

**Kingsgate**

Consolidated Limited

ABN 42 000 837 472

# Notice of Annual General Meeting

and Explanatory Memorandum  
to Shareholders

Meeting to be held at the Museum of Sydney,  
corner of Phillip and Bridge Streets, Sydney NSW on  
Wednesday, 26 November 2014 at 2.00pm Sydney time.

*A Proxy Form is enclosed with this Notice*

Please read the Notice and Explanatory Memorandum carefully.

If you are unable to attend the meeting please complete and return  
the enclosed Proxy Form in accordance with the specified instructions.

# Notice of Annual General Meeting

Notice is given that the Annual General Meeting (AGM) of Shareholders of Kingsgate Consolidated Limited will be held at the Museum of Sydney, corner of Phillip and Bridge Streets, Sydney NSW, on Wednesday 26 November 2014, at 2.00pm Sydney time.

## Business

### Item 1 Financial Report

To receive and consider the Company's Financial Report and the reports of the Directors and the Auditor for the financial year ended 30 June 2014.

#### Resolution 1

##### Re-election of Peter Warren as a Director

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

*That Peter Warren, a Director of the Company ceasing to be a Director in accordance with the Company's Constitution and the ASX Listing Rules, and being eligible and having signified his candidature for the office, be re-elected as a Director of the Company.*

#### Resolution 2

##### Re-election of Ross Smyth-Kirk as a Director

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

*That Ross Smyth-Kirk, a Director of the Company retiring by rotation in accordance with the Company's Constitution and the ASX Listing Rules, and being eligible and having signified his candidature for the office, be re-elected as a Director of the Company.*

### Resolution 3

#### Approval of Remuneration Report

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

**To adopt the Remuneration Report for the year ended 30 June 2014.**

**Note:** This resolution is advisory only and does not bind the Directors or the Company.

Voting Exclusion – Key Management Personnel (KMP)

The Company will disregard any votes cast on Resolution 3:

- › by or on behalf of a member of the Key Management Personnel of the Company (KMP); or
- › by or on behalf of a Closely Related Party of the KMP.

A member of the KMP or Closely Related Party may cast a vote as proxy for a person who is not a member of the KMP or a Closely Related Party where either the proxy is directed how to vote on the resolution or the proxy is the chair of the meeting and is expressly authorised to exercise the proxy.

### Resolution 4

#### Amendments to the Constitution

To consider and, if thought fit, to pass the following resolution as a special resolution:

**That the Company's Constitution be as it is hereby amended with immediate effect, as set out in the Explanatory Memorandum accompanying and forming part of this Notice of Meeting.**

### Participation at Meeting

In order to encourage participation by Shareholders at the AGM, Shareholders who wish to put questions to the Company with respect to the business of the meeting, the Company's Annual Report or generally, may put those questions in advance of the meeting by emailing them to the following address:

info@kingsgate.com.au

or mailing them to the following address:

Company Secretary  
Kingsgate Consolidated Limited  
Suite 801, Level 8  
14 Martin Place  
Sydney NSW 2000

As far as practicable and to the extent that it is lawful to do so, the Company will provide the information at the meeting.

Shareholders may, in the same manner and by the fifth Business Day before the meeting, put questions to the Company's auditors which are relevant to:

1. the content of the Auditor's Report to be considered at the meeting; or
2. the conduct of the audit.

### Explanatory Memorandum

Shareholders are referred to the Explanatory Memorandum accompanying and forming part of this Notice of Meeting.

Capitalised terms in this Notice of Meeting and the Explanatory Memorandum are defined in Annexure A to the Explanatory Memorandum.

### Resolutions not inter-dependent

None of the resolutions are inter-dependent. This means that one or more of the resolutions can be passed even though one or more of the other resolutions were not passed by Shareholders. However, Resolution 4 if passed, will have the effect of making three amendments to the Company's Constitution. If it is not passed, none of those amendments will be made.

### Entitlement to vote

It has been determined that in accordance with regulation 7.11.37 of the *Corporations Regulations 2001* (Cth), for the purposes of the AGM, shares will be taken to be held by the persons who are the registered holders at 7.00pm Sydney time on Monday 24 November 2014. Accordingly, share transfers registered after that time will be disregarded in determining entitlements to attend and vote at the meeting.

## Proxies

A Shareholder entitled to attend and vote has a right to appoint a proxy to attend and vote instead of the Shareholder. A proxy need not be a Shareholder and can be either an individual or a body corporate. If a Shareholder appoints a body corporate as a proxy, that body corporate will need to ensure that it:

- › appoints an individual as its corporate representative to exercise its powers at the meeting, in accordance with section 250D of the Corporations Act; and
- › provides satisfactory evidence of the appointment of its corporate representative to the Company.

If such evidence is not received, then the body corporate (through its representative) will not be permitted to act as a proxy.

A Shareholder that is entitled to cast two or more votes may appoint two proxies and may specify the proportion or number of votes each proxy is appointed to exercise. If no proportion or number is specified, each proxy may exercise half of the Shareholder's votes.

A Proxy Form accompanies this Notice of Meeting and to be effective must be received at the address stated below.

The Proxy Form (and any power of attorney under which it is signed) must be received no later than 2.00pm on Monday 24 November 2014, being 48 hours before the time for holding the meeting.

Any Proxy Form received after that time will not be valid for the scheduled meeting. Please lodge the Proxy Form with the Company's Share Registry. You are encouraged to submit your proxy by:

### Online:

Shareholders may vote online at [www.linkmarketservices.com.au](http://www.linkmarketservices.com.au), by entering the Shareholding details as shown on the Proxy Form, then selecting 'Voting', and then following the prompts to lodge the Shareholders' vote. To use the online lodgement facility, Shareholders will need their "Holder Identifier" (Shareholder Reference Number (SRN) or Holder Identification Number (HIN) as shown on the front of the Proxy Form).

### By mail:

Kingsgate Consolidated Limited  
C/- Link Market Services Limited  
Locked Bag A14  
Sydney South NSW 1235

### By fax:

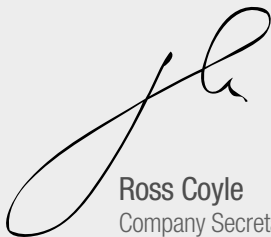
+61 2 9287 0309

### By hand delivering it to:

Link Market Services Limited  
Level 12, 680 George Street  
Sydney NSW 2000

By Order of the Board

Dated: 20 October 2014



**Ross Coyle**  
Company Secretary  
Kingsgate Consolidated Limited

# Explanatory Memorandum to Shareholders

## 1 Introduction

This Explanatory Memorandum has been prepared to assist Shareholders to understand the business to be put to Shareholders at the meeting.

This Explanatory Memorandum should be read in conjunction with the accompanying Notice of Meeting. Annexure A of this Explanatory Memorandum contains definitions of capitalised terms in the Notice of Meeting and this Explanatory Memorandum.

The Directors recommend that Shareholders read this Explanatory Memorandum in full before making any decision in relation to the resolutions set out in the Notice of Meeting.

If any Shareholder is in doubt as to how they should vote, they should seek advice from their professional adviser prior to voting.

## 2 Financial Report

The Corporations Act requires that the Report of the Directors, the Auditor's Report and the Annual Financial Report be tabled before the AGM. In addition, the Company's Constitution provides for these reports to be received and considered at the meeting.

Apart from the matters involving remuneration which are required to be voted on, neither the Corporations Act nor the Company's Constitution require a vote of Shareholders at the AGM on the financial statements and reports. However, Shareholders will be given reasonable opportunity at the meeting to raise questions with respect to these reports.

Shareholders may also submit written questions to the Company's auditor if the question is relevant to the content of the Audit Report, or the conduct of its audit of the Annual Report for the year ended 30 June 2014. Any written questions to the auditor must be submitted to the Company no later than the fifth Business Day before the AGM.

## 3 Resolution 1 – Re-election of Peter Warren as a Director

### 3.1 General

The Company's Constitution requires that any Director who has been appointed by the Directors shall cease to be a Director at the end of the next AGM.

Peter Warren was appointed by the Directors of the Company on 1 July 2014 and offers himself for re-election as a Director.

Mr Warren has provided consultancy services to the Company within the last three years. Notwithstanding this, Mr Warren is considered to be an independent Director because the services have been provided with respect to a specific project which would not interfere with Mr Warren's capacity to bring an independent judgement to bear on issues before the Board.

### 3.2 Qualifications and experience

Peter Warren is a CPA of over 40 years standing with an extensive involvement in the resources industry. He retired from the Company in 2011 after six years as Chief Financial Officer and Company Secretary. Mr Warren has over 15 years experience in a senior financial capacity as Chief Financial Officer and Company Secretary for a number of public and private companies.

Mr Warren is Chairman of the Audit Committee and a member of the Remuneration Committee and the Nomination Committee.

**Following the consideration of the Nomination Committee and their recommendation in favour of the re-election, the Board (not including Mr Warren) recommends members vote in favour of the re-election of Mr Warren as a Director.**

## 4 Resolution 2 – Re-election of Ross Smyth-Kirk as a Director

### 4.1 General

The Company's Constitution requires that at each AGM one third of the Company's Directors or, if their number is not a multiple of three, then the number nearest to one third, must retire from office.

The Company's Constitution also states that a Director must retire from office at the conclusion of the third AGM after which the Director was elected or re-elected in accordance with the Company's Constitution.

Ross Smyth-Kirk retires as a Director and offers himself for re-election as a Director. Mr Smyth-Kirk was first appointed a Director in November 1994. Mr Smyth-Kirk is considered to be an independent Director.

### 4.2 Qualifications and experience

Ross Smyth-Kirk was founding Director of the former investment management company, Clayton Robard Management Limited and has had extensive experience over a number of years in investment management including a close involvement with the minerals and mining sectors. He has been a Director of a number of companies over the past 34 years in Australia and the UK. Mr Smyth-Kirk was previously Chairman of the Australian Jockey Club Limited and retired in May 2013 as a Director of Argent Minerals Limited.

Mr Smyth-Kirk is Chairman of the Board, Nomination and Remuneration Committees and a member of the Audit Committee.

**Following the consideration of the Nomination Committee and their recommendation in favour of the re-election, the Board (not including Mr Smyth-Kirk) recommends members vote in favour of the re-election of Mr Smyth-Kirk as a Director.**

## 5 Resolution 3 – Approval of Remuneration Report

Section 250R(2) of the *Corporations Act 2001* requires that the section of the Directors' Report dealing with the remuneration of Directors, the secretary and senior executives ("**Remuneration Report**") be put to Shareholders at the AGM for adoption by resolution.

The vote is advisory only, and does not bind the Directors or the Company.

If 25% or more of votes that are cast are voted against the adoption of the Remuneration Report at two consecutive AGM's a Spill Resolution will be required to be put to the vote at the second of those AGM's

The Remuneration Report is set out in the 2014 Annual Report.

The Report:

- (a) explains the Board's policies in relation to the nature and level of remuneration paid to Directors, secretary and senior executives within the Company group;
- (b) discusses the link between the Board's policies and the Company's performance;
- (c) sets out the remuneration details for each Director and for each member of the Company's senior executive management team; and
- (d) makes clear that the basis for remunerating Non-Executive Directors is distinct from the basis for remunerating executives, including Executive Directors.

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

## 6 Resolution 4 – Amendments to Constitution

The Company last amended its Constitution in November 2010. The Board considered it timely to undertake a general review of the Constitution to ascertain whether it needed to be updated in any respect or whether it needed to be amended having regard to practical issues.

The amendments to the Constitution effected by Resolution 4 are as follows:

- (a) Insert the following as rule 10.47A:

### “Direct Voting

- (a) the Directors may determine, that at any general meeting of Shareholders of the Company, a Shareholder who is entitled to attend and vote at that meeting is entitled to direct vote.
- (b) a direct vote includes a vote delivered to the Company by post, facsimile transmission or other electronic means approved by the Directors.
- (c) the Directors may prescribe rules to govern direct voting including rules specifying the form, method and timing of direct voting in order for the vote to be valid.”

The commentary to Recommendation 6.3 of ASX Corporate Governance Principles and Recommendations, third edition which became effective on 1 July 2014 recommends that companies should adopt policies and processes to facilitate and encourage participation at meetings of security holders by, amongst other things, providing a direct voting facility to allow security holders to vote ahead of the meeting without having to appoint a proxy. The Directors intend adopting this Recommendation and in order to do so, an amendment to the Company’s Constitution is required.

- (b) Rule 13.34 is amended by the deletion of the word “all” in the first line and its replacement with “a majority of”.

The effect of this amendment is that a written resolution is passed if signed by a majority of the Directors who are entitled to receive notice of a meeting, provided that it is not less than the number of Directors required to constitute a quorum.

This is designed to allow written resolutions to be passed by the same majority of Directors that would be required to pass a resolution at a meeting of Directors. It is considered that this is desirable to ensure that resolutions may be passed in a timely manner and in circumstances where a Director may not be available to or may be unable to sign a written resolution.

- (c) Rule 23 is deleted.

Section 23 adopts the mechanism permitted by the Corporations Act whereby Shareholders are required to approve a proportional takeover bid for shares in the Company.

This provision is required to be renewed every three years and is currently ineffective. The Directors consider that any takeover offer for the Company including a proportional takeover offer should be determined by Shareholders accepting or rejecting the offer and should not require the additional approval of members in general meeting.

**The Directors recommend that Shareholders vote in favour of the Resolution effecting the foregoing amendments.**

As Resolution 4 is a Special Resolution, it is required to be passed by more than 75% of Shareholders voting personally or by proxy on the Resolution.

## 7 Chairman of Meeting and Chairman’s Voting Intention for Undirected Proxies

It is intended that the Chairman will vote undirected proxies which he holds as proxy in favour of all resolutions. The Chairman is expressly authorised by the Proxy to vote undirected proxies on Resolution 4.

# Annexure A

## Definitions

The meanings of capitalised terms used in the Notice of Meeting and Explanatory Memorandum are set out below:

**AGM** means an Annual General Meeting.

**ASX** means the ASX Limited or the exchange operated by it, as the context requires.

**Board** means the Company's Board of Directors.

**Business Day** means a day other than a Saturday, Sunday or public holiday in New South Wales.

**Closely Related Party** of a member of the Key Management Personnel for an entity means:

- (a) a spouse or child of the member; or
- (b) a child of the member's spouse; or
- (c) a dependant of the member or of the member's spouse; or
- (d) 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; or
- (e) a company the member controls.

**Company** means Kingsgate Consolidated Limited ABN 42 000 837 472.

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

**Key Management Personnel** has the same meaning as in the accounting standards, being namely 'key management personnel' are those persons having authority and responsibility for planning, directing and controlling the activities of the Company, directly or indirectly and includes any Director (whether executive or otherwise) of the Company.

**Listing Rules** means the ASX Listing Rules published by the ASX from time to time.

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

**Share Registry** means Link Market Services Limited, Level 12, 680 George Street, Sydney, NSW, 2000.

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





# Kingsgate

Consolidated Limited

ABN 42 000 837 472

### LODGE YOUR VOTE



**ONLINE** >

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



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



**By fax:** +61 2 9287 0309



**All enquiries to: Telephone:** +61 1300 554 474



**X99999999999**

## PROXY FORM

I/We being a member(s) of Kingsgate Consolidated 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.

Failing the person or body corporate named, or if no person or body corporate is named, the Chairman of the Meeting, as my/our proxy to vote on my/our behalf (including in accordance with the directions set out below or, if no directions have been given, to vote as the proxy sees fit, to the extent permitted by the law) at the Annual General Meeting of the Company to be held at **2:00pm on Wednesday, 26 November 2014 at The Museum of Sydney, Corner of Phillip and Bridge Streets, Sydney NSW 2000** (the Meeting) and at any postponement or adjournment of the Meeting.

I/we expressly authorise the Chairman of the Meeting to exercise my/our proxy even if the resolution is connected directly or indirectly with the remuneration of a member of the key management personnel.

The Chairman of the Meeting intends to vote undirected proxies in favour of all items of business.

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 1

Re-election of Peter Warren as a Director

For    Against    Abstain\*

#### Resolution 2

Re-election of Ross Smyth-Kirk as a Director

#### Resolution 3

Approval of Remuneration Report

#### Resolution 4

Amendments to the Constitution

\* 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).

**KCN PRX401R**



## 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 appoint someone other than the Chairman of the Meeting as your proxy, you will also be appointing the Chairman of the Meeting as your alternate proxy to act as your proxy in the event the named proxy does not attend the Meeting.

### 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; and
- (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 or online at [www.linkmarketservices.com.au](http://www.linkmarketservices.com.au).

## 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 **2:00pm on Monday, 24 November 2014**, 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)

Login to the Link website using the holding details as shown on the Proxy Form. Select 'Voting' 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:**

Kingsgate Consolidated 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.