

## Notice of Annual General Meeting

Notice is hereby given that the Annual General Meeting of Focus Minerals Limited (“Focus”) will be held as follows:

**Date:** Wednesday, 28 May 2014  
**Time:** 10.30am (Perth time)  
**Place:** Level 8  
The Mantra on Hay  
201 Hay Street  
Perth, WA

The Explanatory Notes to this Notice of Annual General Meeting provide additional information on matters to be considered at the meeting. The Explanatory Notes and the proxy form constitute part of this notice.

### BUSINESS OF THE MEETING

#### ORDINARY BUSINESS

##### 1 Consideration of Reports

To receive and consider the Annual Financial Report, the Directors’ Report and Auditor’s Report of Focus and its controlled entities for the period ended 31 December 2013.

*There is no vote on this item.*

##### 2 Resolution 2 - Re-election of Mr Bruce McComish

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

*That, for the purposes of clause 10.3 of the constitution and for all other purposes, Bruce McComish, a Director who retires by rotation, and being eligible, is re-elected as a Director.*

##### 3 Resolution 3 - Remuneration Report

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

*That, for the purposes of section 250R(2) of the Corporations Act and for all other purposes, approval is given for the adoption of the remuneration report as contained in Focus’ statutory accounts for the period ended 31 December 2013.*

The remuneration report is set out in the Directors’ Report contained in Focus’ Annual Report and Statutory accounts for the period ended 31 December 2013.

The vote on this resolution is advisory only and does not bind Focus or the Directors.

#### Voting Exclusion

A vote on this Resolution must not be cast (in any capacity) by or on behalf of any of the following persons:

- (a) a member of the Key Management Personnel, details of whose remuneration are included in the remuneration report; or
- (b) a Closely Related Party of such a member.

However, a person described above may vote on this Resolution if:

- (a) the person does so as a proxy appointed by writing that specifies how the proxy is to vote on the Resolution; and
- (b) the vote is not cast on behalf of a person described in sub-paragraphs (a) or (b) above.

#### 4 Resolution 4 - Spill Resolution

**Important Note: This resolution will only be put to the meeting if more than 25% of votes validly cast on Resolution 3 are cast against that Resolution.**

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

*That:*

- (a) a meeting of holders of Focus Minerals Limited be held within 90 days of this Annual General Meeting ("**Spill Meeting**") ; and*
- (b) all of the Directors of Focus Minerals Limited who were Directors when the resolution to adopt the remuneration report as contained in Focus' annual financial report for the period ended 31 December 2013 was passed, other than a managing director of the company who may, in accordance with the ASX Listing Rules, continue to hold office indefinitely without being re-elected to the office, cease to hold office immediately before the end of the Spill Meeting; and*
- (c) resolutions to appoint persons to the offices that will be vacated immediately before the end of the Spill Meeting be put to the vote at the Spill Meeting.*

#### **Voting Exclusion**

A vote on this Resolution must not be cast (in any capacity) by or on behalf of any of the following persons:

- (a) a member of the Key Management Personnel, details of whose remuneration are included in the remuneration report; or
- (b) a Closely Related Party of such a member.

However, a person described above may vote on this Resolution if:

- (a) the person does so as a proxy appointed by writing that specifies how the proxy is to vote on the Resolution; and
- (b) the vote is not cast on behalf of a person described in sub-paragraphs (a) or (b) above.

This Notice of Annual General Meeting and the Explanatory Notes are important and you should read them in full. If you are in doubt as to how you should vote, you should seek advice from your professional adviser.

By order of the Board.



Dane Etheridge  
Company Secretary  
Date: 24 April 2014

# Explanatory Notes to the Notice of Annual General Meeting

## 1 Explanatory Notes

All Focus shareholders should read the Explanatory Notes accompanying, and forming part of, this Notice of Annual General Meeting for more details on the resolutions to be voted on at the Annual General Meeting. The information provided is intended to assist shareholders in understanding the reasons for the resolutions and their effect if passed.

## 2 Entitlement to vote

The Board of Directors of Focus, being the convener of the Annual General Meeting, has determined that the shareholding of each shareholder for the purposes of ascertaining voting entitlements at the Annual General Meeting will be as it appears in Focus' share register as at 4.00pm (Perth time) on 26<sup>th</sup> of May 2014 ("**Record Date**"). Transactions registered after that time will be disregarded in determining the shareholders entitled to attend and vote at the Annual General Meeting.

## 3 Your vote is important

The business of the Annual General Meeting affects your shareholding and your vote is important.

## 4 Voting in person

To vote in person, attend the Annual General Meeting on the date and at the time and place set out in this Notice of Annual General Meeting. If you wish to attend the meeting, please arrive at least 15 minutes prior to the start of the meeting to facilitate the registration process.

## 5 Voting by proxy

Shareholders entitled to attend and vote at the Annual General Meeting as at the Record Date may appoint a proxy to attend and vote on behalf of the shareholder. A proxy need not be a shareholder of Focus.

The proxy form sent with this notice should be used for the Annual General Meeting. If you appoint a proxy and also attend the meeting, the proxy's authority to speak and vote at the meeting will be suspended while you are present at the meeting.

Each shareholder who is entitled to cast 2 or more votes at the Annual General Meeting may appoint 2 persons to act as proxies and may specify the proportion or number of votes that each proxy is entitled to exercise. If a shareholder does not specify the proportion or number of that shareholder's votes each proxy may exercise, then each proxy will be entitled to exercise half of the votes. An additional proxy form will be supplied by Focus on request.

In the case of an individual, a proxy must be signed by the individual or his or her attorney duly authorised in writing and, in the case of a corporation, a proxy must be signed pursuant to section 127 of the Corporations Act 2001 (Cth) ("**Corporations Act**") or by its duly authorised officer or attorney.

Any shareholder may by power of attorney appoint an attorney to act on his or her behalf and such power of attorney or certified copy thereof must be received by Focus as specified below.

Any corporation which is a shareholder of Focus may appoint a representative to attend and vote for that corporation at the AGM. Appointments of representatives by corporations must be received by Focus as specified below or handed in at the Annual General Meeting when registering as a company representative.

To vote by proxy, please complete and sign the enclosed proxy form and return it (together with, if you sign under power of attorney or corporate representative, that power of attorney or corporate representative appointment or a certified copy of it) by:

- post, to: Computershare Investor Services Pty Ltd  
GPO Box 242  
Melbourne Vic 3001; or
- facsimile, to: within Australia 1800 783 447  
outside Australia +61 3 9473 2555,

so that it is received no later than 10.30am (Perth time) on 26<sup>th</sup> of May.

The proxy form forms part of this Notice of Annual General Meeting.

***Proxy forms received later than this time will be invalid.***

We encourage shareholders who are appointing proxies to direct their proxies how to vote on each resolution by crossing either a “For”, “Against”, or “Abstain” box before lodging their proxy form so that their proxy will vote on their behalf in accordance with their instructions.

***Proxy vote if appointment specifies way to vote***

In accordance with section 250BB(1) of the Corporations Act, and subject to any applicable voting restrictions, if an appointment of a proxy specifies the way the proxy is to vote on a particular resolution:

- the proxy need not vote on a show of hands, but if the proxy does so, the proxy must vote as directed; and
- if the proxy has 2 or more appointments that specify different ways to vote on the resolution, the proxy must not vote on a show of hands; and
- if the proxy is the Chairperson, the proxy must vote on a poll, and must vote as directed; and
- if the proxy is not the Chairperson, the proxy need not vote on a poll, but if the proxy does so, the proxy must vote as directed.

***Transfer of non-chair proxy to Chairperson in certain circumstances***

In accordance with section 250BC of the Corporations Act, there are circumstances where the Chairperson will be taken to have been appointed as a shareholder’s proxy for the purposes of voting on a particular resolution even if the shareholder has not expressly appointed the Chairperson as their proxy. This will be the case where:

- an appointment of a proxy specifies the way the proxy is to vote on a particular resolution; and
- the appointed proxy is not the Chairperson; and
- a poll is duly demanded on the resolution; and
- either of the following applies:
  - the proxy is not recorded as attending the Annual General Meeting; or
  - the proxy attends the Annual General Meeting but does not vote on the resolution.

## **6 Voting Exclusions**

### ***Resolution 3***

A vote on Resolution 3 must not be cast (in any capacity) by or on behalf of a member of the key management personnel, details of whose remuneration are included in the Remuneration Report (“KMP”) or their closely related parties.

However, a vote may be cast on Resolution 3 by such a person as proxy for a person entitled to vote on Resolution 3 if:

- (a) the proxy appointment is in writing and specifies how the proxy is to vote on Resolution 3; or
- (b) the proxy is the Chairperson and:
  - (i) the appointment does not specify the way the proxy is to vote on Resolution 3; and
  - (ii) the appointment expressly authorises the Chairperson to exercise the proxy even if the resolution is connected directly or indirectly with the remuneration of the KMP.

If the Chairperson is your proxy, or is appointed your proxy by default, and you do not direct your proxy to vote to vote ‘for’, ‘against’ or ‘abstain’ on Resolution 3 on the proxy form, you will be expressly authorising the Chairperson to exercise your proxy even if Resolution 3 is connected directly or indirectly with the remuneration of a member of the KMP.

The Chairperson intends to vote undirected proxies in favour of Resolution 3.

**You should carefully read the proxy form and provide a direction to the proxy on how to vote on Resolution 3.**

## **Explanatory Notes**

These Explanatory Notes have been prepared for the information of shareholders in relation to the business to be conducted at Focus's Annual General Meeting to be held on 28 May 2014 10.30am (Perth time).

The purpose of these Explanatory Notes is to provide shareholders with more information on the proposed resolutions. You should read the Notice of Annual General Meeting and Explanatory Notes in full before deciding how to vote on each resolution.

### ***Resolution 1 – Consideration of Reports***

The business of the Annual General Meeting will include the receipt and consideration of the Annual Financial Report of Focus for the six months ended 31 December 2013 together with the Directors' Report and the Auditor's Report. There is no requirement for shareholders to approve these reports.

In accordance with the Corporations Act, shareholders will be given a reasonable opportunity at the Annual General Meeting to ask questions and make comments on the Annual Financial Report, the Directors' Report and the Auditor's Report of Focus and its controlled entities for the period ended 31 December 2013.

During the discussion, the auditor of Focus, PricewaterhouseCoopers, will be present and will answer questions that are relevant to the content of the Auditor's Report or the conduct of the audit of the Annual Financial Report. Shareholders may submit written questions for the auditor up to five business days before the date of the Annual General Meeting.

Shareholders wishing to do so may send their questions to the Company Secretary via email (to: [detheridge@focusminerals.com.au](mailto:detheridge@focusminerals.com.au) or facsimile (08) 9215 7889. The Company Secretary will pass on the questions to PricewaterhouseCoopers.

### ***Resolution 2 – Election of Mr Bruce McComish***

Mr Bruce McComish is retiring in accordance with article 10.3 of the constitution and is eligible for re-election.

Mr McComish is the former chairman of stockbroking firm BBY. He has held senior management positions for a number of Australian and international companies including the National Australia Bank, where he served as Chief Financial Officer from 1994 to 1998, and North Limited, where he was the executive general manager of corporate affairs from 1992-1994. Mr McComish worked for Unilever Plc. for 18 years in senior financial positions around the world. He holds a Bachelor of Commerce and Administration from Victoria University of Wellington and is a Qualified Accountant.

Mr McComish does not currently hold any other ASX Directorships.

**Recommendation:** The Directors (other than Mr Bruce McComish who is the subject of the relevant resolution) recommend that shareholders vote in favour of Mr Bruce McComish's election.

The Chairperson intends to vote undirected proxies in favour of Resolution 2.

### ***Resolution 3 – Remuneration Report***

Under section 250R(2) of the Corporations Act, a listed company is required to put its Remuneration Report to shareholders for approval each year. The Remuneration Report is contained on pages 23 to 28 of the Statutory Accounts for the Period Ended 31 December 2013 and sets out the policy for the remuneration of the Directors of Focus and each member of the KMP. The Statutory Accounts were released to the ASX on the 31<sup>st</sup> of March 2014 and are also available on the Focus Minerals website:

<http://www.focusminerals.com.au/investors/news-announcements/>

An identical Remuneration Report can be found on pages 23 to 28 of the Annual Report for the Six Month Period Ended 31 December 2013.

During the meeting shareholders will have an opportunity to comment upon and ask questions about the Remuneration Report. The vote on this resolution is advisory only and does not bind the Directors or Focus.

Additionally, as a result of amendments to the Corporations Act known generally as the “two strikes rule”, shareholders should note that the result of the vote on this resolution may result in a spill resolution (resolution 5). As more than 25% of the votes cast on the remuneration report at the last AGM were “against” the resolution, if more than 25% of the votes cast are “against” Resolution 4 a further resolution on whether to hold a meeting to spill the Board would need to be considered at this year’s AGM.

### **Recommendation**

Noting that each Director has a personal interest in their own remuneration from Focus as described in the Remuneration Report, the Directors unanimously recommend that shareholders adopt the Remuneration Report.

The Chairperson intends to vote undirected proxies in favour of Resolution 3.

### **Resolution 4 – Spill Resolution**

**IMPORTANT NOTE: in accordance with the Corporations Act, Resolution 4 will only be put to the meeting if more than 25% of the votes validly cast on Resolution 3 are against the adoption of the remuneration report.**

The Corporations Act requires that if more than 25% of votes are cast against the adoption of the remuneration report at two consecutive Annual General Meetings, then a resolution must be put to shareholders at the second Annual General Meeting substantially in the form of Resolution 3.

At the 2013 Annual General Meeting, more than 25% of the votes validly cast on the resolution concerning the adoption of the remuneration report presented at that meeting were cast against that resolution. Accordingly, if at this Annual General Meeting more than 25% of votes validly cast are against the adoption of the remuneration report (Resolution 3), then Resolution 5 will be put to the Meeting.

If Resolution 4 is put to the Meeting and more than 50% of Shareholders vote in favour of that Resolution, then:

- a meeting of Shareholders will be held within 90 days of this Annual General Meeting (“**Spill Meeting**”);
- all of the current members of the Board other than the managing director who may, in accordance with the ASX Listing Rules, continue to hold office indefinitely without being re-elected, will vacate their offices immediately before the end of the Spill Meeting; and
- at the Spill Meeting, resolutions will be voted on to elect individuals to the vacated offices.

If all the current Directors other than the managing director who may, in accordance with the ASX Listing Rules, continue to hold office indefinitely without being re-elected, cease to be Directors prior to the Spill Meeting, the meeting need not be held.