



ACN 108 076 295

15<sup>th</sup> October 2009

Dear Shareholder,

On behalf of the directors of Property Fox No 2 Ltd I am pleased to invite you to Property Fox No 2 Limited's 2009 Annual General Meeting (AGM). Enclosed is the notice of meeting setting out the business of the AGM.

The AGM will be held on **Monday, 30 November 2009** at the Office of Freeman Fox at **Level 39, 88 Phillip Street, Sydney, New South Wales**, commencing at **10:00am (Sydney time)**. If you decide to attend the AGM, please bring this letter with you to facilitate registration and entry into the AGM.

Further details relating to the various resolutions proposed at the AGM are set out in the Explanatory Notes accompanying this notice of meeting. I urge all shareholders to carefully read this material before voting on the proposed resolutions.

If you are unable to attend the AGM, I encourage you to complete the enclosed Proxy Form. The Proxy form should be returned by mail or fax to the office of the Company Secretary 48 hours prior to the start of the Meeting.

Enclosed are your Notice of Annual General Meeting, Explanatory Memorandum and Proxy form.

I would like to take this opportunity to thank shareholders for their support of Property Fox No 2 Ltd and look forward to welcoming you to the AGM.

**By order of the Board**

**Andrew Whitten**  
**Company Secretary**



ACN 108 076 295

## Notice of Annual General Meeting

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### NOTICE OF ANNUAL GENERAL MEETING

Notice is hereby given that the 2009 Annual General Meeting of shareholders of Property Fox No 2 Limited ACN 108 076 295 ("PF2") will be held on **30 November 2009** at Offices of Freeman Fox at **Level 39, 88 Phillip Street, Sydney, New South Wales**, commencing at **10:00am (Sydney time)** to transact the following business:

### AGENDA

Notice is hereby given that an Annual General Meeting of Shareholders will be held on 30 November 2009 at 10:00 am, to consider and if thought fit to pass the following resolutions:-

#### Ordinary Business

#### **Receipt of Annual Report, Financial Statements, Directors' and Audit Reports**

To receive and consider the Annual Report, Financial Statements of the Company and its controlled entities, together with the Directors' Report and the Audit Report for the year ended 30 June 2009.

*Note: This item of business is for discussion and is not a resolution.*

#### **Resolution 1 – Adoption of the Remuneration Report**

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

"That the Remuneration Report (which forms part of the Directors' Report) for the year ended 30 June 2009 be adopted."

*Note: In accordance with section 250 R of the Corporations Act, the vote on Resolution 1 will be advisory only and will not bind the Directors or the Company.*

#### **Resolution 2 – Re-election of Benjamin Doyle as an Executive Director**

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

"That Benjamin Doyle, who, having been appointed to fulfill a casual vacancy during the year retires in accordance with the Company's Constitution, and being eligible offers himself for re-election as a Director, be re-elected as an Executive Director"

### **Resolution 3 – Re-election of Peter Conway as an Executive Director**

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

"That Peter Conway, who, having been appointed to fulfill a casual vacancy during the year retires in accordance with the Company's Constitution, and being eligible offers himself for re-election as a Director, be re-elected as an Executive Director"

### **Resolution 4 – Approval of Toowoomba Purchase**

"That for the purposes of Listing Rule 6.43 and for all other purposes, approval is given for the purchase of a 20% interest in the contiguous properties located at Healy and Ruthven Streets, Toowoomba for \$570,000.00 from Freeman Fox Investments Pty Ltd"

#### **Voting Exclusion Resolution 4**

For the purpose of NSX Listing Rule 6.43, the Company will disregard any votes on Resolution 4 by Mr Peter Spann, Freeman Fox Investments Pty Ltd, Fox Portfolio Pty Ltd, or any related party or associate thereof.

### **Resolution 5 – Appointment of Auditor**

"That Grant Thornton Audit Pty Ltd be appointed as auditor of Property Fox No 2 Limited with such appointment to take effect from the time at which the resignation of Grant Thornton Queensland Partnership as auditor takes effect."

**By order of the Board**



**Andrew Whitten**  
**Company Secretary**  
**15 October 2009**

### **NOTES TO NOTICE OF MEETING**

#### **Voting Entitlement:**

For the purposes of determining voting entitlements at the Annual General Meeting, Shares will be taken to be held by the persons who are registered as holding the Shares at 10:00am (Sydney Time) on Saturday, 28 November 2009 (48 hours prior to AGM) (the Entitlement Time). Accordingly, only those persons registered as holders of Shares at the Entitlement Time will be entitled to attend and vote at the Annual General Meeting.

#### **Appointment of proxy**

1. A member entitled to attend and vote is entitled to appoint not more than two proxies;
2. Where more than one proxy is appointed, each proxy must be appointed to represent a specified proportion of the member's voting rights;

3. A proxy need not be a member of the Company; and
4. To be valid forms of proxy must be lodged the Office of the Company Secretary by fax to (02) 9283 1970 or mail to be received no later than 10:00am (Sydney Time) on Saturday, 28 November 2009 (48 hours prior to AGM).

### **EXPLANATORY NOTES**

These explanatory notes have been prepared to assist shareholders to understand the business to be put to Shareholders at the Annual General Meeting.

### **PF2's financial statements, reports and shareholder questions**

The financial report, Directors' Report, Remuneration Report and Auditor's Report for Property Fox No. 2 Limited for the year ended 30 June 2009 will be laid out before the meeting. There is no requirement for shareholders to approve those reports. However, the Chairman will allow a reasonable opportunity for shareholders to ask questions or make comments about those reports and the management of PF2. Shareholders will also be given a reasonable opportunity to ask the auditor questions about the conduct of the audit and the preparation and content of the auditor's report.

### **Resolution 1: Adoption of the remuneration Report**

Shareholders are required to vote on the remuneration report. The Remuneration Report is contained within the Director's Report of the Company's 2009 Annual Report. A summary table of requirements of Section 300A of the Corporations Act is also provided within the Remuneration Report. The vote on this proposed resolution is advisory only and will not bind the directors or the Company. However the board will take the outcome of the vote into consideration when reviewing remuneration practices and policies. The board unanimously recommends that the shareholders pass the resolution to adopt the Remuneration Report.

### **Resolutions 2 and 3: Re-election of Executive Directors**

Resolution 2 and 3 relate to the re-election of Executive Directors, Mr Benjamin Doyle and Mr Peter Conway. Pursuant to NSX Listing Rule 6.47 and PF2's constitution, any Director who has been appointed to fulfill a casual vacancy during the year must retire from office at the end of that year and will then be eligible to stand for re-election.

### **Information on directors offering themselves for re-election:**

Name: Benjamin Doyle  
Term of Office: Appointed  
Current Office Title: Executive Director  
Independent: Yes  
Skills Experience and expertise:

Mr Benjamin Doyle is a Director of the Fidiucia Property Group and a licensed real estate agent in New South Wales. In the past three years he has developed and sold over \$50million worth of real estate. He has significant experience in the acquisition, renovation, design and marketing of property. In 2008 his company gained a finalist award from the Real Estate Institute of NSW for Project Marketing.

Name: Peter Conway  
Term of Office: Appointed  
Current Office Title: Executive Director  
Independent: Yes  
Skills Experience and expertise:

Mr Conway has had an extensive career in the securities industry spanning some 40 years and has held senior executive positions and appointments including directorships of ETrade Australia, ANZ Securities Ltd and the Ord Minnett Group Limited. He was also Head of Retail Stockbroking at Salomon Smith Barney.

He has lectured for the Securities Industry of Australia and other related forums. Currently Peter consults to the securities industry in general and is an affiliate of the ASX and has participated on a number of ASX working committees.

### **Board Recommendation on Directors**

The Managing Director, Mr Peter Spann, supports the re-election of Mr Ben Doyle and Mr Peter Conway.

### **Resolution 4 – Purchase of 20% of Toowoomba Properties**

On 2<sup>nd</sup> October 2009 the Board of PF2 announced that it has entered into a conditional contract with Freeman Fox Investments Pty Ltd (a company associated with the Managing Director of PF2, Mr Peter Spann) to purchase a 20% interest in a number of contiguous properties located at Healy and Ruthven Streets, Toowoomba. Shareholders will be aware that PF2 currently owns a 50% interest in these properties presently. The non-related Directors of PF2 being Mr Howard Woolcott, Mr Benjamin Doyle and Mr Peter Conway ("**the Independent Directors**") have obtained an Independent Third Party valuation from Peter Snow & Co. Valuers. This valuation is included with the explanatory memorandum materials as Annexure A. The valuation values the entire property at \$2,850,000 and therefore the 20% interest has a value of \$570,000.00. The Directors believe that it is in the best interests of PF2 to purchase this property and consolidate the ownership of these properties in PF2. Furthermore, the Independent Directors of PF2 believe that the purchase is in the best interests of the company and it is on arms-length commercial terms. Pursuant to Listing Rule 6.43 of the NSX Listing Rules, shareholder approval is required for this acquisition. The Independent Directors recommend shareholders vote in favour of this acquisition.

### **Resolution 5 – Appointment of Auditor**

The Company's auditors, Grant Thornton, have moved from being a state based federation to a single national firm. The Board wishes to retain Grant Thornton as the company's auditors and recommends the appointment of the national firm, Grant Thornton Audit Pty Ltd.

The current audit firm, Grant Thornton Queensland Partnership, has applied to the Australian Securities and Investment Commission (ASIC) for consent to resign effective 17 November 2009. It is anticipated that the resignation will take effect from the later of that date and the day on which ASIC gives its consent. Property Fox No 2 Limited's expectation is that ASIC's consent will be forthcoming prior to the date of the AGM.

Subject to shareholder approval, the appointment of Grant Thornton Audit Pty Ltd will be effective for the 2009/10 financial year.

In accordance with subsection 328B(1) of the Corporations Act 2001, notice in writing nominating Grant Thornton Audit Pty Ltd as auditor has been given to Property Fox No 2 Limited by a shareholder. A copy of this notice is attached to this Explanatory Memorandum.

Representatives of Grant Thornton will be available at the AGM to respond to any shareholder questions.