



EUMUNDI GROUP

# Notice of Annual General Meeting and Explanatory Memorandum

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Eumundi Group Limited ACN 010 947 476

Date of Meeting: Friday, 20 November 2015

Time of Meeting: 11:00 am (Brisbane time)

Place of Meeting: HopgoodGanim, Level 7 Waterfront Place, 1 Eagle Street,  
Brisbane

# Notice of Annual General Meeting

Notice is given that the Annual General Meeting of shareholders of **Eumundi Group Limited** ACN 010 947 476 (**Company**) will be held at HopgoodGanim, Level 7 Waterfront Place, 1 Eagle Street, Brisbane, on Friday 20 November 2015 at 11:00 am (Brisbane time).

## Agenda

### Ordinary business

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#### Financial Reports

To receive and consider the Company's Annual Report comprising the Directors' Report and Auditors' Report, Directors' Declaration, Consolidated Statement of Comprehensive Income, Consolidated Statement of Financial Position, Consolidated Statement of Changes in Equity, Consolidated Statement of Cash Flows and notes to and forming part of the financial statements for the Company and its controlled entities for the financial year ended 30 June 2015.

#### 1. Resolution 1 - Re-election of Gilbert De Luca as a director

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To consider and, if thought fit, pass the following as an Ordinary Resolution of the Company:

*"That Gilbert De Luca, who retires by rotation in accordance with the Company's Constitution and, being eligible, offers himself for re-election, be re-elected as a Director of the Company."*

#### 2. Resolution 2 - Remuneration Report

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To consider and, if thought fit, pass the following Advisory Resolution:

*"That, for the purposes of section 250R(2) of the Corporations Act, and for all other purposes, the Remuneration Report forming part of the Company's 2015 Annual Report be adopted."*

**Note: the vote on this Resolution is advisory only and does not bind the Directors or the Company.**

#### Voting Exclusion Statement:

A vote on Resolution 2 must not be cast (in any capacity) 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;
- (b) a Closely Related Party of such a member.

However, the above persons may cast a vote on Resolution 2 if:

- (a) the person does so as a proxy; and
- (b) the vote is not cast on behalf of a member of the Key Management Personnel details of whose remuneration are included in the Remuneration Report or a Closely Related Party of such a member; and
- (c) either:

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- (1) the voter is appointed as a proxy by writing that specifies the way the proxy is to vote on the resolution; or
- (2) the voter is the chair of the meeting and the appointment of the chair as proxy:
  - (A) does not specify the way the proxy is to vote on the resolution; and
  - (B) 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 for the Company or, if the Company is part of a consolidated entity, for the entity.

## Voting Intention of Chair

Shareholders should be aware that any undirected proxies given to the Chair will be cast by the Chair and counted in favour of the Resolutions the subject of this Meeting, including Resolution 2, subject to compliance with the Corporations Act. In exceptional circumstances, the Chairman of the Meeting may change his/her voting intention on any resolution, in which case an ASX announcement will be made.

## Special business

### 3. Resolution 3 - New Constitution

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

*"That, the new constitution tabled at the meeting and signed by the Chairperson for the purpose of identification, is approved and adopted as the constitution of the Company in substitution for its current constitution, with effect from the close of this Annual General Meeting."*

## General business

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To consider any other business as may be lawfully put forward in accordance with the Constitution of the Company.

**By order of the board**



Leni Stanley  
Company Secretary

12 October 2015

# Explanatory Memorandum

## 1. Introduction

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This Explanatory Memorandum is provided to Shareholders of **Eumundi Group Limited ACN 010 947 476 (Company)** to explain the Resolutions to be put to Shareholders at the Annual General Meeting to be held at HopgoodGanim, Level 7 Waterfront Place, 1 Eagle Street, Brisbane on Friday 20 November 2015 commencing at 11:00 am (Brisbane time).

The Directors recommend Shareholders read the accompanying Notice of Meeting and this Explanatory Memorandum in full before making any decision in relation to the Resolutions.

Terms used in this Explanatory Memorandum are defined in section 7.

## 2. Consider the Company's Annual Report

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The Company's Annual Report comprising the Directors' Report and Auditors' Report, Directors' Declaration, Consolidated Statement of Comprehensive Income, Consolidated Statement of Financial Position, Consolidated Statement of Changes in Equity, Consolidated Statement of Cash Flows and notes to and forming part of the financial statements for the Company and its controlled entities for the financial year ended 30 June 2015 were released to the ASX Limited on 31 August 2015. The Company's Annual Report is placed before the shareholders for discussion. No voting is required for this item.

## 3. Resolution 1- Re-election of Gilbert De Luca as a Director

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Gilbert De Luca retires in accordance with the Company's Constitution and, being eligible, offers himself for re-election as a Director. The Company's Constitution provides that at each annual general meeting of the Company, one-third of the Directors at that point in time must retire. A retiring Director is eligible for re-election.

Mr De Luca joined the board as a non-executive director in 1989. He is the principal of the De Luca group of companies and has a wide range of business experience in the property and construction fields overseeing the acquisition of investment and development properties by that group.

The Directors (with Mr De Luca abstaining) recommend that you vote in favour of this Ordinary Resolution.

## 4. Resolution 2 - Remuneration Report

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The Board has submitted its Remuneration Report to Shareholders for consideration and adoption by way of a non-binding Advisory Resolution in accordance with section 250R of the Corporations Act.

The Remuneration Report is set out in the Directors' Report section of the Annual Report. The Report, amongst other things:

- (a) explains the Board's policy for determining the nature and amount of remuneration of Key Management Personnel of the consolidated entity;
- (b) explains the relationship between the Board's remuneration policy and the Company's performance;
- (c) sets out remuneration details for each Key Management Personnel of the consolidated entity including details of performance related remuneration and options granted as part of remuneration; and

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- (d) details and explains any performance conditions applicable to the remuneration of Key Management Personnel of the Company.

A reasonable opportunity will be provided for discussion of the Remuneration Report at the meeting.

The Board unanimously recommends that Shareholders vote in favour of adopting the Remuneration Report. A vote on this Resolution is advisory only and does not bind the Directors or the Company.

There are restrictions on members of the Key Management Personnel and their Closely Related Parties and their proxies voting (in any capacity) on Resolution 2, details of which are set out in the Voting Restriction Statement included in Resolution 2 of the Notice of Meeting.

Shareholders should be aware that any undirected proxies given to the Chair will be cast by the Chair and counted in favour of the Resolutions the subject of this Meeting, including Resolution 2 subject to compliance with the Corporations Act. In exceptional circumstances, the Chairman of the Meeting may change his/her voting intention on any resolution, in which case an ASX announcement will be made.

## 5. Resolution 3 – New Constitution

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### 5.1 Introduction

The Constitution of the Company has not been significantly amended since 2004. In light of the various changes to applicable regulatory requirements (including the Corporations Act and ASX Listing Rules), as well as developments in general corporate governance practice for ASX listed companies since 2004, your Directors believe it is appropriate to revise and update the Constitution in various ways.

The proposed changes affect a range of provisions of the Constitution. Your directors therefore consider it more efficient to adopt a new Constitution (**New Constitution**) rather than approving numerous amendments to the existing Constitution (**Existing Constitution**).

The Directors consider it appropriate to highlight to shareholders the following differences between the Existing Constitution and the New Constitution:

- (a) **Payment of Dividends:** the relevant provision in the New Constitution provides that any dividend payable is to be paid by electronic funds transfer to a bank account nominated by the shareholder, rather than by cheque or warrant as was the case in the Existing Constitution;
- (b) **Opt-in for Small Holders:** the relevant provision in the New Constitution provides that Small Holders have to opt-in to receive all member communications (including notices of meeting and annual reports). Under the Existing Constitution, Small Holders receive all member communications unless they provide the Company with a notice requesting that their communications be suspended;
- (c) **Sale of Minimum Holdings and Minimum Holdings buy-backs:** the relevant provision in the New Constitution regarding the sale of parcels of shares held by Small Holders has been substantially updated. Under the New Constitution, in circumstances where the Company institutes a Minimum Holding sale or buy-back, any Small Holder must provide the appropriate election form to the Company in order to remain as a shareholder;
- (d) **Dividend reinvestment plans and bonus share plans:** the New Constitution contains a provision that allows the Board to implement, amend, suspend or terminate dividend

# Explanatory Memorandum

reinvestment plans and bonus share plans as appropriate, provided such actions are done in accordance with the Corporations Act;

- (e) Securities incentive plans: the New Constitution contains a provision that allows the Board to establish securities incentive plans for any officer or employee of the Company; and
- (f) Meetings: the New Constitution contains a provision such that at any meeting the Chairman may require a person to leave the meeting, including in circumstances where the person behaves in a disruptive manner.

There are a number of other differences between the Existing Constitution and the New Constitution that are not listed above. These include changes:

- to update provisions to reflect the current position under the Corporations Act, ASX Listing Rules and other applicable rules;
- of a drafting, procedural or administrative nature;
- to remove outdated and redundant provisions; and
- to update names and definitions to reflect current terminology.

The Directors consider that each of the above amendments are in the best interests of the Company and will assist with the ongoing administration and operation of the Company, including by reducing administrative expenses.

A copy of the Company's Existing Constitution and proposed New Constitution can be obtained from the Company's website at [www.eumundigroup.com.au](http://www.eumundigroup.com.au). Shareholders should read the New Constitution in full.

Each of your Directors recommends that you vote in favour of the proposed Special resolution for adoption of the New Constitution.

# Explanatory Memorandum

## 6. Interpretation

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**Advisory Resolution** means that a vote on that resolution is advisory only and does not bind the Directors or the Company.

**Annual Report** means the financial report for the Company for the year ended 30 June 2015 and lodged with ASX on 31 August 2015.

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

**ASX** means ASX Limited ACN 008 624 691 or the Australian Securities Exchange;

**Auditor's Report** means that section of the Financial report under the heading "Auditor's Report" set out in the Annual Report.

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

**Closely Related Party** (as defined in the Corporations Act) of a member of the Key Management Personnel for an entity means:

- (d) a spouse or child of the member;
- (e) a child of the member's spouse;
- (f) a dependant of the member or the member's spouse;
- (g) anyone else who is one of the member's family and may be expected to influence the member, or be influenced by the member, in the member's dealings with the entity;
- (h) a company the member controls; or
- (i) a person prescribed by the regulations for the purposes of this definition;

**Company** means Eumundi Group Limited;

**Constitution** means the constitution of the Company from time to time;

**Corporations Act** means the *Corporations Act 2001* (Cth) as amended, varied or replaced from time to time;

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

**Directors' Report** means the annual directors' report prepared under Chapter 2M of the Corporations Act for the Company and its controlled entities.

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

**Existing Constitution** means the existing Constitution of the Company as at the date of this Meeting, and without amendment as proposed by Resolution 3.

**Explanatory Memorandum** means this explanatory memorandum accompanying the Notice of Meeting;

**Financial Report** means the annual financial report of the Company prepared under Chapter 2M of the Corporations Act.

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**Key Management Personnel** has the definition given in the accounting standards as those persons having authority and responsibility for planning, directing and controlling the activities of the entity, directly and indirectly, including any director (whether executive or otherwise) of that entity.

**Listing Rule** or **ASX Listing Rule** means the official listing rules of the ASX as amended from time to time;

**Market Price** has the meaning given to that term in the Listing Rules.

**Meeting** or **Annual General Meeting** means the annual general meeting to be held on Friday 20 November 2015.

**New Constitution** means the Constitution of the Company proposed by Directors to be adopted by Shareholders in accordance with Resolution 3.

**Notice of Meeting** or **Notice** means the notice of meeting giving notice to shareholders of the Meeting, accompanying this Explanatory Memorandum;

**Ordinary Resolution** means a resolution passed by more than 50% of the votes cast at a general meeting of shareholders;

**Remuneration Report** means that section of the Directors' Report under the heading "Remuneration Report" set out in the Annual Report.

**Resolution** means a resolution proposed at the Meeting;

**Share** means an ordinary fully paid share in the issued capital of the Company;

**Shareholder** means a holder of Shares in the Company.

**Share Registry** means Computershare Registry Services Pty Limited.

**Special Resolution** means a resolution:

- (a) of which notice has been given as set out in paragraph 249L(1)(c) of the Corporations Act; and
- (b) that has been passed by at least 75% of the votes cast by members entitled to vote on the resolution.

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Any inquiries in relation to the Resolutions or the Explanatory Memorandum should be directed to Leni Stanley (**Company Secretary**):

Level 15, 10 Market Street  
Brisbane, Qld 4000

(07) 3229 7222

# Proxy Form

## Proxy, representative and voting entitlement instructions

### Proxies and representatives

Shareholders are entitled to appoint a proxy to attend and vote on their behalf. Where a shareholder is entitled to cast two or more votes at the meeting, they may appoint two proxies. Where more than one proxy is appointed, each proxy may be appointed to represent a specific proportion or number of votes the shareholder may exercise. If the appointment does not specify the proportion or number of votes each proxy may exercise, each proxy may exercise half of the votes. The proxy may, but need not, be a shareholder of the Company.

Shareholders who are a body corporate are able to appoint representatives to attend and vote at the meeting under section 250D of the *Corporations Act 2001* (Cth).

The proxy form must be signed by the shareholder or his/her attorney duly authorised in writing or, if the shareholder is a corporation, in a manner permitted by the *Corporations Act*.

The Company must receive the completed proxy form at least 48 hours before the meeting.

The proxy form (and the power of attorney or other authority, if any, under which the proxy form is signed) or a copy or facsimile which appears on its face to be an authentic copy of the proxy form (and the power of attorney or other authority) must be

- sent by post to Computershare Investor Services Pty Limited, GPO Box 242, Melbourne Victoria 3001; or
- sent by fax to Computershare Investor Services Pty Limited on 1800 783 447 (or if outside Australia: +61 3 9473 2555).

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. A form of the certificate may be obtained from the Company's share registry.

A proxy form is attached to this notice.

### Voting entitlement

For the purposes of determining voting entitlements at the Meeting, shares will be taken to be held by the persons who are registered as holding the shares at 11.am (Brisbane time) on Wednesday 18 November 2015. Accordingly, transactions registered after that time will be disregarded in determining entitlements to attend and vote at the Meeting.

### Signing instructions

You must sign the proxy 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, all of the security holders should sign.
- Power of Attorney:            To sign under Power of Attorney, you must have already lodged this document 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.

# Proxy Form

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.