

# STOKES (AUSTRALASIA) LIMITED

ACN 004 554 929

(%Stokes or %Company+)

## NOTICE OF ANNUAL GENERAL MEETING and EXPLANATORY STATEMENT

### THIS IS AN IMPORTANT DOCUMENT AND REQUIRES YOUR ATTENTION

If you are in any doubt as to how to deal with it,  
please consult your financial or other professional adviser.

#### The annual general meeting will be held:

- " at Level 12, 15 William Street, Melbourne Victoria 3000;
- " on Thursday 28<sup>th</sup> November at 10.00am AEDT.

#### You can vote by:

- " attending and voting at the meeting; or
- " appointing someone as your proxy to attend and vote at the meeting on your behalf, by completing and returning the proxy form to Stokes in the manner set out in this Notice of Meeting. The proxy form (and any power of attorney under which it is signed) must be received by Stokes no later than 10.00 am (AEDT) on Tuesday 26<sup>th</sup> November 2013. Any proxy form received after that time will not be valid for the meeting.

**STOKES (AUSTRALASIA) LIMITED**  
**ACN 004 554 929**

**NOTICE OF ANNUAL GENERAL MEETING**

The Annual General Meeting of the shareholders of **Stokes (Australasia) Limited** will be held:

- on Thursday 28<sup>th</sup> November 2013
- at 10.00am AEDT
- at Level 12, 15 William Street, Melbourne Victoria 3000

**BUSINESS:**

**1 FINANCIAL REPORT**

**To consider the Annual Report, Financial Statements, and the reports of the directors and the auditor for the year ended 30 June 2013.**

*Note: there is no requirement for Shareholders to approve these reports and financial statements.*

**2 RESOLUTION 1 - ADOPTION OF REMUNERATION REPORT**

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

*"That the Company be authorised to adopt the Remuneration Report for the year ended 30 June 2013."*

**Short Explanation**

The Corporations Act 2001 requires listed companies to put to Shareholders at the Annual General Meeting a resolution concerning the Remuneration Report which is contained in the DirectorsqReport section of the 2013 Annual Report.

Shareholders will be given an opportunity to ask questions concerning the Remuneration Report at the Annual General Meeting.

**Voting Exclusion Statement**

The Company will disregard any votes cast on the proposed resolution for adoption of the Remuneration Report by or on behalf of:

- (a) a member of the Company's key management personnel whose remuneration details are included in the Remuneration Report (**KMP**); or
- (b) a Closely Related Party (as defined in the Corporations Act) of a KMP,

whether the votes are cast as a Shareholder, proxy or in any other capacity.

However, the Company will not disregard a vote cast by a KMP or Closely Related Party of a KMP if it is cast as a proxy and it is not cast on behalf of a KMP or a Closely Related Party of a KMP and either:

- (c) the proxy is appointed by writing that specifies how the proxy is to vote on the resolution proposed in Resolution 1; or
- (d) the proxy is the chair of the meeting and the appointment of the chair as proxy does not specify the way the proxy is to vote on Resolution 1 and expressly authorises the chair to exercise the proxy even if the resolution is connected directly or indirectly with the remuneration of a KMP of the Company (or the group).

### **Important for Resolution 1**

If you are a KMP or a Closely Related Party of KMP (or are acting on behalf of any such person) and purport to cast a vote that will be disregarded by the Company (as indicated above), you may be liable for an offence for breach of voting restrictions that apply to you under the Corporations Act.

Further details of this resolution are set out in the Explanatory Memorandum.

### **3. RESOLUTIONS 2 - RETIREMENT OF A DIRECTOR BY ROTATION AND ELECTION OF DIRECTOR**

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

*"That having retired pursuant to the constitution of the Company, Peter Jinks be re-elected as a director."*

#### **Short Explanation**

The Company's Constitution requires one third of the directors (other than the Managing Director or directors appointed during the year) or if that number is not a multiple of three then the number nearest to one-third (but not less than one-third unless every non-retiring director has been elected at the last and penultimate AGM) to retire at each AGM. Directors who retire by rotation may offer themselves for re-election. This rule applies this year to Peter Jinks, who, being eligible, offers himself for re-election.

Further details of this resolution is set out in the Explanatory Memorandum.

### **4. RESOLUTION 3 - APPROVAL FOR ADDITIONAL PLACEMENT CAPACITY**

**To consider and, if thought fit, pass the following resolution, with or without amendment, as a special resolution:**

*"That, for the purposes of Listing Rule 7.1A and for all other purposes, approval is given for the issue and allotment of Equity Securities totalling up to 10% of the number of Ordinary Shares on issue (at the time of the issue) calculated in accordance with the formula prescribed in Listing Rule 7.1A.2; and otherwise on the terms and conditions set out in the Explanatory Statement."*

#### **Voting Exclusion Statement:**

The Company will disregard any votes cast on Resolution 3 by:

- (a) any person who may participate in the issue of Equity Securities under Resolution 3 and any person who might obtain a benefit, other than a benefit solely in the capacity of a Shareholder, if the resolution is passed; and
- (b) any associates of those persons.

However, the Company will not disregard a vote cast on Resolution 3 if it is cast:

- (c) by a person as a proxy for a person who is entitled to vote, in accordance with the directions on the proxy form; or
- (d) 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 4 – CHANGE OF COMPANY NAME**

**To consider and, if thought fit, pass the following resolution, with or without amendment, as a special resolution:**

*"That, for the purpose of section 157(1) of the Corporations Act and for all other purposes, approval is given for the name of the Company to be changed to Stokes Limited and that, for the purposes of section 136(2) of the Corporations Act and for all other purposes, all references to "Stokes (Australasia) Limited" in the Company's constitution be replaced with references to "Stokes Limited"."*

### **Short Explanation**

Under the Corporations Act, in order to change its name, the Company requires Shareholders to pass a special resolution approving the change. If Resolution 4 is approved as a special resolution, the change of name will take effect upon the lodgement of notice of the change of name with ASIC.

### **6. RESOLUTION 5 – APPOINTMENT OF AUDITOR**

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

*"That, subject to ASIC granting its consent to the resignation to the Company's current auditor, UHY Haines Norton, for the purposes of section 327B of the Corporations Act and for all other purposes, Pitcher Partners, having been nominated and having consent in writing to act as auditor of the Company, be appointed as auditor of the Company and the Directors be authorised to set its remuneration."*

### **Short Explanation**

The Company has received a nomination from a Shareholder for the appointment of Pitcher Partners as the Company's auditor. Pitcher Partners has given its consent in writing to the Company to act as auditor of the Company and the Company's current auditor, UHY Haines Norton, has sought the consent of ASIC to resign as auditor of the Company with effect from the end of the Annual General Meeting.

Subject to ASIC consenting to the resignation of UHY Haines Norton, the Company is seeking the approval of Shareholders to appoint Pitcher Partners as the new auditor of the Company.

### **7. RESOLUTION 6 – ADOPTION OF NEW CONSTITUTION**

**To consider and, if thought fit, pass the following resolution, with or without amendment, as a special resolution:**

*"That, for the purposes of section 136(1) of the Corporations Act and for all other purposes, the existing constitution of the Company be repealed and replaced with the constitution annexed to the Notice of Meeting with effect from the close of this Annual General Meeting."*

### **Short Explanation**

The Directors have formed the view that to bring the Company's constitution into line with its current practices and procedures, and to ensure consistency with the Listing Rules and Corporations Act, the Company should adopt a new constitution. A summary of the key terms of the proposed new constitution is set out in the Explanatory Statement and a copy of the constitution is annexed to this Notice of Meeting.

### **8. RESOLUTION 7: RATIFICATION OF THE PRIOR ISSUE OF ORDINARY SHARES**

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

*"That for the purposes of Listing Rule 7.1 and for all other purposes, Shareholders approve the issue of up to 5,750,000 Ordinary Shares at an issue price of \$0.35 per share to Australian institutional and sophisticated investors pursuant to a placement on the terms and conditions set out in the Explanatory Statement accompanying this Notice of Meeting."*

### **Short Explanation**

On 28<sup>th</sup> October 2013, the Company announced that it intended to issue up to 5,750,000 Ordinary Shares at an issue price of \$0.35 per Ordinary Share to Australian institutional and sophisticated investors pursuant to a placement on the terms and conditions set out in the Explanatory Statement accompanying this Notice of Meeting (**Placement**). The Ordinary Shares are expected to be issued on or around 1<sup>st</sup> November 2013 and will be issued under to the Company's 15% placement power pursuant to Listing Rule 7.1 and the Company's 10% placement power pursuant to Listing Rule 7.1A. Shareholder approval is now being sought for the purpose of Listing Rule 7.1 so that the Company will have flexibility to issue further Ordinary Shares under Listing Rules 7.1 and 7.1A.

### **Voting Exclusion Statement**

The Company will disregard any votes cast on resolution 7 by:

- (a) any person who participated in the issue; and
- (b) an associate of that person (or those persons).

However, the Company need not disregard a vote if:

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

## **9. RESOLUTION 8: PARTICIPATION OF DIRECTORS IN THE PLACEMENT**

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

*"That for the purposes of Listing Rule 10.11 and for all other purposes, Shareholders approve and authorise the Directors to issue and allot:*

- (a) up to 286,000 Ordinary Shares Ordinary Shares to Mr Con Scrinis (or his nominee);*
- (b) up to 286,000 Ordinary Shares Ordinary Shares to Mr Greg Jinks (or his nominee); and*
- (c) up to 286,000 Ordinary Shares Ordinary Shares to Mr Peter Jinks (or his nominee),*

*on the same terms and conditions as the other participants in the Placement."*

### **Short Explanation**

Mr. Con Scrinis, Mr Greg Jinks and Mr Peter Jinks (together, the **Participating Directors**) each wish to participate in the Placement on the same terms as the other participants and subscribe for up to 286,000 Ordinary Shares. The Participating Directors are related parties of the Company for the purposes of the Listing Rules and, accordingly, the Company is required to obtain Shareholder approval before issuing the Ordinary Shares to the Participating Directors.

**Voting Exclusion Statement**

The Company will disregard any votes cast on Resolution 8 by:

- (a) a Participating Directors (or the Participating Director's nominee); and
- (b) any associate of a Participating Director.

However, the Company need not disregard a vote if:

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

**By order of the Board:**

A handwritten signature in black ink, appearing to be 'Peter Jinks', written over a horizontal line.

Peter Jinks  
**Chairman**  
Dated: 28 October 2013

## 1. HOW TO VOTE

Shareholders entitled to vote at the Annual General Meeting may vote by attending the Annual General Meeting in person, by attorney or proxy or, in the case of corporate shareholders, by a corporate representative.

## 2. VOTING IN PERSON OR BY ATTORNEY

Shareholders or their attorneys wishing to vote in person should attend the Annual General Meeting. Persons are asked to arrive at least 30 minutes prior to the time the Annual General Meeting is scheduled to commence, so that their shareholding may be checked against the register and their attendance recorded. Shareholders intending to attend the Annual General Meeting by attorney must ensure that they have, not later than 48 hours prior to the time the Annual General Meeting is scheduled to commence, provided the original or a certified copy of the power of attorney to the Company, in the same manner prescribed below for the giving of proxy forms to the Company.

## 3. VOTING BY PROXY

- (a) Shareholders wishing to vote by proxy must complete, sign and deliver the enclosed personalised proxy form or forms, in accordance with the instructions on the form, prior to 10.00am AEDT Melbourne time on **Tuesday 26<sup>th</sup> November 2013** by:
- Hand delivery to: the Company at its registered address, 24 Palmerston Road West, Ringwood, Victoria; or
  - Posted to: P.O. Box 168, Mitcham, Victoria 3132; or
  - Fax to: the Company on (03) 9845 8373.
- (b) A Shareholder who is entitled to vote at the meeting may appoint:
- 1) one proxy if the Shareholder is only entitled to one vote; or
  - 2) one or two proxies if the Shareholder is entitled to more than one vote.
- (c) Where the Shareholder appoints two proxies, the appointment may specify the proportion or number of votes that each proxy may exercise. If the appointment does not do so, each proxy may exercise one-half of the votes, and any fraction of votes will be disregarded.
- (d) If the appointment of a proxy specifies the way the proxy is to vote on a particular resolution, then the proxy need not vote, but if the proxy does so, the proxy must vote that way. Any directed proxies which are not voted will automatically default to the Chairman of the meeting, who must vote the proxies as directed. If a proxy has 2 or more appointments that specify different ways to vote on the resolution - the proxy must not vote on a show of hands.
- (e) A proxy need not be a shareholder of the Company. In the case of joint holders, all should sign the proxy form. In the case of corporations, proxies must be executed in accordance with the Corporations Act.
- (f) To be valid, a proxy form signed under a power of attorney must be accompanied by the signed power of attorney, or a certified copy of the power of attorney.
- (g) A proxy may decide whether to vote on any motion, except where the proxy is required by law, the ASX Listing Rules or the Constitution to vote, or abstain from voting, in their capacity as proxy. If a proxy is directed to vote on an item of business, the proxy may vote on that item only in accordance with the direction. If a proxy is not directed how to vote on an item of business, the proxy may vote as they think fit.
- (h) The proxy form accompanying this Notice of Meeting contains detailed instructions regarding how to complete the proxy form if a Shareholder wishes to appoint the Chairman as his or her proxy. You should read those instructions carefully.
- (i) By appointing the Chairman of the meeting as your proxy in relation to Resolution 1 you expressly authorise the Chairman to vote in favour of Resolution 1 unless:

- 1) you direct the Chairman to vote against or to abstain from voting on the resolution; or
  - 2) you are a Member of the key management personnel of the Company and its subsidiaries, details of whose remuneration are included in the remuneration report for the year ended 30 June 2013.
- (j) The Chairman of the meeting intends to exercise all available proxies by voting in favour of all resolutions.
- (k) If you require an additional proxy form, the Company will supply it on request to the undersigned.

#### **4. VOTING BY CORPORATE REPRESENTATIVE**

Corporate Shareholders wishing to vote by corporate representative should:

- (a) obtain an appointment of corporate representative form from the Company;
- (b) complete and sign the form in accordance with the instructions on it; and
- (c) bring the completed and signed form with them to the Annual General Meeting.

**STOKES (AUSTRALASIA) LIMITED**  
**ACN 004 554 929**

**EXPLANATORY STATEMENT**

**1. INTRODUCTION**

The purpose of this Explanatory Statement is to provide Shareholders with an explanation of the business of the meeting and the resolutions proposed to be considered at the Annual General Meeting.

**2. RESOLUTION 1 – REMUNERATION REPORT**

The Corporations Act requires listed companies to put to Shareholders at the AGM a non-binding resolution concerning the Remuneration Report which is contained in the Directors' Report section of the Annual Report.

The Corporations Act also requires the Company to exclude votes cast on the resolution by members of the Company's Key Management Personnel (**KMP**) whose remuneration details are included in the Remuneration Report and their Closely Related Parties. KMP broadly means those persons, including any director (whether executive or otherwise) having authority and responsibility for directly or indirectly planning, directing and controlling the Company's activities. Closely Related Parties are defined as:

- a spouse or child of the KMP;
- a child of the KMP's spouse;
- a dependent of the KMP or the KMP's spouse;
- anyone else who is a member of the KMP's family and may be expected to influence the KMP or be influenced by the KMP, in the KMP's dealing with the entity;
- a company the KMP controls; or
- a person prescribed by the Corporations Regulations.

As specified in section 250R of the Corporations Act, Resolution 1 is not binding on the Company. However, Shareholders have the ability to ~~spill~~<sup>the Company's</sup> board if there are ~~two~~<sup>two</sup> strikes against the adoption of the Remuneration Report at two successive AGMs.

In summary, if at least 25% of the votes cast on the resolution to adopt the Remuneration Report are voted against adopting the Remuneration Report at this Annual General Meeting, and then again at the Company's 2014 annual general meeting, the Company will be required to put to Shareholders a resolution proposing the calling of an extraordinary general meeting to consider the appointment of new directors to the Company (**Spill Resolution**).

The Company's Remuneration Report for the financial year ending 30 June 2014 will also need to include an explanation of the Board's proposed action in response or, if no action is proposed, the Board's reasons for this.

If more than 50% of Shareholders (excluding KPM) vote in favour of the Spill Resolution, the Company must convene the extraordinary general meeting (**Spill Meeting**) within 90 days of the Company's 2013 Annual General Meeting. All of the Directors who are in office when the Company's 2013 Directors' Report is approved, other than the Managing Director, will cease to hold office immediately before the end of the Spill Meeting, but may stand for re-election at the Spill Meeting. Following the Spill Meeting, each person whose election or re-election as a Director is approved, will become a Director of the Company.

Shareholders should note that at the 2012 annual general meeting proxy votes against the Remuneration Report were less than 25%, and the resolution was passed by the required majority.

The Directors abstain from making a recommendation in relation to Resolution 1.

**3. RESOLUTIONS 2 - RETIREMENT OF DIRECTORS BY ROTATION AND BY OPERATION OF CONSTITUTION**

The Company's Constitution requires one third of the directors (other than the Managing Director or directors appointed during the year) or if that number is not a multiple of three then the number nearest to one-third (but not less than one-third unless every non-retiring director has been elected at the last and penultimate AGM) to retire at each AGM. Directors who retire by rotation may offer themselves for re-

election. This rule applies this year to Peter Jinks, and being eligible, Peter offers himself for re-election. Details in relation to Peter Jinks are set out in the Directors Report section of the Annual Report.

The Directors recommend that you **vote in favour** of Resolution 2.

#### 4. RESOLUTION 3 - APPROVAL FOR ADDITIONAL PLACEMENT CAPACITY

##### 4.1 – General

Under Listing Rule 7.1A, an Eligible Entity may seek shareholder approval at its annual general meeting to issue Equity Securities up to 10% of its issued share capital through placements over a 12 month period after the annual general meeting (10% Placement Capacity). The 10% Placement Capacity is in addition to the Company's 15% annual placement capacity under Listing Rule 7.1.

An Eligible Entity is one that, as at the date of the relevant annual general meeting:

- (a) is not included in the S&P/ASX 300 Index; and
- (b) has a maximum market capitalisation (excluding restricted securities and securities quoted on a deferred settlement basis) of \$300,000,000.

The Company is an Eligible Entity as it is not included in the S&P/ASX 300 Index and has a current market capitalisation of less than \$300,000,000.

If Shareholders approve Resolution 3, the number of Equity Securities the Company may issue under the 10% Placement Capacity will be determined in accordance with the formula prescribed in Listing Rule 7.1A.2 (as set out in Section 4.2 below).

The effect of Resolution 3 will be to allow the Directors to issue Equity Securities up to 10% of the number of Ordinary Shares on issue under the 10% Placement Capacity during the period up to 12 months after the annual general meeting, without subsequent Shareholder approval and without using the Company's 15% annual placement capacity under Listing Rule 7.1.

Resolution 3 is a special resolution. Accordingly, this requires approval of at least 75% of votes cast by Shareholders present and eligible to vote at the Annual General Meeting (in person, by proxy, by attorney or, in the case of a corporate Shareholder, by a corporate representative).

The Directors recommend that you **vote in favour** of Resolution 3.

##### 4.2 – Listing Rule 7.1A

Any Equity Securities issued under the 10% Placement Capacity must be in the same class as an existing class of quoted Equity Securities. The Company currently has only one class of quoted Equity Securities on issue, being the Ordinary Shares.

The exact number of Equity Securities that the Company may issue under an approval pursuant to Listing Rule 7.1A will be calculated according to the following formula:

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

Where:

**A** means the number of Ordinary Shares on issue 12 months before the date of issue or agreement:

- (i) plus the number of Ordinary Shares issued in the previous 12 months under an exception in Listing Rule 7.2;
- (ii) plus the number of partly paid shares that became fully paid in the previous 12 months;
- (iii) plus the number of Ordinary Shares issued in the previous 12 months with approval of Shareholders under Listing Rule 7.1 or 7.4. This does not include an issue of Ordinary Shares under the Company's 15% placement capacity without Shareholder approval;

- (iv) less the number of Ordinary Shares cancelled in the previous 12 months.

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

D means 10%.

E means the number of Equity Securities issued or agreed to be issued under Listing Rule 7.1A.2 in the 12 months before the date of issue or agreement to issue that are not issued with the approval of Shareholders under Listing Rule 7.1 or 7.4.

#### 4.3 – Technical Information required by Listing Rule 7.1A

Pursuant to and in accordance with Listing Rule 7.3A, the information below is provided in relation to this Resolution 3:

**(a) Minimum Price**

The minimum price at which the Equity Securities may be issued is 75% of the volume weighted average price of the Company's Equity Securities, calculated over the 15 Trading Days immediately before:

- (i) the date on which the price at which the Equity Securities are to be issued is agreed; or
- (ii) if the Equity Securities are not issued within 5 Trading Days of the date in paragraph (i), the date on which the Equity Securities are issued.

**(b) Date of Issue**

The Equity Securities may be issued under the 10% Placement Capacity commencing on the date of the Annual General Meeting and expiring on the first to occur of the following:

- (i) the date that is 12 months after the date of the Annual General Meeting; and
- (ii) the date of the approval by Shareholders of a transaction under Listing Rules 11.1.2 (a significant change to the nature or scale of the Company's activities) or 11.2 (disposal of the Company's main undertaking),

or such longer period if allowed by ASX.

**(c) Risk of voting dilution**

Any issue of Equity Securities under the 10% Placement Capacity will dilute the interests of Shareholders who do not receive any Ordinary Shares under the issue.

If Resolution 3 is approved by Shareholders and the Company issues the maximum number of Equity Securities available under the 10% Placement Capacity, the economic and voting dilution of existing Ordinary Shares would be as shown in the table below.

The table below shows the dilution of existing Shareholders calculated in accordance with the formula outlined in Listing Rule 7.1A.2, on the basis of the current market price of Ordinary Shares and the current number of Equity Securities on issue for variable %A+ of the formula in Listing Rule 7.1A.2 as at the date of this Notice.

The table also shows:

- (i) an example where variable %A+ has increased by 50% and 100%. Variable %A+ is based on the number of Ordinary Shares the Company has on issue. The number of Ordinary Shares on issue may increase as a result of issues of Ordinary Shares that do not require Shareholder approval (for example, a pro rata entitlements issue or scrip issued under a takeover offer) or future specific placements under Listing Rule 7.1 that are approved at a future Shareholders meeting; and
- (ii) an example of the result of the issue price of ordinary securities decreasing by 50% and increasing by 50% as against the current market price.

Variable "A" in Listing Rule 7.1A	Dilution			
	Number of Shares issued under 10% Placement Capacity	Funds raised based on issue price of \$0.175 (50% decrease in current issue price)	Funds raised based on issue price of \$0.350 (Current issue price)	Funds raised based on issue price of \$0.525 (50% increase in current issue price)
<b>Current Variable "A"</b> 23,401,281 Shares	2,340,128	\$409,522	\$819,044	\$1,228,567
<b>50% increase in current Variable "A"</b> 35,101,921 Shares	3,510,192	\$614,283	\$1,228,567	\$1,842,850
<b>100% increase in current Variable "A"</b> 46,802,562 Shares	4,680,256	\$819,044	\$1,638,089	\$2,457,134

(iii) The table above uses the following assumptions:

- The current shares on issue are the Ordinary Shares on issue as at the date of this notice.
- The issue price set out above is the closing price of the Ordinary Shares on the ASX on 24<sup>th</sup> October 2013.
- No options are exercised.
- The Company issues the maximum possible number of Equity Securities under the 10% Placement Capacity.
- The Company has not issued any Equity Securities in the 12 months prior to the Annual General Meeting that were not issued under an exception in Listing Rule 7.2 or with approval under Listing Rule 7.1.
- The calculations above do not show the dilution that any one particular Shareholder will be subject to. All Shareholders should consider the dilution caused to their own shareholding depending on their specific circumstances.
- This table does not set out any dilution pursuant to approvals under Listing Rule 7.1.
- The issues of Equity Securities under the 10% Placement Capacity consist only of Ordinary Shares.

Shareholders should note that there is a risk that:

- (i) the market price for the Company's Ordinary Shares may be significantly lower on the issue date than on the date of the Annual General Meeting; and
- (ii) the Ordinary Shares may be issued at a price that is at a discount to the market price for those Ordinary Shares on the date of issue,

which may have an effect on the amount of funds raised by the issue of the Equity Securities.

**(d) Purpose of issue under 10% Placement Capacity**

The Company may issue Equity Securities under the 10% Placement Capacity for the following purposes:

- (i) as cash consideration, in which case the Company intends to use funds raised for general working capital; or

- (ii) as non-cash consideration for the acquisition of new assets and investments. In such circumstances the Company will provide a valuation of the non-cash consideration as required by Listing Rule 7.1A.3.

**(e) Allocation under the 10% Placement Capacity**

The allottees of the Equity Securities to be issued under the 10% Placement Capacity have not yet been determined. However, the allottees of Equity Securities could consist of current Shareholders or new investors (or both), none of whom will be related parties of the Company.

The Company will determine the allottees at the time of the issue under the 10% Placement Capacity, having regard to the following factors:

- (i) the purpose of the issue;
- (ii) alternative methods for raising funds available to the Company at that time, including, but not limited to, an entitlement issue or other offer where existing Shareholders may participate;
- (iii) the effect of the issue of the Equity Securities on the control of the Company;
- (iv) the Company's circumstances, including, but not limited to, its financial position and solvency;
- (v) prevailing market conditions; and
- (vi) advice from corporate, financial and broking advisers (if applicable).

**(f) Previous Approval under Listing Rule 7.1A**

The Company previously obtained approval under Listing Rule 7.1A at its 2012 Annual General Meeting.

**(g) Previous issues of Equity Securities**

In the 12 months preceding the date of the Annual General Meeting, the Company issued 15,600,854 Ordinary Shares pursuant to a partially underwritten 2 for 1 renounceable rights issue, representing 200% of the Equity Securities on issue at the commencement of that 12 month period. On 21 December 2012, 7,718,748 Ordinary Shares were issued to Shareholders under the rights issue with the remaining shortfall of 7,882,106 Ordinary Shares issued to Cygnet Capital Pty Ltd.

The Ordinary Shares were issued at an issue price of \$0.15, which was equal to the market price for the Ordinary Shares at the time of the offer, for a total consideration of \$2.34 million. Of the funds raised by issuing the Ordinary Shares, \$1.5M has been spent on redundancy and restructuring expenses, \$500K has been spent on restoring the working capital shortfall and \$300K has been spent on acquisitions.

**(h) Voting Exclusion**

A voting exclusion statement is included in the Notice of Meeting. As at the date of this Explanatory Statement, the Company has not invited any existing Shareholder to participate in an issue of Equity Securities under Listing Rule 7.1A. Therefore, no existing Shareholders will be excluded from voting on Resolution 3.

## **5. RESOLUTION 4 – CHANGE OF COMPANY NAME**

The Directors have decided to seek Shareholder approval to change the Company name to "Stokes Limited" as part of a corporate re-branding strategy. If Resolution 4 is approved as a special resolution, the change of name will take effect upon the lodgement of notice of the change of name with ASIC and ASIC altering the details of the Company's registration..

Resolution 4 is a special resolution. Accordingly, this requires approval of at least 75% of votes cast by Shareholders present and eligible to vote at the Annual General Meeting (in person, by proxy, by attorney or, in the case of a corporate Shareholder, by a corporate representative).

The Directors recommend that you **vote in favour** of Resolution 4.

## 6. RESOLUTION 5 – APPOINTMENT OF AUDITOR

The Company has received a nomination from one its Shareholders, nominating Pitcher Partners for appointment as auditor of the Company. In accordance with section 328B of the Corporations Act, a copy of the nomination is attached to the Notice of Meeting.

Pitcher Partners has given its consent in writing to the Company to act as auditor of the Company and the Company's current auditor, UHY Haines Norton, has sought the consent of ASIC to resign as auditor of the Company with effect from the end of the Annual General Meeting.

Subject to ASIC consenting to the resignation of UHY Haines Norton, the Company is seeking the approval of Shareholders to appoint Pitcher Partners as the new auditor of the Company.

The Directors recommend that you **vote in favour** of Resolution 5.

## 7. RESOLUTION 6 – ADOPTION OF NEW CONSTITUTION

The Directors have formed the view that to bring the Company's constitution into line with its current practices and procedures, and to ensure consistency with the Listing Rules and Corporations Act, the Company should cease to use its existing constitution and should adopt the constitution attached to the accompanying Notice of Meeting.

The following is a brief summary of the key terms of the proposed new constitution. This summary is not intended to be exhaustive. A copy of the constitution accompanies the Notice of Meeting and Shareholders are encouraged to carefully review the proposed new constitution.

### (a) Shares

The issue of shares, including the terms, options over unissued shares and other securities of the Company, is under the control of the Directors, subject to the Corporations Act, the Listing Rules and any rights attached to any special class of shares.

### (b) Preference shares

The Company has the power to issue preference shares. The constitution sets out a framework of rights for these preference share issues from which the Directors can determine to allot and issue preference shares, subject to the Corporations Act and the Listing Rules, on such terms and conditions as they see fit.

### (c) Alterations of share capital

The Company may, by resolution, make any reduction or alteration to the Company's share capital permitted by the Corporations Act and Listing Rules.

### (d) Liens

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

### (e) Transfer of shares

Subject to Corporations Act, the Listing Rules and the ASX Settlement Operating Rules and to any restrictions attached to a shareholder's shares, a shareholder may transfer any of the shareholder's shares by:

- (i) a proper ASX Settlement transfer;
- (ii) a written transfer in any form authorised by the Corporations Act; or
- (iii) by any other method permitted by the Corporations Act, the Listing Rules or the ASX Settlement Operating Rules.

Subject to Act, the Listing Rules and the ASX Settlement Operating Rules, the Directors may decline to register a transfer of shares or apply for a holding lock to prevent a transfer of Shares where:

- (iv) the Company has a lien on the shares the subject of the transfer;
- (v) the Company is served with a court order that restricts a shareholder's capacity to transfer the shares;
- (vi) registration of the transfer may breach an Australian law and ASX has agreed in writing to the application of a holding lock or that the Company may refuse to register a transfer;
- (vii) the constitution or the Listing Rules permits them to do so;
- (viii) the transfer is paper-based, a law related to stamp duty prohibits the Company from registering it;
- (ix) the transfer does not comply with the terms of any employee incentive scheme of the Company;
- (x) the transfer is paper-based, registration of the transfer will create a new holding which at the time the transfer is lodged is less than a "Marketable Parcel" (as defined in the Listing Rules); or
- (xi) the shareholder seeking to transfer its shares has agreed in writing to the application of a holding lock or that the Company may refuse to register a paper-based transfer.

**(f) Proportional takeover**

A proportional takeover bid is one in which the offeror offers only to buy a specified proportion, rather than all, of each shareholder's shares. The constitution provides for shareholder approval of any proportional takeover bid for shares. Subject to the Listing Rules and ASX Settlement Operating Rules, the provisions require the Directors to refuse to register any transfer of shares made in acceptance of a proportional takeover offer until the requisite shareholder approval has been obtained. The provision in the constitution requiring shareholder approval of any proportional takeover bid for the shares expires on the third anniversary of its adoption or last renewal and is renewed when a resolution is passed by 50% or more of shareholders.

**(g) Buy backs**

The Company may buy back shares on any terms and conditions determined by the Directors, subject to compliance with the requirements of the Corporations Act and the Listing Rules.

**(h) Disposal of less than a marketable parcel**

The Company may procure the disposal of shares where the shareholder holds less than a marketable parcel of shares within the meaning of the Listing Rules (being a parcel of shares with a market value of less than A\$500). To invoke this procedure, the Directors must first give notice to the relevant shareholder holding less than a marketable parcel of Shares, who may then elect not to have his or her shares sold by notifying the Directors.

**(i) Variation of class rights**

The rights attaching to a particular class of shares can be varied with consent in writing of the holders of at least 75% of the shares of that class or by a special resolution passed at a general meeting of the holders of shares of that class.

**(j) General meetings**

Directors may call a meeting of shareholders whenever they think fit. The shareholders may require the Directors to convene a general meeting as provided by the Corporations Act. The constitution prescribes that the place, date and time, general nature of business and any other information required by applicable law must be included in the notices of meetings of shareholders. Consistent with the Corporations Act, a meeting may be held in two or more places linked together by audio-visual communication devices. A quorum for a meeting of shareholders is five shareholders.

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

**(k) Voting of shareholders**

Resolutions of shareholders will be decided by a show of hands unless a poll is demanded. On a show of hands each eligible voter present has one vote. On a poll each eligible shareholder has one vote for each share held and a fraction of a vote for each partly paid share determined by the

amount paid up on that share. A poll may be demanded by the chairperson of the meeting, any five shareholders entitled to vote present in person or by proxy, attorney or representative or by any one or more shareholders holding not less than 5% of the votes that may be cast on the resolution of a poll.

**(l) Proxies**

An eligible shareholder may appoint a proxy to attend and vote at the meeting on the shareholder's behalf. An appointment of a proxy is only effective if the Company receives the appointment not less than 48 hours before the scheduled commencement of the meeting and is in the form specified by the Directors from time to time.

**(m) Powers of directors**

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

**(n) Retirement of Directors at each annual general meeting**

The constitution contains provisions relating to the rotation of Directors (other than the Managing Director).

**(o) Remuneration of Directors**

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

**(p) Dividends**

Subject to the Corporations Act and to any special rights or restrictions attached to any shares, the Directors may resolve to pay any dividend they think is appropriate and fix the time for payment. The Company will not pay any interest on dividends.

**(q) Winding up**

If the Company is wound up, the liquidator may, with the authority of a special resolution, divide among the shareholders in kind the whole or any part of the property of the Company, and may for that purpose set such value as they consider fair upon any property to be so divided, and may determine how the division is to be carried out as between the shareholders or different classes of shareholders. Distributions made on the winding up of the Company are to be proportional to a shareholder's paid up capital.

**(r) Application of the Listing Rules**

While the Company is admitted to the official list of the ASX, despite anything in the constitution, if the Listing Rules prohibit an act being done, then the act must not be done. Nothing in the constitution prevents an act being done that the Listing Rules require to be done. If the Listing Rules require an act to be done or not to be done, authority is given for that act to be done or not to be done (as the case may be). If the Listing Rules require the constitution to contain a provision or not to contain a provision, the constitution is deemed to contain that provision or not to contain that provision (as the case may be). If a provision of the constitution is or becomes inconsistent with the Listing Rules, the constitution is deemed not to contain that provision to the extent of that inconsistency.

Shareholders should note that the constitution accompanying the Notice of Meeting has been prepared on the basis that Resolution 4 is approved by Shareholders and therefore includes the new Company name "Stokes Limited". If Shareholders approve Resolution 6 to adopt the new constitution, but do not approve Resolution 4, then the constitution accompanying the Notice of Meeting will be adopted, but with references to "Stokes Limited" replaced with references to "Stokes (Australasia) Limited".

Resolution 6 is a special resolution. Accordingly, this requires approval of at least 75% of votes cast by Shareholders present and eligible to vote at the Annual General Meeting (in person, by proxy, by attorney or, in the case of a corporate Shareholder, by a corporate representative).

The Directors recommend that you **vote in favour** of Resolution 6.

## **8. RESOLUTION 7 – RATIFICATION OF THE PRIOR ISSUE OF ORDINARY SHARES**

### **Short explanation - Resolution 7**

On 28<sup>th</sup> October 2013, the Company announced a capital raising of up to \$2.0 million to provide the Company with working capital and debt reduction. The Company has engaged JM Financial to act as lead manager for the capital raising.

The capital raising will be by way of placement to various Australian institutional and sophisticated investors (**Subscribers**) at an issue price of \$0.35 per Ordinary Share (**Placement**). Under the Placement, up to 5,750,000 Ordinary Shares are expected to be issued on or around 1<sup>st</sup> November 2013. The Ordinary Shares will be issued under to the Company's 15% placement power pursuant to Listing Rule 7.1 and the Company's 10% placement power pursuant to Listing Rule 7.1A.

Listing Rule 7.1 imposes a limit on the number of Ordinary Shares that the Company can issue without Shareholder approval. Generally, a company may not, without shareholder approval, issue, during any 12 month period, more than 15% of the number of Ordinary Shares on issue 12 months before the issue date. Subject to obtaining shareholder approval at the previous annual general meeting, Listing Rule 7.1A permits eligible entities to issue a further 10% of the number of Ordinary Shares on issue 12 months before the issue date.

The Company is therefore seeking Shareholder approval for the issue of up to 5,750,000 Ordinary Shares so that, following the Annual General Meeting, the Company will have a full 15% placement power under Listing Rule 7.1 and, subject to Resolution 3 being passed, a full 10% placement power under Listing Rule 7.1A,

If Resolution 7 is passed, the Company will have flexibility to issue further Ordinary Shares without Shareholder Approval.

If Resolution 7 is not passed, it will not affect the validity of the issue of Ordinary Shares under the Placement. However, the Company will have limited capacity to issue further Ordinary Shares without Shareholder Approval during the 12 months following the Placement.

In accordance with Listing Rule 7.3 the following information is provided to Shareholders in relation to Resolution 7:

<b>The maximum number of securities the entity is to issue:</b>	5,750,000
<b>The date by which the securities will be issued:</b>	The Ordinary Shares will be issued on or around 1 <sup>st</sup> November 2013 (other than any Ordinary Shares to be issued to Participating Directors, which, subject to Resolution 8 being passed, will be issued within 1 month after the date of the Annual General Meeting)
<b>The issue price of the securities:</b>	\$0.35
<b>The names of the allottees:</b>	Various Australian institutional and sophisticated investors introduced by JM Financial
<b>The terms of the securities</b>	Fully paid ordinary shares
<b>The intended use of the funds raised:</b>	The funds raised under the Placement are to be used to: <ul style="list-style-type: none"> <li>• Fund working capital</li> <li>• Reduce debt</li> </ul>

The Directors recommend that you **vote in favour** of Resolution 7.

## 9. RESOLUTIONS 8: PARTICIPATION OF DIRECTORS IN THE PLACEMENT

The Participating Directors wish to participate in the Placement on the same terms as the other Subscribers.

Unless one of the exceptions in Listing Rule 10.12 applies, the Company is prohibited under Listing Rule 10.11 from issuing Shares to a related party. A "related party" (as defined in the Listing Rules) includes the directors of the company. The Directors consider that the exceptions in Listing Rule 10.12 may not apply in the current circumstances. Accordingly, Shareholder approval is being sought under Listing Rule 10.11 to allot and issue Ordinary Shares to the Participating Directors (or their respective nominees).

Each Participating Director has paid the subscription amount in respect of his participation in the Placement and the funds are being held on trust pending the outcome of the Annual General Meeting. If Resolution 8 is passed, the Company will issue and allot the Ordinary Shares to the Participating Directors (or their respective nominees). If Resolution 8 is not passed, the funds will be returned to the Participating Directors and no Ordinary Shares will be issued to any of the Participating Directors (or their respective nominees).

In accordance with Listing Rule 10.13, the following information is provided to Shareholders in relation to Resolution 8:

<b>The names of the related parties:</b>	Mr Con Scrinis  Mr Greg Jinks  Mr Peter Jinks
<b>The maximum number of securities to be issued:</b>	286,000 Ordinary Shares to Mr Con Scrinis  286,000 Ordinary Shares to Greg Jinks  286,000 Ordinary Shares to Peter Jinks
<b>The issue date for the securities:</b>	No later than 1 month after the date of the Annual General Meeting
<b>The issue price of the securities:</b>	\$0.35
<b>The intended use of the funds raised:</b>	The funds raised by issuing the Ordinary Shares to the Participating Directors will be applied in the same manner as the other funds raised under the Placement (as outlined in section 8 above)

Under the Corporations Act, the provision of any financial benefit to a related party requires shareholder approval in accordance with the procedure set out in Part 2E.1 of the Corporations Act, unless one of a number of exceptions applies. Part 2E.1 of the Corporations Act applies to the issuance of securities to a related party. A "related party" (as defined in the Corporations Act) includes the Directors of the Company.

With respect to the issue of Ordinary Shares to the Participating Directors, as the Ordinary Shares are being issued on the same terms as other participants under the Placement, the Board is of the view that the issue of the Ordinary Shares satisfies the "arm's length terms" exception in Section 210 of the Corporations Act. Accordingly, the Board considers that the "arm's length" exemption applies in these circumstances and shareholder approval is not being sought for the purposes of Chapter 2E of the Corporations Act.

The Directors abstain from making a recommendation in relation to Resolution 8.

## 10. GLOSSARY

The following words and expressions used in the Notice of Meeting and Explanatory Statement have the following meanings unless the context requires otherwise:

**Annual General Meeting** means the annual general meeting of the Company to be held on 28<sup>th</sup> November 2013.

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

**ASX** means ASX Limited ACN 98 008 624 691.

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

**Business Day** means a day (not being a Saturday, Sunday or public holiday) on which Australian banks (as defined in Section 9 of the Corporations Act) are open for general banking business in Melbourne, Victoria.

**Company** means Stokes (Australasia) Limited ACN 004 554 929.

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

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

**Equity Security** has the meaning given to that term in the Listing Rules.

**Explanatory Statement** means the explanatory statement accompanying the Notice.

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

**Notice of Meeting** means the notice of meeting for the Annual General Meeting.

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

**Participating Directors** means the Directors that wish to participate in the Placement, being Mr Con Scrinis, Mr Greg Jinks and Mr Peter Jinks.

**Placement** has the meaning given to that Term in Section 8 of the Explanatory Statement.

**Resolution** means a resolution proposed in the Notice of Meeting.

**Shareholder** means a holder of Ordinary Shares.

**Trading Day** has the meaning given to that term in the Listing Rules.

## PROXY FORM

### STEP 1

#### APPOINTMENT OF PROXY

**STOKES (AUSTRALASIA) LIMITED**

**ABN 24 004 554 929**

#### ANNUAL GENERAL MEETING

I/We

of

being a Shareholder of Stokes (Australia) Limited entitled to attend and vote at the Annual General Meeting, hereby appoint:

the Chairman

**OR**

Name of proxy

or failing the individual or body corporate named in relation to the Annual General Meeting generally, or in relation to a poll on a given resolution, or, if no individual or body corporate is named, the Chairman of the Annual General Meeting or the Chairman's nominee, as my/our proxy to act generally at the Annual General Meeting, or in relation to a poll on the given resolution (as applicable) on my/our behalf, including to vote in accordance with the following instructions (or if none have been given, and to the extent permitted by law, as the proxy sees fit) at the Annual General Meeting to be held at Level 12, 15 William Street, Melbourne Victoria 3000 at 10:00am (AEDT) on Thursday 28<sup>th</sup> November 2013 and at any adjournment thereof.

**Chairman to vote undirected proxies in favour:** I/we acknowledge that the Chairman of the Annual General Meeting intends to vote undirected proxies in favour of each Resolution.

**Chairman authorised to exercise proxies on remuneration related matters:** If I/we have appointed the Chairman of the Annual General Meeting as my/our proxy (or the Chairman of the Annual General Meeting becomes my/our proxy by default), I/we expressly authorise the Chairman of the Annual General Meeting to exercise my/our proxy in respect of Resolution 1 even though Resolution 1 is connected directly or indirectly with the remuneration of a member of the Company's key management personnel, which includes the Chairman. I/we acknowledge that if the Chairman of the Annual General Meeting is my/our proxy and I/we have not marked any of the boxes opposite Resolution 1, the Chairman of the Annual General Meeting intends to vote my/our proxy in favour of Resolution 1.

**Chairman authorised to exercise proxies on Resolution 8:** If I/we have appointed the Chairman of the Annual General Meeting as my/our proxy (or the Chairman of the Annual General Meeting becomes my/our proxy by default), I/we expressly authorise the Chairman of the Annual General Meeting to exercise my/our proxy in respect of Resolution 8 even if the Chairman has an interest in the outcome of Resolution 8 and that votes cast by the Chairman for Resolution 8 other than as proxy holder will be disregarded because of that interest. I/we acknowledge that if the Chairman of the Annual General Meeting is my/our proxy and I/we have not marked any of the boxes opposite Resolution 8, the Chairman of the Annual General Meeting intends to vote my/our proxy in favour of Resolution 8.

## STEP 2

### Voting on Business of the Annual General Meeting

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

		For	Against	Abstain
Resolution 1	Adoption of Remuneration Report	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Resolution 2	Re-election of Peter Jinks as a director	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Resolution 3	Approval for additional placement capacity	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Resolution 4	Change of company name	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Resolution 5	Appointment of auditor	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Resolution 6	Adoption of new Constitution	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Resolution 7	Ratification of the prior issue of Ordinary Shares	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Resolution 8	Participation of Directors in the Placement	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

**PLEASE NOTE:** If you have appointed the Chairman of the Annual General Meeting as your proxy (or the Chairman of the Annual General Meeting becomes your proxy by default), you can direct the Chairman of the Annual General Meeting to vote for or against, or to abstain from voting on, Resolution 1 (Adoption of Remuneration Report) or Resolution 8 (Participation of Directors in the Placement) by marking the appropriate box opposite the relevant Resolution. However, note that under STEP 1, if the Chairman of the Annual General Meeting is your proxy and you do not mark any of the boxes opposite Resolution 1 or Resolution 8, you are expressly authorising the Chairman to exercise the proxy on Resolution 1 or Resolution 8 (as the case may be). The Chairman intends to vote all such proxies in favour of Resolution 1 and Resolution 8.

Where permitted, the Chairman of the Annual General Meeting intends to vote undirected proxies in favour of each Resolution.

Proxy Forms should be:

- Hand delivery to: the Company at its registered address, 24 Palmerston Road West, Ringwood, Victoria; or
- Posted to: P.O. Box 168, Mitcham, Victoria 3132; or
- Fax to: the Company on (03) 9845 8373.

### 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

Sole Director and  
Sole Company Secretary

Securityholder 2

Director

Securityholder 3

Director/Company Secretary

Dated: \_\_\_\_/\_\_\_\_/2013 \_\_\_\_\_ Contact Name \_\_\_\_\_ Daytime Telephone \_\_\_\_\_

## INSTRUCTIONS FOR COMPLETING PROXY FORM

1. **(Appointing a Proxy):** A Shareholder who is entitled to attend and cast a vote at the Annual General Meeting is entitled to appoint a proxy to attend and vote for the Shareholder at the Annual General Meeting. A Shareholder who is entitled to cast 2 or more votes at the Annual General Meeting may appoint a second proxy. The appointment of the second proxy must be done on a separate copy of the proxy form. Where more than one proxy is appointed, such proxy must be allocated a proportion of the Shareholder's voting rights. If a Shareholder appoints two proxies and the appointment does not specify this proportion, each proxy may exercise half the votes. A duly appointed proxy need not be a Shareholder of the Company.
2. **(Direction to Vote):** A Shareholder may direct a proxy how to vote by marking one of the boxes opposite each item of business. Where a box is not marked the proxy may vote as they choose. Where more than one box is marked on an item the vote will be invalid on that item. Please refer to the voting exclusions for each Resolution for the directions that must be given to the proxy in relation to each resolution.
3. **(Signing Instructions for postal forms):**
  - **(Individual):** Where the holding is the one name, the Shareholder must sign.
  - **(Joint Holding):** Where the holding is in more than one name, all of the Shareholders should sign.
  - **(Power of Attorney):** If you have not already provided the power of attorney to the Company, please attach a certified copy 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, that person must sign. Where the Company (pursuant to Section 204A of the Corporations Act) does not have a company secretary, a sole Director can also sign alone. Otherwise, a Director jointly with either another Director or a company secretary must sign. Please sign in the appropriate place to indicate the office held.
4. **(Attending the Annual General Meeting):** Bring this form to assist registration. If a representative of a corporate Shareholder or proxy is to attend the meeting you will need to provide the appropriate Certificate of Appointment of Corporate Representative prior to admission. A form of the certificate may be obtained from the Company.
5. **(Return of Proxy Form):** To vote by proxy, please complete, sign and return the enclosed Proxy Form (and attach any authority under which it is signed) by:
  - post to: P.O. Box 168, Mitcham, Victoria 3132; or
  - facsimile to the Company on facsimile number +61 3 9845 8373;so that it is received not less than 48 hours prior to commencement of the Annual General Meeting.

**Proxy Forms received later than this time will be invalid.**

17 October 2013

The Directors  
Stokes (Australasia) Limited  
24 Palmerston Road West  
RINGWOOD VIC 3134

Dear Sirs

**Notice of Nomination of Auditor**

In accordance with section 328B(1) of the *Corporations Act 2001 (Cth)*, I, Brian Rosenberg, being a member of Stokes (Australasia) Limited, hereby nominate Pitcher Partners of 19/15 William Street, Melbourne, Victoria for appointment as auditor of Stokes (Australasia) Limited at the Annual General Meeting to be held on 28 November 2013 or any adjournment of that meeting.

Please distribute copies of this Notice of Nomination as required by section 328B(3) of the *Corporations Act 2001 (Cth)*.

Yours faithfully

A handwritten signature in black ink, appearing to be 'Brian Rosenberg', with a stylized, flowing script.

Brian Rosenberg