

# NOTICE OF 2015 ANNUAL GENERAL MEETING

Notice is hereby given that Graziers' Investment Company Limited ('GIC / Company') will hold its Annual General Meeting on **Friday, 27 November 2015**, on the **Ground Floor, 369 Royal Parade, Parkville VIC 3000**, commencing at 2.00pm (AEDST) for the purpose of transacting the business set out in this notice.

## ORDINARY BUSINESS

### Financial Statements and Reports

To receive and consider the consolidated financial statements of the Company and its controlled entities and the reports of the directors and the auditor for the year ended 30 June 2015.

The 2015 Annual Report is available on the Company's website [www.graziersinvestco.com.au](http://www.graziersinvestco.com.au)

*Note: There is no requirement for shareholders to approve these reports but there will be an opportunity for members to ask questions on the reports.*

### RESOLUTION 1: Re-Election of Directors

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

- (a) *"That Mr Philip M Attard, having retired by rotation in accordance with clause 13.3(a) of the Company's constitution and, being eligible, having offered himself for re-election, be re-elected a director of the Company";*  
*and*
- (b) *"That Ms Robyn L Sefton having retired by rotation in accordance with clause 13.3(a) of the Company's constitution and, being eligible, having offered herself for re-election, be re-elected a director of the Company";*

***The Chairman of the meeting intends to vote undirected proxies in favour of the re-election of Mr Philip Attard and Ms Robyn Sefton.***

Refer to the Explanatory Statement for information regarding voting on the re-election of directors.

### RESOLUTION 2: Appointment of Pitcher Partners as Auditor

Resolution 2 will be put to the Meeting if ASIC has consented to the resignation of PricewaterhouseCoopers ('PwC') as the Company's auditor. See the attached Explanatory Statement for details regarding the resignation of PwC.

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

*"That Pitcher Partners, being qualified to act as the auditor of the Company and having consented to act as the auditor of the Company, be appointed as the auditor of the Company effective from the date of AGM and the Directors be authorised to agree the remuneration".*

## PROXIES AND VOTING

### Eligibility to Vote

You will be eligible to vote at the meeting if you are registered as a holder of GIC's shares at 7.00 pm (AEDST) on Wednesday, 25 November 2015.

### Appointing a Proxy

If you are entitled to attend and vote at the meeting, you can appoint a proxy to attend and vote on your behalf. A proxy need not be a shareholder of GIC and may be an individual or a body corporate.

A personalised Proxy Form is included with this Notice of Meeting. If you are entitled to cast two or more votes, you may appoint two proxies and may specify the proportion or number of votes each proxy is appointed to exercise. If you do not specify a proportion or number, each proxy may exercise half of the votes. If you require a second Proxy Form, please contact Link Market Services on 1300 554 474.

### Lodging your Proxy Form

You can lodge your completed Proxy Form by:

- **Mailing it** to Link Market Services Limited using the reply paid envelope;
- **Posting it** to Locked Bag A14, Sydney South, Sydney NSW 1235;
- **Lodging it online** at the Link Market Services website [www.linkmarketservices.com.au](http://www.linkmarketservices.com.au) (you will be taken to have signed your Proxy Form if you lodge it in accordance with the instructions on the website);
- **Faxing it** to +61 (2) 9287 0309; or
- **Hand delivering** [only available during business hours (Monday to Friday, 8.30am to 5.30pm)] it to Link Market Services, Level 12, 680 George Street, Sydney NSW 2000.

Your completed Proxy Form (and any necessary supporting documentation) must be received by Link Market Services no later than 2.00 pm (AEDST) on Wednesday 25 November 2015, being 48 hours before the commencement of the meeting. If the Proxy Form is signed by an attorney, the original Power of Attorney under which the Proxy Form was signed (or a certified copy) must also be received by Link Market Services by 2.00 pm (AEDST) on Wednesday 25 November 2015 unless it has been previously provided to Link Market Services. If you appoint a proxy, you may still attend the meeting. However, your proxy's rights to speak and vote are suspended while you are present. Accordingly, you will be asked to revoke your proxy if you register at the meeting.

### How the Chairman of the Meeting will vote undirected Proxies

The Chairman of the meeting will vote undirected proxies in favour of all of the motions. GIC encourages all shareholders who submit proxies to direct their proxy how to vote on each item of business.

### Questions from Shareholders

In addition to asking questions at the meeting, written questions to the Chairman about the management of GIC or GIC's auditor about the content of the Auditor's Report and the conduct of the audit may be submitted no later than Wednesday 18 November 2015 to:

**Mail:** Graziers' Investment Company Limited  
369 Royal Parade, Parkville, Vic 3052  
Australia

**Facsimile:** +61 3 9340 1610

**Email:** [elaine\\_beever@graziersinvestco.com.au](mailto:elaine_beever@graziersinvestco.com.au)

### Attending the Meeting

If you attend the meeting, please bring your personalised Proxy Form with you. The bar code at the top of the form will help you to register. If you do not bring your form with you, you will still be able to attend the meeting but representatives from Link Market Services will need to verify your identity. You will be able to register from 1.30 pm (AEDST) on the day of the meeting.

### Corporate Shareholders

Corporate shareholders who wish to appoint a representative to attend the meeting on their behalf must provide that person with a properly executed Certificate of Appointment of Corporate Representative confirming that they are authorised to act as the company's representative. The authorisation may be effective either for this meeting only or for all meetings of GIC. Shareholders can download and fill out the 'Certificate of Appointment of Corporate Representative' form from the Link website: [www.linkmarketservices.com.au](http://www.linkmarketservices.com.au)

### Voting Exclusions

There are no voting exclusions.

By Order of the Board



Peter J J McKeown  
Company Secretary  
19 October 2015

# EXPLANATORY STATEMENT

This Explanatory Statement forms part of the Notice of Meeting convening the Annual General Meeting (AGM or Meeting) of Shareholders to be held on 27 November 2015 and is to assist Shareholders in understanding the background to the resolutions.

## Financial Statements and Reports

The Corporations Act requires the Financial Report (which includes the Financial Statements and Directors' Declaration), the Directors' Report and the Auditor's Report to be laid before the AGM. There is no requirement either in the Corporations Act or in the Company's Constitution for shareholders to approve the Financial Report, the Directors' Report or the Auditor's Report. Shareholders will have a reasonable opportunity at the meeting to ask questions and make comments on these Reports and on the business and operations of the Company. Shareholders will also be given a reasonable opportunity to ask the auditor questions about the conduct of the audit and the content of the Auditor's Report.

## RESOLUTION 1. Re-Election of Directors

The GIC Board ('Board') considers that individually and collectively the directors need to bring a level of skill, knowledge and experience that enables the Board to discharge its responsibilities effectively. All current serving directors have an understanding of financial markets. The extensive financial markets experience among the board members spans involvement in a diverse range of trading, asset management, financing, corporate advisory, public policy and regulatory activities.

The Board's policy on Board composition is to ensure that at all times, and through succession planning, there will be an appropriate mix of skills and experience so as to provide, on an ongoing basis, the necessary breadth and depth of knowledge which is required to meet the company's responsibilities and objectives.

Under clause 13.3(a) of the company's Constitution not less than one-third of directors retiring from office is satisfied by the retirements of Mr Philip Attard and Ms Robyn Sefton.

A director who retires in accordance with these requirements is eligible for re-election. Accordingly, Mr Philip Attard and Ms Robyn Sefton are due to retire at the end of the meeting and offer themselves for re-election to the Board.

The following directors are standing for re-election at the meeting.

### 1(a): Mr Philip Attard

Mr Attard was elected to the Board of Graziers' Investment Company Limited in November 2006 and appointed Deputy Chairman on 10 September 2014. He is a businessman who owns and operates a superfine and ultrafine merino enterprise, Gostwyck, in the New England tablelands. Mr Attard has extensive experience building successful and profitable businesses in the Information Technology world holding senior executive roles in sales, marketing, strategic planning and general management. He has worked with European, American and Australian companies in Australia and Asia.

Mr Attard is now focusing his attention on the family businesses, successfully developing grazing systems, pastures and merino quality. He is Chairman of Andar Tool and Press Limited and a

non-executive director of GIC Holdings Pty Ltd. Director of Gostwyk Group Pty Ltd, Gostwyk Partners, Goslan Pty Ltd, Huglipulken Pty Ltd and UNE Partnerships Pty Ltd. Mr Attard was also the Chairman of the Sheep Genetics Advisory Council and formerly a non-executive director of The Woolmark Company Pty Ltd.

The Directors unanimously recommend that Shareholders vote in favour of the re-election of Mr Philip Attard as a director.

### 1(b): Ms Robyn Sefton

Ms Sefton is a New South Wales woolgrower and communications expert. Ms Sefton and her husband own and operate wool, meat and grains properties.

She is also the founder and director of a national public relations and marketing consultancy, Sefton & Associates, based in Tamworth, an Advisory Member at USQ (University of Southern Queensland – Public Relations Discipline) and a member of the Small Business Advisory Group of the Reserve Bank of Australia.

Ms Sefton was the 2002 Rural Industries Research Development Corporation NSW Rural Woman of the Year, is a graduate of the prestigious Australian Rural Leadership program and the Australian Institute of Company Directors. She currently sits on the National Australia Day Council as Deputy Chairman. Ms Sefton's past board and advisory council appointments include being a board member of the NSW Australia Day Council and a member of the Regional Women's Advisory Council (which reported directly to the Deputy Prime Minister).

Ms Sefton was a director of the Australian Rural Leadership Foundation Board and Observant Pty Ltd. She was also a former board member of Australian Wool Services Limited (now known as Graziers' Investment Company Limited) and The Woolmark Company Pty Ltd until she retired at the company's Annual General Meeting in November 2007.

The Directors unanimously recommend that Shareholders vote in favour of the re-election of Ms Robyn Sefton as a director.

## RESOLUTION 2. Appointment of Pitcher Partners as Auditor

PwC has been the auditor of the Company since 2001. The Board has been satisfied with the services of PwC as Company auditor and thanks PwC for their services provided as auditor of the Company.

However, given the reduced activities and legacy issues of the Company, the Board has determined that it was an opportune time to change the Company's auditor and consider mid-tiered audit firms.

As a consequence, PwC has informed the company of their intention to resign and apply to ASIC under subsection 329(5)(a) of the Corporations Act 2001 for consent to resign as auditor of the Company with effect from the end of the Annual General Meeting. Once ASIC notifies PwC and the Company that it consents to PwC's resignation, PwC will give its notice of resignation to the Company with effect from the end of the Annual General Meeting.

The Company has received notice from James R Harris, being a shareholder, nominating Pitcher Partners as the new auditor of the Company. In accordance with section 328B of the Corporations Act 2001 (Cth), a copy of the notice of nomination of Pitcher Partners received by the Company from James R Harris is attached as Annexure A. Pitcher Partners has consented in writing to act as auditor of the Company. The Board has also noted that Pitcher Partners is registered as an auditor under section 1280 of the Corporations Act 2001 and is a well established firm with the necessary expertise and resources to meet the Company's requirements.

Consequently, subject to the Company receiving all necessary approvals from ASIC and shareholder approval at the Annual General Meeting, Pitcher Partners has been nominated and selected to become the new auditor of the Company. The Corporations Act 2001 (Cth) requires that shareholders approve

the appointment of the new auditor. If ASIC consents to PwC's resignation as the Company's auditor, the Directors unanimously recommend that Shareholders vote in favour of the appointment of Pitcher Partners as the Company's auditor. If ASIC does not consent to PwC's resignation as the Company's auditor, PwC will continue as the Company's auditor and Resolution 2 will not be put to the Meeting.

**REGISTERED OFFICE**

Graziers' Investment Company Limited

(ABN 29 095 401 200)

369 Royal Parade

Parkville 3052 Victoria Australia

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**[www.graziersinvestco.com.au](http://www.graziersinvestco.com.au)**

## SUMMARY OF ACTIVITIES & RESULTS FOR 2014/2015

### Overview

Each year our vision to have all inherited AWRAP legacies resolved gets one step closer, with 2015 being no different, with settlement of the long outstanding Mumbai Proceeds held in trust being achieved.

In 2007, Australian Wool Innovation Limited (AWI) purchased The Woolmark Company and the Woolmark brand from Australian Wool Services Limited (now known as Graziers' Investment Company Limited (GIC)) pursuant to a Share Sale and Purchase Agreement. Under this Agreement, GIC were responsible for selling some legacy Woolmark assets – one of which being a property in Mumbai, India, purchased in 1973. GIC sold this property in 2010 and the proceeds of the sale remained under AWI's stewardship in India since that time.

Over the last four years, AWI and GIC have worked together in order to repatriate the proceeds of sale to Australia. The repatriation of these funds was rejected by the Reserve Bank of India.

AWI and GIC subsequently agreed on a commercial solution in regard to the proceeds of the sale, namely that AWI will retain the proceeds in India and in consideration AWI will pay GIC the sum of \$3.4 million. Both the AWI and GIC Board of Directors believe that this commercial solution is in the best interest of all shareholders.

The settlement occurred on 13 November 2014 and is reflected in this year's Annual Report. The finalisation of this legacy matter has been a protracted one, but based on previous experience in India, is not unusual.

### Financial Highlights

Overall GIC has continued its mandate of preserving shareholder's wealth by delivering a profit, attributable to shareholders, of \$269,000.

#### *Continued operations*

Continued operations principally pertain to the operations of Andar Tool & Press (Andar) engineering business and GIC ongoing secretarial management. The Andar business has suffered from the significant retraction in the manufacturing sector and changing dynamics in the economy, with customers resorting to undertaking work in-house rather than outsourcing. The difficult conditions have impacted results for the year however, Andar continues to diversify its business operations and attract new business streams and customers.

This now brings the Share Sale and Purchase Agreement between the companies to an end, seven years since the sale of The Woolmark Company by GIC to AWI. It also provides the ability for each company to now focus on their future strategies without this legacy impediment.

GIC is now left with two key legacy issues to finalise:-

#### • **Settlement of the Paris Tax Refund**

- ~ In February 2014 an unfavourable judgement was handed down against GIC, in respect of a claim by the French Tax Authorities, for capital gains tax payable on the sale of a property in France.
- ~ The amount payable by GIC is EUR 1.081m and is due upon receipt of the Tax Authorities formal demand, to be issued within three years of the judgement date.

#### • **Dissolution of International Wool Secretariat (IWS)**

- ~ Closure of IWS involves the closure of the two unincorporated entities in India and France:
  - **India** – discussions with local agents has commenced to ascertain the process and steps required to close this entity, which involves the repatriation of cash.
  - **France** – expected to commence once the Paris tax issue has been settled.

#### **Discontinued operations**

Principally the favourable return from discontinued operations relates to a pension refund. International Wool Secretariat (IWS), as successor to an IWS International Pension Plan (IPP) in Guernsey, received residual funds held by the IPP upon its dissolution in October 2014. The IPP was essentially an umbrella scheme of the former IWS Retirement Benefits Plan in the UK, with IWS being the sponsoring employer/establisher of the plan.

The IWS India issue relates to its dissolution, which includes the repatriation of cash held by the entity. RBI approval may need to be obtained prior to repatriating the funds however, until the compliance issues pertaining to the company's closure have been completed this will not be known. Based on prior dealings with the RBI, past experience and recent events, regarding the cash held in trust, management estimates the cost to repatriate the cash to be \$206,000. The assumptions made in relation to the current period are consistent with those in the prior year.

## SUMMARY OF ACTIVITIES & RESULTS FOR 2014/2015 *continued...*

The results for GIC are summarised below:

	2015 \$'000	2014 \$'000
<b>Revenue</b>	<b>3,384</b>	<b>5,242</b>
<u>Operating expenses</u>	<u>(3,413)</u>	<u>(4,455)</u>
<b>Profit/(loss) before income tax</b>	<b>(29)</b>	<b>787</b>
<u>Tax</u>	<u>(93)</u>	<u>(155)</u>
<b>Profit/(loss) from Continuing Operations</b>	<b>(122)</b>	<b>632</b>
<b>Discontinued operations</b>		
Legacy Issues		
- IWS International Pension Plan	467	-
- IWS India	(119)	(38)
- Mumbai Property <i>(Cash (net) held in trust)</i>	-	(359)
- Other legacy issues	(1)	(27)
<b>Profit for the year</b>	<b>225</b>	<b>208</b>
<u>Less Minority Interest</u>	<u>44</u>	<u>(106)</u>
<b><u>Profit attributable to owners of GIC</u></b>	<b><u>269</u></b>	<b><u>102</u></b>

### Outlook

Your Board is currently assessing all commercial options, to develop a recommendation to shareholders on the future direction of the company, which will achieve the best means of a return to shareholders.

As advised previously with \$2.2m at stake, the timing and content of the recommendation to shareholders, will take into account the status of the IWS Indian, the French legacies and Andar Tool & Press Limited.

19 October 2015

The Directors  
Graziers' Investment Company Limited  
369 Royal Parade  
Parkville Vic 3052

Dear Directors

**Notice of Nomination of Auditor in accordance with Section 328B of the Corporations Act 2001 (Cth)**

The undersigned being a member of Graziers' Investment Company Limited, hereby nominates Pitcher Partners for appointment of auditor of the Company at the next Annual General Meeting.

Yours faithfully

A handwritten signature in black ink, appearing to read 'James R. Harris', with a stylized flourish at the end.

James R. Harris  
Abington  
Uralla NSW 2358