is cast by 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.

### 3. **'Snap Shot' Time**

The Company may specify a time, not more than 48 hours before the Meeting, at which a 'snap-shot' of shareholders will be taken for the purposes of determining shareholder entitlements to vote at the Meeting.

The Company (as convenor of the Meeting) has determined that a person's entitlement to vote at the Meeting will be the entitlement of that person set out in the register of members as at **2.30 p.m. (Sydney time) on Saturday 27 November 2010**.

This means that any Shareholder registered at **2.30 p.m. (Sydney time) on Saturday 27 November 2010** is entitled to attend and vote at the Meeting.

4. **Proxies**

A shareholder entitled to attend this Meeting and vote is entitled to appoint a proxy to attend and vote for the shareholder at the Meeting. A proxy need not be a shareholder. If the shareholder is entitled to cast two or more votes at the Meeting the shareholder may appoint two proxies and may specify the proportion or number of votes which each proxy is appointed to exercise. A form of proxy accompanies this Notice.

5. **Corporate Representative**

Any corporate shareholder who has appointed a person to act as its corporate representative at the Meeting should provide that person with a certificate or letter executed in accordance with the Corporations Act authorising him or her to act as that company's representative. The authority must be sent to the Company and/or registry at least 24 hours in advance of the Meeting.

## **EXPLANATORY MEMORANDUM**

This Explanatory Memorandum forms part of the Notice convening the Annual General Meeting of shareholders of MIKOH Corporation Limited to be held on **Monday 29 November 2010**. This Explanatory Memorandum is to assist shareholders in understanding the background to, and the legal and other implications of, the Notice and the reasons for the resolutions proposed. Both documents should be read in their entirety and in conjunction with each other. All the resolutions are ordinary resolutions. They are separate resolutions and in no way dependent on each other.

### **BUSINESS**

The following items of ordinary business will be considered at the meeting.

#### **FINANCIAL REPORT**

This item of business relates to the receipt and adoption of the Company's Financial Report for the period ended 30 June 2010 and to the receipt of the Directors' and Auditor's Reports. No resolution is required in respect of the reports.

### **ORDINARY BUSINESS**

#### **RESOLUTION 1**

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

The Corporations Act requires that a resolution be put to the members to adopt the remuneration report as disclosed in the Director's Report. The vote on this resolution is advisory only and non-binding. The resolution gives the members the opportunity to ask questions or make comments concerning the remuneration report during the meeting.

#### **RESOLUTION 2**

##### **TO RE-ELECT A DIRECTOR – DR JOHN KENIRY**

Dr Keniry retires as a Director pursuant to the Company's Constitution and, being eligible, offers himself for re-election. He was appointed a Non-Executive Director of the Company on 11 March 1994. Dr Keniry has extensive experience in business and presently holds a number of directorships in both public and private sector companies. He is a former member of the Australian Government's Industrial Research and Development Board, former President of the Australian Chamber of Commerce and Industry, and a former member of the Prime Minister's Science, Engineering and Innovation Council.

## **SPECIAL BUSINESS**

### **RESOLUTIONS 3- 11**

#### **RATIFICATION OF SHARE PLACEMENTS**

Under the 15% Rule a company may, within a 12 month period, issue new ordinary securities which amount up to 15% of the company's issued ordinary securities without the need for shareholder approval. By obtaining ratification by Shareholders under Listing Rule 7.4 to the issue of the securities to parties under these Resolutions, the Company will refresh and expand the Company's capacity under Listing Rule 7.1 to make future issues of equity securities up to the 15% threshold.

During the past twelve months the Company has issued securities by way of placements to sophisticated and institutional investors, staff and consultants. The shares were issued at various prices as contained in the resolutions and on the same terms and conditions as all other ordinary shares on issue within the Company. The Company seeks to ratify these placements pursuant to Listing Rule 7.4 so that it has the capacity to make further placements to raise additional funds for the company at any time after the close of the AGM without seeking further shareholder approval.

Resolutions 5 & 6 relate to shares issued to the Transition CEO, Mr Paul Scully-Power, pursuant to his contract dated 21 July 2010. Under that contract Mr Scully-Power received 1,000,000 shares as a sign on fee at a deemed issue price of \$0.05 per share. He then received a further 500,000 shares upon attaining the first milestone under his contract at a deemed issue price of \$0.05 following the Company entering into a written product supply agreement in Thailand. The remaining 500,000 shares issued at a deemed price of \$0.05 are held in escrow pending the attainment of additional milestones relating to various aspects of the business including Thailand, the implementation and development of a business plan, core business operating cash flow and product supply for different products in different countries.

Resolution 7 relates to the issue of shares to Somapa Information Technology under the Thailand Co-operation agreement and are held in escrow until 17 March 2011.

Resolutions 8, 9 and 10 relate to the fully underwritten placement to sophisticated and institutional investors in 3 tranches. No directors or their associates participated in this placement and, accordingly, there is no voting exclusion notice for these resolutions as directors or their associates are not prohibited from voting on these resolutions.

### **RESOLUTIONS 12 TO 14**

#### **ISSUE OF SHARES TO DIRECTORS IN LIEU OF FEES FOR THE TWELVE MONTH PERIOD 1 JULY 2009 TO 30 JUNE 2010**

Resolutions 12 to 14 are to consider the issue of Shares to Directors as payment for Directors' fees for the fifteen month period from 1 July 2009 to 30 September 2010.

The current Non-Executive Directors Peter Tyree (Chairman), Riad Tayeh and John Keniry are entitled, subject to shareholder approval, to receive Directors Fees each year. In the case of Mr Tyree the fee entitlement is \$60,000 per annum, and for Mr Tayeh and Mr Keniry the entitlement is \$40,000 per annum.

The Directors believe in the prospects of the Company and, in order to preserve the Company's cash position and to ensure the maximum amount of cash is put into operational matters as opposed to remunerating Board members, the Directors believe it is proper to receive their fees in shares in the Company in lieu of cash.

In the event that approval is not given by shareholders to resolutions 12, 13 and 14 then the Company proposes to pay each Director the equivalent value of those shares in cash in respect of their past services from 1 July 2009 to 30 September 2010 under the cap already in place for the payment to non-executive directors of the Company.

With respect to the Chairman, Mr Peter Tyree, who was granted 4,000,000 shares in the Company following approval by shareholders at the Company's 2009 AGM, the independent directors are of the view that the grant of 4,500,000 shares to the Chairman at the 2010 AGM at almost 20% above the closing price of 7 October 2010 is appropriate in the circumstances.

Since Mr Tyree's appointment he has made three overseas trips on behalf of the Company and undertaken work outside that contemplated by the independent Board upon his appointment and also at the time of the 2009 AGM. Much of Mr Tyree's work has been operational in nature for which Mr Tyree has not received payment and for which the Company would otherwise have had to engage external consultants at significant costs thus placing an additional burden on the Company's cash reserves.

The independent Board believes that in order to reward the Chairman appropriately for his efforts and to ensure he is properly incentivised that shareholders vote in favour of resolution 12.

The Board has resolved to use a share price of \$0.05 per share which is above the closing share price of \$0.042 per share on 7 October 2010, the day prior to the approval of this Notice of Meeting. Mr Tyree is entitled to receive \$60,000 per annum which is \$75,000 for the 15 month period which equates to 1,500,000 shares, without recognising the significant additional work he has undertaken on behalf of the Company, and Mr Tayeh and Mr Keniry are entitled to receive \$40,000 per annum which is \$50,000 for the 15 month period and equates to 1,000,000 shares each.

Shares approved under Resolutions 12 to 14 will be issued within one month of the meeting i.e. prior to 23 December 2010 and no funds will be received from the issue of the Shares. Approval for the issue of the Shares in Resolutions 12 to 14 is being sought pursuant to ASX Listing Rule 10.11 and the number of Shares issued under these Resolutions is not to be taken into account for the purposes of any issue pursuant to ASX Listing Rule 7.1. As provided in Exception 14 to Listing Rule 7.2, if approval is given under Listing Rule 10.11 approval is not required under Listing Rule 7.1

## GLOSSARY

“**AGM**” means the Annual General Meeting of the Company

“**ASX**” means ASX Limited ACN 008 624 691.

“**ASX Listing Rules**” means the official listing rules of the ASX.

“**Board**” means the board of directors of the Company.

“**Company**” or “**Mikoh Corporation Limited**” means Mikoh Corporation Limited ACN 003 218 862.

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

“**Directors**” means the directors of the Company.

“**EM**” means the Explanatory Memorandum annexed to and forming part of the Notice of Annual General Meeting.

“**Meeting**” means the meeting of shareholders of the Company convened by the Notice.

“**Notice**” means the notice of meeting to which this Explanatory Memorandum is attached.

“**Shares**” means fully paid ordinary shares in the capital of the Company.

“**VWAP**” means Volume Weighted Average Price