



# Kingsgate

Consolidated Limited

ABN 42 000 837 472

24 October 2013

**Via ASX Online  
(135 pages including cover)**

The Manager  
Company Announcements Office  
Australian Securities Exchange

Dear Sir/Madam,

## **Notice of 2013 Annual General Meeting / Annual Report**

Please find attached Kingsgate's Notice of Annual General Meeting, Proxy Form and 2013 Annual Report which are the process of being distributed to shareholders.

The Annual General Meeting will be held at the Museum of Sydney, corner of Phillip and Bridge Streets, Sydney, NSW on Tuesday, 26 November 2013 at 2.00pm Sydney time.

Yours sincerely,  
KINGSGATE CONSOLIDATED LIMITED

**ROSS COYLE**  
Company Secretary



**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  
Tuesday, 26 November 2013 at 2.00pm Sydney time.

*A Proxy Form is enclosed*

**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 of Shareholders of Kingsgate Consolidated Limited will be held at the Museum of Sydney, corner of Phillip and Bridge Streets, Sydney NSW, on Tuesday, 26 November 2013 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 2013.

#### Resolution 1

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

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

*That Peter Alexander, 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 2

##### Re-election of Craig Carracher as a Director

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

*That Craig Carracher, 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 2013.*

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

## Resolution 4

### Issue of Performance Rights to Gavin Thomas

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

***That the issue of 768,380 Performance Rights to Mr Gavin Thomas pursuant to the Kingsgate Consolidated Limited Executive Rights Plan be approved for the purposes of ASX Listing Rule 10.14 and for all other purposes, on the terms set out in the Explanatory Memorandum.***

#### Voting Exclusion Statement

The Company will disregard any votes cast on Resolution 4 by any Director of the Company, including Mr Gavin Thomas and any associate of any of them.

However, the Company need not disregard a vote if it is cast by any Director of the Company, including Mr Gavin Thomas 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 the directions on the Proxy Form to vote as the proxy decides.

## Resolution 5

### Spill Resolution (if required)

Subject to 25% or more of the votes that are cast on Resolution 3 being voted against the adoption of the Directors' Remuneration Report, to consider and, if thought fit, to pass the following ordinary resolution (a 'Spill Resolution'):

***That:***

- (a) another meeting of Shareholders ('spill meeting') be held within 90 days of the Company's 2013 Annual General Meeting ('AGM');***
- (b) all the Company's Directors (other than the Managing Director) who were in office when the Directors' resolution to make the Directors' Remuneration Report for the year ended 30 June 2013 considered at the AGM was passed, cease to hold office immediately before the end of the spill meeting; and***
- (c) resolutions to appoint persons to offices that will be vacated immediately before the end of the spill meeting be put to the vote at the spill meeting.***

## Additional Voting Exclusions – Key Management Personnel (KMP)

Resolutions 3 and 5

The Company will disregard any votes cast on Resolutions 3 and 5:

- › by or on behalf of a member of the Key Management Personnel of the Company (KMP);
- › by or on behalf of a Closely Related Party of the KMP; or
- › as a proxy for a member of the KMP or a KMP's Closely Related Party unless the vote is cast as proxy for a person who is entitled to vote in accordance with the directions on the Proxy Form or as proxy for a person who is entitled to vote by the Chair of the Meeting. Note that the Proxy expressly authorises the Chair of the Meeting to vote undirected proxies on these resolutions.

## 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, except that Resolution 5 (Spill Resolution) will not be voted on if Resolution 3 (Approval of Remuneration Report) is passed by more than 75% of the votes cast on Resolution 3.

### 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 5.00pm Sydney time on 25 November 2013. 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 2 or more votes may appoint 2 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 24 November 2013, 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 mail, scan Proxy Form and forward by email, or fax Proxy Form to +61 8 9315 2233.

The address of the Company's Share Registry, Security Transfer Registrars Pty Ltd is as follows:

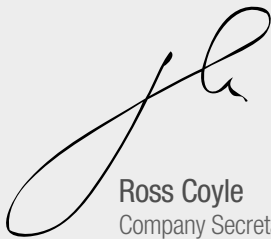
PO Box 535, Applecross WA 6953; or  
770 Canning Highway, Applecross WA 6153.

Email: [registrar@securitytransfer.com.au](mailto:registrar@securitytransfer.com.au)

Fax: +61 8 9315 2233

By Order of the Board

Dated: 23 October 2013



**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 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 2013. Any written questions to the auditor must be submitted to the Company no later than the fifth business day before the Annual General Meeting.

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

### 3.1 General

The Company's Constitution requires that at each AGM one third of the Company's Directors (other than the Managing Director, who is not subject to retirement by rotation) 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 (other than a Director who is a Managing 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.

Peter Alexander retires as a Director and offers himself for re-election as a Director. Mr Alexander was first appointed a Director in February 2011.

### 3.2 Qualifications and experience

Peter Alexander has had 40 years experience in the Australian and off-shore mining and exploration industry. He was Managing Director of Dominion Mining Limited for 10 years prior to his retirement in January 2008. Mr Alexander was appointed a Non-Executive Director of Dominion Mining Limited in February 2008 and resigned on 21 February 2011. Mr Alexander is Chairman of the ASX listed company Doray Minerals Limited, a Director of ASX listed companies Fortunis Resources Limited and Caravel Minerals Limited.

Mr Alexander is a member of the Remuneration Committee.

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

## 4 Resolution 2 – Re-election of Craig Carracher as a Director

### 4.1 General

The Company's Constitution requires that at each AGM one third of the Company's Directors (other than the Managing Director, who is not subject to retirement by rotation) 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 (other than a Director who is a Managing 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.

Craig Carracher retires as a Director and offers himself for re-election as a Director. Mr Carracher was first appointed a Director in November 2007.

### 4.2 Qualifications and experience

Craig Carracher has considerable commercial experience in Asia and was managing partner of an international law firm based in Thailand for many years. Mr Carracher has held numerous directorships of listed and private groups throughout Asia. He was previously Group General Counsel with Consolidated Press Holdings Limited, Managing Director of Asian private equity firm Arctic Capital based in Hong Kong, Special Advisor to the Chairman of the Australian Securities and Investment Commission and Associate to the former Chief Justice of the Supreme Court of New South Wales. Mr Carracher is Managing Director of Telopea Capital Partners, an Asia-focussed private equity group based in Sydney. Mr Carracher is also a Non-Executive Director of ASX listed Sunland Group Limited.

Craig Carracher graduated from Sydney University Law School with an LLB (first class honours) (1991) and the University Medal and also graduated on a Commonwealth Scholarship with a BCL law degree from Magdalen College, Oxford University (first class honours) (1993).

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

**Following the consideration of the Nomination Committee and their recommendation in favour of the re-election, the Board (not including Mr Carracher) recommends members vote in favour of the re-election of Mr Carracher 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 annual general meetings a spill resolution will be required to be put to the vote at the second of those annual general meetings. As more than 25% of votes cast at the Company's 2012 Annual General Meeting voted against the adoption of the Remuneration Report, the spill resolution requirements will be triggered should the same occur at this meeting. Further details are set out under Item 7.

The Remuneration Report is set out in the 2013 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.

In particular, the Report notes that the Board undertook an extensive review of the remuneration principles for Key Management Personnel following the 2012 Annual General Meeting and as a result implemented a number of changes.

The changes that the Board has implemented as a result of this review include:

- › A structural review of the Company resulting in the appointment in December 2012 of a senior human resources specialist as a direct report to the Managing Director and Executive Committee member;
- › Fees/base salary packages for Directors and Key Management Personnel were frozen from 1 July 2012;
- › Directors and Key Management Personnel have agreed to a 10% reduction in fees and remuneration;
- › The Managing Director and Key Management Personnel agreed not to accept any of their entitled Short Term Incentive ("STI") equivalent to a minimum of 10% of their base salary for the 2013 financial year;
- › A revised Performance Management System, including 'at risk' remuneration, has been introduced at all levels in the corporate and site based operations including at risk remuneration for Key Management Personnel in the form of short term and long term incentive programs described in detail in the Company's Annual Report; and
- › A broadening of the remuneration benchmarking processes for Directors and Key Management Personnel.

Further details on each of the changes outlined above are provided in specific sections of the Remuneration Report.

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

## 6 Resolution 4 – Issue of Performance Rights to Mr Gavin Thomas

### 6.1 Introduction

On 1 July 2012 the Company introduced an Executive Rights Plan (the "**Plan**") which involves the grant of two types of rights being Deferred Rights and Performance Rights. Subject to the satisfaction of the vesting condition at the end of the typical 3 year Vesting Period in respect of Deferred Rights and the performance condition at the end of a 3 year Measurement Period in respect of Performance Rights, the rights will vest. This will result in a participant in the Plan receiving a cash entitlement together with a contribution being made on his or her behalf to the Kingsgate Consolidated Limited Executive Share Trust (the "**Trust**") to enable the Trustee to either subscribe for new Shares in the Company or acquire Shares on the ASX.

The Board resolved to issue no further Deferred Rights under the Plan and to extend an invitation to Mr Gavin Thomas, the Managing Director of the Company, to participate further in the Plan with respect to Performance Rights.

### 6.2 Terms

The Board has determined to grant to Mr Thomas, conditional upon Shareholder approval, 768,380 Performance Rights (referred to as "**Rights**") calculated in accordance with the following formula:

$$\text{Number of Performance Rights} = (\text{Participant's Base Package} \times \text{LTI \%}) \div \text{Performance Right Value}$$

Where:

**Base Package** means the fixed annual remuneration paid to a Participant in a Financial Year as it may be varied from time to time and calculated as at the last date of the relevant Financial Year, which excludes any payments made to the Participant which are contingent on the achievement of performance targets or otherwise and includes any superannuation contributions paid by the Company on behalf of the Participant other than superannuation contributions which are paid from after tax income.

LTI % is 45.

**Measurement Period** means the period of 3 years from 1 July in the year when the grant of Performance Rights occurs.

**Performance Right Value** = Share Price – [(Annual Dividend × Measurement Period) × (1 – 50%)].

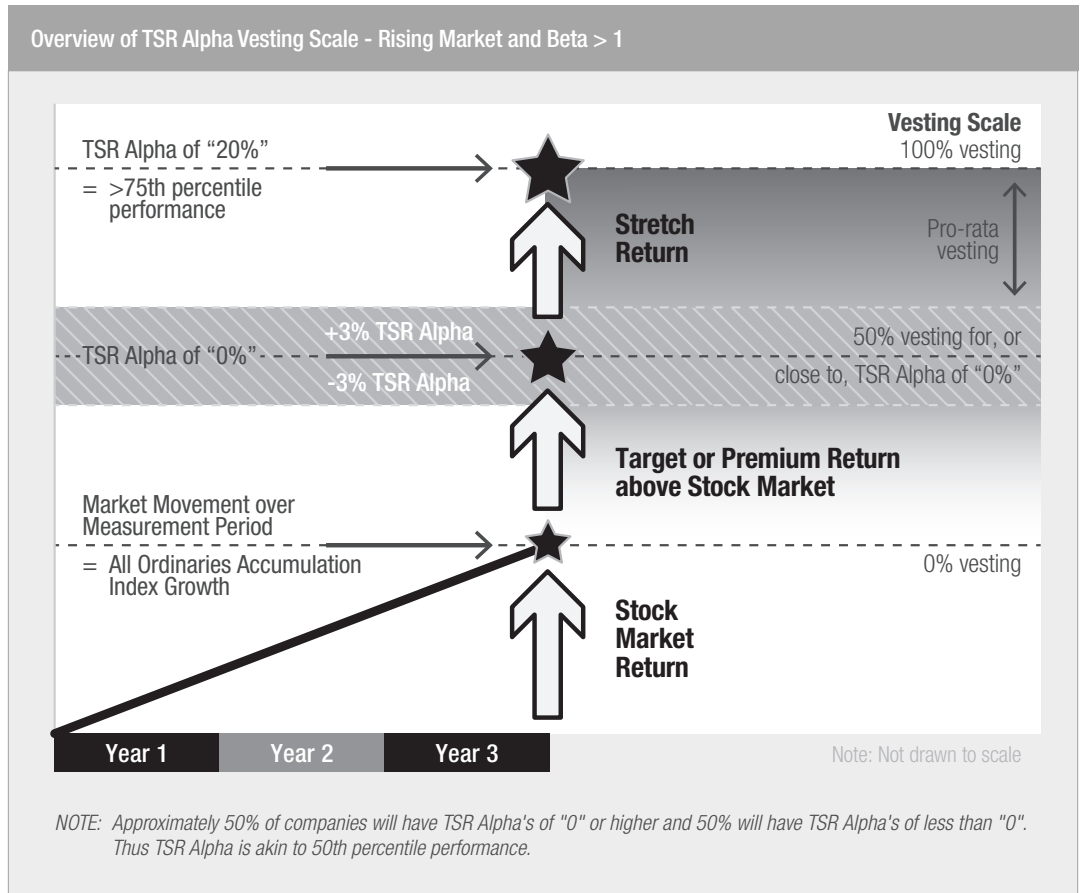
The share price as at 30 June 2013 was \$1.265.

On completion of the Measurement Period and subject to the application of the TSR Alpha Vesting Scale shown in the following table, a proportion of the Performance Rights will vest.



TSR Alpha Vesting Scale (for Performance Rights)

Performance Level	Kingsgate's TSR Alpha™ over the Measurement Period	Vesting
Below Target	TSR Alpha™ < -3%	0%
Target	TSR Alpha™ -3% to +3%	50%
Between Target and Stretch	TSR Alpha™ >+3% and < +20%	Pro-rata
Stretch	TSR Alpha™ ≥+20%	100%



The TSR Alpha Vesting Scale is a performance measurement application which measures the return to Shareholders after adjustments for broad market movements in comparison to Shareholder expectations. Where the TSR Alpha is 0% or close to it, the Company has delivered returns that are consistent with Shareholder expectations whereas if the TSR Alpha is positive then Shareholder expectations have been exceeded. However, if the TSR Alpha is negative then the Shareholder expectations have not been met.

The application of the TSR Alpha for Vesting Scale will be verified by either the KBA Consulting Group which developed the TSR Alpha Vesting Scale or an independent consultant which the Board may appoint.

Upon satisfaction of the Vesting Condition in respect of the Performance Condition in respect of the Performance Rights being satisfied, Mr Thomas will be entitled to exercise all of the Vested Rights and:

- (a) the Company shall contribute to the Trustee of the Trust at the time of exercise an amount equal to the product of the number of Vested Performance Rights and the Share Price; and
- (b) the Trustee of the Trust will use these contributions to either acquire Shares on the ASX or subscribe for new Shares in the Company which Shares shall be Restricted Shares which cannot be disposed of until the later of the date when the Shares can be disposed of without breach of the insider trading provisions under the *Corporations Act 2001* (Cth) or any date permitted by the Company's Share Trading Policy; and
- (c) upon satisfaction of the restriction on disposal, Mr Thomas will be able to issue to the Trustee of the Trust a Notice of Withdrawal of Shares and he may either request the Trustee to transfer the legal title to the Shares to him or sell the Shares and pay him the proceeds.

The Company has benchmarked the issuing of the Performance Rights to Mr Thomas against all companies of comparable market position. The findings confirm the level of remuneration for Mr Thomas, inclusive of Performance Rights to be comparable to similarly experienced Managing Directors with companies of comparable market positioning within the industry.

Accordingly, the Directors of the Company (not including Mr Thomas) consider that Mr Thomas' remuneration (including the Performance Rights) is reasonable given the Company's circumstances and given Mr Thomas' circumstances, including his responsibilities as Managing Director of the Company.

### 6.3 ASX Listing Rule 10.14

ASX Listing Rule 10.14 provides that a Company must not issue or agree to issue equity securities to a related party of the Company such as a Director under an employee incentive scheme, without the Company first obtaining the approval by ordinary resolution of its Shareholders.

The Company is seeking approval under Listing Rule 10.14 to allow the Company to issue the Rights to Mr Gavin Thomas, the Managing Director of the Company pursuant to the Plan.

The following additional information is provided in accordance with ASX Listing Rule 10.15A:

- › The person to whom the Rights are to be issued is Mr Gavin Thomas, Managing Director of the Company.
- › The number of securities to be issued is 768,380 Performance Rights, as determined in accordance with the formula set out above.
- › The Rights are issued for no consideration. The price at which shares are issued on the vesting of the Rights is the closing price for Company shares on the ASX on the relevant vesting date.
- › No persons to whom Listing Rule 10.14 applies have received Rights pursuant to the Plan except for Mr Gavin Thomas, who has received 106,082 Deferred Rights and 222,955 Performance Rights pursuant to the Plan, as approved by shareholders at the Company's 2012 Annual General Meeting.
- › Persons entitled to participate in the Plan are employees determined to be eligible to participate by the Board at its discretion. The Board has made no such determination with respect to any person to whom Listing Rule 10.14 applies, other than Mr Gavin Thomas.
- › No loan is made to Mr Gavin Thomas or any other party in connection with the Plan.
- › Details of the Rights issued under the Plan will be published in each Annual Report of the Company relating to a period in which Rights have been issued, and where applicable that approval for the issue of Rights was obtained under Listing Rule 10.14.
- › Any additional person who becomes entitled to participate in the Plan who is a person referred to in ASX Listing Rule 10.14 will not participate until approval is obtained under Listing Rule 10.14.
- › The date by which the Rights will be issued will be as soon as practicable following the meeting and in any event no later than three years after the meeting.

**The Directors (not including Mr Gavin Thomas) recommend that Shareholders vote in favour of the resolution.**

## 7 Resolution 5 – Spill Resolution

At the 2012 Annual General Meeting more than 25% of votes were cast against the adoption of the 2012 Directors' Remuneration Report.

If 25% or more of the votes cast on the Remuneration Report resolution are against Resolution 3 (**second strike**), members will need to consider and vote on Resolution 5 ('Spill Resolution'). This is required under section 250V of the Corporations Act.

If more than 75% of votes cast in relation to Resolution 3 are in favour of that resolution, the Spill Resolution will not be put before shareholders.

The Spill Resolution will be passed if 50% or more of votes are cast in favour of the Spill Resolution. If this occurs, another meeting (the **spill meeting**) of the Company's members will be held within 90 days of the AGM. Those directors of the Company who were in office at the time the resolution to make the Remuneration Report considered at the AGM, was passed (**Current Directors**) will cease to hold office immediately before the end of the spill meeting. The relevant directors will have the opportunity to stand for re-election at the spill meeting.

At the spill meeting, resolutions to elect Directors to the vacated offices will be put to the vote.

Members should note the following:

- › The Current Directors will continue to hold office until immediately before the end of the spill meeting and any directors elected at the spill meeting will hold office at the end of that meeting.
- › If such a meeting is required, the sole purpose of the spill meeting will be to elect the Directors of the Company.
- › The Company will provide at least 28 days' notice of the spill meeting as required under the Corporations Act.
- › If any person intends to move a resolution relating to the election of a Director of the Company, that person must comply with the minimum notice periods contained in the Company's Constitution.

**The Chairman of the AGM intends to vote all undirected proxies against this resolution.**

**Recommendation:** Notwithstanding that the Directors have an interest in the proposed Resolution, the Directors unanimously recommend that Shareholders vote **against** the Resolution, as they consider that a spill meeting would be disruptive to the management of the Company, as well as imposing additional cost on the Company.

## 8 Chairman of Meeting and Chairman's Voting Intention for Undirected Proxies

It is proposed that the Chairman of the Meeting be the Chairman of the Board of Directors, Mr Ross Smyth-Kirk. It is the Chairman's intention to vote undirected proxies which he holds as proxy in favour of all Resolutions except Resolution 5. The Chairman is expressly authorised by the Proxy to vote undirected proxies on Resolutions 3 and 5.

The Chairman intends to vote all undirected proxies against Resolution 5.

# 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 Security Transfer Registrars Pty Ltd, 770 Canning Highway, Applecross, Western Australia, 6153.

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



**Kingsgate**  
Consolidated Limited

ABN 42 000 837 472

PROXY FORM

THIS DOCUMENT IS IMPORTANT. IF YOU ARE IN DOUBT AS TO HOW TO DEAL WITH IT, PLEASE CONTACT YOUR STOCK BROKER OR LICENSED PROFESSIONAL ADVISOR.



KINGSGATE CONSOLIDATED LIMITED

ABN: 42 000 837 472

REGISTERED OFFICE: SUITE 801 LEVEL 8 14 MARTIN PLACE SYDNEY NSW 2000

SHARE REGISTRY: Security Transfer Registrars Pty Ltd All Correspondence to: PO BOX 535, APPLECROSS WA 6953 AUSTRALIA 770 Canning Highway, APPLECROSS WA 6153 AUSTRALIA T: +61 8 9315 2333 F: +61 8 9315 2233 E: registrar@securitytransfer.com.au W: www.securitytransfer.com.au

Code: KCN

Holder Number:

SECTION A: Appointment of Proxy

I/We, the above named, being registered holders of the Company and entitled to attend and vote hereby appoint:

Input box for Chairman appointment

OR

Input box for proxy name

The meeting Chairman (mark with an "X")

The name of the person you are appointing (if this person is someone other than the Chairman of the meeting).

or failing the person named, or if no person is named, the Chairman of the Meeting, as my/our Proxy to act generally at the meeting 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) at the Annual General Meeting of the Company to be held at 2.00pm (Sydney Time) on Tuesday, 26 November 2013 at the Museum of Sydney, Corner of Phillip and Bridge Streets, Sydney NSW and at any adjournment of that meeting.

SECTION B: Voting Directions to your Proxy

Please mark "X" in the box to indicate your voting directions to your Proxy.

Resolution

For Against Abstain\*

1. Re-election of Peter Alexander as a Director

Voting boxes for Resolution 1

2. Re-election of Craig Carracher as a Director

Voting boxes for Resolution 2

3. Approval of Remuneration Report

Voting boxes for Resolution 3

4. Issue of Performance Rights to Gavin Thomas

Voting boxes for Resolution 4

Resolution 5 will only be put to the meeting if at least 25% of the votes are against Resolution 3.

The Directors unanimously recommend that you vote against Resolution 5 - refer to Section 7 on Page 10 of the Explanatory Memorandum.

5. Spill Resolution

Voting boxes for Resolution 5

If no directions are given my proxy may vote as the proxy thinks fit or may abstain.

\* 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.

Input box for Chairman appointment

If you wish to appoint the Chairman as your proxy and you do not wish to direct the Chairman how to vote, please mark 'X' in the box.

By marking this box, you acknowledge that the Chairman may exercise your proxy even if he has an interest in the outcome of the resolution and votes cast by him other than as a 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. The Chairman of the Meeting intends to vote undirected proxies in favour of resolutions of 1, 2, 3 and 4. The Chairman of the meeting intends to vote undirected proxies against resolution 5. The Chairman is hereby expressly authorised to vote undirected proxies on resolutions 3 and 5.

SECTION C: Please Sign Below

This section must be signed in accordance with the instructions overleaf to enable your directions to be implemented.

Individual or Security Holder

Security Holder 2

Security Holder 3

Signature box for Individual or Security Holder

Signature box for Security Holder 2

Signature box for Security Holder 3

Sole Director and Sole Company Secretary

Director

Director / Company Secretary

3262390656

Reference Number:

Reference Number input box

1

KCN

1

