

**VICTORIAN LIVESTOCK EXCHANGE LIMITED**  
**ABN 72 078 839 031**

**NOTICE OF 2006 ANNUAL GENERAL MEETING**

Notice is given that the 2006 Annual General Meeting of Victorian Livestock Exchange Limited ABN 72 078 839 031 ("the Company") will be held at VLE Leongatha, 670 South Gippsland Highway, Leongatha in the State of Victoria on Wednesday, 29<sup>th</sup> November 2006 at 9.30 am.

Further details in respect of each of the resolutions proposed in the Notice of Annual General Meeting are set out in the Explanatory Notes accompanying this Notice of Annual General Meeting. The details of the resolutions contained in the Explanatory Notes should be read together with, and form part of, this Notice of Annual General Meeting.

**BUSINESS**

**2006 ANNUAL FINANCIAL STATEMENTS**

The Directors lay before the shareholders the annual financial statements of the Company comprising the Annual Financial Report, the Directors' Report and the Auditor's Report for the financial year ending 30 June 2006.

The Chairman shall provide shareholders with a reasonable opportunity to ask questions in relation to the management of the Company.

A representative of the Company's Auditors, Sinclair Wilson of Warrnambool, will be available to receive and answer questions of the shareholders relevant to the conduct of the audit and the preparation and content of the Auditor's Report.

**PROPOSED ORDINARY RESOLUTIONS**

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

**Non-binding Resolution 1 – Adoption of Remuneration Report**

"That the Company approve the adoption of the Remuneration Report for the year ended 30 June 2006".

**Resolution 2 – Re-Election of Director**

"That Brian Rodwell, a director who retires by rotation and is eligible for re-election, be re-elected as a Director of the Company."

**Resolution 3 – Re-Election of Director**

"That Greg Walsh, a director who retires by rotation and is eligible for re-election, be re-elected as a Director of the Company."

**PROPOSED SPECIAL RESOLUTIONS**

To consider and if thought fit, to pass the following resolutions as special resolutions:

**Resolution 4 – Confirmation of Approval to issue shares**

“That the Company approve the proposed issue to Mr. Graham Osborne of the number of ordinary shares in the capital of the Company which equals \$A30,000 noting that approval was given by the Company pursuant to Special Resolution 4 passed at the 2005 Annual General Meeting of the Company and that the shares subject of that Special Resolution were not issued by the Company within the time required by the BSX Limited Listing Rules”.

**Resolution 5 – Approval of proposed issue of shares**

“That the Company approve the proposed issue to Mr. Graham Osborne of the number of ordinary shares in the capital of the Company which equals \$A30,000.

Dated: 19<sup>th</sup> October 2006

By the order of the Board



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**Chairman**

The accompanying Explanatory Notes and the Proxy and Voting Instructions form part of this Notice of Meeting.

## PROXY AND VOTING INSTRUCTIONS

### Proxy Instructions

A member who is entitled to vote at a meeting may appoint:

- (a) one proxy if the member is only entitled to one vote; and
- (b) one or two proxies if the member is entitled to more than one vote.

Where more than one proxy is appointed each proxy may be appointed to represent a specific proportion of the member's voting rights. If the appointment does not specify the proportion or number of votes each proxy may exercise, each proxy may exercise half of the votes in which case any fraction of votes will be disregarded.

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 lodged at the VLE head office, PO Box 676, Drouin, Vic, 3818 or sent by facsimile transmission to such VLE head office on (03) 5625 6213 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.

The proxy form must be signed by the member or his/her attorney duly authorised in writing or, if the member is a corporation, in a manner permitted by the Corporations Act. A proxy given by a foreign corporation must be executed in accordance with the laws of that corporation's place of incorporation.

The proxy may, but need not, be a member of the Company.

A proxy form is attached to this Notice.

The Managing Director does not intend to cast a vote in respect of undirected proxies on Resolutions 4, or 5 as he has an interest in the outcome of those resolutions and is a person to whom the voting exclusion statement in respect of Resolutions 4 and 5 applies.

### Corporate Representatives

Any corporation which is a member of the Company may authorise (by certificate under common seal or other form of execution authorised by the laws of that corporation's place of incorporation, or in any other manner satisfactory to the chairperson of the Meeting) a natural person to act as its representative at any general meeting.

### Special Resolution

Resolutions 4 and 5 are proposed as Special Resolutions. To be passed, at least 75% of the votes cast on the resolution by shareholders (by number of shares) must be in favour of the Resolution.

### Voting Entitlement

The Company has determined in accordance with the Corporations Act 2001, that for the purpose of voting at the 2006 Annual General Meeting, shares will be taken to be held by those who hold them at 9.30am on Monday 27<sup>th</sup> November 2006.

On a poll, members have one vote for every fully paid ordinary share held.

### Voting Exclusion Statement

The Company will disregard any votes cast on Resolutions 4 and 5 by:

- Mr. Graham Osborne; and

- an associate of Mr. Graham Osborne.

However, the Company need not disregard a vote if:

1. it 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
2. it 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.

**VICTORIAN LIVESTOCK EXCHANGE LIMITED**  
**ABN 72 078 839 031**

**EXPLANATORY NOTES**

**PURPOSE OF INFORMATION**

These Explanatory Notes accompany the Company's Notice of 2006 Annual General Meeting dated 19<sup>th</sup> October 2006. These Explanatory Notes form part of the Notice of 2006 Annual General Meeting. The Notice of 2006 Annual General Meeting should be read together with these Explanatory Notes.

**BUSINESS**

**2006 Annual Financial Statements**

To lay before the shareholders the Company's Annual Financial Statement, Director's Report and the Auditor's Report in accordance with the requirements of the Corporations Act 2001.

The Chairman shall provide shareholders with a reasonable opportunity to ask questions in relation to the management of the Company and a representative of the Company's Auditors shall be present to receive and answer questions of the shareholders relevant to the conduct of the audit and the preparation and content of the Auditor's Report.

**PROPOSED ORDINARY RESOLUTIONS**

**Resolution 1 – Adoption of Remuneration Report**

The Director's of the Company are required, pursuant to the Corporations Act 2001, to propose a non-binding resolution regarding the Remuneration Report, which forms part of the Director's Report of the Company.

Shareholders attending the 2006 Annual General Meeting of the Company will have an opportunity to discuss and put questions in respect of the Remuneration Report, and to vote on a non-binding resolution to adopt the Remuneration Report.

**Resolutions 2 & 3 – Re-Election of Directors**

Pursuant to the Constitution of the Company, one-third of the Directors or, if their number is not a multiple of 3, the number nearest to one-third, except the Managing Director, are required to retire by rotation at each Annual General Meeting. The Company has five (5) directors, one of whom is a Managing Director. Accordingly, two (2) directors are required to retire by rotation at the 2006 Annual General Meeting.

On 29/11/2006, Mr. Brian Rodwell retires by rotation and being eligible offers himself for re-election. The shareholders are being asked to approve, by approving to Resolution 2, the re-election of Mr. Rodwell as a Director of the Company in accordance with the Company's Constitution.

On 29/11/2006, Mr. Greg Walsh retires by rotation and being eligible offers himself for re-election. The shareholders are being asked to approve, by approving to Resolution 2, the re-election of Mr. Walsh as a Director of the Company in accordance with the Company's Constitution.

**PROPOSED SPECIAL RESOLUTIONS**

**Resolution 4 – Confirmation of Approval to issue shares**

Resolution 4 is proposed to issue to Mr. Graham Osborne the number of ordinary shares in the capital of the Company which equals \$A30,000 such shares being issued in respect of the year ending 30 June 2005.

Rule 7.9 of the BSX Limited Listing Rules require prior approval, by special resolution, of holders of ordinary securities to an issue of equity securities to a director of the entity.

Approval was obtained to issue the shares subject of Resolution 4 by special resolution passed at the Company's 2005 Annual General Meeting. However, the shares subject of that approval were not issued within one (1) month after the date of the meeting as required by BSX Limited Listing Rule 7.11. The shares subject of Resolution 4 have not to date been issued by the Company.

The proposed issue the subject of Resolution 4 forms part of the annual remuneration payable to Mr. Osborne pursuant to the Executive Service Agreement ("the Agreement") between Mr. Osborne and the Company. The amount of \$A30,000 represents the amount which Mr. Osborne agreed to sacrifice ("the Salary Sacrifice Amount") pursuant to the Agreement. The Salary Sacrifice Amount has been withheld by the Company in anticipation of the issue of the shares subject of Resolution 4. It is important to note the shares subject of Resolution 4 are the shares to be issued to Mr. Osborne in respect of the financial year ending 30 June 2005. Further shares are proposed to be issued in respect of the financial year ended 30 June 2006 and these shares are the subject of Resolution 6.

The Price of each ordinary share the subject of Resolution 4 shall be calculated by reference to the average of the closing price for the Company's ordinary shares over the three months preceding 31 December 2006 or such other date as agreed between the Company and Mr. Osborne.

The shares proposed to be issued pursuant to Resolution 4 will rank equally (*pari passu*) with existing ordinary shares in the capital of the Company and shall be issued on or before the date which is one month after the date of the 2006 Annual General Meeting of the Company.

As at the date of this Notice of Annual General Meeting Mr. Graham Osborne is a Director of the Company and, accordingly, the prior approval of holders of ordinary securities by special resolution is required to approve the proposed issue of ordinary shares to him.

#### **Resolution 5 – Approval of proposed issue of shares**

Resolution 5 is proposed to obtain approval for the proposed issue to Mr. Graham Osborne of the number of ordinary shares in the capital of the Company which equals \$A30,000, such shares being issued in respect of the year ending 30 June 2006.

The price of each ordinary share the subject of Resolution 5 shall be calculated by reference to the average of the closing price for the Company's ordinary shares over the three months preceding 31 December 2006 or such other date as agreed between the Company and Mr. Osborne.

The proposed issue the subject of Resolution 5 forms part of the annual remuneration payable to Mr. Osborne pursuant to the Executive Service Agreement ("the Agreement") between Mr. Osborne and the Company. The amount of \$A30,000 represents the amount which Mr. Osborne has agreed to sacrifice ("the Salary Sacrifice Amount") pursuant to the Agreement.

The shares proposed to be issued to Mr. Osborne will rank equally (*pari passu*) with existing ordinary shares in the capital of the Company and shall be issued on or before 29/12/2006 or on or before the date which is one month after the date of the 2006 Annual General Meeting of the Company, whichever is the latter.

Rule 5.2 of the BSX Limited Listing Rules requires the prior approval of shareholders in general meeting to issue equity securities if the number of those securities exceeds 15% of the number of fully paid ordinary securities on issue by a company at the commencement of and during the previous 12 month period.

By obtaining shareholder approval, the Company retains the ability to issue further securities of up to 15% of its issued securities to take advantage of opportunities to obtain funds if required and available in the future.

Rule 7.9 of the BSX Limited Listing Rules require prior approval, by special resolution, of holders of ordinary securities to an issue of equity securities to a director of the entity.

As at the date of this Notice of Annual General Meeting Mr. Graham Osborne is a Director of the Company and, accordingly, the prior approval of holders of ordinary securities by special resolution is required to approve the proposed issue of ordinary shares to Mr. Osborne.

**VICTORIAN LIVESTOCK EXCHANGE LIMITED**  
**ABN 72 078 839 031**  
**PROXY FORM**

If you do not wish to direct  
your proxy how to vote, please  
place a mark in the box

I/We \_\_\_\_\_

of \_\_\_\_\_

being a member(s) of Victorian Livestock Exchange Limited ABN 72 078 839 031

and entitled to \_\_\_\_\_ shares appoint:

By marking this box you acknowledge  
that the Chairman may exercise your  
proxy even if he has an interest in the  
outcome of the resolution and votes cast  
by him other than as proxy holder will  
be disregarded because of that interest.  
The Chairman intends voting undirected  
proxies in favour of the resolutions in  
which he is permitted to vote.

Name of Proxy: \_\_\_\_\_

Address of Proxy: \_\_\_\_\_

or in his/her absence, the Chairman of the meeting as my/our proxy to vote on my/our behalf at the 2006 Annual General Meeting of the Company to be held at VLE Leongatha, 670 South Gippsland Highway, Leongatha in the State of Victoria on Wednesday, 29<sup>th</sup> November 2006 at 9.30 am and at any adjournment of that meeting.

If two proxies are appointed, complete the following sentence:

This proxy is authorised to exercise ..... votes/ ..... % of my/our total voting rights.

**Proxy Instructions**

To instruct your proxy how to vote, insert 'X' in the appropriate column against each resolution set out below. If you do not instruct your proxy how to vote on a resolution, your proxy may vote as he/she thinks fit or abstain from voting.

I/We direct my/our proxy to vote as indicated below:

		For	Against	Abstain
Resolution 1.	Adoption of Remuneration Report	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Resolution 2.	Re-Election of Director	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Resolution 3.	Re-Election of Director	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Resolution 4.	Resolution 4 – Confirmation of Approval to issue shares	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Resolution 5.	Resolution 5 – Approval of proposed issue of shares	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

If a person:  <hr/> <hr/> Name (print)  <hr/> Date: ____ / ____ / ____	If a company:  EXECUTED by:  <hr/> In accordance with the Corporations Act  <hr/> (Signature) _____ (Signature) _____  Date: ____ / ____ / ____
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This proxy and any power of attorney or other authority under which it is signed (or a certified copy) must be lodged at:

- (a) The head office of the Victorian Livestock Exchange Limited at PO Box 676, Drouin, Vic 3818; or
- (b) By facsimile on (03) 5625 6213

by 9.30 am, Friday, 24<sup>th</sup> November 2006, being not less than 48 hours before the time for holding the meeting or adjourned meeting as the case may be.