

# Notice of Annual General Meeting

## Folkestone Limited

ABN 21 004 715 226

The forty third Annual General Meeting of **FOLKESTONE LIMITED** will be held at the offices of Baker & McKenzie at Level 19, 181 William Street, Melbourne on **Tuesday 30 November 2010 commencing at 9.00am.**

## Agenda

### 1. Financial Statements

To consider the Directors Report, Financial Statements and Independent Audit Report for the year ended 30 June 2010.

### 2. Re-election of Alister Maitland

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

"That Mr Alister Maitland, a Director retiring from office by rotation in accordance with Rule 58 of the Constitution, being eligible, is re-elected as a Director of the Company."

### 3. Re-election of Greg Paramor

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

"That Mr Greg Paramor, a Director appointed on 4 May 2010 by the Board in accordance with Rule 47 of the Constitution, be re-elected as a Director of the Company."

### 4. Re-election of A. Hugh Gurner

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

"That Mr A. Hugh Gurner, a Director appointed on 4 May 2010 by the Board in accordance with Rule 47 of the Constitution, be re-elected as a Director of the Company."

### 5. Adoption of the Remuneration Report

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

"That the Remuneration Report for the financial year ended 30 June 2010 be adopted."

### 6. Refreshment of 15% Placement Capacity

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

"That for the purposes of ASX Listing Rule 7.4 in order to refresh the Company's placement capacity and for all other purposes, shareholders approve and ratify the previous issue of 12,970,204 shares on the terms set out in the Explanatory Memorandum accompanying this Notice of Meeting."

The Company will disregard any votes cast on Resolution 6 by or on behalf of any person who participated in the issue of shares and an associate of any such person when determining the result of the resolution except where the vote 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 it is cast by the Chairman as a proxy for a person who is entitled to vote in accordance with a direction on the proxy form to vote as the proxy decides.

By Order of the Board



**Scott Martin**  
Company Secretary  
25 October 2010

## **Entitlement to attend and vote**

In accordance with Reg 7.11.37 of the Corporations Regulations 2001, the Board has determined that persons who are registered holders of shares of the Company as at 7:00pm (Sydney time) on the day which is two days before the date of the meeting will be entitled to attend and vote at the Meeting as a shareholder.

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.

## **Proxies**

If you are unable to attend and vote at the meeting and wish to appoint a person who is attending as your proxy, please complete the enclosed proxy form. This form must be received by the Company 48 hours before the commencement of the meeting.

The completed proxy form may be:

- Mailed to Link Market Services Limited, Locked Bag A14, Sydney South, NSW 1235;
- Faxed to 61-2-9287-0309; or
- Delivered by hand to Link Market Services Limited, Level 12, 680 George Street, Sydney, NSW 2000.

A member entitled to attend and vote is entitled to appoint not more than two proxies. Where more than one proxy is appointed, each proxy must be appointed to represent a specific proportion of the members voting rights. A proxy need not be a member of the Company.

### *Voting by Attorney*

If the proxy form is signed under power of attorney, then the original power of attorney under which the proxy form is signed (or a certified copy of that power of attorney or other authority) must be provided to the Company before the meeting.

### *Corporate Representatives*

A body corporate which is a shareholder, or which has been appointed as a proxy, is entitled to appoint any person to act as its representative at the meeting. The appointment of the representative must comply with the requirements under section 250D of the Corporations Act. The representative should bring to the meeting a properly executed letter or other document confirming its authority to act as the company's representative.

## Explanatory Notes on Resolutions

### Item 1 – Financial Statements

Unless the Company's Share Registry has been notified otherwise, shareholders will not be sent a hard copy of the Annual Report. All shareholders can view the Annual Report, which contains the Financial Report for the year ended 30 June 2010 on the website of the Company ([www.folkestone.com.au](http://www.folkestone.com.au)), under Investor Centre / Annual Reports.

Following the consideration of the Directors Report, Financial Statements and Independent Audit Report, the Chairman will give shareholders an opportunity to ask questions about or comment on the management of the Company.

No vote is required in relation to this item of business.

### Item 2 – Re-election of Alister Maitland as a Director of Folkestone Limited

Details in relation to Mr Maitland are as follows:

**Alister TL Maitland (69)**  
**BCom, FAICD, FAIM, SF Fin**  
**Chairman**

Alister was appointed as a Non-Executive Director of Folkestone in 1998 and has held the position of Chairman since January 1999. He is also Chairman of the Remuneration Committee and a member of the Audit and Risk Management Committee. He is a former Executive Director of the ANZ Banking Group Ltd. He is also a Non-Executive Director of Malayan Banking Berhad Malaysia (Maybank).

### Item 3 – Re-election of Greg Paramor as a Director of Folkestone Limited

Details in relation to Mr Paramor are as follows:

**Gregory J Paramor (60)**  
**FAPI, FAICD, FRICS**  
**Non Executive Director**

Greg was appointed as a Non-Executive Director in May 2010. Greg is a founding partner of Equity Real Estate Partners. Greg has been involved in the real estate and funds management industry for more than 35 years, and was the co-founder of Growth Equities Mutual, Paladin Australia and the James Fielding Group. Greg was the CEO of Mirvac between 2004 and 2008. Greg is a past president of the Property Council of Australia and past president of Investment Funds Association, a Fellow of the Australian Property Institute and The Royal Institute of Chartered Surveyors. Greg is a director of a number of not-for-profit organisations, including the Garvan Institute of Medical Research and the National Breast Cancer Foundation. Greg is also a board member of the Sydney Swans and a director of LJ Hooker and Firstfolio Ltd.

### Item 4 – Re-election of A. Hugh Gurner as a Director of Folkestone Limited

Details in relation to Mr Gurner are as follows:

**A. Hugh Gurner (54)**  
**BA, FAICD**  
**Non Executive Director**

Hugh was appointed as a Non-Executive Director in May 2010. Hugh has extensive experience in the property sector as an analyst and corporate adviser and has held board positions in a number of ASX listed and unlisted companies including executive and non-executive roles as a founding director of listed property funds management and venture capital companies.

## **Item 5 – Adoption of Remuneration Report**

The Directors' Report for the year ended 30 June 2010 contains a Remuneration Report which sets out the policy for the remuneration of the directors of the Company and specified executives of the Company.

The Corporations Act requires that a resolution be put to the vote that the Remuneration Report be adopted. The Corporations Act expressly provides that the vote is advisory only and does not bind the directors or the Company.

Shareholders attending the AGM will be given an opportunity to ask questions about, or make comments on the Remuneration Report.

## **Item 6 – Refreshment of 15% Placement Capacity**

ASX Listing Rule 7.1 restricts the number of securities which a listed company may issue in any twelve month period without the approval of shareholder to 15% of the number of securities on issue at the start of the period, subject to certain adjustments and permitted exceptions. This resolution seeks shareholder approval of the previous issue of shares in the Company for the purposes of Listing Rule 7.4. The passing of this resolution will enable the Company at any time in the next 12 months to issue up to the maximum 15% without further reference to shareholders and without the shares described below counting towards this.

As announced to ASX on 29 April and 4 May 2010, the Company issued 12,970,204 ordinary shares at a price of 12c per share to raise total proceeds of \$1,556,424.48. A portion of the shares were issued to the shareholders of Equity Real Estate Partners Pty Ltd and the remaining portion of these shares were issued to other sophisticated and private investors introduced by Equity Real Estate Partners Pty Ltd.

The funds were raised to meet the working capital requirements of the Company.



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



By fax: +61 2 9287 0309



All enquiries to: Telephone: 1300 554 474 Overseas: +61 2 8280 7111



X99999999999

## Folkestone Limited

ABN 21 004 715 226  
(Incorporated in Victoria)

### SHAREHOLDER VOTING FORM

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

#### STEP 1

#### APPOINT A PROXY

the Chairman  
of the Meeting  
(mark box)

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

or failing the person/body corporate named, or if no person/body corporate is named, the Chairman of the Meeting, as my/our proxy and to vote for me/us on my/our behalf at the Annual General Meeting of the Company to be held at 9:00am on Tuesday, 30 November 2010, at the Offices of Baker & McKenzie, Level 19, 181 William Street, Melbourne Vic 3000 and at any adjournment or postponement of the meeting.

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

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

#### STEP 2

#### VOTING DIRECTIONS

##### Resolution 2

Re-election of Alister Maitland as a director

For	Against	Abstain*
<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

##### Resolution 5

Adoption of Remuneration Report (non-binding advisory vote)

For	Against	Abstain*
<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

##### Resolution 3

Re-election of Greg Paramor as a director

For	Against	Abstain*
<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

##### Resolution 6

Refreshment of 15% Placement Capacity

For	Against	Abstain*
<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

##### Resolution 4

Re-election of A. Hugh Gurner as a director

For	Against	Abstain*
<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

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

#### STEP 3

#### SIGNATURE OF SHAREHOLDERS - THIS MUST BE COMPLETED

Shareholder 1 (Individual)

Sole Director and Sole Company Secretary

Joint Shareholder 2 (Individual)

Director/Company Secretary (Delete one)

Joint Shareholder 3 (Individual)

Director

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



## HOW TO COMPLETE THIS PROXY FORM

### Your Name and Address

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

### Appointment of a Proxy

If you wish to appoint the Chairman of the Meeting as your proxy, mark the box in Step 1. If the person you wish to appoint as your proxy is someone other than the Chairman of the Meeting please write the name of that person in Step 1. If you leave this section blank, or your named proxy does not attend the meeting, the Chairman of the Meeting will be your proxy. A proxy need not be a shareholder of the company. A proxy may be an individual or a body corporate.

### Votes on Items of Business - Proxy Appointment

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

### Appointment of a Second Proxy

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

To appoint a second proxy you must:

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

### Signing Instructions

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

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

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

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

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

### Corporate Representatives

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

## Lodgement of a Proxy Form

This Proxy Form (and any Power of Attorney under which it is signed) must be received at an address given below by 9:00am on Sunday, 28 November 2010, being not later than 48 hours before the commencement of the meeting. Any Proxy Form received after that time will not be valid for the scheduled meeting.

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



ONLINE

[www.linkmarketservices.com.au](http://www.linkmarketservices.com.au)

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



by mail:

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



by fax:

+61 2 9287 0309



by hand:

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

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