



HFA HOLDINGS LIMITED
ABN 47 101 585 737

Notice of 2010 Annual General Meeting
and
Explanatory Memorandum

**THIS DOCUMENT IS AN IMPORTANT DOCUMENT. IF YOU ARE IN ANY DOUBT AS TO HOW TO ACT,
YOU SHOULD CONSULT YOUR FINANCIAL OR LEGAL ADVISER AS SOON AS POSSIBLE.**

Notice of Annual General Meeting

Notice is given that the 2010 Annual General Meeting of HFA Holdings Limited ABN 47 101 585 737 (**Company**) will be held at:

Time: 11.00am (Sydney time)

Date: Tuesday, 30 November 2010

Venue: Hilton Hotel, Meeting Room 2, Level 2, 488 George St, Sydney NSW 2000

BUSINESS OF THE MEETING

1. Financial and other 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.

2. Election of Directors

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

- (a) *"That Mr Michael Shepherd who retires in accordance with clause 8.1(c) of the constitution of the Company and, being eligible, offers himself for election, be elected as a director of the Company"*
- (b) *"That Mr John Larum who retires by rotation in accordance with clause 8.1(d) of the constitution of the Company and, being eligible, offers himself for re-election, be re-elected as a director of the Company"*
- (c) *"That Mr F.P. (Andy) Esteban who retires by rotation in accordance with clause 8.1(d) of the constitution of the Company and, being eligible, offers himself for re-election, be re-elected as a director of the Company"*

3. Remuneration Report (Non-binding advisory vote)

To consider the Remuneration Report for the financial year ended 30 June 2010 as it appears on pages 13 to 19, inclusive, of the Directors' Report, and if thought fit, pass the following non-binding advisory resolution as an Ordinary Resolution in accordance with section 250R of the Corporations Act 2001 (Cth):

"That the Remuneration Report as it appears on pages 13 to 19 inclusive of the Directors' Report for the financial year ended 30 June 2010 be adopted."

4. Issue of performance rights to Mr Spencer Young, Chairman and Chief Executive Officer or his nominee

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

"That in accordance with ASX Listing Rule 10.14 and for all other purposes, the Company be authorised to issue to Mr Spencer Young, Chairman and Chief Executive Officer or his nominee, up to a maximum of 15,875,740 performance rights under the HFA Holdings Limited 2008 Employee Performance Rights Plan, on the terms described in the Explanatory Memorandum which forms part of this Notice of Meeting."

VOTING EXCLUSION

In accordance with ASX Listing Rule 14.11, the Company will disregard any votes cast on Resolution 4 by Mr Spencer Young and his associates or any other Director of the Company who is eligible to participate in any employee incentive scheme in relation to the Company and their associates.

However, the Company will 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. Approval of potential termination benefits for Mr Spencer Young, Chairman and Chief Executive Officer

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

"That for the purposes of section 200B and section 200E of the Corporations Act 2001 (Cth), the Company is authorised to give Mr Spencer Young, Chairman and Chief Executive Officer of the Company, the benefits which may be given in connection with him ceasing to hold a managerial or executive office in the Company or a related body corporate, on the terms described in the Explanatory Memorandum which forms part of this Notice of Meeting."

VOTING EXCLUSION

In accordance with section 200E of the Corporations Act 2001 (Cth), the Company will disregard any votes cast on Resolution 5 by Mr Spencer Young and his associates.

However, the Company will not disregard a vote if it is cast by a person as proxy appointed by writing that specifies how the proxy is to vote on the resolution, and it is not cast on behalf of Mr Spencer Young or his associates.

Explanatory Memorandum

Accompanying this notice is an Explanatory Memorandum that provides shareholders with background information and further details on the resolutions to be considered at the meeting. The information provided is intended to assist shareholders in understanding the reasons for, and effect of, the resolutions. Terms defined in the Explanatory Memorandum and used in this Notice of Meeting bear the same meaning as in the Explanatory Memorandum.

A Proxy Form accompanies this Notice of Meeting.

By order of the Board

29 October 2010



Jo Hill
Company Secretary

Explanatory Memorandum

This Explanatory Memorandum provides shareholders with important information regarding the resolutions to be considered at the meeting. The information provided is intended to assist shareholders in understanding the reasons for, and effect of, the resolutions. If you are in any doubt as to how to act, you should consult your financial or legal adviser as soon as possible.

ITEM 1 - FINANCIAL AND OTHER REPORTS

As required by section 317 of the Corporations Act 2001 (Cth), the following reports for the financial year ended 30 June 2010 will be laid before the Annual General Meeting:

- the Financial Report;
- the Directors' Report; and
- the Auditors' Report.

There is no requirement either in the Corporations Act 2001 (Cth) or the Constitution for the shareholders to vote to approve the Financial Report, the Directors' Report (other than a non-binding vote on the Remuneration Report) or the Auditor's Report. However, shareholders will be given the opportunity to ask questions about the reports.

The Company's auditor will be available at the meeting to answer any questions in relation 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 – ELECTION OF DIRECTORS

The Board selects directors for their knowledge, experience in industries in which the Company operates and their individual contribution to the Board's ability to function efficiently, effectively and with integrity.

Mr Michael Shepherd is retiring this Annual General Meeting in accordance with rule 8.1(c) of the Company's constitution which provides that a director of the Company that has been appointed by the other directors of the Company holds office only until the conclusion of the next Annual General Meeting of the Company following his or her appointment.

Each of Mr John Larum and Mr F P (Andy) Esteban are retiring at this Annual General Meeting in accordance with rule 8.1(d) of the Company's constitution which provides that at the Annual General Meeting of the Company, depending on the circumstances, one third, or at least 2, of the directors must retire from office. Each of Mr Michael Shepherd, Mr John Larum and Mr F P (Andy) Esteban offer themselves for election at the Annual General Meeting as directors of the Company. Biographies are set out below.

Mr Michael Shepherd (Independent Non-Executive Director)

Appointed director 16 December 2009

Michael has extensive experience in financial markets and the financial services industry having held a range of senior positions including Vice Chairman of ASX Limited, Chairman of the ASX Market Rules Committee, and Directorships with Australian Clearing House Pty Ltd, SFE Corporation Limited, SFE Clearing Corporation Pty Ltd and Austraclear Limited.

Currently, Michael is Chairman of the Shepherd Centre and is an independent Compliance Committee Member for UBS Global Asset Management (Australia) Limited. Michael is also a Senior Fellow (SF Fin), Life Member and past President of the Financial Services Institute of Australasia and a Member of the Australian Institute of Company Directors (MAICD).

Mr John Larum (Independent Non-Executive Director)

B.Com (UNSW)

Appointed director 12 December 2008

John has extensive experience in the financial services industry having held a range of senior positions including, President of China Business for UBS Global Asset Management, Chief Executive Officer of UBS Global Asset Management (Australia), and Chief Economist for UBS Warburg (Australia). Prior to joining UBS, he spent more than a decade with the Federal Treasury in Canberra, where he rose to the position of Assistant Secretary, Domestic Economy Branch, Economic Division. John holds a Bachelor of Commerce (Econometrics) from the University of New South Wales and a Master of Economics from the Australian National University.

Mr F P (Andy) Esteban (Independent Non-Executive Director)

B.Bus ASA MAICD METI

Appointed director 18 June 2008

Andy holds a Bachelor of Business majoring in Accounting. He is an Associate of the Australian Society of CPA's and a member of the Australian Institute of Company Directors. He has 30 years experience in the financial services industry, of which 21 years were with Perpetual Trustees Australia Ltd.

In December 1999 he established FP Esteban and Associates, a private business specialising in implementing and monitoring risk management and compliance frameworks in the financial services industry. He has provided compliance consulting services to a number of organisations including UBS Global Asset Management for their funds management operations in Australia and South East Asia operations located in Hong Kong, Singapore, Taiwan and China, and was appointed an Independent Director of three UBS Global Asset Management hedge fund companies based in Hong Kong. From July 2005 until June 2008 he was also an independent director of Credit Suisse Asset Management (Australia) Ltd. He is currently a member of compliance committees and risk and audit committees for a range of managed investment schemes, superannuation and infrastructure products.

Board recommendation

The Board, with the relevant director abstaining, considers that it is in the best interests of shareholders that each of the above mentioned directors remain on the Board of the Company and recommends that shareholders **vote in favour** of the election of each director.

The Chairman of the Meeting intends to vote undirected proxies in favour of each director's election.

ITEM 3 - REMUNERATION REPORT (NON-BINDING ADVISORY VOTE)

Section 250R of the Corporations Act 2001 (Cth) requires that the Company's shareholders vote on whether or not the Company's Remuneration Report should be adopted. This vote is advisory only and the outcome will not be binding on the directors or the Company. However, the directors will take into account the discussion on this resolution when considering the remuneration arrangements of the Company.

Prior to holding the advisory vote on the Remuneration Report, the Chairman will allow a reasonable opportunity for shareholders to ask questions about or make comments on the Remuneration Report.

The Remuneration Report is set out on pages 13 to 19, inclusive, of the Directors' Report as contained in the Company's Annual Report for the financial year ended 30 June 2010. The Annual Report has been provided to shareholders and is also available from the Company's website (<http://www.hfaholdings.com.au>).

The Remuneration Report:

- includes a discussion of the Board's policies behind, and the structure of, the remuneration arrangements of the Company and the link between the remuneration of employees and the Company's performance; and
- sets out the remuneration arrangements in place for each director and for key members of the senior management team.

Board recommendation

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

ITEM 4 - ISSUE OF PERFORMANCE RIGHTS TO MR SPENCER YOUNG, CHAIRMAN AND CHIEF EXECUTIVE OFFICER OR HIS NOMINEE

Shareholder approval of the issue to Mr Spencer Young or his nominee of performance rights under the HFA Holdings Limited 2008 Employee Performance Rights Plan is sought for all purposes, including under ASX Listing Rule 10.14. Under ASX Listing Rule 10.14, the Company must seek shareholder approval to issue securities to Directors under an employee incentive scheme. The Company has issued performance rights to acquire ordinary shares in the Company to Mr Young, Chairman and Chief Executive Officer or his nominee, subject to shareholder approval.

The proposed issue is made in accordance with the rules of the HFA Holdings Limited 2008 Employee Performance Rights Plan and the specific offer to Mr Young is summarised below. In respect to the Directors of the Company, only the Executive Directors of the Board, being Mr Spencer Young and Mr Sean McGould are eligible to participate in the HFA Holdings Limited 2008 Employee Performance Rights Plan, unless otherwise determined by the Board.

The issue of performance rights to Mr Young as detailed in this Notice of Meeting and Explanatory Memorandum forms, in the opinion of the Board, part of the reasonable remuneration of Mr Young by the Company.

Board recommendation

The Board (with Mr Young abstaining) unanimously recommends that Shareholders **vote in favour** of the issue of performance rights to Mr Young or his nominee.

Specific information which must be provided to shareholders in accordance with ASX Listing Rule 10.15 is set out below.

The following information in relation to the issue of performance rights to Mr Spencer Young, Chairman and Chief Executive Officer or his nominee, must be provided to shareholders in accordance with ASX Listing Rule 10.15.

Type of Securities

Performance rights - a right to acquire per performance right, subject to the fulfilment of the vesting conditions, 1 fully paid ordinary share in HFA Holdings Limited ACN 101 585 737.

Plan

HFA Holdings Limited 2008 Employee Performance Rights Plan

Number of Rights Granted Subject to Shareholder Approval

Retention Incentive Performance Rights (RI Rights):

The number of RI Rights = 4,733,728

Short-term Incentive Performance Rights (SI Rights):

- The number of FY2011 SI Rights = 1,775,148

(Note: A FY2011 short-term cash incentive of 25% x \$400,000 is also payable subject to the satisfaction of the vesting conditions applicable to the FY2011 SI Rights.)

- The maximum number of FY2012 SI Rights = 1,500,000

However, if on 2 July 2011 the number calculated in accordance with the following formula is less than 1,500,000, the FY2012 SI Rights will convert to that lesser number:

$$N = \frac{(75\% \times \$400,000)}{2012 \text{ VWAP}}$$

Where:

N = the number of SI Rights granted

2012 VWAP = the volume weighted average price of the Company's fully paid ordinary shares in the 10 trading day period ending on 1 July 2011

(Note: A FY2012 short-term cash incentive of 25% x \$400,000 is also payable subject to the satisfaction of the vesting conditions applicable to the FY2012 SI Rights.)

- The maximum number of FY2013 SI Rights = 1,500,000

However, if on 2 July 2012 the number calculated in accordance with the following formula is less than 1,500,000, the FY2013 SI Rights will convert to that less number:

$$N = \frac{(75\% \times \$400,000)}{2013 \text{ VWAP}}$$

Where:

N = the number of SI Rights granted

2013 VWAP = the volume weighted average price of the Company's fully paid ordinary shares in the 10 trading day period ending on 1 July 2012

(Note: A FY2013 short-term cash incentive of 25% x \$400,000 is also payable subject to the satisfaction of the vesting conditions applicable to the FY2013 SI Rights.)

SI Rights example (using the FY2012 SI Rights)	
Scenario 1	<p>If for example the 2012 VWAP = .18, then:</p> $N = \frac{(75\% \times \$400,000)}{.18}$ $N = 1,666,667$ <p>Therefore, FY2012 SI Rights = 1,500,000 (being the maximum number of FY2012 SI Rights permitted to be granted)</p>
Scenario 2	<p>If for example the 2012 VWAP = .20, then:</p> $N = \frac{(75\% \times \$400,000)}{.20}$ $N = 1,500,000$ <p>Therefore, FY2012 SI Rights = 1,500,000 (being equal to the maximum number of FY2012 SI Rights to be granted)</p>
Scenario 3	<p>If for example the 2012 VWAP = .22, then:</p> $N = \frac{(75\% \times \$400,000)}{.22}$ $N = 1,363,636$ <p>Therefore, FY2012 SI Rights = 1,363,636 (being less than the maximum number of FY2012 SI Rights to be granted)</p>

Long-term Incentive Performance Rights (EPS Rights and TSR Rights):

The number of FY2010:

- The number of FY2010 EPS Rights = 1,183,432
- The number of FY2010 TSR Rights = 1,183,432

The number of FY2011:

- The maximum number of FY2011 EPS Rights = 1,000,000

However, if on 2 July 2011 the number calculated in accordance with the following formula is less than 1,000,000, the FY2011 EPS Rights will convert to that lesser number:

$$N = \frac{\$200,000}{2011 \text{ VWAP}}$$

Where:

N = the number of FY2011 EPS Rights granted

2011 VWAP = the volume weighted average price of the Company's fully paid ordinary shares in the 10 trading day period ending on 1 July 2011

- The maximum number of FY2011 TSR Rights = 1,000,000

However, if on 2 July 2011 the number calculated in accordance with the following formula is less than 1,000,000, the FY2011 TSR Rights will convert to that lesser number:

$$N = \frac{\$200,000}{2011 \text{ VWAP}}$$

Where:

N = the number of FY2011 TSR Rights granted

2011 VWAP = the volume weighted average price of the Company's fully paid ordinary shares in the 10 trading day period ending on 1 July 2011

The number of FY2012:

- The maximum number of FY2012 EPS Rights = 1,000,000

However, if on 2 July 2012 the number calculated in accordance with the following formula is less than 1,000,000, the FY2012 EPS Rights will convert to that lesser number:

$$N = \frac{\$200,000}{2012 \text{ VWAP}}$$

Where:

N = the number of FY2012 EPS Rights granted to the Participant

2012 VWAP = the volume weighted average price of the Company's fully paid ordinary shares in the 10 trading day period ending on 1 July 2012

- The maximum number of FY2012 TSR Rights = 1,000,000

However, if on 2 July 2012 the number calculated in accordance with the following formula is less than 1,000,000, the FY2012 TSR Rights will convert to that lesser number:

$$N = \frac{\$200,000}{2012 \text{ VWAP}}$$

Where:

N = the number of FY2012 TSR Rights granted to the Participant

2012 VWAP = the volume weighted average price of the Company's fully paid ordinary shares in the 10 trading day period ending on 1 July 2012

EPS Rights and TSR Rights example (using the FY2011 EPS Rights)	
Scenario 1	<p>If for example the 2011 VWAP = .18, then:</p> $N = \frac{\$200,000}{.18}$ $N = 1,111,111$ <p>Therefore, FY2011 EPS Rights = 1,000,000 (being the maximum number of FY2011 EPS Rights permitted to be granted)</p>
Scenario 2	<p>If for example the 2011 VWAP = .20, then:</p> $N = \frac{\$200,000}{.20}$ $N = 1,000,000$ <p>Therefore, FY2011 EPS Rights = 1,000,000 (being equal to the maximum number of FY2011 EPS Rights to be granted)</p>

Scenario 3	<p>If example the 2011 VWAP = .18, then:</p> $N = \frac{\$200,000}{.22}$ $N = 909,091$ <p>Therefore, FY2011 EPS Rights = 909,091 (being less than the maximum number of FY2011 EPS Rights to be granted)</p>
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Amount payable for the Rights

Nil consideration will be sought in relation to the rights granted.

Issue Date of Rights

All rights will be issued within 30 days of the Company's 2010 Annual General Meeting.

Exercise Price of the Rights

Nil.

Term of the Rights

All rights will expire 1 year after their relevant vesting date.

Vesting of Rights

RI Rights:

Subject to the achievement of the performance measure set out below and Mr Young being employed by the Company or its related bodies corporate at the relevant vesting date, the RI Rights will become available for exercise in two tranches:

Vesting Date	Percentage of RI Rights which will vest and can be exercised on or after the relevant vesting date
7 October 2011	50%
7 October 2012	50%

SI Rights:

Subject to the achievement of the relevant performance measures set out below and Mr Young being employed by the Company or its related bodies corporate at the relevant vesting date, the SI Rights will vest and become available for exercise on or after the date that is:

- in respect of FY2011 SI Rights, 12 months;
 - in respect of FY2012 SI Rights, 24 months; and
 - in respect of FY2013 SI Rights, 36 months,
- from the date of the offer.

Short-term Cash Incentive:

In respect of the short-term cash incentives, subject to the vesting of the relevant SI Rights, the short-term cash incentives will be paid within 14 days after:

- in respect of the FY2011 short-term cash incentive, the 12 month anniversary of the date of the offer;
- in respect of the FY2012 short-term cash incentive, the 24 month anniversary of the date of the offer; and
- in respect of the FY2013 short-term cash incentive, the 36 month anniversary of the date of the offer.

EPS Rights and TSR Rights:

Subject to the achievement of the performance measures set out below and Mr Young being employed by, or being an officer of the Company or its related bodies corporate at the relevant vesting date, the EPS Rights and TSR Rights will vest and become available for exercise on or after the date which is:

- in respect of FY2010 EPS Rights and TSR Rights, 36 months;
- in respect of FY2011 EPS Rights and TSR Rights, 48 months; and
- in respect of FY2012 EPS Rights and TSR Rights, 60 months

from the date of the offer.

Performance Measures

RI Rights:

In respect of RI Rights, the Company achieving certain strategic objectives set by the Board within the initial 12 month period after the date of Mr Young's employment contract (see Item 5 of this Explanatory Memorandum for further information with respect to Mr Young's employment contract).

SI Rights:

- In respect of FY2011 SI Rights:
 - the Company achieving the set EBITDA and FUM targets set by the Board for the FY ending 30 June 2011 (and based on audited financial results).
 - the Company achieving or progressing to the satisfaction of the Board in its sole discretion, certain strategic objectives as set by the Board.
- In respect of FY2012 SI Rights:
 - the Company achieving the Board approved targets for EBITDA and Funds Under Management for the FY ending 30 June 2012 (and based on audited financial results). These forecasts will be approved prior to the start of FY2012 on 1 July 2011; and
 - the Company achieving or progressing to the satisfaction of the Board in its sole discretion, those strategic objectives for FY2012 as set by the Board prior to the start of FY2012 on 1 July 2011.
- In respect of FY2013 SI Rights:
 - the Company achieving the Board approved targets for EBITDA and Funds Under Management for the FY ending 30 June 2013 (and based on audited financial results). These forecasts will be approved prior to the start of FY2013 on 1 July 2012; and

- the Company achieving or progressing to the satisfaction of the Board in its sole discretion, those strategic objectives for FY2013 as set by the Board prior to the start of FY2013 on 1 July 2012.

EPS Rights and TSR Rights:

In respect of the EPS Rights, the Company achieving the following Board approved Earnings Per Share absolute compound growth for the period from 1 July 2010 to 30 June 2013 (and based on audited financial statements):

	Earnings Per Share Absolute Compound Growth Target	Percentage of EPS Rights vesting (%)
Hurdle 1	(Board to approve)% growth	50%
Hurdle 2	(Board to approve)% growth	75%
Hurdle 3	(Board to approve)% growth	100%

The Earnings Per Share absolute compound growth targets were not set at the time of the offer as the Board required more time to consider the Company's financial forecasts and appropriately set the targets.

Where the Earnings Per Share absolute compound growth calculation exceeds a target listed above but is less than the next target, the proportion of EPS Rights which vest will be increased on a pro rata basis, provided that the maximum proportion of EPS Rights which can vest is 100%.

The Board will set the Earnings Per Share absolute compound growth targets within 3 months of the date of the specific offer to Mr Young.

In respect of TSR Rights, the Company achieving a Total Shareholder Return ranking relative to the ASX 200 Accumulation Index for the period from 1 July 2010 to 30 June 2013 (and based on audited financial results) as follows:

Total Shareholder Return Ranking	Percentage of TSR Rights vesting (%)
Top 50th percentile	50%
Top 75th percentile	75%
Top 90th percentile	100%

Where the Total Shareholder Return ranking exceeds a target listed above but is less than the next target, the proportion of TSR Rights which vest will be increased on a pro rata basis taking into account the applicable lower and upper percentage amounts, provided that the maximum proportion of TSR Rights which can vest is 100%.

Total Shareholder Return (TSR)

TSR is the total return on shares to investors calculated as income and capital gain over the period commencing on the first day of a financial year and ending on the final day of that financial year.

For the purpose of calculating the Company's Total Shareholder Return performance, TSR will be calculated on the basis of a fully diluted Company share price on a converted basis and any Company share price component in the Total Shareholder Return as at 30 June 2013 will be calculated as the volume weighted average price of the Company's shares in the 10 trading day period ending on 30 June 2013.

Earnings Per Share (EPS)

EPS is the amount calculated by using the method for calculating basic earnings per share in accordance with Accounting Standard AASB 133 Earnings Per Share.

For the purposes of calculating the Company's Earnings Per Share absolute compound growth, EPS will be calculated on the basis of a fully diluted Company share price.

Performance Measurement Period

- 12 months for SI Rights.
- 36 months for ESP Rights and TSR Rights.

Dealing Restrictions

Rights may not be sold. After they vest and are exercised, the shares may be traded, however, those shares issued upon the exercise of the SI Rights will be subject to a 12 month trading restriction. The Board may in its sole discretion waive the 12 month trading restriction. Any shares issued upon exercise of any SI Rights which have vested in accordance with the early vesting scenarios (discussed below) will not be subject to the 12 month trading restriction.

Exercise of Vested Rights

Vested rights may be exercised at any time within 1 year of their relevant date of vesting. On exercise the Board will secure the shares via a new issue.

Early Vesting

The performance rights to be issued to Mr Young will vest early in certain circumstances including the termination of Mr Young's employment without cause. Examples of the effect of the vesting provisions are detailed below.

Vesting Examples

RI Rights Vesting Example	
Scenario 1	<p>If:</p> <ul style="list-style-type: none"> ▪ during the initial 12 month period of Mr Young's employment agreement (ESA) the Company has achieved the strategic objectives set by the Board; and ▪ the ESA is terminated without cause, <p>then those RI Rights which have not vested will vest immediately on termination.</p>
Scenario 2	<p>If:</p> <ul style="list-style-type: none"> ▪ at the end of the initial 12 month period of the ESA the Company has achieved the strategic objectives set by the Board; and ▪ the two year option to extend the ESA is not exercised, <p>then those RI Rights which have not vested will vest immediately at the end of the initial 12 month period of the ESA.</p>
Scenario 3	<p>If the HFA Group exercises the two year option to extend the ESA, those RI Rights which have not vested will vest immediately if the ESA is subsequently terminated without cause.</p>

SI Rights Vesting Example	
Scenario 1	<p>If during the initial 12 month period of the ESA:</p> <ul style="list-style-type: none"> ▪ the vesting conditions in respect to FY2011 SI Rights are in the opinion of the Board likely to be satisfied; and ▪ the ESA is terminated without cause, <p>then the FY2011 SI Rights will lapse and Mr Young or his nominee will be paid an amount in cash equal to the number of FY2011 SI Rights multiplied by the volume weighted average price of the Company's fully paid ordinary shares in the 10 trading day period on the date of such termination.</p> <p>In this scenario the FY2012 SI Rights and FY2013 SI Rights will lapse and be of no further force or effect.</p>

SI Rights Vesting Example (Continued)	
Scenario 2	<p>If:</p> <ul style="list-style-type: none"> ▪ the two year option to extend the ESA is not exercised; and ▪ the ESA expires at the end of the initial 12 month period, <p>then the FY2011 SI Rights will lapse and Mr Young or his nominee will be paid an amount in cash equal to the number of FY2011 SI Rights multiplied by the volume weighted average price of the Company's fully paid ordinary shares in the 10 Trading Day period on the last day of the 12 month period served under the ESA.</p> <p>In this scenario the FY2012 SI Rights and FY2013 SI Rights will lapse and be of no further force or effect.</p>
Scenario 3	<p>If:</p> <ul style="list-style-type: none"> ▪ the two year option to extend the ESA is exercised; and ▪ Mr Young's employment is terminated without cause during the first year of the two year option period, <p>the Board may determine at its sole discretion that some or all FY2012 SI Rights will lapse and Mr Young or his nominee will be paid an amount in cash equal to that number of FY2012 SI Rights multiplied by the volume weighted average price of the Company's fully paid ordinary shares in the 10 Trading Day period on the date of such termination.</p> <p>In this scenario the FY2012 SI Rights which do not lapse in accordance with the preceding paragraph will, along with the FY2013 SI Rights, lapse and be of no further force or effect.</p>
Scenario 4	<p>If:</p> <ul style="list-style-type: none"> ▪ the two year option to extend the ESA is exercised; and ▪ Mr Young's employment is terminated without cause during the second year of the two year option period, <p>the Board may determine at its sole discretion that some or all FY2013 SI Rights will lapse and Mr Young or his nominee will be paid an amount in cash equal to that number of FY2013 SI Rights multiplied by the volume weighted average price of the Company's fully paid ordinary shares in the 10 Trading Day period on the date of such termination.</p> <p>In this scenario the FY2013 SI Rights which do not lapse in accordance with the preceding paragraph will lapse and be of no further force or effect.</p>

Short-term Cash Incentive Vesting Example	
Scenario 1	<p>Scenario 1</p> <p>If:</p> <ul style="list-style-type: none"> ▪ during the initial 12 month period of the ESA the Company has achieved the strategic objectives set by the Board; ▪ the vesting conditions in respect to the FY2011 SI Rights are in the opinion of the Board likely to be satisfied; and ▪ the ESA is terminated without cause, <p>then the Board may determine at its sole discretion that the FY2011 short-term cash incentive which has not become immediately payable in accordance with the vesting conditions in respect to the FY2011 SI Rights will be paid to Mr Young or his nominee within 14 days of such termination of employment.</p>
Scenario 2	<p>If:</p> <ul style="list-style-type: none"> ▪ the two year option to extend the ESA is not exercised; and ▪ the ESA expires at the end of initial 12 month period, <p>the Board may determine at its sole discretion that any short-term cash incentive which has not become immediately payable in accordance with the vesting conditions in respect to the relevant SI Rights will be paid to Mr Young or his nominee within 14 days of such termination of employment.</p>
Scenario 3	<p>If:</p> <ul style="list-style-type: none"> ▪ the two year option to extend the ESA is exercised; and ▪ Mr Young's employment is terminated without cause during the first year of the two year option period, <p>the Board may determine at its sole discretion that any SI Cash Incentives which have not become immediately payable in accordance with the vesting conditions in respect to the relevant SI Rights will be paid to Mr Young or his nominee within 14 days of such termination of employment.</p>
Scenario 4	<p>If:</p> <ul style="list-style-type: none"> ▪ the two year option to extend the ESA is exercised; and ▪ Mr Young's employment is terminated without cause during the second year of the two year option period, <p>the Board may determine at its sole discretion that any SI Cash Incentives which have not become immediately payable in accordance with the vesting conditions in respect to the relevant SI Rights will be paid to Mr Young or his nominee within 14 days of such termination of employment.</p>

EPS Rights and TSR Rights Vesting Example									
Scenario 1	<p>If:</p> <ul style="list-style-type: none"> ▪ the two year option to extend the ESA is not exercised; and ▪ the ESA expires at the end of the initial 12 month period, <p>subject to the satisfaction of the vesting conditions (adjusted to reflect the period of 1 July 2010 to 30 June 2011), the Board may determine in its discretion (acting reasonably) that the following EPS Rights and TSR Rights will vest and become exercisable:</p> <table border="1" style="margin-left: auto; margin-right: auto;"> <thead> <tr> <th style="text-align: center;">Relevant EPS Rights and TSR Rights</th> <th style="text-align: center;">Percentage of EPS Rights and TSR Rights to vest (%)</th> </tr> </thead> <tbody> <tr> <td style="text-align: center;">FY2010 EPS Rights and TSR Rights</td> <td style="text-align: center;">100 %</td> </tr> <tr> <td style="text-align: center;">FY2011 EPS Rights and TSR Rights</td> <td style="text-align: center;">Nil</td> </tr> <tr> <td style="text-align: center;">FY2012 EPS Rights and TSR Rights</td> <td style="text-align: center;">Nil</td> </tr> </tbody> </table> <p>In this scenario the EPS Rights and TSR Rights which do not vest and become exercisable will lapse and be of no further force or effect.</p>	Relevant EPS Rights and TSR Rights	Percentage of EPS Rights and TSR Rights to vest (%)	FY2010 EPS Rights and TSR Rights	100 %	FY2011 EPS Rights and TSR Rights	Nil	FY2012 EPS Rights and TSR Rights	Nil
Relevant EPS Rights and TSR Rights	Percentage of EPS Rights and TSR Rights to vest (%)								
FY2010 EPS Rights and TSR Rights	100 %								
FY2011 EPS Rights and TSR Rights	Nil								
FY2012 EPS Rights and TSR Rights	Nil								
Scenario 2	<p>If:</p> <ul style="list-style-type: none"> ▪ the two year option to extend the ESA is exercised; and ▪ the ESA is terminated without cause during the first year of the two year option period (inclusive of any notice period to be served), <p>subject to the satisfaction of the vesting conditions (adjusted to reflect the period of 1 July 2010 to 30 June 2012), the following EPS Rights and TSR Rights will vest and become exercisable as follows:</p> <table border="1" style="margin-left: auto; margin-right: auto;"> <thead> <tr> <th style="text-align: center;">Relevant EPS Rights and TSR Rights</th> <th style="text-align: center;">Percentage of EPS Rights and TSR Rights to vest (%)</th> </tr> </thead> <tbody> <tr> <td style="text-align: center;">FY2010 EPS Rights and TSR Rights</td> <td style="text-align: center;">66 2/3 %</td> </tr> <tr> <td style="text-align: center;">FY2011 EPS Rights and TSR Rights</td> <td style="text-align: center;">33 1/3 %</td> </tr> <tr> <td style="text-align: center;">FY2012 EPS Rights and TSR Rights</td> <td style="text-align: center;">Nil</td> </tr> </tbody> </table> <p>In this scenario the EPS Rights and TSR Rights which do not vest and become exercisable will lapse and be of no further force or effect.</p>	Relevant EPS Rights and TSR Rights	Percentage of EPS Rights and TSR Rights to vest (%)	FY2010 EPS Rights and TSR Rights	66 2/3 %	FY2011 EPS Rights and TSR Rights	33 1/3 %	FY2012 EPS Rights and TSR Rights	Nil
Relevant EPS Rights and TSR Rights	Percentage of EPS Rights and TSR Rights to vest (%)								
FY2010 EPS Rights and TSR Rights	66 2/3 %								
FY2011 EPS Rights and TSR Rights	33 1/3 %								
FY2012 EPS Rights and TSR Rights	Nil								

EPS Rights and TSR Rights Vesting Example (Continued)									
Scenario 3	<p>If:</p> <ul style="list-style-type: none"> ▪ the two year option to extend the ESA is exercised; and ▪ the ESA is terminated without cause during the second year of the two year option period (inclusive of any notice period to be served), <p>subject to the satisfaction of the vesting conditions, the following EPS Rights and TSR Rights will vest and become exercisable as follows:</p> <table border="1" style="margin-left: auto; margin-right: auto;"> <thead> <tr> <th style="text-align: center;">Relevant EPS Rights and TSR Rights</th> <th style="text-align: center;">Percentage of EPS Rights and TSR Rights to vest (%)</th> </tr> </thead> <tbody> <tr> <td style="text-align: center;">FY2010 EPS Rights and TSR Rights</td> <td style="text-align: center;">100%</td> </tr> <tr> <td style="text-align: center;">FY2011 EPS Rights and TSR Rights</td> <td style="text-align: center;">66 2/3 %</td> </tr> <tr> <td style="text-align: center;">FY2012 EPS Rights and TSR Rights</td> <td style="text-align: center;">33 1/3 %</td> </tr> </tbody> </table> <p>In this scenario the EPS Rights and TSR Rights which do not vest and become exercisable will lapse and be of no further force or effect.</p>	Relevant EPS Rights and TSR Rights	Percentage of EPS Rights and TSR Rights to vest (%)	FY2010 EPS Rights and TSR Rights	100%	FY2011 EPS Rights and TSR Rights	66 2/3 %	FY2012 EPS Rights and TSR Rights	33 1/3 %
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FY2010 EPS Rights and TSR Rights	100%								
FY2011 EPS Rights and TSR Rights	66 2/3 %								
FY2012 EPS Rights and TSR Rights	33 1/3 %								
Scenario 4	<p>If the two year option to extend the ESA is exercised:</p> <ul style="list-style-type: none"> ▪ the ESA expires at the end of the two year option period; or ▪ Mr Young continues to be employed by or remains an officer of the Company or any of its related bodies corporate at the end of the second year of the two year option period but Mr Young's employment is subsequently terminated without cause or he ceases to be an officer of the Company or any of its related bodies corporate, <p>subject to the satisfaction of the vesting conditions, any unvested EPS Rights and TSR Rights will vest and become exercisable.</p> <p>In this scenario any EPS Rights and TSR Rights which do not vest and become exercisable will lapse and be of no further force or effect.</p>								

Death, Permanent Disability, Retirement or Redundancy

The Board will determine the extent, if any, to which unvested rights will vest if Mr Young dies, becomes permanently disabled, resigns from employment on the basis of retirement from the workforce or is made redundant by the Company or any of its related bodies corporate, during the life of any rights granted to him. Any rights that do not vest will lapse.

Takeover / change of control

The Board may in its absolute discretion resolve that any unexercised performance rights (whether vested or not) will be exercisable.

Bonus Issues and Capital Reconstructions

In the event of a pro rata bonus issue of Company shares or any reorganisation of the issued capital of the Company the number of rights will be adjusted as determined by the Board (and subject to the ASX Listing Rules in the case of any reorganisation of the issued capital of the Company) to ensure that no advantage or disadvantage accrues to holders of rights from such actions.

Other Information

Prior to the issue of performance rights to Mr Spencer Young as outlined in this document, neither he nor any other Director of the Company have been granted performance rights under the HFA Holdings Limited 2008 Employee Performance Rights Plan.

ITEM 5 – APPROVAL OF POTENTIAL TERMINATION BENEFITS FOR MR SPENCER YOUNG, CHAIRMAN AND CHIEF EXECUTIVE OFFICER

Background

The Company is seeking shareholder approval, for the purposes of section 200B and section 200E of the Corporations Act 2001 (Cth), to any 'termination benefits' that may be provided to Mr Spencer Young pursuant to the terms and conditions of his employment contract with Admin Pty Ltd ACN 112 930 837 (**Admin**), a subsidiary of the Company and under the rules of the HFA Holdings Limited 2008 Employee Performance Rights Plan, in addition to any other termination benefits that the Company and its related bodies corporate may provide to him without shareholder approval under the Corporations Act 2001 (Cth).

The Corporations Act 2001 (Cth) restricts the benefits which can be given to certain persons (those who hold a managerial or executive office, as defined in the Corporations Act 2001(Cth)) on leaving their employment with a company, or its related bodies corporate.

Section 200B of the Corporations Act 2001 (Cth) provides that a company must not give a person a benefit in connection with their ceasing to hold a managerial or executive office in the company or its related bodies corporate, unless there is member approval for the giving of the benefit or an exemption applies.

Broadly speaking, this restriction will apply if termination benefits payable exceed the Corporations Act 2001(Cth) limit of one year's "average annual base salary".

Why is approval being sought?

Section 200E(1B) provides that not only must the giving of the benefit be approved by a resolution at a general meeting of Admin but if it is a subsidiary of a listed domestic corporation, then that listed corporation must also have the benefit approved by a resolution passed at a general meeting of its shareholders.

Approval is sought under section 200B of the Corporations Act 2001(Cth) so that the Company's subsidiary, Admin may honour the terms and conditions of Mr Young's employment contract relating to termination benefits. The Board considers these benefits to be fair and reasonable.

The term 'benefit' has a broad meaning under the Corporations Act 2001(Cth), and will include the early vesting of performance rights under the rules of the HFA Holdings Limited 2008 Employee Performance Rights Plan, accordingly approval is also sought for any 'termination benefits' the Company may provide to Mr Young under the HFA Holdings Limited 2008 Employee Performance Rights Plan.

Section 200E of the Corporations Act 2001(Cth) requires certain information to be provided to shareholders in approving a benefit. This information is set out below.

Potential termination benefits under the employment contract

As noted above, Mr Young is employed by the Company's subsidiary, Admin under the terms of an Executive Services Agreement (**ESA**).

The ESA provides for an initial period of employment of 12 months and an option to extend Mr Young's employment for a further period of 2 years. If the option to extend Mr Young's

employment is not undertaken, Mr Young will receive a payment of 12 months remuneration at the conclusion of the initial period of employment.

The ESA provides that Mr Young may separate from employment with Admin by giving 12 months' notice. Admin may make a payment to Mr Young in lieu of notice and he will be entitled to a payment equivalent to 12 months' of his remuneration in this circumstance.

Admin may separate from employment with Mr Young by giving him 12 months' notice or a payment in lieu of an amount equivalent to 12 months' of his remuneration.

Mr Young will also be entitled to payment of any accrued but untaken annual leave and long service leave on separation from his employment with Admin.

In the circumstances where Mr Young separates from his employment with Admin as a result of a change in the Company's operational requirements, he will receive 12 months' notice or a payment in lieu of an amount equivalent to 12 months' of his remuneration.

Admin is entitled to terminate Mr Young's employment without notice if he engages in misconduct. In this event, he will not receive a payment other than his minimum statutory entitlements such as accrued but untaken annual leave.

Mode of retirement from office	Benefits payable				
	Notice Period	Unpaid / accrued remuneration	Accrued but untaken annual leave	Long service leave	Severance payment
Option to extend not exercised	X	✓	✓	✓	12 months remuneration
Notice by Mr Young	12 months or payment of 12 months remuneration in lieu	✓	✓	✓	X
Termination by Admin (except for misconduct)	12 months or payment of 12 months remuneration in lieu	✓	✓	✓	X
Termination for misconduct	X	✓	✓	✓	X
change in operational requirements	12 months or payment of 12 months remuneration in lieu	✓	✓	✓	X

The value of the benefits payable under the ESA will depend on:

- Mr Young's remuneration at the time of separation of his employment;
- the amount of payment made in lieu of notice of termination (that is, whether he works during, some or all of his notice period); and
- the amount of unused annual leave accrued and other statutory entitlements (such as long service leave).

Potential termination benefits under the HFA Holdings Limited 2008 Employee Performance Rights Plan

The termination benefits that may be given to Mr Young under the HFA Holdings Limited 2008 Employee Performance Rights Plan relate to the early vesting of the performance rights on termination of Mr Young's employment or in event of a takeover or change of control. For further information in respect to the early vesting of the performance rights see Item 4 of this Explanatory Memorandum.

The value of the termination benefits that Mr Young may receive under the HFA Holdings Limited 2008 Employee Performance Rights Plan cannot be determined in advance. This is because various matters, events and circumstances will or are likely to affect that value, including:

- the Company's share price at the time of vesting and the number of performance rights which vest;
- Mr Young's length of service; and
- the number of unvested performance rights that Mr Young holds at the time he ceases to hold a managerial or executive office in the Company or its related bodies corporate.

Board recommendation

The Board (with Mr Young abstaining) unanimously recommends that Shareholders **vote in favour** of the potential termination benefits for Mr Young.

VOTING INFORMATION

1. The required quorum for the meeting is at least five members present in person or by proxy, attorney or representative.
2. Ordinary Resolutions will be passed if a majority of the votes that are cast by members entitled to vote on the resolution are voted in favour of the resolution.
3. Voting will be decided on a show of hands unless a poll is demanded by the chairperson or members entitled to do so before the show of hands is taken, or before or immediately after the declaration of the result on a show of hands.
4. On a show of hands, every member present in person or by proxy, attorney or representative shall have one vote.
5. On a poll, each member present in person or by proxy, attorney or representative shall have one vote for each share held by that member and in respect of which that member is entitled to vote.
6. If shares are jointly held and more than one of the joint holders votes, only the vote of the holder whose name appears first in the register of members will be counted.
7. For more information on voting see clause 7.8 of the Company's constitution.

Individuals

If you plan to attend the meeting, we ask that you arrive at the venue at least 30 minutes prior to the time designated for the meeting so that we may check the number of your shares and note your attendance.

Voting by Proxy or Attorney

1. A Proxy Form accompanies the Notice of Meeting and Explanatory Note.
2. A member is entitled to appoint a proxy, attorney or representative (who need not be a shareholder in the Company) to vote on his or her behalf at the meeting. A member may appoint no more than two proxies or attorneys. Each proxy or attorney must be appointed to represent a specified proportion of the member's voting rights. If no proportion is specified each proxy or attorney is entitled to exercise half the member's votes. Where a member appoints two proxies or attorneys, neither will be entitled to vote on a show of hands if more than one proxy or attorney attends, and each may only exercise the voting rights the proxy or attorney represents on a poll.
3. An instrument appointing a proxy shall be in writing under the hand of the appointer or of his or her duly appointed attorney. A Proxy Form is enclosed with this Notice of Meeting. Proxy voting instructions are outlined on the back of the Proxy Form.
4. To be valid, the Proxy Form or attorney and the authority pursuant to which the instrument is signed must be received by no later than 11.00am (Sydney time) on Sunday 28 November 2010 at:

By Post

HFA Holdings Limited
C/- Link Market Services Limited
Locked Bag A14
SYDNEY SOUTH NSW 1235

By Facsimile

Attention: Link Market Services Limited (HFA Holdings Limited Annual General Meeting)
Facsimile No: +61 2 9287 0309

By Hand

Delivering it to Link Market Services Limited, Level 12, 680 George Street, Sydney NSW 2000

Enquiries

Link Market Services Limited: Telephone: 1300 55 44 71 or Overseas: +61 2 8280 7454

5. Alternatively, members may lodge their proxy online by visiting the Company's share registry's website at www.linkmarketservices.com.au, going to the online voting page and following the prompts and instructions on the website. To use the online lodgements facility, members will need their "Holder Identifier" (Securityholder Reference Number (SRN) or Holder Identification Number (HIN) as shown on the front of the Proxy Form.
6. For more information on appointing a proxy or attorney see clause 7.9 of the Company's constitution.

Voting by corporations

In order to vote at the meeting (other than by proxy), a corporation that is a shareholder must appoint a person to act as its representative. The appointment must comply with the Corporations Act 2001 (Cth). A letter of representation must be either lodged with the registrar prior to the commencement of the meeting or the representative must bring to the meeting evidence of his or her appointment including any authority under which it is signed.

Entitlement to vote

The Board has determined that a shareholder's voting entitlement at the Annual General Meeting will be taken to be the entitlement of the person shown in the register of members as at 7.00pm (Sydney time) on Sunday 28 November 2010. Accordingly, transactions registered after that time will be disregarded in determining shareholders entitled to attend and vote at the Annual General Meeting.



HFA Holdings Limited
ABN 47 101 585 737

LODGE YOUR VOTE

ONLINE > www.linkmarketservices.com.au

By mail:
HFA Holdings Limited
C/- Link Market Services Limited
Locked Bag A14
Sydney South NSW 1235 Australia

By fax: +61 2 9287 0309

All enquiries to: Telephone: 1300 554 474 Overseas: +61 2 8280 7454



X99999999999

SHAREHOLDER VOTING FORM

I/We being a member(s) of HFA Holdings Limited and entitled to attend and vote hereby appoint:

STEP 1

APPOINT A PROXY

the Chairman of the Meeting (mark box)

OR if you are NOT appointing the Chairman of the Meeting as your proxy, please write the name of the person or body corporate (excluding the registered shareholder) you are appointing as your proxy

or failing the person/body corporate named, or if no person/body corporate is named, the Chairman of the Meeting, as my/our proxy and to vote for me/us on my/our behalf at the Annual General Meeting of the Company to be held at 11:00am (Sydney time) on Tuesday, 30 November 2010, at the Hilton Hotel, Meeting Room 2, Level 2, 488 George St Sydney NSW 2000 and at any adjournment or postponement of the meeting.

Proxies will only be valid and accepted by the Company if they are signed and received no later than 48 hours before the meeting.

Please read the voting instructions overleaf before marking any boxes with an **X**

STEP 2

VOTING DIRECTIONS

Resolutions	For	Against	Abstain*		For	Against	Abstain*
2a Election of Mr Michael Shepherd as a Director	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	3 Remuneration Report (non-binding advisory vote)	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
2b Re-election of Mr John Larum as a Director	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	4 Issue of performance rights to Mr Spencer Young, Chairman and Chief Executive Officer of his nominee	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
2c Re-election of Mr F P (Andy) Esteban as a Director	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	5 Approval of potential termination benefits for Mr Spencer Young, Chairman and Chief Executive Officer	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

* If you mark the Abstain box for a particular Item, you are directing your proxy not to vote on your behalf on a show of hands or on a poll and your votes will not be counted in computing the required majority on a poll.

STEP 3

IMPORTANT - VOTING EXCLUSIONS FOR RESOLUTION 4

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 as your proxy in respect of resolution 4 above, please place a mark in this box. By marking this box, you acknowledge that the Chairman of the Meeting may exercise your proxy even though he/she has an interest in the outcome of that resolution and that votes cast by him/her for that resolution, other than as proxyholder, would 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 resolution 4 and your votes will not be counted in calculating the required majority if a poll is called on this resolution. The Chairman of the Meeting intends to vote undirected proxies in favour of resolution 4.

STEP 4

IMPORTANT - VOTING EXCLUSIONS FOR RESOLUTION 5

If the Chairman of the Meeting is appointed as your proxy, or may be appointed by default and you have not directed your proxy how to vote, the Chairman of the Meeting will abstain from voting on resolution 5 above as he is the person for whom approval of the termination benefits is being sought. If you do not direct the Chairman of the Meeting how to vote, your votes will not be counted in calculating the required majority if a poll is called on this resolution.

STEP 5

SIGNATURE OF SHAREHOLDERS - THIS MUST BE COMPLETED

Shareholder 1 (Individual)

Sole Director and Sole Company Secretary

Joint Shareholder 2 (Individual)

Director/Company Secretary (Delete one)

Joint Shareholder 3 (Individual)

Director

This form should be signed by the shareholder. If a joint holding, either shareholder may sign. If signed by the shareholder's attorney, the power of attorney must have been previously noted by the registry or a certified copy attached to this form. If executed by a company, the form must be executed in accordance with the company's constitution and the Corporations Act 2001 (Cth).

HFA PRX002



HOW TO COMPLETE THIS PROXY FORM

Your Name and Address

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

Appointment of a Proxy

If you wish to appoint the Chairman of the Meeting as your proxy, mark the box in Step 1. If the person you wish to appoint as your proxy is someone other than the Chairman of the Meeting please write the name of that person in Step 1. If you 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 shareholder of the company. A proxy may be an individual or a body corporate.

Votes on Items of Business - Proxy Appointment

You may direct your proxy how to vote by placing a mark in one of the boxes opposite each item of business. All your shares will be voted in accordance with such a direction unless you indicate only a portion of voting rights are to be voted on any item by inserting the percentage or number of shares you wish to vote in the appropriate box or boxes. If you do not mark any of the boxes on the items of business, your proxy may vote as he or she chooses. If you mark more than one box on an item your vote on those Items will be invalid.

Appointment of a Second Proxy

You are entitled to appoint up to two persons as proxies to attend the meeting and vote on a poll. If you wish to appoint a second proxy, an additional Proxy Form may be obtained by telephoning the company's share registry or you may copy this form and return them both together.

To appoint a second proxy you must:

- (a) on each of the first Proxy Form and the second Proxy Form state the percentage of your voting rights or number of shares applicable to that form. If the appointments do not specify the percentage or number of votes that each proxy may exercise, each proxy may exercise half your votes. Fractions of votes will be disregarded.
- (b) return both forms together.

Signing Instructions

You must sign this form as follows in the spaces provided:

Individual: where the holding is in one name, the holder must sign.

Joint Holding: where the holding is in more than one name, either shareholder may sign.

Power of Attorney: to sign under Power of Attorney, you must lodge the Power of Attorney with the registry. If you have not previously lodged this document for notation, please attach a certified photocopy of the Power of Attorney to this form when you return it.

Companies: where the company has a Sole Director who is also the Sole Company Secretary, this form must be signed by that person. If the company (pursuant to section 204A of the *Corporations Act 2001*) does not have a Company Secretary, a Sole Director can also sign alone. Otherwise this form must be signed by a Director jointly with either another Director or a Company Secretary. Please indicate the office held by signing in the appropriate place.

Corporate Representatives

If a representative of the corporation is to attend the meeting the appropriate "Certificate of Appointment of Corporate Representative" should be produced prior to admission in accordance with the Notice of Meeting. A form of the certificate may be obtained from the company's share registry.

Lodgement of a Proxy Form

This Proxy Form (and any Power of Attorney under which it is signed) must be received at an address given below by 11:00am (Sydney time) on Sunday, 28 November 2010, being not later than 48 hours before the commencement of the meeting. Any Proxy Form received after that time will not be valid for the scheduled meeting.

Proxy Forms may be lodged using the reply paid envelope or:



ONLINE

www.linkmarketservices.com.au

Select the 'Proxy Voting' option on the top right of the home page. Choose the company you wish to lodge your vote for from the drop down menu, enter your holding details as shown on this form, and follow the prompts to lodge your vote. To use the online lodgement facility, shareholders will need their "Holder Identifier" (Securityholder Reference Number (SRN) or Holder Identification Number (HIN) as shown on the front of the proxy form).



by mail:

HFA Holdings Limited
C/- Link Market Services Limited
Locked Bag A14
Sydney South NSW 1235
Australia



by fax:

+61 2 9287 0309



by hand:

delivering it to Link Market Services Limited, Level 12, 680 George Street, Sydney NSW 2000.

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