



ABN: 55 009 686 435

**NOTICE OF MEETING**  
**EXTRAORDINARY GENERAL MEETING**

**of Capilano Honey Limited**

will be held at the

**Head Office of Capilano Honey Limited**

399 Archerfield Road, Richlands Q 4077

on

**Friday, 4 May 2012 at 11.00am**

# Notice of Meeting

Notice is hereby given that an Extraordinary General Meeting of shareholders of **Capilano Honey Limited** ('CHL') ACN 009 686 435 will be held at the Head Office of Capilano Honey Limited on Friday, 4 May 2012 commencing at 11.00am.

## AGENDA

### Special Business

#### ▪ RESOLUTION – Amendments to Constitution

To consider, and if thought fit, to pass the following resolution as a special resolution.

*“With effect from the conclusion of this meeting, the Company’s Constitution be amended in accordance with, and as explained in, Annexure A to this notice of meeting.”*

Dated this 5 April 2012

By Order of the Board



CAPILANO HONEY LIMITED

David Graham

Company Secretary

### **THIS IS AN IMPORTANT DOCUMENT**

*If you do not understand this notice or are in any doubt about the action you are required to take, you should consult your legal, financial or other professional adviser immediately.*

### **INSTRUCTIONS**

*If you are unable to attend the meeting and wish to vote, you are requested to complete the Proxy Form.*

*If you are planning to attend the meeting please complete the Attendance Form.*

### **NOTES**

*Information about the resolution appears in the Explanatory Memorandum.*

*A special resolution is one which, to be passed, requires at least 75% of the votes cast by shareholders entitled to vote on the resolution in favour.*

*Voting on the resolution will be by means of a poll in which shareholders are entitled to one vote per share. In accordance with the Company's Constitution, a member who is entitled to attend and cast a vote at the meeting is entitled to appoint a proxy.*

*A proxy need not be a member of the Company. A member who 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 you wish to appoint a proxy and are entitled to do so, then complete and return the attached proxy form.*

*A corporation may elect to appoint a representative, in accordance with the Corporations Act 2001, in which case the Company will require written proof of the representative's appointment which must be lodged with or presented to the Company before the meeting.*

#### **Foundation Share**

*The Foundation Share is held by Capilano Beekeepers Ltd ('CBL'). CBL has consented in writing to the amendments to the Company's constitution set out in Annexure A.*

# Explanatory Memorandum

This Explanatory Memorandum is to be read in conjunction with the Notice of Meeting issued by the Company.

The Explanatory Memorandum should be read in its entirety. If Shareholders are in any doubt as to how they should vote on a Resolution, they should seek advice from their professional advisors.

## **SPECIAL BUSINESS**

### ▪ **RESOLUTION**

#### **- Amendments to Constitution**

The Resolution is a special resolution to amend the Company's constitution in respect of CBL's right to appoint directors to the board of CHL in the event that CHL's main business operations or undertaking ceases to be involved in the honey business or CHL ceases to be supplied honey by beekeepers represented by CBL.

#### ***Background***

CHL intends to apply for listing on the Australian Securities Exchange ('ASX').

The exchange on which CHL is currently listed, the Bendigo Stock Exchange ('BSX') will no longer be available to CHL from 1 July 2012, necessitating either a move to a new exchange or a delisting.

ASX has determined that CHL's constitution contains a provision which in its present form makes CHL unsuitable for listing on the ASX. ASX has indicated that, while CHL remains in the honey business and continues to source honey from beekeepers represented by CBL ('CBL Beekeepers'), the provision enabling CBL to appoint two directors to the board of CHL is acceptable to ASX. However, ASX's view is that if CHL's main business operations or undertaking ceases to be involved in the honey business or CHL otherwise ceases to source honey from the CBL Beekeepers, the continued operation of CBL's appointment rights is unacceptable.

CHL has no plans to exit the honey business or to cease sourcing honey from CBL Beekeepers.

#### ***What are the reasons for this proposal?***

As discussed above, the reason for the proposed amendments to CHL's constitution is to facilitate the listing of CHL on the ASX.

#### ***What are the proposed changes?***

There are no proposed changes to the existing honey supply agreements between CHL and its supplier shareholders.

The Resolution is to approve the amendment of the constitution of CHL to remove CBL's director appointment rights if CHL's main business operations or undertaking ceases to be involved in the honey business or CHL ceases to source honey from CBL Beekeepers. (see Background).

Details of all the proposed changes and their effect are set out in the table in Annexure A.

#### ***Advantages and disadvantages for members***

As discussed above, the main advantage for members of the proposal is the removal of an impediment to the listing of CHL on the ASX. CHL believes that moving CHL's listing to ASX is the best option for CHL.

CHL does not believe there are any material disadvantages for members flowing from the proposed amendments.

The directors unanimously believe that the proposed changes to CHL's constitution are in the best interests of the Company and recommend that Shareholders vote in favour of the Resolution.

CBL has consented in writing to the amendments to the Company's constitution proposed in the Resolution.

# Explanatory Memorandum

## ANNEXURE A

### Resolution - Proposed amendments to Constitution

RULE	AMENDMENT	EFFECT
101A	<p>In rule 101A:</p> <ul style="list-style-type: none"><li>• Delete: 'For as long as the Foundation Share is on issue,' and</li><li>• Substitute: 'Subject to rule 101B, for as long as the Foundation Share is on issue,'</li></ul>	Makes CBL's director appointment rights subject to (new) rule 101B
New 101B	<p>Insert the following new rule 101B:</p> <p>'The Foundation Shareholder's rights of appointment, removal and substitution of Beekeeper Directors cease if:</p> <ul style="list-style-type: none"><li>(a) the Company's main business operations or undertaking ceases to be involved in the sale or marketing of honey; or</li><li>(b) the Company ceases to source honey from suppliers associated with or represented by the Foundation Shareholder.'</li></ul>	CBL's director appointment rights will cease if CHL's main business operations or undertaking ceases to be involved in the honey business or CHL ceases to source honey from CBL Beekeepers

# Proxy Form

## CAPILANO HONEY LIMITED

ACN 009 686 435

Office Use Only: Slip no ..... No. of shares .....

Shareholder Number:

Slip no ..... No. of shares .....

I/We, (the undersigned)

(please print full name)

of

(please print full address)

being a member/s of Capilano Honey Limited HEREBY APPOINT  
(refer to "Instructions for appointment of Proxy" detailed below)

(please print full name)

of

(please print full address)

or failing him/her, the Chairman of the Meeting, as my proxy to attend and exercise ..... of my votes (refer note 1) on my behalf at the Extraordinary General Meeting of the Company to be held on 4 May 2012 at 11.00am and at any adjournment thereof.

### Instructions for voting on Resolution:

- To vote FOR put an "X" in the FOR column.
- To vote AGAINST put an "X" in the AGAINST column.
- To give your proxy discretion to vote For or Against the Resolution as they see fit, put an "X" in the AT DISCRETION column.
- To ABSTAIN from voting put an "X" in the ABSTAIN column - this will have the same effect as if no vote was recorded at all and will be disregarded completely in calculating votes FOR or AGAINST.

	For	Against	At discretion (refer Note 2)	Abstain
<b>Resolution:</b> That the Company's Constitution be amended as set out in Annexure A	<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>

Signature of shareholder/s

Date:

Note 1: If only one proxy is appointed, please insert the word "ALL" in the space before "of my votes". If the space is not completed, all of your votes will be conferred on your proxy. If you desire to appoint two proxies to exercise differing proportions of your votes, a further form may be obtained from the Company Secretary.

Note 2: If you appoint a director or leave the proxy open (thereby appointing the Chairman) and mark 'at discretion', you acknowledge that the Chairman / Director may exercise your proxy even if he has an interest in the outcome of the resolution. Votes cast by him other than as proxy holder will be disregarded because of that interest.

Note 3: For this proxy form to be valid, it must be received at the Registered Office of the company not less than forty-eight (48) hours before the start of the Annual General Meeting (see Rule 98). Accordingly, all proxy forms must be received at 399 Archerfield Road, Richlands Q 4077 (PO Box 531, Inala Q 4077) or by facsimile (07) 3712 8287 no later than 11.00am on Wednesday, 2 May 2012.

Please find on reverse of this page  
Instructions for Appointment of Proxy and Explanatory Notes – Proxy Forms.

# Proxy Form

## INSTRUCTIONS FOR APPOINTMENT OF PROXY

(Please read this information and explanatory notes before completing this form)

1. A shareholder entitled to attend and vote at the Extraordinary General Meeting is entitled to appoint not more than two proxies to attend and vote for them. A proxy need not be a shareholder of the company.
2. Proxies can be directed on how to vote by inserting an "X" in the appropriate box against each resolution, otherwise the proxies will vote as they see fit, or abstain from voting.
3. The proxy form must be signed personally by the shareholder or their attorney. If a proxy is given by a corporation it must be executed in accordance with the corporation's constitution.
4. In the case of a partnership, all partners must sign the proxy form unless the company has written advice to the contrary.
5. If the proxy is signed under power of attorney then the signatory declares that they have no notice of revocation of the power of attorney. A certified copy of the relevant power of attorney authorising that person to sign must be enclosed with this proxy form.
6. Shareholder/s' signatures do not require witnessing.

## EXPLANATORY NOTES - PROXY FORMS

Please note that a Proxy Form gives any shareholder unable to attend the Extraordinary General Meeting the opportunity to record their vote on any matter which becomes the subject of a poll at the Extraordinary General Meeting. (For an explanation of the meaning of the word "poll", please refer to the explanatory note below.)

Rules 87 and 91 of the company's Constitution, reproduced below for information, outline the circumstances and manner in which a poll is conducted.

### Rule 87

#### "A POLL MAY BE DEMANDED BY:

- (a) the chairman;
- (b) at least 5 shareholders present entitled to vote on the resolution;
- (c) by a member or members present with at least 5% of the votes that may be cast on the resolution on a poll; or
- (d) the Foundation Shareholder."

### Rule 91

"Subject to these rules and in particular rules 25, 26 and 72 and subject to any rights or restrictions for the time being attached to any class or classes of shares, at meetings of members or classes of members each member entitled to vote may vote in person or by proxy or by attorney or a representative of a member that is a corporation and, subject to the act on a show of hands every person present who is a member or a representative of a member that is a corporation shall have one vote, and on a poll every member present in person or by proxy or by attorney or a representative of a member that is a corporation shall have one vote for each share held."

It should be noted that a proxy can only be used in those instances where a poll is demanded in accordance with the Rules; in all other circumstances resolutions are decided on a show of hands of the shareholders present at the meeting.

However, as has customarily been the case at previous General Meetings and to afford all shareholders the opportunity to have their vote recorded, the Chairman will, in accordance with Rule 87(a) above, declare at the commencement of the Extraordinary General Meeting, that all resolutions shall be the subject of a poll.

If you are unable to attend the Extraordinary General Meeting, but wish to exercise your right to vote, please complete and return the Proxy Form to reach us by 11.00am on Wednesday, 2 May 2012. If you wish to do so, please assist the person you nominate as your proxy by directing them to vote in the manner in which you require. You can do this by placing an "X" in the appropriate FOR, AGAINST, AT DISCRETION or ABSTAIN space on the Proxy Form.

The person you appoint as your proxy need not be a shareholder of the company, but **MUST** be a person who will be attending the meeting. If any further explanation of this very important matter is required, please do not hesitate to contact me in writing or by phone.



D Graham  
Company Secretary.

**[Note:** A "poll" is the situation which occurs when the votes of all shareholders present at a meeting, either personally or by proxy, are counted, and each share held by a shareholder is given one vote. For example if shareholder "A" holds 5,000 shares and he is present at the meeting, and shareholder "B" who holds 6,000 shares is not present, but has appointed person "C" as his proxy, shareholder "B" has 6,000 'votes' compared to shareholder "A"'s 5,000. Appointing a proxy is therefore of **paramount importance**, as it gives all shareholders the opportunity to exercise their democratic right to vote, and the votes are recorded in direct proportion to the number of shares they hold. {In the above example, if "A" and "B" were the only shareholders voting, "B", though the proxy he has given to "C", could defeat "A" on any issue if he so directed his proxy.}]

# Proxy Form

## CAPILANO HONEY LIMITED

ACN 009 686 435

Office Use Only: Slip no ... No. of shares .....

Slip no ..... No. of shares .....

Shareholder No:

Name

Address

  

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I/we propose to attend the Extraordinary General Meeting:

**Friday, 4 May 2012**

**11.00am Extraordinary General Meeting**

**CAPILANO HONEY LIMITED**

*Registration from 10.30am*

*Please list names of those attending:*

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Complete and return this form by fax on (07) 3712 8287 or to PO Box 531, Inala Q 4077 by Wednesday, 2 May 2012.