



excela  
free your future  
EXCELA LIMITED ACN: 108 069 003

## Notice of Annual General Meeting

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Notice is hereby given that the 2010 Annual General Meeting of shareholders of Excela Limited ACN 108 069 003 ("Company") will be held at Freeman Fox, Level 39, 88 Phillip Street, Sydney, NSW on Friday **26 November 2010** at **11.00 am (Sydney Time)** to transact the following business:

### AGENDA

#### 1. ANNUAL ACCOUNTS

To receive and consider the Directors' Report, the financial statements and the Auditor's Report for the year ended 30 June 2010.

#### 2. ELECTION OF DIRECTOR

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

*"Mr. Michael Willis, who retires in accordance with Article 6.3(c) of the Constitution, and being eligible, is elected as a director."*

#### 3. REMUNERATION REPORT

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

*"The Remuneration Report for the year ended 30 June 2010 is adopted."*

Note – the vote on this resolution is advisory only and does not bind the Directors of the Company.

#### 4. ON MARKET BUY-BACK OF SHARES

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

*"That approval is given for the Company to conduct on-market buy-backs of up to 20 per cent of its issued ordinary shares as at the date of this meeting in the 12 month period commencing from the date of this meeting, on the terms described in the Explanatory Statement accompanying this notice."*

**By order of the Board**

**Craig Burbury**  
**Company Secretary**  
26 October 2010

**Notes:**

**Who may vote** Persons whose names are set out in the register of members of the Company as at 7.00 pm Sydney time on 26 November 2010 are entitled to attend and vote at the meeting convened by this notice.

**Proxies - Appointment** A Member of the Company who is entitled to attend and vote at the meeting has a right to appoint not more than 2 proxies to attend and vote for the Member at the meeting. Where a Member appoints 2 proxies, the appointment may specify the proportion or number of votes which each proxy may exercise. If the appointment does not specify the proportion or number of the Member's votes each proxy may exercise, then each proxy may exercise half of those votes. A proxy need not be a Member of the Company.

**Proxies - Lodgement** To be valid, a proxy form must be received by the Company by 11.00 am Sydney time on 24 November 2010 ("**Proxy Deadline**"). Proxies may be submitted:

IN PERSON	Share registry – Level 12, 680 George Street, Sydney
BY MAIL	Link Market Services, Locked Bag A14, Sydney South NSW 1235
BY FAX	+61 02 9287 0309
ONLINE	<a href="http://linkmarketservices.com.au">linkmarketservices.com.au</a>

A written proxy appointment must be signed by the Member or the Member's attorney. Where the appointment is signed by the appointor's attorney, a certified copy of the authority, or the authority itself, must be lodged with the Company in one of the above ways by the Proxy Deadline. If facsimile transmission is used, the authority must be certified.

**Body corporate representative** A Member of the Company who is a body corporate and who is entitled to attend and vote at the meeting, or a proxy who is a body corporate and who is appointed by a Member of the Company entitled to attend and vote at the meeting, may appoint a person to act as its representative at the meeting by providing that person with:

- (a) a letter or certificate, executed in accordance with the body corporate's constitution, authorising the person as the representative; or
- (b) a copy of the resolution, certified by the Secretary or a Director of the body corporate, appointing the representative.



ACN 108 069 003

LODGE YOUR VOTE



ONLINE >

www.linkmarketservices.com.au



By mail:
Excela Limited
C/- Link Market Services Limited
Locked Bag A14
Sydney South NSW 1235 Australia



By fax: 02 9287 0309



All enquiries to: Telephone: 1300 554 474 or 02 8280 7454



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SHAREHOLDER VOTING FORM

I/We being a member(s) of Excela Limited and entitled to attend and vote hereby appoint:

STEP 1

APPOINT A PROXY

the Chairman of the Meeting (mark box)

OR if you are NOT appointing the Chairman of the Meeting as your proxy, please write the name of the person or body corporate (excluding the registered shareholder) you are appointing as your proxy

or failing the person/body corporate named, or if no person/body corporate is named, the Chairman of the Meeting, as my/our proxy and to vote for me/us on my/our behalf at the Annual General Meeting of the Company to be held at 11:00am (Sydney Time) on Friday, 26 November 2010, at Freeman Fox, Level 39, 88 Phillip Street, Sydney, NSW and at any adjournment or postponement of the meeting.

Proxies will only be valid and accepted by the Company if they are signed and received no later than 48 hours before the meeting. Please read the voting instructions overleaf before marking any boxes with an X

STEP 2

VOTING DIRECTIONS

Table with 4 columns: Resolution, For, Against, Abstain\*. Rows include Election of Michael Willis as a Director, Remuneration Report, and On Market Buy-Back of Shares.

\* If you mark the Abstain box for a particular Item, you are directing your proxy not to vote on your behalf on a show of hands or on a poll and your votes will not be counted in computing the required majority on a poll.

STEP 3

SIGNATURE OF SHAREHOLDERS - THIS MUST BE COMPLETED

Shareholder 1 (Individual)

Sole Director and Sole Company Secretary

Joint Shareholder 2 (Individual)

Director/Company Secretary (Delete one)

Joint Shareholder 3 (Individual)

Director

This form should be signed by the shareholder. If a joint holding, either shareholder may sign. If signed by the shareholder's attorney, the power of attorney must have been previously noted by the registry or a certified copy attached to this form. If executed by a company, the form must be executed in accordance with the company's constitution and the Corporations Act 2001 (Cth).

EXA PRX001



## HOW TO COMPLETE THIS PROXY FORM

### Your Name and Address

This is your name and address as it appears on the company's share register. If this information is incorrect, please make the correction on the form. Shareholders sponsored by a broker should advise their broker of any changes. **Please note: you cannot change ownership of your shares using this form.**

### Appointment of a Proxy

If you wish to appoint the Chairman of the Meeting as your proxy, mark the box in Step 1. If the person you wish to appoint as your proxy is someone other than the Chairman of the Meeting please write the name of that person in Step 1. If you leave this section blank, or your named proxy does not attend the meeting, the Chairman of the Meeting will be your proxy. A proxy need not be a shareholder of the company. A proxy may be an individual or a body corporate.

### Votes on Items of Business - Proxy Appointment

You may direct your proxy how to vote by placing a mark in one of the boxes opposite each item of business. All your shares will be voted in accordance with such a direction unless you indicate only a portion of voting rights are to be voted on any item by inserting the percentage or number of shares you wish to vote in the appropriate box or boxes. If you do not mark any of the boxes on the items of business, your proxy may vote as he or she chooses. If you mark more than one box on an item your vote on that item will be invalid.

### Appointment of a Second Proxy

You are entitled to appoint up to two persons as proxies to attend the meeting and vote on a poll. If you wish to appoint a second proxy, an additional Proxy Form may be obtained by telephoning the company's share registry or you may copy this form and return them both together.

To appoint a second proxy you must:

- (a) on each of the first Proxy Form and the second Proxy Form state the percentage of your voting rights or number of shares applicable to that form. If the appointments do not specify the percentage or number of votes that each proxy may exercise, each proxy may exercise half your votes. Fractions of votes will be disregarded.
- (b) return both forms together.

### Signing Instructions

You must sign this form as follows in the spaces provided:

**Individual:** where the holding is in one name, the holder must sign.

**Joint Holding:** where the holding is in more than one name, either shareholder may sign.

**Power of Attorney:** to sign under Power of Attorney, you must lodge the Power of Attorney with the registry. If you have not previously lodged this document for notation, please attach a certified photocopy of the Power of Attorney to this form when you return it.

**Companies:** where the company has a Sole Director who is also the Sole Company Secretary, this form must be signed by that person. If the company (pursuant to section 204A of the *Corporations Act 2001*) does not have a Company Secretary, a Sole Director can also sign alone. Otherwise this form must be signed by a Director jointly with either another Director or a Company Secretary. Please indicate the office held by signing in the appropriate place.

### Corporate Representatives

If a representative of the corporation is to attend the meeting the appropriate "Certificate of Appointment of Corporate Representative" should be produced prior to admission in accordance with the Notice of Meeting. A form of the certificate may be obtained from the company's share registry.

## Lodgement of a Proxy Form

This Proxy Form (and any Power of Attorney under which it is signed) must be received at an address given below by 11:00am (Sydney Time) on Wednesday, 24 November 2010, being not later than 48 hours before the commencement of the meeting. Any Proxy Form received after that time will not be valid for the scheduled meeting.

Proxy Forms may be lodged using the reply paid envelope or:



**ONLINE**

[www.linkmarketservices.com.au](http://www.linkmarketservices.com.au)

Select the 'Proxy Voting' option on the top right of the home page. Choose the company you wish to lodge your vote for from the drop down menu, enter your holding details as shown on this form, and follow the prompts to lodge your vote. To use the online lodgement facility, shareholders will need their "Holder Identifier" (Securityholder Reference Number (SRN) or Holder Identification Number (HIN) as shown on the front of the proxy form).



**by mail:**

Excelsa Limited  
C/- Link Market Services Limited  
Locked Bag A14  
Sydney South NSW 1235  
Australia



**by fax:**

+61 2 9287 0309



**by hand:**

delivering it to Link Market Services Limited, Level 12, 680 George Street, Sydney NSW 2000.

**If you would like to attend and vote at the Annual General Meeting, please bring this form with you.  
This will assist in registering your attendance.**



EXCELA LIMITED ACN: 108 069 003

## **Explanatory Statement**

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This statement explains the items of business to be considered at the meeting and should be read in conjunction with the notice of meeting.

### **1. Financial statements and reports**

The Corporations Act 2001 (Cth) requires the financial report, directors' report and auditor's report to be laid before the meeting. There is no requirement either in the Corporations Act or the Company's Constitution for members to vote on, approve or adopt these reports. Members will have a reasonable opportunity at the meeting to ask questions and make comments on these reports and on the business, operations and management of the Company.

### **2. Election of Directors**

Item 2 seeks approval for the election of directors who are retiring under Rule 6.3(c) of the Company's Constitution. This Rule states that one third of Directors must retire at each Annual General Meeting, with the director with the longest time in office since their last re-election or appointment required to stand for re-election.

#### **Michael Willis – Non Executive Independent Director**

Michael has a background of 25 years in financial markets, having worked in financial derivatives, stockbroking and investment management. He is a former President of the peak industry body, the Securities Institute of Australia, and is a Director of Excela Equities Limited. He currently works in governance and management consulting across a range of areas including education and finance.

Michael holds a Bachelor of Economics and post-graduate qualifications in applied finance. He has lectured in finance and has a particular professional interest in options and financial derivatives.

He is a Fellow of the Australian Institute of Company Directors.

#### ***Board recommendation***

The board recommends the election of Mr. Willis as a Director of the Company.

### **3. Remuneration Report**

A resolution for adoption of the Remuneration Report is required to be considered and voted on in accordance with section 250R of the Corporations Act 2001 (Cth).

The Remuneration Report details the Company's policy on the remuneration of non-executive Directors, executive Directors and senior executives and is set out in the Annual Report.

The vote on the adoption of the Remuneration Report resolution is advisory only and does not bind the Directors or the Company. However, the Board will take the outcome of the vote into consideration when reviewing the remuneration practices and policies of the Company.

Shareholders will be given the opportunity to ask questions and to make comments on the Remuneration Report.

The Annual Report is available to view at the Company's website [excelsa.com.au](http://excelsa.com.au).

#### **4. On market buy-back of shares**

On 30<sup>th</sup> July 2007 the Company began a program of an on-market buy-back of its shares to manage its capital. The Board believes that where appropriate (primarily where the Company's shares are trading at a significant discount to NTA), buying-back shares represents an effective capital management strategy which is expected to be in the interests of shareholders and to enhance the value of the Company's shares.

Shares have been bought back at prices less than the Company's Net Tangible Asset (NTA) backing per share and this in turn has strengthened the NTA.

As at 8th October 2010, being the latest date for the inclusion of this information in this notice, the Company had bought back 5,919,745 ordinary shares on-market, representing approximately 29.91% per cent of the pre buy-back issued capital.

Under the Corporations Act, the Company must seek member approval if it proposes to repurchase in excess of 10% of its voting shares in any rolling 12 month period.

The Board now wishes to continue with this program and pursuant to Section 257C of the Corporations Act 2001 (Cth) seeks Shareholder approval to exceed the limit of buying back more than 10% of the Company's shares in a period of 12 months.

Resolution 4 seeks member approval for the Company to buy back on-market up to 20 per cent of the ordinary shares (approximately 3,054,000 ordinary shares) during the 12 months from the date of approval.

This number is approximately the maximum number of shares that may be repurchased rather than the actual number which would, if a proposal was to be made, definitely be bought back. It does not represent a commitment to repurchase that number of shares. It is designed to give the Company flexibility in determining the timing of on-market share buy-backs over the next 12 months.

If members do not vote in favour of Resolution 4, the Company may nevertheless continue to undertake on-market buy-backs in the next 12 months if the Board so determines, but the Company will ensure that it does not buy back in aggregate more than 10% of the Company's voting shares over any 12 month period without first obtaining the necessary member approvals.

##### ***Outline of on-market buy-backs***

An on-market buy-back occurs when a company purchases its own shares in the ordinary course of trading at the prevailing market price on ASX in the same way as any other market participant.

The implementation and conduct of on-market buy-backs is monitored and regulated by both the Australian Securities and Investments Commission and the ASX. In particular, the

ASX Listing Rules prescribe that the buy-back price of any share must not be more than 5 per cent above the average closing price for ordinary shares over the previous five trading days.

The ASX Listing Rules also require notices to be filed with the ASX indicating the period during which shares may be bought back, the number of shares intended to be bought back and any other information that would affect a shareholder's decision to sell shares. The Company is also required to give daily notices containing details of shares repurchased.

### **Financial impact and source of funds**

In general, when a company's earnings are positive, share buy-backs have a beneficial effect on both earnings per share and return on equity. The extent of the benefit depends upon:

- a) the price paid for shares - the lower the buy-back price, the greater the benefit;
- b) the total number of shares being repurchased - the more shares repurchased, the greater the benefit;
- c) the speed with which the shares are repurchased - the more quickly the shares are repurchased, the sooner the benefit arises; and
- d) the cost of funding used to fund the buy-back - the lower the cost of funds, the greater the benefit.

The proposed buy-back program would not impact in any way on the Company's ability to discharge any indebtedness or to conduct its ordinary business. This is because the Company's investment mandate is scaleable and the Company currently has significant cash reserves.

The Company would utilise existing cash resources to implement the on-market buy-backs. Based on an average price of \$0.40 per share bought back, a buyback of 3,325,000 shares will cost the Company approximately \$1,231,373 (including legal, brokerage and other associated costs).

Given the Company's investment mandate is scaleable, the Board believes that any buy-back will not adversely impact the Company's financial position. The Company currently has sufficient cash assets to buy-back 20% of the Company's own shares, at current market prices (assuming a buyback price not exceeding \$0.40).

### **Directors**

Unless prohibited under the ASX Listing Rules or the Corporations Act, Directors will be eligible to participate in any buy-back by selling their shares on-market to the Company.

### **General**

Any on-market buy-backs will be implemented and conducted in accordance with the requirements of the ASX Listing Rules and the Corporations Act.

### **ASIC**

This notice of meeting and explanatory statement has been lodged with ASIC in accordance with the Corporations Act.

### ***Board recommendation***

The board recommends adoption of this resolution.

The board believes that the buy-back program is the most efficient way to return capital to members at this point of time.

If Resolution 4 is passed, by buying back shares on market, the Company is not making any recommendation or providing any advice in relation to the value of its shares, nor as to whether members should sell any or all of their shares. Members will need to seek their own professional advice before making any decision whether to sell any shares in the market.