



## Notice of Annual General Meeting and Explanatory Statement

### **Cokal Limited**

ABN 55 082 541 437

Date of Meeting: Thursday, 22 November 2012

Time of Meeting: 11.00am (Brisbane time)

Place of Meeting: The Polo Club, 1 Eagle Street, Brisbane QLD 4000

Notice is given that the Annual General Meeting of Shareholders of Cokal Limited ABN 55 082 541 437 (**Company**) will be held at the Polo Club, 1 Eagle Street, Brisbane QLD 4000, on Thursday, 22 November 2012 at 11.00am (EST/Brisbane time).

## **Agenda**

### **ORDINARY BUSINESS**

#### **Financial Reports**

To receive and consider the Company's Annual Report comprising the Directors' Report and Auditors' Report, Directors' Declaration, Statement of Comprehensive Income, Statement of Financial Position, Statement of Changes in Equity, 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 2012.

#### **1. Resolution One – Re-election of Peter Lynch as a Director**

To consider and, if thought fit, pass the following Ordinary Resolution, without amendment:

*“That Mr Peter Lynch, who retires in accordance with Rule 5.2 of the Company's Constitution and, being eligible, offers himself for re-election, be re-elected as a Director.”*

#### **2. Resolution Two - Remuneration Report**

To consider and, if thought fit, pass the following Resolution as a non-binding ordinary resolution under section 250R(2) of the Corporations Act 2001:

*“That the Remuneration Report for the year ended 30 June 2012 (as set out in the Directors' Report) is adopted.”*

**NOTES – RESOLUTION TWO**

1. The vote on Resolution Two is advisory only and does not bind the Directors of the Company.
2. If 25% or more of votes that are cast are voted against the remuneration report at two consecutive AGM's, shareholders will be required to vote at the second of those AGM's on a resolution proposing that an extraordinary general meeting be held within 90 days at which all of the Company's directors (other than the Managing Director) must stand for re-election (a 'spill resolution').

**3. Voting exclusion**

The Company will disregard and not count any votes cast (in any capacity) on Resolution Two by or on behalf of either or both the following persons:

(a) a member of the Company's Key Management Personnel; or

(b) a Closely Related Party of a member of the Company's Key Management Personnel,

unless:

(c) the person

(i) does so in relation to a resolution where they hold a Directed Proxy Form; or

(ii) is the Chairman of the Meeting and is expressly authorised to exercise the proxy even though the resolution is a Remuneration Resolution; and

(d) the vote is not cast on behalf of a person described in paragraph (a) and (b) above.

**GENERAL BUSINESS**

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

Specific comments relating to the Resolutions are set out in the Explanatory Statement.

By order of the Board

Victor Kuss, Joint Company Secretary

14 October, 2012

# Explanatory Statement

## Introduction

This Explanatory Statement is provided to Shareholders of Cokal Limited ABN 55 082 541 437 (**Company**) to explain the resolutions to be put to Shareholders at the Annual General Meeting to be held at the Polo Club, 1 Eagle Street, Brisbane QLD 4000, on Thursday, 22 November 2012 at 11.00am (EST/Brisbane time).

The purpose of this Explanatory Statement is to provide Shareholders with information that is reasonably required by Shareholders to decide how to vote upon the resolutions to be considered by the Meeting.

The Directors recommend that Shareholders read the Notice of Meeting (**Notice**) and this Explanatory Statement before determining whether to support the resolutions or otherwise.

Other than as contained in the Notice and Explanatory Statement, the Directors believe that there is no other information known to the Company or the Directors that is reasonably required by Shareholders to decide whether or not it is in the Company's best interests to pass any of the resolutions.

### 1. Consider the Company's Annual Report

The Corporations Act requires the financial report, the directors' report and the auditor's report to be laid before the Annual General Meeting. There is no requirement either in the Corporations Act or in the Constitution of the Company for Shareholders to approve the financial report, the directors' report or the auditor's report. The Company's Annual Report is placed before the shareholders for discussion. No voting is required for this item.

### 2. Resolution One – Re-election of Peter Lynch as a Director

Mr Lynch was first appointed on 24 December 2010 and was re-elected by shareholders on 24 November 2011. Mr Peter Lynch retires by rotation in accordance with the Company's Constitution and, being eligible, offers himself for re-election as a Director.

Since graduating with a Mining Engineering degree in 1988, Mr Lynch has held various positions, within the coal industry in Australia, as mining engineer, project manager, mine manager, general manager and managing director culminating most recently in the role, from January 2006 until January 2010, as the President, CEO and Director of Waratah Coal Inc., a TSX listed company which was taken over by the Mineralogy Group in December 2008, having reached a peak market capitalisation of CAD300 million. Other highlights include:

- Mining Engineer, 48, over 25 years experience mainly in coal
- Proven track record in coal project evaluation, development and operation
- Responsible for design and construction of one of Australia's best producing longwall projects, Oaky North
- Ex-CEO of Waratah Coal responsible for putting the Galilee basin on the map, visionary development plan
- Ex-MD APC, MacArthur Coal operating entity expanded to 6Mtpa
- Strong following in Nth American Capital Markets, WCI.TSX-V

Mr Lynch is a member of the Audit Committee.

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

### **3. Resolution Two - Remuneration Report**

The Remuneration Report is set out in the Directors' Report section of the Annual Report. The Annual Report is available to download on the Company's website, [www.cokal.com.au](http://www.cokal.com.au).

Under Section 250R(3) of the Corporations Act, the vote is advisory only and does not bind the Directors or the Company.

However, under changes to the Corporations Act which came into effect on 1 July 2011, if at least 25% of the votes cast on the resolution are voted against adoption of the Remuneration Report at two consecutive Annual General Meetings, the Company will be required to put to shareholders a resolution at the second of those Annual General Meetings proposing the calling of an extraordinary general meeting to consider the election of directors of the Company ("spill resolution").

If more than 50% of shareholders vote in favour of the spill resolution, the Company must convene the extraordinary general meeting ("spill meeting") within 90 days of the second Annual General Meeting. All of the directors who were in office when the second (consecutive) Directors' Report was considered at the second (consecutive) Annual General Meeting, other than the Managing Director, will cease to hold office immediately before the end of the spill meeting but may stand for re-election at the spill meeting. Following the spill meeting those persons whose election or re-election as directors are approved will be the directors of the Company.

At the 2011 Annual General Meeting less than 25% of the votes cast were voted against adoption of the Remuneration Report included in the 2011 Annual Report.

In summary the Remuneration Report:

- explains the Board's policy for determining the nature and amount of remuneration of executive directors and senior executives of the Company;
- explains the relationship between the Board's remuneration policy and the Company's performance;
- sets out remuneration details for each Director and the most highly remunerated senior executive of the Company; and
- details and explains any performance conditions applicable to the remuneration of executives directors and senior executives of the Company.

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

A voting exclusion applies to Key Management Personnel and their Closely Related Parties in certain circumstances – please see the notes to Resolution Two. Any undirected proxies held by the directors or any other Key Management Personnel (excluding the Chairman) or their Closely Related Parties will not be voted on Resolution Two.

Noting that each director has a personal interest in their own remuneration from the Company as set out in the Remuneration Report, the Board unanimously recommends that Shareholders vote in favour of adopting the Remuneration Report.

#### 4. Interpretation

**ASX** means the ASX Limited ACN 008 624 691 or the securities exchange operated by ASX Limited ACN 008 624 691 as the context requires.

**Board** means the board of Directors of the Company.

**Company** means Cokal Limited ACN 082 541 437.

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

**Listing Rules** means the listing rules of the ASX.

**Meeting** means the Annual General Meeting of Shareholders to be held on 22 November 2012.

**Resolution** means a resolution to be proposed at the Meeting.

**Shares** means ordinary fully paid shares in the issued capital of the Company.

**Shareholder** means a shareholder of the Company.

Any enquiries in relation to the Resolutions or the Explanatory Statement should be directed to Victor Kuss (Company Secretary):

##### **Cokal Limited**

**Street address:** c/- Cokal Limited, Suite 3402, Level 34 Riverside Centre, 123 Eagle Street, Brisbane QLD 4000

**Postal address:** PO Box 7122, Brisbane QLD 4001

**Ph:** (07) 3001 4100 | **Fax:** (07) 3001 4195

**Email:** [info@cokal.com.au](mailto:info@cokal.com.au)

## 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 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 deposited at, posted to, or sent by facsimile transmission to the address listed below not less than 48 hours before the time for holding the meeting, or adjourned meeting as the case may be, at which the individual named in the proxy form proposes to vote.

#### **Cokal Limited**

**Street address:** c/- Cokal Limited, Suite 3402, Level 34 Riverside Centre, 123 Eagle Street, Brisbane QLD 4000

**Postal address:** PO Box 7122, Brisbane QLD 4001

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[info@cokal.com.au](mailto:info@cokal.com.au)

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.

A proxy form is attached to this Notice.

### Proxy Appointment - Voting Instructions

If you appoint one or more proxies, you can direct your proxy how to vote by placing a mark in one of the boxes opposite each resolution. 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 resolution by inserting the percentage or number of shares you wish to vote in the appropriate box or boxes. If you mark more than one box on any resolution your vote on that resolution will be invalid.

### Remuneration Resolutions

- 1 A member of the Company's Key Management Personnel or their Closely Related Party must not, whether in person or by proxy, vote in their own right on the adoption of the Remuneration Report in Resolution Two.
- 2 A person appointed as proxy may vote or abstain from voting as he or she thinks fit except in the following circumstances:
  - 2.1 The proxy holds a Directed Proxy Form;
  - 2.2 Where the proxy is voting in relation to a Remuneration Resolution and the proxy is either a Key Management Personnel for the Company or a Closely Related Party and holds an Undirected Proxy Form; and

2.3 The proxy is required by law or the Company's Constitution to vote in a certain manner or abstain from voting.

3 Clause 2.2 does not apply if the Chairman of the meeting is appointed as proxy and his appointment expressly authorises the Chairman to exercise the proxy even if the resolution is a Remuneration Resolution.

4 The Chairman intends to vote all Undirected Proxy Forms in favour of all resolutions including Remuneration Resolutions.

5 The following definitions apply in this document:

**Closely Related Party** means the closely related parties of Key Management Personnel as defined in the Corporations Act 2001, and includes certain members of their family, dependants and companies they control.

**Directed Proxy Form** means a proxy form which specifies how the proxy is to vote.

**Key Management Personnel** of the Company are the directors of the Company and those other persons having authority and responsibility for planning, directing and controlling the activities of the Company, directly or indirectly. The Remuneration Report identifies the Company's key management personnel for the financial year to 30 June 2012.

**Remuneration Resolution** means a resolution connected directly or indirectly with the remuneration of a member of the Key Management Personnel.

**Undirected Proxy Form** means a proxy form which does not specify how the proxy is to vote.

### 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 7.00pm (EST/Brisbane time) on 20 November 2012. 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:

<b>Individual:</b>	Where the holding is in one name, the holder must sign.
<b>Joint Holding:</b>	Where the holding is in more than one name, all of the security holders should sign.
<b>Power of Attorney:</b>	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.
<b>Companies:</b>	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.

# Proxy Form

Please mark  to indicate your directions

## STEP 1 Appoint a Proxy to vote on your behalf

I/We being a member/s of Cokal Limited hereby appoint:

the Chairman  
of the Meeting

**OR**

**!**

**PLEASE NOTE:** Leave this box blank if you have selected the Chairman of the Meeting. Do not insert your own name(s).

or failing the individual or body corporate named, or if no individual or body corporate is named, the Chairman of the Meeting, as my/our proxy to act generally at the meeting on my/our behalf and to vote in accordance with the voting directions below (or if no directions have been given, as the proxy sees fit) at the Annual General Meeting of Cokal Limited to be held at the Polo Club, 1 Eagle Street, Brisbane QLD 4000 on 22 November 2012 at 11.00am (Brisbane time) and at any adjournment of that meeting.

### Important notice for Resolution 2 - appointment of the Chairman as your proxy

Where I/we have not marked any of the boxes opposite Resolution 2, I/we expressly authorise the Chairman to exercise my/our proxy in respect of Resolution 2, even though the Chairman is a member of the Company's key management personnel and Resolution 2 is connected directly or indirectly with the remuneration of the Company's key management personnel.

### Chairman's voting intentions

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

**If you appoint the Chairman as your proxy and you do not wish the Chairman to vote in favour of Resolution 2, or any other resolution, you may direct the Chairman to vote against that resolution or abstain from voting on that resolution by marking the appropriate box opposite that resolution below.**

## STEP 2 Items of Business

**!**

**PLEASE NOTE:** If you mark the Abstain box for an item, you are directing your proxy not to vote on your behalf on a show of hands or a poll and your votes will not be counted in computing the required majority.

Resolution	For	Against	Abstain
1. Re-election of Peter Lynch as a director	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
2. Remuneration Report	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

The Chairman of the Meeting intends to vote all available proxies in favour of each item of business.

## SIGN Signature of Securityholder(s) *This section must be completed.*

Securityholder 1

Securityholder 2

Securityholder 3




Sole Director and Sole Company Secretary

Director

Director/Company Secretary

Contact Name \_\_\_\_\_ Phone No. \_\_\_\_\_ Date \_\_\_\_\_