

Folkestone

Notice of  
Annual General  
Meeting

Folkestone Limited  
2013

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# Notice of Annual General Meeting

Folkestone Limited ABN 21 004 715 226

The forty sixth Annual General Meeting of **FOLKESTONE LIMITED** will be held at the offices of Deloitte Touche Tohmatsu at Level 9, 225 George Street, Sydney on **Tuesday, 22 October 2013 commencing at 11:30am AEDT.**

## Agenda

### 1. Financial Statements

To receive and consider the Directors Report, Financial Statements and Independent Audit Report for the year ended 30 June 2013.

### 2. Resolution 1 - Re-election of Ross Strang

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

*"That Mr Ross Strang, a Director retiring from office by rotation in accordance with Article 58 of the Constitution, being eligible, is re-elected as a Director of the Company."*

### 3. Resolution 2 - Election of Mark Baillie

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

*"That Mr Mark Baillie, a Director appointed by the Board and retiring from office in accordance with Article 47 of the Constitution, being eligible, is elected as a Director of the Company."*

### 4. Resolution 3 - Adoption of the Remuneration Report

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

*"That the Remuneration Report for the financial year ended 30 June 2013 be adopted."*

**Note to Shareholders:** The vote on this item is advisory only and does not bind the Directors of the Company.

### 5. Resolution 4 - Approval of Executive Incentive Plan and issue of Shares thereunder

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

*"That for the purposes of Listing Rule 7.2, exemption 9 and for all other purposes, approval is given:*

- (a) *in respect of the Executive Incentive Plan (Amended Plan) for the provision of incentives to officers, employees, executives and senior management whom the Board determines to be eligible to participate in the Amended Plan (Participants); and*
- (b) *for the grant of performance rights and/or share appreciation rights to Participants, and the subsequent issue or transfer of Shares to, or in relation to, Participants under the Plan."*

### Voting Exclusion Statements

#### Resolution 3

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

- a. a member of the Key Management Personnel, details of whose remuneration are included in the remuneration report; or
- b. any closely related party of such a member.

However, the Company does not need to disregard votes by such a person provided:

- a. the voter casts the vote as proxy for another person who is entitled to vote if the vote is cast in accordance with the directions on the proxy form; or
- b. the voter is the chairman of the Meeting as a proxy for a person who is entitled to vote and the vote is cast either:
  - in accordance with the direction on the proxy form; or
  - in circumstances where the proxy form does not specify the way the proxy is to vote on the resolution and the proxy form expressly authorises the Chair to exercise the proxy (even if the resolution is connected directly or indirectly with the remuneration of a member of the Key Management Personnel of the Company).

#### Resolution 4

The Company will disregard any votes cast on Resolution 4 by any Director of the Company or by any associates of those persons. However, the Company need not disregard a vote if:

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



**By Order of the Board**  
**Scott Martin**  
**Company Secretary**  
18 September 2013

# Explanatory Memorandum

## Folkestone Limited Annual General Meeting

### Recommendation

The Directors of the Company recommend that Shareholders vote in favour of each of the Resolutions.

### Item 1 – Financial Statements

In accordance with section 317 of the Corporations Act, the Financial Report, the Directors' Report and Auditor's Report for the most recent financial year will be tabled before the Meeting.

No resolution is required by either the Corporations Act or the Company's Constitution, however, Shareholders will be given a reasonable opportunity to ask questions and make comments on these reports at the Meeting.

### Item 2 (Resolution 1) – Re-election of Ross Strang

Mr Strang was appointed as a non-executive Director of the Company in March 2011. Pursuant to article 58 of the Constitution, Mr Strang retires and offers himself for re-election as a Director of the Company.

Details in relation to Mr Strang are as follows:

#### **Ross Strang** **LLB (HONS), MAICD** **Non-Executive Director**

Ross was appointed as a non-executive Director of the Company in March 2011 and a non-executive director of Folkestone Funds Management Limited in May 2012. Ross is a consultant to Kemp Strang, a Sydney commercial law firm. Ross is one of Kemp Strang's founders and was a partner in the practice for over 30 years. Ross has extensive experience in commercial real estate, construction and securities matters on a broad front and is well known in legal, commercial and community circles. He is the former non-executive Director of Mirvac Funds Management Limited and Mirvac Wholesale Funds Management Limited, and is a member of the Australian Institute of Company Directors.

The Board unanimously recommends that Shareholders vote in favour of the re-election of Mr Strang.

### Item 3 (Resolution 2) – Election of Mark Baillie

Mr Baillie was appointed as a non-executive Director of the Company in February 2013 by the Board pursuant to article 47 of the Constitution. Pursuant to of the Constitution, Mr Baillie retires and offers himself for election as a Director of the Company.

Details in relation to Mr Baillie are as follows:

#### **Mark Baillie** **B.COM, CA** **Non-Executive Director**

Mark was appointed as Non-Executive Deputy Chairman of Folkestone in February 2013. Prior to this Mark was Macquarie Group Limited's Head of Real Estate – Europe and North America. During his 14 years at Macquarie, Mark was responsible for the establishment of three listed AREITs and was an AREIT CEO for five years. Mark was located in Chicago, USA and London, UK in order to create and manage Macquarie Real Estate's business in both regions. Mark was a director on the boards of all Macquarie's listed AREITs. In addition, Mark has been a director of the following real estate industry bodies, the Property Council of Australia, the Shopping Centre Council of Australia, the Association of Foreign Investors in Real Estate (past Chairman) and the European Public Real Estate Association. Mark is currently a director of the American Australian Association Limited.

The Board unanimously recommends that Shareholders vote in favour of the election of Mr Baillie.

### Item 4 (Resolution 3) - Adoption of Remuneration Report

As required by section 250R(2) of the Corporations Act, a resolution that the remuneration report for the year ended 30 June 2013 be adopted

must be put to a vote. The vote on the remuneration report is advisory only and will not bind the Directors or the Company. However, the Board will take the outcome of the vote into consideration when reviewing remuneration practices and policies.

A copy of the report is set out in the Company's 2013 annual report and financial report. This report can also be found on the Company's website at [www.folkestone.com.au](http://www.folkestone.com.au).

A reasonable opportunity will be provided for discussion of the remuneration report at the Meeting.

### Item 5 (Resolution 4) - Approval of Executive Incentive Plan and issues of Shares thereunder

The Company is committed to developing a remuneration strategy which is designed to attract, retain and motivate appropriately qualified and experienced Directors and senior executives.

Key principles in developing the remuneration structure and levels include the creation of longer term Shareholder value, alignment with Shareholder interests, market competitiveness, recognition of individual performance and experience and divisional and group performance.

The Company has recently reviewed its remuneration policies and practices in order to ensure that they are consistent with its strategic goals and human resources objectives and to ensure that they are designed to enhance corporate and individual performance. A part of this involved a review of the Company's existing long term incentive plan, the Executive Incentive Performance Rights Plan. As a result of this review, some amendments have been made to that plan. ***Please note the only material amendment to the current Executive Incentive Performance Rights Plan is the ability for the Board to issue either Performance Rights or Share Appreciation Rights to eligible participants.*** Please refer to the Summary of the Amended Plan Rules on page 3 for a summary of the difference between a Performance Right and Share Appreciation Right. It is the amended plan (now called the Executive Incentive Plan (Amended Plan)) which Shareholders are being asked to consider and approve at the Meeting.

The Amended Plan will replace the current Executive Incentive Performance Rights Plan. The Company intends to cease making new grants under the current Executive Incentive Performance Rights Plan. However, the rights, entitlements and obligations of existing participants in the current Executive Incentive Performance Rights Plan will continue on the same basis as before the introduction of the Amended Plan.

The Amended Plan is designed to:

- assist with the attraction and retention of directors, executives, senior managers and employees;
- continue to motivate and drive performance at both the individual and corporate level; and
- strengthen the alignment between employee and Shareholder interests.

A summary of the rules of the Amended Plan (**Amended Plan Rules**) is set out below.

### Reason for Seeking Approval

Shareholder approval of the Amended Plan is sought for all purposes under the Corporations Act and the ASX Listing Rules, including for the purposes of ASX Listing Rules 7.2, exception 9, so that any Shares issued under the Amended Plan will be excluded from the calculation of the maximum number of new Shares that can be issued by the Company in any 12 month period (currently 15% of shares previously on issue) for a period of 3 years from the date of approval.

## EXPLANATORY MEMORANDUM CONTINUED

### Number of Shares Issued Since Last Approval

No Shares have been issued to date under the current Executive Incentive Performance Rights Plan. The following issues of performance rights have been made since the Executive Incentive Performance Rights Plan was approved at the General Meeting in March 2011:

- 3,942,053 performance rights were issued to Adrian Harrington; and
- 3,942,053 performance rights were issued to Jonathan Sweeney.

No performance rights, share appreciation rights, or Shares, have been issued under the Amended Plan.

In the future, it is proposed that grants of Performance Rights and Share Appreciation Rights will be made annually, following announcement of the Company's full-year audited results. The Board will have discretion to make grants at other times including on the commencement of employment by a person deemed by the Board to be eligible to participate in the Amended Plan.

### Summary of the Amended Plan Rules

#### **Eligibility**

Eligibility is restricted to those "employees" who the Board determines in its discretion are eligible and should be invited to participate in the Amended Plan. Employees are defined in the Amended Plan as a person who is in the full or part time employment of the Company or its subsidiaries (including Directors).

#### **Incentives offered under the Amended Plan**

Employees selected for participation in the Amended Plan may be offered performance rights ("**Performance Rights**") and /or share appreciation rights ("**Share Appreciation Rights**").

A Performance Right is the right to receive a Share. On the vesting date, if the performance hurdles and tenure conditions are satisfied in respect of a Performance Right, the Performance Right immediately vests and the Company must procure the issue or transfer of a Share to the Participant. The Share may be subject to disposal conditions.

A Share Appreciation Right also represents the right to receive Shares. On the vesting date, if the performance hurdles and tenure conditions are satisfied in respect of a Share Appreciation Right, the Share Appreciation Right immediately vests and the Participant is eligible to receive a "Payout" calculated in accordance with the terms of issue of the Share Appreciation Right. Generally the "Payout" amount will be referable to the amount by which the prevailing 10 day VWAP of Shares as at the vesting date is greater than the 10 day VWAP of Shares as at the time of issue of the Share Appreciation Right or other date as determined by the Board. Upon being eligible to receive a "Payout", the Company must procure the issue or transfer of such number of Shares as is determined by dividing the "Payout" amount by the prevailing 10 day VWAP of Shares as at the payout date.

No monetary consideration will be payable by an employee for an award of Performance Rights or Share Appreciation Rights, nor will any amount be payable by the holder in connection with the vesting of a Performance Right or Share Appreciation Right.

Performance Rights and Share Appreciation Rights will not be quoted on the ASX or another financial market and will be subject to restrictions on transfer and hedging. Performance Rights and Share Appreciation Rights will not entitle the holder to receive any dividends from the Company or exercise any voting rights in respect of the Company.

Shares delivered on the vesting of Performance Rights and Share Appreciation Rights will rank equally with those traded on the ASX at the time of issue.

### **Offers of Performance Rights and Share Appreciation Rights**

From time to time the Company may invite eligible employees to apply for either or a combination of Performance Rights and Share Appreciation Rights. Each invitation may set out, among other things:

- the number of Performance Rights and/or Share Appreciation Rights the Employee may apply for;
- the amount payable (if any) for the grant of the Performance Right or Share Appreciation Right or how it is calculated;
- the method by which the "Payout" for the Share Appreciation Right is calculated and the associated determination and payout dates;
- any performance hurdles (see below) attaching to the Performance Rights or the Share Appreciation Rights and the applicable vesting date or vesting dates ("**Vesting Date**");
- the circumstances in which accelerated vesting or lapsing of Performance Rights or Share Appreciation Rights will occur;
- the circumstances and dates on which the Performance Rights or Share Appreciation Rights will lapse ("**Expiry Date**"); and
- the Restriction Period (if any) in which the participant may not transfer or dispose of a Share received on the vesting of a Performance Right.

### **Performance Hurdles**

Performance Rights and Share Appreciation Rights will not vest, and the holders of Performance Rights or Share Appreciation Rights will not be entitled to Shares, unless the performance hurdles associated with those Performance Rights or Share Appreciation Rights are satisfied or waived. The Board will determine the applicable performance hurdles prior to Performance Rights or Share Appreciation Rights being granted. The hurdles may reflect the Company's business plans, targets, budgets and performance objectives.

### **Early Vesting of Rights**

Performance Rights and Share Appreciation Rights may vest or lapse earlier than the Vesting Date in certain circumstances. Where a participant ceases employment with the Company prior to the Expiry Date, the Performance Rights and Share Appreciation Rights will normally lapse. However, the Board has the discretion to vest part or all of a participant's Performance Rights or Share Appreciation Rights, including where:

- the participant's employment ceases due to death, retirement, total and permanent disablement or redundancy; or
- an event occurs in respect of the Company such as a change of control, receipt of a takeover bid, a court ordering the holding of a meeting in relation to a compromise or arrangement, a voluntary or compulsory winding up or Shares ceasing to be quoted on any exchange ("**Event**").

The Board also has the discretion to determine that a participant who dies or becomes totally and permanently disabled may retain their Performance Rights or Share Appreciation Rights as though they remained an Employee.

## EXPLANATORY MEMORANDUM CONTINUED

### **Early Lapse of Rights**

Performance Rights and Share Appreciation Rights, that have not vested, lapse on the earlier of:

- the date specified in the invitation for the Performance Rights or Share Appreciation Rights;
- the Board determining that a participant's Performance Rights or Share Appreciation Rights should lapse where it is of the opinion the participant has committed an act of fraud, dishonesty or wilful misconduct or is convicted of a criminal offence which may injure the Company's reputation or the participant leaves the Company and is not a good leaver or is otherwise a bad leaver;
- the participant becoming bankrupt; or
- the participant ceasing to be an employee and the Board not making a determination that the Performance Rights or Share Appreciation Rights vest or that the participant is to be treated as remaining employed for the purposes of assessing the vesting of the Performance Rights or Share Appreciation Rights.

### **Dealing with Rights and Shares**

Participants may not sell, assign, transfer or otherwise deal with, or grant a security interest over, their Performance Rights or Share Appreciation Rights. Performance Rights and Share Appreciation Rights lapse immediately on any purported sale, assignment, transfer, dealing or grant of security interest unless the Board in its absolute discretion approves the dealing or transfer or transmission is effected by force of law on death or legal incapacity to the participant's legal representative. Participants are prohibited from entering into any arrangement to hedge or otherwise affect their economic exposure to their Performance Rights or Share Appreciation Rights.

In addition, the Board may determine that participants will not be able to dispose or otherwise deal with the Shares they or their nominees receive on the vesting of Performance Rights or Share Appreciation Rights until a set disposal restriction ends. The terms of any disposal restrictions are to be set by the Board and specified in a participant's invitation.

### **New Issues and Reorganisations of Capital**

In the event of any capital reorganisation by the Company (including bonus issues, share splits, consolidations), the participant's Performance Rights and Share Appreciation Rights, and the Shares allocated to the participant on vesting of the Performance Rights or Share Appreciation Rights may be treated or adjusted, as set out in the Amended Plan Rules. In general, it is intended that the participant will not receive any advantage or disadvantage from such an adjustment not received by holders of Shares.

### **Change of Plan Rules**

Subject to the terms of the Amended Plan and the ASX Listing Rules, the Board may amend or vary the Amended Plan at any time in any manner it thinks fit in its absolute discretion. However, the Amended Plan cannot be amended or varied in a manner which reduces the rights of participants in respect of Performance Rights or Share Appreciation Rights acquired by them prior to the date of the amendment without their consent other than an amendment:

- introduced primarily to the purpose of complying with law or ASIC policy;
- to correct any manifest error of mistake; or
- for the purpose of enable the Company or its subsidiaries, participants in the Amended Plan or groups of participants generally to receive more favourable taxation treatment in respect of their participation in the Amended Plan.

# General Explanatory Notes

## 1. Voting at the Meeting

A Shareholder who is entitled to vote may vote on the items of business to be considered at the Meeting either in person at the Meeting or by completing and returning the proxy form enclosed with this Notice of Meeting.

If you attend the Meeting, you will need to register at the registration desk upon arrival on the day of the Meeting. The registration desk will be open from 11:15am AEDT.

## 2. Voting By Proxy

A Shareholder who is entitled to vote at the Meeting has the right to appoint:

- one proxy if the Shareholder is only entitled to one vote; or
- one or two proxies if the Shareholder is entitled to more than one vote.

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 specify a proportion or number, each proxy may exercise one-half of the votes, in which case any fraction of votes will be disregarded.

A proxy may be an individual or a body corporate and does not need be a Shareholder of the Company. A body corporate appointed as a proxy may then nominate an individual to exercise its powers at the Meeting.

Where a Shareholder nominates the Chair of the Meeting as their proxy but does not indicate their voting intention, the Chair will (subject to law) vote the proxy in favour of all resolutions.

The proxy form and the original power of attorney or other authority (if any) under which it is signed (or a certified copy) must be received by the Company, by no later than **11:30am AEDT on Sunday 20 October 2013**. The completed proxy form may be lodged using the following methods:

- Mailed to Boardroom Pty Limited, GPO Box 3993, Sydney NSW 2001 (using the enclosed reply paid envelope);
- Completed online at [www.boardroomlimited.com.au/vote/folkestoneagm2013](http://www.boardroomlimited.com.au/vote/folkestoneagm2013);
- Faxed to +61 2 9290 9655; or
- Delivered by hand to Boardroom Pty Limited, Level 7, 207 Kent Street, Sydney NSW 2000.

Please note that the date for receipt of proxies is a Sunday and that Boardroom Pty Limited's offices will be closed on that date. To ensure your vote is valid, please ensure your posted or hand delivered proxy form is received prior to 5:00pm AEDT on Friday 18 October 2013. However, the Company will accept proxy forms after this time but before 11:30am AEDT on Sunday 20 October 2013 if they are delivered by fax or submitted online in accordance with the directions set out above.

If you require an additional proxy form, the Company will supply it on request.

Corporate Shareholders who wish to appoint a person to act as its representative at the Meeting can do so by providing that person with a certificate executed in accordance with section 127 of the Corporations Act authorising that person to act as its representative at the Meeting. The representative must bring the certificate with them to the Meeting.

## 3. Resolution Requirements

Resolution 1 (Item 2), Resolution 2 (Item 3) and Resolution 4 (Item 5) are ordinary resolutions and will be passed if more than 50 per cent of the votes cast by Shareholders (in person or by proxy) entitled to vote on the resolutions are in favour of the resolutions.

The vote on Resolution 3 (Item 4) is advisory only and does not bind the Directors of the Company.

## 4. Voting Entitlements

In accordance with section 1074E(2)(g) of the Corporations Act and regulation 7.11.37 of the Corporations Regulations 2001 (Cth), the Company has determined that a person's entitlement to vote at the Meeting will be the entitlement of that person set out in the register of Shareholders as at 7.00pm AEDT on Friday 18 October 2013. Share transfers registered after that time will be disregarded in determining entitlements to vote at the Meeting.

If more than one joint holder of Shares is present at the meeting (whether personally, by proxy or by attorney or by representative) and tenders a vote, only the vote of the joint holder whose name appears first on the register will be counted.

## 5. Questions and Comments by Shareholders at the Meeting

In accordance with the Corporations Act, a reasonable opportunity will be given to Shareholders, as a whole, to ask questions or make comments on the management of the Company at the Meeting.

Similarly, a reasonable opportunity will be given to Shareholders, as a whole, to ask the Company's external auditor questions relevant to:

- the conduct of the audit;
- the preparation and content of the auditor's report;
- the accounting policies adopted by the Company in relation to the preparation of its financial statements; and
- the independence of the auditor in relation to the conduct of the audit.

Shareholders may also submit a written question to the external auditor (via the Company) if the question is relevant to:

- the content of the audit report; or
- the conduct of its audit of the Company's annual financial report for the year ended 30 June 2013.

A list of those relevant written questions will be made available to Shareholders attending the Meeting. The external auditor will either answer the questions at the Meeting or table written answers at the Meeting. If written answers are tabled at the Meeting, they will be made available to Shareholders as soon as practicable after the Meeting.

Please send any relevant questions for the external auditor to the Company at our registered office, Level 12, 15 William Street Melbourne VIC 3000 or by fax to +61 3 9200 2282, marked for the attention of the Company Secretary by no later than 5.00pm AEDT on Friday 18 October 2013.

## Glossary

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**AEDT** means Australian Eastern Daylight Savings Time.

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

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

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**Board** means the board of Directors of the Company as constituted from time to time.

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**Company** means Folkestone Limited ABN 21 004 715 226.

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**Constitution** means the constitution of the Company, as amended from time to time.

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

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**Directors** mean the directors of the Company.

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**Explanatory Memorandum** means the explanatory memorandum accompanying the Notice.

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**Key Management Personnel** means those persons having authority and responsibility for planning, directing and controlling the activities of the Company (directly or indirectly), including any Director of the Company.

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**Meeting** or **Annual General Meeting** means the annual general meeting convened by the Notice.

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**Notice** or **Notice of Meeting** means the Notice of Meeting on page 1.

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**Resolutions** means the resolutions set out in the Notice, or any one of them, as the context requires.

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

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**Shareholder** means a holder of a Share.

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## All Correspondence to:

✉ **By Mail** Boardroom Pty Limited  
GPO Box 3993  
Sydney NSW 2001 Australia

Level 7, 207 Kent Street,  
Sydney NSW 2000 Australia

📠 **By Fax:** +61 2 9290 9655

💻 **Online:** [www.boardroomlimited.com.au](http://www.boardroomlimited.com.au)

☎ **By Phone:** (within Australia) 1300 737 760  
(outside Australia) +61 2 9290 9600

## YOUR VOTE IS IMPORTANT

For your vote to be effective it must be recorded **before 11:30am AEDT on Sunday, 20 October 2013.**

### 📠 TO LODGE THE PROXY FORM ONLINE

**STEP 1: VISIT** [www.boardroomlimited.com.au/vote/folkestoneagm2013](http://www.boardroomlimited.com.au/vote/folkestoneagm2013)

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

**STEP 3: Enter your Reference Number:**

**STEP 4: Enter your Voting Access Code:**

**PLEASE NOTE:** For security reasons it is important you keep the above information confidential.

### TO VOTE BY COMPLETING THE PROXY FORM

#### STEP 1 APPOINTMENT OF PROXY

Indicate who you want to appoint as your Proxy.

If you wish to appoint the Chairman of the Meeting as your proxy, mark the box. If you wish to appoint someone other than the Chairman of the Meeting as your proxy please write the full name of that individual or body corporate. If you leave this section blank, or your named proxy does not attend the meeting, the Chairman of the Meeting will be your proxy. A proxy need not be a security holder of the company. Do not write the name of the issuer company or the registered securityholder in the space.

#### Appointment of a Second Proxy

You are entitled to appoint up to two proxies to attend the meeting and vote. If you wish to appoint a second proxy, an additional Proxy Form may be obtained by contacting the company's securities registry or you may copy this form.

To appoint a second proxy you must:

- complete two Proxy Forms. On each Proxy Form state the percentage of your voting rights or the number of securities applicable to that form. If the appointments do not specify the percentage or number of votes that each proxy may exercise, each proxy may exercise half your votes. Fractions of votes will be disregarded.
- return both forms together in the same envelope.

#### STEP 2 VOTING DIRECTIONS TO YOUR PROXY

To direct your proxy how to vote, mark one of the boxes opposite each item of business. All your securities will be voted in accordance with such a direction unless you indicate only a portion of securities are to be voted on any item by inserting the percentage or number that you wish to vote in the appropriate box or boxes. If you do not mark any of the boxes on a given item, your proxy may vote as he or she chooses. If you mark more than one box on an item for all your securities your vote on that item will be invalid.

#### Proxy which is a Body Corporate

Where a body corporate is appointed as your proxy, the representative of that body corporate attending the meeting must have provided an "Appointment of Corporate Representative" prior to admission. An Appointment of Corporate Representative form can be obtained from the company's securities registry.

#### STEP 3 SIGN THE FORM

The form **must** be signed as follows:

**Individual:** This form is to be signed by the securityholder.

**Joint Holding:** where the holding is in more than one name, all the securityholders should sign.

**Power of Attorney:** to sign under a Power of Attorney, you must have already lodged it with the registry. Alternatively, attach a certified photocopy of the Power of Attorney to this form when you return it.

**Companies:** this form must be signed by a Director jointly with either another Director or a Company Secretary. Where the company has a Sole Director who is also the Sole Company Secretary, this form should be signed by that person. **Please indicate the office held by signing in the appropriate place.**

#### STEP 4 LODGEMENT

Proxy forms (and any Power of Attorney under which it is signed) must be received no later than 48 hours before the commencement of the meeting, therefore by **11:30am AEDT on Sunday, 20 October 2013.** Any Proxy Form received after that time will not be valid for the scheduled meeting.

Proxy forms may be lodged using the enclosed Reply Paid Envelope or:

💻 **Online** [www.boardroomlimited.com.au/vote/folkestoneagm2013](http://www.boardroomlimited.com.au/vote/folkestoneagm2013)

📠 **By Fax** + 61 2 9290 9655

✉ **By Mail** Boardroom Pty Limited  
GPO Box 3993,  
Sydney NSW 2001 Australia

👤 **In Person** Level 7, 207 Kent Street,  
Sydney NSW 2000 Australia

#### Attending the Meeting

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

**Your Address**

This is your address as it appears on the company's share register. If this is incorrect, please mark the box with an "X" and make the correction in the space to the left. Securityholders sponsored by a broker should advise their broker of any changes. **Please note, you cannot change ownership of your securities using this form.**

## PROXY FORM

### STEP 1 APPOINT A PROXY

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

Appoint 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 below

or failing the individual or body corporate named, or if no individual or body corporate is named, the Chairman of the Meeting as my/our proxy at the Annual General Meeting of the Company to be held at the office of **Deloitte Touche Tohmatsu at Level 9, 225 George Street, Sydney NSW 2000 on Tuesday, 22 October 2013 at 11:30am AEDT** and at any adjournment of that meeting, to act on my/our behalf and to vote in accordance with the following directions or if no directions have been given, as the proxy sees fit.

**Important note for Resolution 3:** If I/we have appointed the Chair of the Meeting as my/our proxy (or the Chair of the Meeting becomes my/our proxy by default) and am/are entitled to vote on Resolution 3, I/we expressly authorise the Chair of the Meeting to exercise my/our proxy in respect of the proposed resolution for adoption of the remuneration report (Resolution 3) (and any motion for amendment of, or any procedural motion relating to, that resolution) even if the resolution (or any such motion) is connected directly or indirectly with the remuneration of a member of the Key Management Personnel for Folkestone Limited and even though the Chair is a member of the Key Management Personnel.

**Important note for Resolution 4:** If the Chair 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 this resolution, please place a mark in the box.

By marking this box, you acknowledge that the Chair of the meeting may exercise your proxy even if he has an interest in the outcome of the resolution and that votes cast by the Chair of the meeting for this resolution other than as proxy holder will be disregarded because of that interest.

If you do not mark this box, and you have not directed your proxy how to vote, the Chair will not cast your votes on the resolution and your votes will not be counted in calculating the required majority if a poll is called on the resolution.

Except in respect of Resolution 4, if no voting direction is given below, the Chair of the Meeting will be taken to have been directed to vote undirected proxies in favour of each of the Resolutions. Please refer above to Important note for Resolution 4 for further information.

### STEP 2 VOTING DIRECTIONS

\* 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 vote will not be counted in calculating the required majority if a poll is called.

		For	Against	Abstain*
Resolution 1	To re-elect Mr Ross Strang as a Non-Executive Director	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Resolution 2	To elect Mr Mark Baillie as a Non-Executive Director	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Resolution 3	To adopt the Remuneration Report	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Resolution 4	To approve the Executive Incentive Plan and the issue of Shares thereunder	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

### STEP 3 SIGNATURE OF SHAREHOLDERS

This form must be signed to enable your directions to be implemented.

Individual or Securityholder 1

Securityholder 2

Securityholder 3

Sole Director and Sole Company Secretary

Director

Director / Company Secretary

Contact Name.....

Contact Daytime Telephone.....

Date / / 2013