

FIRSTFOLIO LIMITED
(ACN 002 612 991)

NOTICE OF ANNUAL GENERAL MEETING

Notice is hereby given that the 2012 annual general meeting of Firstfolio Limited (*Company*) will be held at Hilton Hotel, 488 George Street, Sydney on Monday, 26 November 2012 at 10.30am.

BUSINESS

A. ACCOUNTS AND REPORTS:

To table the financial report of the Company and the related reports of the Directors and auditors for the year ended 30 June 2012 and to provide members with the opportunity to raise any issues or ask any questions generally of the Directors.

B. RESOLUTIONS:

Resolutions 1 to 6 will be proposed as ordinary resolutions. Resolution 7 will be proposed as a non-binding ordinary resolution.

1. Election of Mr Eric Dodd

'That Mr Eric Dodd, a Director appointed by the Board since the last meeting of Shareholders and retiring in accordance with the Company's Constitution, being eligible and having offered himself for election be elected as a Director of the Company.'

2. Election of Mr Greg Pynt

'That Mr Greg Pynt, a Director appointed by the Board since the last meeting of Shareholders and retiring in accordance with the Company's Constitution, being eligible and having offered himself for election be elected as a Director of the Company.'

3. Re-Election of Mr Gregory James Paramor

'Since finalising the items of business for the Annual General Meeting, Mr Gregory James Paramor has resigned from the Board of Firstfolio Limited. Accordingly resolution 3 is no longer required.'

4. Re-election of Mr Michael John Hogg

'That Mr Michael John Hogg, a Director retiring by rotation in accordance with the Company's Constitution and being eligible and having signified his candidature for re-election, be hereby re-elected as a Director of the Company.'

5. Increase in Aggregate Fees for Non-Executive Directors

"That approval be given in accordance with ASX Listing Rule 10.17 and for the purpose of Article 13.3 of the Company's Constitution, for the aggregate amount of remuneration that may be paid in any financial year to the Company's Non-Executive Directors be increased by \$140,000 from \$360,000 to \$500,000."

6. Appointment of Auditor

"That the Company accept the written consent of Deloitte Touche Tohmatsu (Deloitte) to act as auditor of the Company and appoint Deloitte as auditor."

7. Adoption of Remuneration Report

'That for the purpose of section 250R(2) of the Corporations Act and for all other purposes, the Remuneration Report for the financial year ended 30 June 2012 be adopted.'

By Order of the Board



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Dustine Pang
Company secretary
24 October 2012

EXPLANATORY NOTES

These Explanatory Notes form part of the Notice of Annual General Meeting dated 24 October 2012 and should be read in conjunction with that Notice as these Explanatory Notes contain important information on the proposed resolutions.

A. ACCOUNTS AND REPORTS:

The financial report, directors' report and auditor's report for the Company for the year ended 30 June 2012 will be tabled before the meeting. There is no requirement for Shareholders to approve those reports, however, the Chairman will allow a reasonable opportunity for Shareholders to ask questions or make comments about those reports and the management of the Company. Shareholders will also be given a reasonable opportunity to ask the auditor questions about the conduct of the audit and the preparation and content of the auditor's report.

B. RESOLUTIONS:

1. RESOLUTION 1 – ELECTION OF MR ERIC DODD

Article 13.2 of the Constitution states that a Director appointed by the Board may hold office only until the next Annual General Meeting of the Company and is then eligible for election. Accordingly, Mr Eric Dodd, who was appointed to the Board by the Directors on 2 April 2012 as a Director and Chairman of the Board, seeks election to the Board as required by that Article. Personal particulars of Mr Dodd are set out in the Board of Directors information included in the Company's 2012 Annual Report.

2. RESOLUTION 2 – ELECTION OF MR GREG PYNT

Article 13.2 of the Constitution states that a Director appointed by the Board may hold office only until the next Annual General Meeting of the Company and is then eligible for election. Accordingly, Mr Greg Pynt, who was appointed to the Board by the Directors on 18 June 2012 as a Director, seeks election to the Board as required by that Article. Personal particulars of Mr Pynt are set out in the Board of Directors information included in the Company's 2012 Annual Report.

3. RESOLUTION 3 – RE-ELECTION OF MR GREGORY JAMES PARAMOR

Since finalising the items of business for the Annual General Meeting, Mr Gregory James Paramor has resigned from the Board of Firstfolio Limited. Accordingly resolution 3 is no longer required.

4. RESOLUTION 4 – RE-ELECTION OF MR MICHAEL JOHN HOGG

Article 16.1 of the Constitution requires one third of directors (other than the Managing Director and any director appointed pursuant to Article 13.2) to retire each year (by rotation). Mr Michael John Hogg retires this year in accordance with this Article and is permitted to seek re-election. Personal particulars for Mr Michael John Hogg are set out in the Board of Directors information included in the Company's 2012 Annual Report.

5. RESOLUTION 5 - INCREASE IN AGGREGATE FEES FOR NON-EXECUTIVE DIRECTORS

5.1. Increase in Non-Executive Directors' Remuneration

The Company is proposing an increase to the aggregate fee pool payable to Non-Executive Directors. Currently, under Article 13.3 of the Company's Constitution, the maximum aggregate sum that can be paid as fees to Non-Executive Directors in any financial year is \$360,000. This maximum aggregate amount was approved at the Company's AGM held on 27 November 2009 at which time the Board included 5 Non-Executive Directors. Following the appointment of Mr Greg Pynt on 18 June 2012, the Board now includes 6 Non-Executive Directors.

The Company is seeking shareholder approval to increase the aggregate pool available to pay Non-Executive Directors by \$140,000 from \$360,000 to \$500,000.

5.2. Constitution and ASX Listing Rules

Under Rule 13.3 of the Company's Constitution and ASX Listing Rule 10.17, the upper limit on aggregate Non-Executive Directors' remuneration may only be increased with shareholder approval. The limit was last approved by shareholders at the 2009 Annual General Meeting.

5.3. Reasons for proposed increase

The Directors are seeking shareholder approval to increase the upper limit on aggregate Non-Executive Directors' remuneration for the following reasons:

- (a) to ensure the Company maintains the ability to remunerate competitively and attract and retain high calibre Non-Executive Directors;

- (b) to allow for some growth in Non-Executive Directors' remuneration to compensate for participation in new sub-committees and increased responsibilities that the Board intends to require of its Non-Executive Directors;
- (c) to allow for some growth in Non-Executive Directors' remuneration in the future to reflect market competitiveness for Non-Executive Directors with the skills and experience appropriate for the Company's business; and
- (d) to create some capacity to appoint additional Non-Executive Directors if necessary as part of the Board's succession planning strategy.

If shareholders approve the proposed resolution, the maximum aggregate sum payable to Non-Executive Directors will be \$500,000 in any financial year. The level of Non-Executive Directors' fees will be reviewed annually for alignment with market practice. In considering Non-Executive Directors' fees, the Board will seek the advice of independent remuneration consultants to ensure that the Company's approach is appropriate having regard to market practice.

The Non-Executive Directors' fees paid during the year ended 30 June 2012 are detailed in the Company's 2012 Annual Report. The total value of fees (including superannuation) paid to all Non-Executive Directors during the last financial year was \$298,000.

5.4. **Voting exclusion statement**

The Company will disregard any votes cast on Resolution 5 by:

- a director of the Company; and
- any associate of a director of the Company.

However, a person described above may cast a vote on the resolution if:

- (a) the person does so as a proxy appointed by writing that specifies how the proxy is to vote on the proposed resolution; and
- (b) the vote is not cast on behalf of a person described in subparagraphs (a) or (b) above.

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

The Company has undertaken a tender process regarding its external audit function based on fees, independence, scope of audit, issues resolution and non-audit services. As a result of that tender process the Company wishes to appoint Deloitte Touche Tohmatsu (*Deloitte*) as its auditor.

Consequently, subject to the obtaining of shareholder approval, Deloitte has been nominated to become the new auditor of the Company.

The *Corporations Act 2001 (Cth) (Corporations Act)* requires that shareholders approve the appointment of a new auditor.

The Board has been satisfied with the services of Pitcher Partners as Company auditor and thanks Pitcher Partners for their services provided.

Pitcher Partners received the consent of ASIC to resign as auditor of the Company with effect from the end of the Annual General Meeting on 17 September 2012. Pitcher Partners gave its notice of resignation to the Company with effect from the end of the Annual General Meeting on 24 September 2012.

The Company has received a notice from Mr George Zakher, being a member of the Company, nominating Deloitte as the new auditor of the Company. In accordance with section 328B of the Corporations Act, a copy of the notice of nomination of Deloitte received by the Company from Mr George Zakher is attached as Annexure A.

Deloitte has consented to act as auditor of the Company.

The Company notes that Deloitte is a well-established firm with the necessary expertise and resources to meet the Company's requirements. It is further noted that fees quoted by Deloitte for performing the auditor role are competitive.

As ASIC has consented to Pitcher Partners' resignation as the Company's auditor, the Board recommends that shareholders vote in favour of the appointment of Deloitte as the Company's auditors.

7. RESOLUTION 7 – ADOPTION OF REMUNERATION REPORT

The Company is required to include in its Directors Report a detailed Remuneration Report relating to Directors' and Executives' remuneration. Section 300A of the Corporations Act sets out the information to be included in the Remuneration Report. A copy of the Remuneration Report appears in the Company's Annual Report for the year ended 30 June 2012.

Sections 249L(2) and 250R(2) of the Corporations Act require that a resolution that the Remuneration Report be adopted be put to a vote of shareholders at the Company's Annual General Meeting. The vote on this Resolution 7 is advisory to the Company only and does not bind the Board.

Under Section 250SA of the Corporations Act, shareholders must be given a reasonable opportunity to ask questions about, or make comments on, the Remuneration Report. This is in addition to any questions or comments that shareholders may have in relation to the management of the Company.

A vote on Resolution 7 must not be cast by or on behalf of either of the following persons:

- (a) a member of the key management personnel details of whose remuneration are included in the remuneration report; or
- (b) a closely related party of such a member.

However, a person described above may cast a vote on the resolution if:

- (c) the person does so as a proxy appointed by writing that specifies how the proxy is to vote on the proposed resolution; and
- (d) the vote is not cast on behalf of a person described in subparagraphs (a) or (b) above.

The Chairman of the Meeting intends to vote all available proxies in favour of Resolution 7.

Annexure A

Nomination of Deloitte as Auditor

GEORGE ZAKHER
3 HAMPSON AVE
MAROUBRA NSW, 2035

The Directors
Firstfolio Limited
Level 9, 50 Bridge Street
SYDNEY NSW 2000

Dear Sirs

Nomination of Deloitte Touche Tohmatsu as auditor of Firstfolio Limited

I, George Zakher, being a member of Firstfolio Limited (ACN 002 612 991) (*Company*), hereby nominate Deloitte Touche Tohmatsu as auditor of the Company as contemplated by section 328B of the *Corporations Act 2001* (Cth).

Yours faithfully



George Zakher

Date: 2 October 2012

GENERAL NOTES

1. Voting by proxy

The Chairman of the Meeting intends to vote undirected proxies **for** the proposed resolutions.

A Shareholder entitled to attend and vote at the Annual General Meeting may appoint one proxy or, if the Shareholder is entitled to cast two or more votes at the meeting, two proxies to attend and vote instead of the Shareholder.

Where two proxies are appointed to attend and vote at the meeting, each proxy may be appointed to represent a specified proportion or number of the Shareholder's voting rights at the meeting. If the vote split is not specified, it is deemed to be equally divided between the two proxies.

A proxy need not be a Shareholder of the Company.

A proxy form accompanies this notice. For the proxy form to be valid it must be received together with the power of attorney or other authority (if any) under which the form is signed, or a certified copy of that power or authority, not less than 48 hours before the time for holding the Annual General Meeting, namely, by 10:30 am on 24 November 2012, at:

- (a) the Company's offices at Level 9, 50 Bridge Street, Sydney, New South Wales, 2000; or
- (b) by facsimile on (02) 9240 8998; or
- (c) by facsimile on (within Australia) 1800 783 447 or (outside Australia) +61 3 9473 2555; or
- (d) by mail to Computershare Investor Services Pty Limited, GPO Box 242 Melbourne, Victoria 3001 Australia or using the enclosed reply paid envelope; or
- (e) You may also submit your proxy form online at www.investorvote.com.au. You will need your Securityholder Reference Number (SRN) or Holder Identification Number (HIN) which is printed in the attached proxy form.

Shareholders and their proxies should note that new sections 250BB and 250BC of the Corporations Act apply to voting by proxy. In particular:

- (a) the proxy need not vote on a show of hands, but if the proxy does so, the proxy must vote as directed;

- (b) if the 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; and
- (c) if the proxy is the chair of the meeting at which the resolution is voted on, the proxy must vote on a poll and must vote as directed; and
- (d) if the proxy is not the chair, the proxy need not vote on a poll, but if the proxy does so, the proxy must vote as directed.

If a proxy is also a member, this subsection does not affect the way that the person can cast any votes they hold as a member.

If an appointment of a proxy specifies the way the proxy is to vote on a particular resolution, and

- (a) the appointed proxy is not the Chairman of the meeting;
- (b) at the meeting, a poll is duly demanded on the resolution and either of the following applies:
 - (i) the proxy is not recorded as attending the meeting; or
 - (ii) the proxy does not vote on the resolution,

the Chairman of the meeting is taken, before voting on the resolution closes, to have been appointed as the proxy for the purposes of voting on the resolution at the meeting.

2. Explanatory Notes

Explanatory Notes accompany this Notice of Annual General Meeting containing information about the business referred to in this Notice of Annual General Meeting.

3. Voting Entitlement

A determination has been made by the Board of Directors of the Company in accordance with Regulation 7.11.37 of the Corporations Act that those persons who are registered as the holders of shares in the Company at 7.00pm on 24 November 2012 will be taken to be the holders of shares for the purposes of determining voting entitlements at the meeting.

