

## NOTICE OF ANNUAL GENERAL MEETING

**Notice is given that the Annual General Meeting of shareholders of Keybridge Capital Limited (Company) will be held on:**

Wednesday, 29<sup>th</sup> September 2010 at 10.00am Sydney time at:  
Keybridge Capital Limited  
Level 26  
259 George Street  
Sydney NSW 2000  
Australia

27 August 2010

Dear Shareholder,

On behalf of the Board of Directors, I invite you to join us at our Annual General Meeting (AGM) to be held at Keybridge Capital Limited's offices, Level 26, 259 George Street, Sydney, on Wednesday, 29<sup>th</sup> September 2010 at 10:00 am.

At this meeting, we will seek approval to:

- elect Mark Phillips as a Director of the Company;
- adopt the 2010 Remuneration Report; and
- grant Performance Rights to Mark Phillips.

Details of the resolutions are contained in the enclosed Notice of Meeting, together with a proxy form.

If you are able to attend the AGM, please bring the proxy form with you as the barcoding on this form will facilitate your registration as a shareholder. Registration will be available from 9:00 am. If you are unable to attend, I encourage you to vote on the resolutions contained in the Notice of Meeting either by completing and returning the enclosed proxy form or by lodging your proxy appointment online at [www.linkmarketservices.com.au](http://www.linkmarketservices.com.au). Please note that a person intending to vote at the AGM on shares held in the name of a company must bring an authority to the meeting, signed by the company in favour of the person attending.

I look forward to welcoming you to our AGM.

Yours sincerely,



**Irene Lee**  
Chairman

## MEETING OF SHAREHOLDERS

### ORDINARY BUSINESS

#### **Receipt of Financial Report**

To receive and consider the financial report of the Company and its controlled entities for the financial year ended 30 June 2010, as well as the Directors' Report and Auditor's Report.

*There is no vote on this item.*

#### **Resolution 1: Election of Director**

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

"That Mark Phillips, who retires in accordance with Article 8.1 of the Company's constitution and, being eligible, offers himself for election, is elected as a Director of the Company effective from the close of the Annual General Meeting."

*Biographical information in relation to Mark Phillips is set out in the Explanatory Notes accompanying this Notice of Annual General Meeting.*

#### **Resolution 2: Remuneration Report**

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

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

*Please note that the vote on this item is advisory only and does not bind the Directors or the Company.*

### SPECIAL BUSINESS

#### **Resolution 3: Grant of Performance Rights to Mark Phillips**

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

"That approval is given for the Company to grant to the Company's Managing Director, Mark Phillips, Performance Rights under the Employee Equity Plan on the terms set out in the Explanatory Notes to this Notice of Meeting".

#### ***Voting entitlement***

With respect to resolution 3, the Company will disregard any votes cast on resolution 3 by Mr Phillips and an associate of Mr Phillips, except where the vote:

- is cast by a person as proxy for a person who is entitled to vote, in accordance with the directions on the proxy form; or
- is cast by the person chairing the meeting as proxy for a person who is entitled to vote, in accordance with a direction on the proxy form to vote as the proxy decides.

By order of the Board



**Adrian Martin**  
Company Secretary  
Sydney, 27 August 2010

## DETERMINATION OF ENTITLEMENT TO ATTEND AND VOTE

For the purposes of the meeting, shares will be taken to be held by the persons who are registered as members as at 7.00pm Sydney time on Monday, 27 September 2010. This means that if you are not the registered holder of a share at that time, you will not be entitled to vote in respect of that share.

If you wish to appoint a proxy, the completed proxy form (and any proxy appointment authority) must be received by the Company or its share registry, Link Market Services Limited no later than 10.00am Sydney time on Monday, 27 September 2010 to be effective.

To do this, you may:

1. use the enclosed reply paid envelope;
2. fax to (61 2) 9267 0309;
3. mail to Locked Bag A14, Sydney South NSW 1235 Australia;
4. deliver in person to Level 12, 680 George Street, Sydney; or
5. lodge online at Link Market Services' website, [www.linkmarketservices.com.au](http://www.linkmarketservices.com.au) To use this facility, you will need your holder identification number (**HIN**) or security holder reference number (**SRN**).

## NOTES ON APPOINTMENT OF PROXY

In accordance with Sections 249L and 249X of the *Corporations Act*, shareholders are notified that:

- (i) a member who is entitled to attend and cast a vote at the meeting may appoint a proxy to attend and vote for the member;
- (ii) the appointment may specify the proportion or number of votes that the proxy may exercise;
- (iii) a member who is entitled to cast two or more votes at the meeting may appoint no more than two proxies and may specify the proportion or number of votes each proxy is entitled to exercise. If you appoint two proxies and the appointment does not specify the proportion or number of votes each proxy may exercise, each proxy may exercise half of the votes; and
- (iv) a proxy may be an individual or a body corporate and need not be a member.

A proxy is not revoked by the member attending and taking part in the meeting unless the member actually votes at the meeting on the resolution for which the proxy is proposed to be used.

Shareholders who appoint a proxy should consider whether they wish to direct the proxy to vote (and if so, whether to direct the proxy to vote "for" or "against", or to abstain from voting, on each resolution), or whether to leave the decision to the appointed proxy after discussion at the meeting. The Chair of the meeting intends to vote all available undirected proxies in favour of each resolution.

## VOTING

Voting on a resolution at the Annual General Meeting will be decided in the first instance by a show of hands. A poll may be demanded in accordance with the Company's constitution.

On a show of hands, every shareholder who is eligible to vote and is present in person or by proxy, representative or attorney, will have one vote. Upon a poll, every shareholder who is eligible to vote and is present in person or by proxy, or by representative or by attorney, will have one vote for each fully paid ordinary share held by that person. The proxy has the same rights as the member to speak at the meeting, to vote (but only to the extent allowed by the appointment) and to join in a demand for a poll.

Where a member appoints two proxies, then neither proxy shall have the right to vote on a show of hands.

Where more than one joint holder votes, the vote of the holder whose name appears first in the register of members shall be accepted to the exclusion of the others whether the vote is given in person or by proxy, representative or attorney.

# EXPLANATORY NOTES

## ORDINARY BUSINESS

### Resolution 1 – Election of Director

Mark Phillips has over 25 years' experience in investment markets with expertise in managing investments, building portfolios and developing funds management businesses.

He has been Managing Director of Keybridge Capital Limited since August 2006, following a restructure within the Mariner group of companies.

Before joining the Mariner group in March 2006, Mark was the managing director of Record Investments Limited for over four years where he played a key role in building the company's market capitalisation from under \$200 million to over \$1.5 billion.

Prior to this, Mark was employed by the Commonwealth Bank of Australia for 20 years in various roles, including Chief Dealer – Interest Rate Swaps, Head of Long End Trading, Head of Quantitative Analysis, Head of Property Finance, and Head of Government Finance.

He has been a director of Interlink Roads Pty Limited (operator of the M5 Motorway in Sydney) and a director of ASB Bank Limited in New Zealand.

The Directors (other than Mark Phillips) unanimously recommend that Mark Phillips be elected as a Director of the Company.

### Resolution 2 – Remuneration Report

Listed companies, such as Keybridge Capital Limited, are required to provide detailed disclosures of director and senior executive remuneration in the Remuneration Report. The Remuneration Report is set out on pages 34 to 43 of the 2010 Annual Report, which is available on the Company's website ([www.keybridge.com.au](http://www.keybridge.com.au)).

The *Corporations Act 2001* requires listed companies to put a non-binding resolution to shareholders annually to adopt the Remuneration Report. In line with the legislation, this vote will be advisory only, and does not bind the Directors or the Company. However, the Board will take the outcome of the vote and the discussion at the meeting into consideration when reviewing the Company's remuneration practices and policies going forward.

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

The Directors recommend unanimously that shareholders vote in favour of this resolution.

## SPECIAL BUSINESS

### Resolution 3 – Grant of Performance Rights to Mark Phillips

In accordance with ASX Listing Rule 10.14, the Company is seeking the approval of shareholders for the proposed grant of Performance Rights (**Rights**) to the Managing Director, Mark Phillips, under the Employee Equity Plan (**Plan**) on the terms set out below.

#### Plan terms and conditions

As announced by the Company in February 2010, in order to retain and motivate the Company's management team, the Company introduced new remuneration arrangements in 2010 which included the adoption of the Plan. Mr Phillips' participation in the Plan is subject to shareholder approval being obtained. Information regarding the general operation of the Plan is set out in the Company's Remuneration Report.

If shareholder approval is obtained, the Rights will be granted on or about 29 September 2010 as part of Mr Phillips' remuneration for the financial years ending 30 June 2010 and 30 June 2011. They will

be granted at no cost to Mr Phillips, and no amount is payable on vesting of the Rights if the performance conditions are met.

Each Right entitles Mr Phillips to one fully paid ordinary share in the Company which will rank equally with other shares. Rights granted under the Plan do not carry any voting rights until they vest.

If approval is obtained, Mr Phillips will be granted a total of 4,033,333 Rights, which, subject to achievement of performance conditions, would entitle Mr Phillips to be allocated a maximum of:

- 2,200,000 shares in respect of the year ending 30 June 2010 (**Year 1 Grant**); and
- 1,833,333 shares in respect of the year ending 30 June 2011 (**Year 2 Grant**).

Any shares allocated pursuant to the Grants may either be issued by the Company or purchased on the market.

### **Performance periods and conditions**

As discussed above, the Board adopted the Plan as part of new remuneration arrangements implemented by the Company in early 2010. At that time, the Board determined that Mr Phillips would participate in the Plan on substantially the same terms as the other members of the Company's management team, and as such, the performance conditions in respect of the Year 1 and Year 2 Grants to Mr Phillips (outlined below) are substantially the same as those for all other members of the management team. The performance period in respect of the Year 1 Grant commenced on 1 July 2009 and ended on 30 June 2010. The Rights to be granted to Mr Phillips in respect of the Year 1 Grant (if shareholder approval is obtained) are subject to performance conditions relating to:

- Minimum levels of debt repayment;
- Minimum levels of cash investment income and maximum levels of cash operating costs;
- Business plan development;
- Stakeholder management;
- Board reporting; and
- Team management.

Although the performance period in respect of the Year 1 Grant has concluded, the Board has yet to finalise and approve testing of Mr Phillips' performance against the applicable performance conditions. However, it is the intention of the Board to do so prior to the date of the AGM to determine, in respect of the Year 1 Grant, the number of rights which will vest, subject to shareholder approval of the Grants being obtained.

The performance period in respect of the Year 2 Grant commenced on 1 July 2010 and ends on 30 June 2011. The Rights to be granted to Mr Phillips in respect of the Year 2 Grant (if shareholder approval is obtained) will be subject to performance conditions equivalent to those in Year 1, with a further condition relating to the successful refinancing of the Company's bank debt.

The Rights lapse if the performance conditions are not met. There is no re-testing.

### **Sales restriction**

In respect of the Year 1 Grant, Mr Phillips may not sell or otherwise deal with the shares allocated on vesting of the Rights until 1 July 2011, at which point Mr Phillips is able to deal with 50% of the shares. Mr Phillips may not sell or otherwise deal with the remaining 50% until 1 July 2012.

In respect of the Year 2 Grant, Mr Phillips may not sell or otherwise deal with the shares allocated on vesting of the Rights until 1 July 2012, at which point Mr Phillips is able to deal with 50% of the shares. Mr Phillips may not sell or otherwise deal with the remaining 50% until 1 July 2013.

In addition to the sales restriction outlined above in respect of the Year 1 and Year 2 Grants (**Initial Holding Period**), Mr Phillips will not be able to sell or otherwise deal with the shares after the Initial Holding Period until the earlier of the following dates:

- the Board has approved a request for release of the shares made by Mr Phillips;
- Mr Phillips ceases employment (outlined below); or
- 7 years from the date of grant of the Rights.

### **Dividend equivalent payment**

In relation to the Rights to be granted in respect of the Year 2 Grant, the Board has determined that an amount equivalent to any dividends that would have been received by Mr Phillips had he held the

shares from the date of grant of the Rights until the date that the shares were actually allocated to him upon vesting of the Rights (less any tax payable), will be paid to Mr Phillips as soon as practicable following the allocation of the shares.

No dividend equivalent payment will be made to Mr Phillips in respect of the Year 1 Grant.

### **No hedging of Rights**

The Rights are subject to the Company's Securities Trading Policy which prohibits entering into any type of 'protection arrangements' (including hedging, derivatives and warrants) in connection with any Rights granted under the Plan. If a participant purports to deal with the Rights other than in the limited circumstances permitted by the Plan rules, the Rights will immediately lapse.

### **Treatment of Rights on cessation of employment**

If Mr Phillips ceases employment due to termination by the Company for misconduct or breach of duty, any unvested Rights lapse. In addition, any shares which have been allocated on vesting of the Rights that remain subject to the sales restrictions (discussed above), will be deemed by the Board to have been forfeited.

If Mr Phillips ceases to be an employee of the Company for any reason other than termination for misconduct or breach of duty and provided that cessation occurs at least 3 months into the relevant performance period, any unvested Rights will vest on a pro-rata basis to reflect the proportion of the applicable performance period actually worked, subject to the satisfaction of the performance conditions. In addition, any shares allocated on vesting of the Rights that remain subject to the sales restrictions (discussed above), will be released.

### **Change of control**

In the event of a change of control of the Company, the Board has the discretion to determine that all or a specified number of the unvested Rights vest, having regard to all the circumstances, including whether performance is in line with the applicable performance conditions over the period from the date of grant to the change of control event occurring.

### **Other information**

In relation to the Plan:

- Mr Phillips is the only Director entitled to participate in the Plan and, as it is a new Plan adopted by the Company on 14 December 2009, no Rights have been granted to Mr Phillips under the Plan.
- There is no loan scheme in relation to the Rights.

### **Voting exclusion statement**

The Company will disregard any votes cast on this resolution by:

- Mr Phillips; and
- an associate of Mr Phillips,

except where the vote:

- is cast by a person as proxy for a person who is entitled to vote, in accordance with the directions on the proxy form; or
- is cast by the person chairing the meeting as proxy for a person who is entitled to vote, in accordance with a direction on the proxy form to vote as the proxy decides.

### **Recommendation**

The Directors (other than Mr Phillips) consider the grant of Rights to Mr Phillips to be appropriate in all the circumstances and unanimously recommend that shareholders vote in favour of Resolution 3.

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