

LEGEND

CORPORATION

Notice of Annual General Meeting

Legend Corporation Limited
ACN 102 631 087

Date: 19 October 2011 **Time:** 12:00 pm (AEST)

Place: RACV Club Level 2, 501 Bourke Street Melbourne VIC 3000

LEGEND CORPORATION LIMITED
ACN 102 631 087

NOTICE IS GIVEN that the Annual General Meeting of the shareholders of Legend Corporation Limited ACN 102 631 087 (**'Legend'** or **'the Company'**) will be held at the RACV Club, Level 2, 501 Bourke Street, Melbourne VIC 3000 on **19 October 2011** at **12:00pm (AEST)**.

The Explanatory Statement that accompanies and forms part of this Notice of Annual General Meeting describes in more detail the matters to be considered at the Meeting. Please ensure you that you read the Explanatory Statement in full.

Please note that recent changes to the *Corporations Act 2001* (Cth) (**Corporations Act**) will apply to this meeting. These changes could affect whether your proxy (if one is appointed) is able to vote your shares, particularly in relation to Resolutions 1, 3, 4 and 5.

Please read this Notice of Annual General Meeting carefully and consider directing your proxy on how to vote on each resolution by marking the appropriate box on the proxy form included with this Notice of Annual General Meeting.

Terms used in this Notice of Annual General Meeting will, unless the context otherwise requires, have the same meaning given to them in the glossary contained in the Explanatory Statement.

ORDINARY BUSINESS

1. Financial Report

To receive the financial report and reports of the Directors and the auditor for the financial year ended 30 June 2011.

2. Resolution 1 - Adoption of Remuneration Report

To consider, and if thought fit, pass the following resolution as a non-binding ordinary resolution:

"That the Remuneration Report for the period ended 30 June 2011 be adopted."

Note: The vote on this resolution is advisory only and does not bind the Directors or the Company.

3. Resolution 2 - Re-election of Mr Bruce Higgins as a Director

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

"That Bruce Higgins, a Director who retires by rotation in accordance with the Company's constitution and is eligible for re-election, be re-elected as a Director of the Company."

4. Resolution 3 – Short term incentive relating to the financial year ended 30 June 2011 - share issue to Mr Bradley Dowe

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

"That, for the purposes of ASX Listing Rule 10.11 and for all other purposes, approval be given for the issue of 234,375 fully paid ordinary shares in the Company at an issue price of \$0.32 per share to Mr Bradley Dowe (a Director of the Company) or an entity associated

with Mr Bradley Dowe, on the terms and conditions set out in the Explanatory Statement accompanying this Notice."

5. Resolution 4 – Approval of Group Level Incentive Program (GLIP)

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

"That:

- (a) for the purposes of section 259B(2) and 260C(4) of the Corporations Act 2001 and for all other purposes, the employee share scheme called the Group Level Incentive Program (**GLIP**), a summary of the terms of which is included in the Explanatory Statement, is approved; and
- (b) the issue of securities under the GLIP is approved for the purposes of Rule 7.2 Exception 9 as an exception to ASX Listing Rule 7.1 and for all other purposes."

6. Resolution 5 – Approval of issue of shares to Mr Bradley Dowe under the GLIP (for the financial years ending 30 June 2012 and subsequent years)

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

"That, for the purposes of ASX Listing Rule 10.14 and for all other purposes, approval be given for the issue of fully paid ordinary shares in the Company to Mr Bradley Dowe, a Director of the Company, in accordance with the Group Level Incentive Program and otherwise on the terms and conditions set out in the Explanatory Statement."

SPECIAL BUSINESS

7. Resolution 6 – Approval of financial assistance by subsidiary companies

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

'That approval be given for the transactions described in the Explanatory Statement and all elements of those transactions that may constitute financial assistance by MSS Power Systems Pty Ltd ABN 99 082 835 292, MSS Fibre Systems Pty Ltd ABN 79 102 221 698 and MSS Power & Fibre Systems Pty Ltd ABN 13 113 923 078 (**MSS Group**) for the purposes of section 260B of the Corporations Act 2011 (Cth), including (without limitation) that each MSS Group company may:

- a) execute (as an obligor) a facilities agreement between the Company, the National Australia Bank Limited ABN 12 004 044 937 (**Lender**) and others (**Facilities Agreement**);
- b) give an interlocking guarantee and indemnity for the repayment of money that may become owing, and to secure (among other things) each obligor's obligations under the Facilities Agreement;
- c) to secure its obligations under the Facilities Agreement, execute a fixed and floating charge or charges over its assets and undertaking;
- d) if the Facilities Agreement (or any subsequent refinancing facility) needs to be refinanced at some time in the future, from time to time:
 - (i) execute, or accede to (as an obligor), a new facilities agreement:
 - (A) on substantially the same terms as the Facilities Agreement; or

- (B) on terms as approved by the Board of directors or the members (or both) at the relevant time; and
- (ii) give one or more of a guarantee, indemnity or security interest over its assets (whether by way of mortgage, fixed or floating (or both) charge or otherwise) to secure each obligor's obligations under any new facilities agreement and any related document;
- e) execute, or accede to, an inter-creditor deed or a subordination deed or a security trust deed (or any or all of them) as an obligor; and
- f) execute or accede to, any document ancillary to, or in connection with, the Facilities Agreement, any new facilities agreement and any guarantee, indemnity or security interest given in connection with the Facilities Agreement, any new facilities agreement and any related document.

In this resolution a reference to any document in this resolution is the document as amended, restated or replaced from time to time.'

By order of the Board
Graham Seppelt
Company Secretary
Dated: 16 September 2011

IMPORTANT INFORMATION

Resolutions

Ordinary resolutions require the approval of a simple majority of the votes cast by Shareholders present at the Meeting (in person or by proxy, attorney or representative) and entitled to vote on the resolution. Special resolutions require the approval of at least 75% of the votes cast by Shareholders (in person or by proxy, attorney or representative) and entitled to vote on the resolution.

Voting Entitlements

The Directors have determined pursuant to regulation 7.11.37 of the *Corporations Regulations 2001* (Cth) that the Shareholders eligible to attend and vote at the Annual General Meeting are those persons registered as Shareholders at 7.00pm (AEST) on 17 October 2011. Only those persons will be entitled to attend and vote in respect of that share at the Annual General Meeting.

Proxy Instructions

- A member entitled to attend and vote at the Meeting has a right to appoint a proxy.
- The proxy need not be a member of the Company.
- A member who is entitled to cast two or more votes may appoint up to two proxies and, in the case of such an appointment, may specify the proportion or number of votes each proxy is appointed to exercise.
- The proxy form included with this Notice of Annual General Meeting must be signed by the member or the member's attorney. Proxies given by corporations must be signed under the hand of a duly authorised officer or attorney. **To be a valid proxy, the executed proxy form and the power of attorney or other authority (if any) under which it is signed (or a certified copy of it) must be lodged (using the reply paid envelope supplied) with the Share Registry - Security Transfer Registrars Pty Ltd as soon as possible and in any event by no later than 12.00pm (AEST) on 17 October 2011, being 48 hours before the time for holding the Meeting.** Any proxy form received after that time will not be valid for the scheduled meeting.

In person or by mail: PO Box 535, Applecross, WA 6953; or
Alexandrea House, Suite 1, 770 Canning Highway, Applecross
WA 6153

By facsimile: +61 8 9315 2233

By email: registrar@securitytransfer.com.au

- If a member appoints two proxies and the appointment does not specify the proportion or number of the member's votes which each proxy may exercise, each proxy may exercise half of the votes.
- A proxy may decide whether to vote on any motion, except where the proxy is required by law or the Company's constitution to vote, or abstain from voting, in their capacity as proxy. If a proxy is directed how to vote on a resolution, the proxy may vote on that resolution only in accordance with that direction. If a proxy is not directed how to vote on a resolution, the proxy may vote as he or she thinks fit.

Undirected proxies

- If a member appoints the chairperson of the meeting as the member's proxy and does not specify how the chairperson is to vote on a resolution, except as expressly stated, the chairperson advises that he intends to vote each such proxy, as proxy for that member, in favour of the resolution on a poll. Therefore, the Company recommends that shareholders who submit proxies should consider giving 'how to vote' directions to their proxy holder (including the chairperson) on each resolution.
- **If you complete a proxy form that authorizes the Chairman to vote on your behalf as proxy holder, and you do not mark any of the boxes so as to give him directions about how your vote should be cast, then your proxy will automatically become a directed proxy in favour of the resolution to adopt the Remuneration Report, and the Chairman will vote accordingly. If you wish to appoint the Chairman as your proxy holder but you do not want to put him in the position to cast your votes in favour of the Remuneration Report, you should complete the appropriate box on the proxy form, directing him to vote against or abstain from voting on this resolution.**
- Any undirected proxies held by the chairperson in respect of the following resolutions will not be voted by the chairperson:
 - Resolutions 3, 4 and 5 - all undirected proxy votes where the chairperson is appointed as proxy but there is no specific authorisation for him to exercise the proxy.

Accordingly, if you appoint the chairperson as your proxy and you want your shares to be voted on any one or more of Resolutions 3, 4 and 5, you should either direct him how to vote on those Resolutions or specifically authorise him to exercise the proxy even though Resolutions 3, 4 and 5 are connected directly or indirectly with the remuneration of a member of KMP.

Members should refer to the Explanatory Statement, which accompanies and forms part of this Notice of Annual General Meeting, for further information regarding voting restrictions.

Questions from Shareholders

In accordance with the Corporations Act, a reasonable opportunity will be given by the chairman to Shareholders – as a whole - to ask questions about, or make comments on, the management of the Company at the meeting.

Similarly, a reasonable opportunity will be given to Shareholders – as a whole – to ask the Company's external auditor, Grant Thornton Audit Pty Ltd, questions relevant to:

- the conduct of the audit;
- the preparation and content of the Auditor's Report;
- the accounting policies adopted by the Company in relation to the preparation of its financial statements; and
- the independence of the auditor in relation to the conduct of the audit.

Andrew Archer of Grant Thornton Audit Pty Ltd, as the auditor responsible for preparing the auditor's report for the year ended 30 June 2011 (or his representative) will attend the Meeting.

To assist the Directors and the auditor of the Company in responding to any questions you may have, please submit any questions headed '**Questions from shareholders**' to the address below to be received no later than 12.00pm (AEST) on 12 October 2011.

In person or by mail: Registered Office – 1 Butler Drive Hendon SA 5014
By facsimile: +61 8 8244 9520

As required by section 250PA of the Corporation Act, the Company will distribute a list of questions prior to the commencement of the Meeting, setting out the written questions received by the Company at least 5 Business Days prior to the Meeting and which the auditor considers relevant to the content of the audit report or the conduct of the audit of the financial report for the year ended 30 June 2011. The chairman of the Meeting will allow reasonable opportunity for the auditor to respond to the questions set out on this list.

Definitions

Words that are defined in the Glossary have the same meaning when used in this Notice of Annual General Meeting unless the context requires, or the definitions in the Glossary provide, otherwise.

Recent Amendments to the Corporations Act

Amendments to the Corporations Act have been made recently and apply to proxy voting on or after 1 August 2011 (whether or not the proxy was appointed before, on or after that date). Shareholders and their proxies should be aware of these changes to the Corporations Act as they will apply to this meeting. Broadly, the changes mean that:

- if proxy holders vote, they must cast all directed proxies as directed (this requirement has been strengthened); and
- any directed proxies which are not voted will automatically default to the chairperson of the meeting, who must vote the proxies as directed.

More detail on these change is provided below.

Proxy vote if appointment specifies way to vote

The new section 250BB provides that an appointment of a proxy may specify the way the proxy is to vote on a particular resolution and, if it does:

- the proxy need not vote on a show of hands, but if the proxy does so, the proxy must vote that way;
- if the proxy has two or more appointments that specify different ways to vote on the resolution – the proxy must not vote on a show of hands;
- if the proxy is the chairperson of the meeting at which the resolution is voted on – the proxy must vote on a poll, and must vote that way (i.e. as directed); and
- if the proxy is not the chairperson of the meeting – the proxy need not vote on the poll, but if the proxy does so, the proxy must vote that way (i.e. as directed).

Transfer of non-chair proxy to chair in certain circumstances

The new section 250BC provides that, if

- an appointment of a proxy specifies the way the proxy is to vote on a particular resolution at a meeting of the company's members; and
- the appointed proxy is not the chairperson of the meeting; and
- at the meeting, a poll is duly demanded on the resolution; and
- either of the following applies:
 - the proxy is not recorded as attending the meeting; or
 - the proxy does not vote on the resolution,

the chairperson of the meeting is taken, before voting on the resolution closes, to have been appointed as the proxy for the purposes of voting on the resolution at that meeting.

Electronic Annual Report

In accordance with Australian corporations legislation, and in the interests of maximum efficiency and the lowest possible cost to Shareholders, the Company is providing printed copies of its 2011 Annual Report only to those Shareholders who have specifically made this request. For all other Shareholders, an electronic copy of the Company's 2011 Annual Report, together with the Company's ASX announcement, media release and investor pack relevant to the financial performance of the Company for the year ended 30 June 2011, is available on the Company's website www.legendcorporate.com.

EXPLANATORY STATEMENT

1. INTRODUCTION

This Explanatory Statement has been prepared for the information of Shareholders of the Company in connection with the business to be conducted at the Company's 2011 Annual General Meeting to be held at the RACV Club, Level 2, 501 Bourke Street, Melbourne VIC 3000 on 19 October 2011 at 12:00pm (AEST).

The purpose of this Explanatory Statement is to provide information which the Directors believe to be material to Shareholders in deciding whether or not to pass the Resolutions set out in the accompanying Notice of Annual General Meeting.

Capitalised terms and expressions used in this Explanatory Statement are defined in the glossary below.

2. FINANCIAL STATEMENTS AND REPORTS

Pursuant to the Corporations Act, the directors of a public company that is required to hold an annual general meeting must table the financial statements and reports of the company (including the Directors' Report and Auditor's Report) for the previous financial year before the members at that annual general meeting.

Shareholders have been provided with all relevant information concerning the Company's financial statements, Directors' Report and Auditor's Report in the Annual Report of the Company for the year ended 30 June 2011. A copy of the Annual Report has been forwarded to each Shareholder (other than those Shareholders who have previously elected not to receive the Annual Report, whether in paper form or electronically). The Annual Report can also be viewed, printed and downloaded from the Company's website - www.legendcorporate.com. A copy of the financial statements, the Directors' Report and Auditor's Report will also be tabled at the Annual General Meeting.

Shareholders should note that the sole purpose of tabling the financial statements and the reports of the Company at the Annual General Meeting is to provide Shareholders with the opportunity to ask questions or discuss matters arising from the financial statements or the reports at the meeting. It is not a purpose or the function of the Annual General Meeting that the financial statements or the reports be accepted, rejected or modified in any way. Further, as it is not required by the Corporations Act, no resolution to adopt, receive or consider the Company's financial statements or the reports (other than the Remuneration Report) will be put to the Shareholders at the Annual General Meeting.

Members will be given a reasonable opportunity at the meeting to ask questions and make comments on the financial statements and the reports. The Company's auditor will also be available at the Annual General Meeting to receive questions and comments from Shareholders about the preparation and content of the Auditor's Report and the conduct of the audit. Members are also invited to submit written questions to the Company in advance of the Annual General Meeting. Where appropriate, and practical to do so, the Company will provide answers to any such written questions at the Annual General Meeting.

3. ADOPTION OF REMUNERATION REPORT – RESOLUTION 1

The Directors' Report for the year ended 30 June 2011 contains a Remuneration Report (pages 31 to 35) which sets out the policies of the Company for and applicable to the remuneration of its officers and senior employees and details the remuneration paid of its officers and senior employees in the financial year ended 30 June 2011.

While the Corporations Act (section 250R(2)) requires a listed company to put a resolution to its members at its annual general meeting that its remuneration report be adopted, the Corporations Act expressly provides that the vote on any such resolution is advisory only and does not bind the directors or the Company. However, under recent changes to the Corporations Act, if at least 25% of the votes cast on the resolution at the 2011 Annual General Meeting are against adoption of the Remuneration Report, then:

- if comments are made on the Remuneration Report at the 2011 Annual General Meeting, the Company's remuneration report for the financial year ending 30 June 2012 will be required to include an explanation of the Board's proposed action in response or, if no action is proposed, the Board's reasons for this; and
- if subsequently, at the Company's 2012 annual general meeting, at least 25% of the votes cast on the resolution for adoption of the remuneration report for the relevant financial year are against its adoption, the Company will be required to put to Shareholders a resolution proposing that a general meeting (**Spill Meeting**) be called to consider the election of directors of the Company (**Spill Resolution**). The Spill Meeting must be held within 90 days of the date of the 2012 annual general meeting. For any Spill Resolution to be passed, more than 50% of the votes cast on the resolution must be in favour of it. If a Spill Resolution is passed, all of the directors (other than any managing director) will cease to hold office immediately before the end of the Spill Meeting unless re-elected at that meeting.

The Remuneration Report forms part of the Directors' Report for the year ended 30 June 2011 and is made in accordance with a unanimous resolution of the directors. While noting that each Director has a personal interest in their remuneration, as described in the Remuneration Report, the Board unanimously recommends that the Shareholders vote in favour of adopting the Remuneration Report.

Resolution 1 is put to the Shareholders at the Annual General Meeting in fulfilment of the obligations of the Company under section 250R(2) of the Corporations Act. Shareholders attending the Annual General Meeting will be given a reasonable opportunity to ask questions about, or make comments on, the Remuneration Report.

Voting Prohibition Statement – Resolution 1

In accordance with section 250R(4) of the Corporations Act, the Company will disregard any votes cast in respect of Resolution 1 by:

- a member of KMP, details of whose remuneration are included in the Remuneration Report; and
- a Closely Related Party of such a member.

However, the Company will not disregard a vote cast in respect of Resolution 1 if it is cast by a person as proxy appointed in writing that directs the proxy how to vote on Resolution 1, and the vote is not cast on behalf of a member of KMP, details of whose remuneration are included in the Remuneration Report or a Closely Related Party of such a member.

If you are a member of the KMP or a Closely Related Party of a member of the KMP (or are acting on behalf of any such person) and purport to cast a vote on Resolution 1 that vote will be disregarded by the Company (as indicated above).

Please read the information under the heading 'Undirected Proxies' which (among other things) deals with the Chairman's voting of proxies on the resolution to adopt the Remuneration Report.

4. RE-ELECTION OF MR BRUCE HIGGINS AS A DIRECTOR – RESOLUTION 2

Clause 14.4 of the Company's constitution requires that at each Annual General Meeting one-third of the Directors must retire from office. A Director appointed during the year either to fill a casual vacancy or as an addition to the Directors is not taken into account in determining the Directors who must retire by rotation.

Therefore, Bruce Higgins, being the Director who has been in office longest since last being elected, retires by rotation and, being eligible for re-election at the Annual General Meeting, offers himself for re-election as a director of the Company.

Biographical details for Bruce Higgins are set out in the Company's 2011 Annual Report.

5. SHORT TERM INCENTIVE RELATING TO THE FINANCIAL YEAR ENDED 30 JUNE 2011 - SHARE ISSUE TO MR BRADLEY DOWE - RESOLUTION 3

Background

Resolution 3 seeks Shareholder approval for the issue of 234,375 Shares in the Company to Mr Dowe (or an entity associated with Mr Dowe) under a short term incentive arrangement agreed with Mr Dowe under his employment agreement for the period from 1 July 2010 to 30 June 2011. Mr Dowe is the Managing Director and Chief Executive Officer of the Company.

Mr Dowe's base remuneration for the period 1 July 2010 to 30 June 2011 was \$300,000. Under the terms of his employment agreement, Mr Dowe is entitled to a bonus of up to 50% of his base remuneration (being a total bonus amount of up to \$150,000 for the year ended 30 June 2011). Mr Dowe's bonus is calculated in accordance with the performance criteria set by the independent Directors. These criteria include; growth in earnings per share, compliance with bank covenants, improving the return on investment and executive team development. The independent Directors have determined that Mr Dowe has achieved the performance criteria set by the Board for the year ended 30 June 2011 and have agreed to grant a bonus of \$150,000 to Mr Dowe.

Mr Dowe has elected to receive half of his bonus (\$75,000) in the form of Shares (subject to approval of this Resolution 3). If Shareholders approve Resolution 3, the Shares will be issued to Mr Dowe at \$0.32 per Share, being the 5 day trading volume weighted average sale price of the Shares traded on ASX in the period to, but not including, 25 August 2011 (being the date of Board's decision to award the bonus to Mr Dowe). Accordingly, the number of Shares to be issued to Mr Dowe, and for which Shareholder approval is sought, is 234,375 Shares.

In the event that the Shareholders do not pass Resolution 3, the Company will pay Mr Dowe a cash amount equal to the value of the shares to be issued.

The Company reserves the right to pay Mr Dowe's entire bonus for the period 1 July 2010 to 30 June 2011 (\$150,000) in cash.

ASX Listing Rule 10.11

Under Listing Rule 10.11, the Company must obtain the approval of Shareholders before it can issue securities to a related party or a person whose relationship with the Company or a related party is, in ASX's opinion, such that shareholder approval should be obtained. As a Director of the Company, Mr Dowe is a related party of the Company, and therefore the proposed issue of the Shares requires shareholder approval under Listing Rule 10.11. An approval under Listing Rule 10.11 has the effect that no additional approval under Listing Rule 7.1 is required.

Shareholders should note that, if the issue of the Shares is approved, the Shares will be issued under the general power of the Board to issue securities (and not under any employee incentive plan).

Disclosure requirements under ASX Listing Rule 10.13

Under ASX Listing Rule 10.13, the Company is required to provide the following information to Shareholders to allow them to assess the proposed issue of Shares to Mr Dowe:

- (a) The Shares will be issued to Mr Bradley Dowe, a Director of the Company, or to an entity associated with him.
- (b) The maximum number of Shares for which approval is being sought is 234,375.
- (c) The Shares will be issued within 1 month of the date of the Meeting.
- (d) The shares to be issued will be fully paid ordinary shares in the Company which will rank equally with all other existing Shares from the date of issue.
- (e) The effective subscription price per Share will be \$0.32, being the 5 day trading volume weighted average sale price of the Shares traded on ASX in the period to, but not including, 25 August 2011 (that date being the date of Board's decision to award the bonus to Mr Dowe).
- (f) No funds will be raised by the issue of the Shares to Mr Dowe. If approved, and the Company decides to proceed with the issue, the Shares will be issued instead of the payment of Mr Dowe's bonus (under his short term incentive arrangement with the Company) in cash.
- (g) A voting exclusion statement relating to Resolution 3 is included below.

Directors' Recommendation

Mr Dowe declines to make a recommendation to Shareholders in relation to Resolution 3 due to his material personal interest in the outcome of the Resolution. The independent Directors, who also comprise the Remuneration Committee and do not have a material interest in the outcome of Resolution 3, recommend that Shareholders vote in favour of Resolution 3.

Voting Exclusion Statement – Resolution 3

Pursuant to ASX Listing Rule 14.11, the Company will disregard any votes cast on Resolution 3 by Mr Dowe and any associate of Mr Dowe.

However, and subject to the provisions of section 250BD of the Corporations Act, the Company need not disregard a vote if:

- 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
- 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.

Proxy Prohibition Statement – Resolution 3

In accordance with section 250BD of the Corporations Act, a person appointed as a proxy must not vote, on the basis of that appointment, on Resolution 3 if:

- a) the proxy is either:
 - a member of KMP; or
 - a Closely Related Party of a member of KMP; and
- b) the appointment does not specify the way the proxy is to vote on Resolution 3.

However, the above prohibition does not apply if:

- c) the proxy is the chairperson of the Meeting; and
- d) the chairperson's appointment expressly authorises the chairperson to exercise the proxy even though the resolution is connected with the remuneration of a member of KMP

[Please note that persons referred to in paragraph (a), other than the chairperson, cannot vote on Resolution 3 as proxy unless given voting directions on the proxy form. Please direct your proxy how to vote by crossing the 'For', 'Against' or 'Abstain' box for Resolution 3 on the proxy form. If the chairperson has been appointed as your proxy, he cannot vote on Resolution 3 in the absence of directions on how to vote unless you specifically authorise him to exercise the proxy even though the Resolution is connected directly or indirectly with the remuneration of a member of KMP. Please authorise the chairperson to do so by crossing the relevant box in the 'Important for Resolution 3' section on the proxy form.]

6. APPROVAL OF ISSUE OF SHARES UNDER THE GROUP LEVEL INCENTIVE PROGRAM - RESOLUTION 4

Background

The Remuneration Committee recently engaged KPMG to provide advice on the implementation of a long-term incentive remuneration structure for executive directors and key management personnel. With the assistance of KPMG, and with the recommendation of the Remuneration Committee, the Company has devised and adopted the Group Level Incentive Program – Limited Recourse Loan Share Plan (**GLIP**). The objective of the GLIP is to assist in the reward, retention and incentivisation of executive directors and other key management personnel and, if the Company performs financially, to do so in a manner that enables the key executives to build a shareholding in the Company and enjoy the benefits of share ownership and direct participation in the Company. The GLIP will also support alignment of interests with the Shareholders in the growth of shareholder value.

Resolution 4 seeks Shareholder approval of the GLIP for the following purposes:

- sections 259B(2) of the Corporations Act – to permit the Company to take security over its own shares;
- 260C(4) of the Corporations Act - to permit the Company to provide financial assistance in respect of the acquisition over its own shares;
- Exception 9 of ASX Listing Rule 7.2 (which provides an exception to ASX Listing Rule 7.1); and
- for all other purposes, including the corporate governance principles of ASX.

A copy of the rules of the GLIP is available for inspection by Shareholders prior to the day of the Annual General Meeting during business hours at the Company's registered office.

Summary of the Terms of the GLIP

The key features of the GLIP (including the provisions permitting the Company to take security over its own shares and to provide financial assistance in respect of the acquisition over its own shares) are outlined in the table below:

<i>Participants</i>	The Board will offer eligible group level executives the opportunity to participate in the GLIP. As a general rule, Legend Group will require 12 months service before being eligible for nomination as a participant in the GLIP. No executive will be entitled to participate in the GLIP unless he or she has executed an executive service agreement with the Company (or a Group company).
<i>GLIP Benchmark</i>	<p>Participants in the GLIP will only benefit, and Shares will only be issued under the GLIP, if the Company, in the relevant financial year, has achieved a minimum compound annual increase in the Company's net profit before tax (NPBT) of 10%, and the benefits of the program will commence from that threshold as the Company's results exceed that benchmark. The benchmark NPBT will be subject to adjustment to account for acquisitions, divestments and net changes in borrowings). The base starting point for the GLIP will be the NPBT of the Company for the year ended 30 June 2011. In simple terms, in each subsequent year, the NPBT benchmark to be achieved will be 10% higher than the benchmark for the previous financial year (with the overall starting NPBT being that achieved by the Company in the financial year ended 30 June 2011).</p> <p>The Board will determine bonus payments under the GLIP following approval of the audited annual statements of the Company for the relevant financial year in which the above NPBT target is being tested and has been met.</p> <p>The Board reserves the right to adjust the GLIP benchmark if it believes that, by delivering the full value of the GLIP bonus to the participating executives, the shareholders would be materially and adversely affected.</p>

<p><i>GLIP Bonus Pool</i></p>	<p>The GLIP bonus pool will be a maximum of 5% of NPBT. The bonus pool is designed such that no amount can be allocated to the bonus pool if it would have the effect of reducing the net NPBT (i.e. after the bonus pool allocation) below the benchmark NPBT for that financial year.</p> <p>No participant in the GLIP will be eligible for a GLIP bonus that exceeds a maximum of 130% of his or her base salary. At the commencement of each financial year, the level of participation of an executive in the GLIP will be determined by the Chief Executive Officer (CEO) in conjunction with the Remuneration Committee and the Board. To the extent that any part of the bonus pool amount (if any) is not allocated to participants at the commencement of the year, the unallocated part of the bonus pool will be allocated at the end of the year at the discretion of the CEO and the Board (based on individual performance during the year). The level of participation of all executives can be varied from year to year.</p> <p>The Company intends that the GLIP bonus will be paid as to 50% in cash and 50% in the form of Shares (subject to the loan arrangements noted below). The Board has reserved the right to adjust those percentages at its sole discretion, including to pay the full GLIP bonus in cash.</p> <p>Subject to the Board's approval and obtaining the requisite Shareholder approval (if required), Shares offered under the GLIP will be delivered to participants by way of a share issue by the Company or an on-market or off-market purchase of Shares by the Company.</p>
<p><i>Consideration / Issue Price</i></p>	<p>It is intended that the Shares issued or transferred to participants in the GLIP will be provided at or above the market price of those Shares at the relevant time (being the actual cost of acquiring the shares (if the Company purchases the Shares), or the 5 day trading volume weighted average sale price of the Shares up to the date of grant (if the Company issues the Shares), as determined by the Board.</p>
<p><i>Equity participation</i></p>	<p>Equity participation under the GLIP can take either of two forms. In its simple form, the Company will issue or transfer Shares to each participant equal in value to 50% of his/her bonus pool allocation for the financial year.</p> <p>At its election, the Company may satisfy the obligation to pay 50% of an executive participant's bonus pool allocation in the manner set out below. The Company intends to adopt this alternative for the financial year ending 30 June 2012.</p> <p>Under the second alternative a participant will be entitled to receive Shares worth three times the monetary value of the Shares that would otherwise (under option 1) have been delivered to the participant under the GLIP. The formula used to calculate the number of Shares to be provided to the participant will be as follows:</p> $\frac{\text{GLIP bonus payable in Shares} \times 3}{\text{Share price at grant date}}$ <p>Under the second alternative, to assist the participant to acquire the increased number of Shares, the Company will provide a limited recourse loan, bearing interest at the Bank Bill Swap Bid Rate (which is currently 4.85%), to participants for the full consideration of the Shares to be received under the GLIP (i.e. the loan will be for 3 times 50% of the GLIP bonus payment).</p> <p>The loan must be used for the sole purpose of acquiring the Shares to be issued or transferred under the GLIP. The loan term is 5 years, unless the participant's employment is terminated earlier. If the participant's employment is terminated prior to the end of the 5 year term of the loan, the loan is repayable on the date of termination or, if the executive is a 'good leaver' (see below) within 3 months after termination.</p> <p>Dividends or other distributions made in respect of the Shares will be withheld and used by the Company to pay accrued interest and the outstanding loan amount. In addition, if the executive wishes to repay the loan from other amounts due to him / her (for example, the cash component of a GLIP bonus pool award), he or she may do so.</p> <p>The amount repayable on the loan at any time will be limited to the lesser of:</p> <ul style="list-style-type: none"> (a) the original amount advanced to the participant, plus interest and less dividends, reduced by any principal repayments already made; and (b) the value of the Shares at the time the loan becomes repayable.

	<p>On the sale of the Shares, the amount repayable on the loan must be repaid and the Company has a lien and the right to such other security over the proceeds of sale as may be required to enforce repayment.</p> <p>It is intended that the Shares issued under both alternatives will be registered in the names of the participating executives.</p>
<i>Transfer restrictions</i>	<p>All Shares issued under the GLIP will not be transferable for a period of 3 years (from the date of issue). Holding locks and other measures will be used by the Company to enforce the transfer restriction.</p> <p>After the transfer restriction period ends, the Shares will remain subject to holding locks and such other measures as required by the Company until the loan (and accrued interest) is fully paid. In addition, trading of the Shares will be subject to the Company's Share Trading Policy.</p>
<i>Ranking of shares</i>	<p>All shares issued under the GLIP will be fully paid ordinary shares in the Company and, from the date of issue, will rank equally with all other existing shares in all respects.</p>
<i>Vesting of Shares</i>	<p>Shares acquired through the GLIP will vest in the participant three years after the grant date, subject to the participant remaining employed by the Company at that time.</p>
<i>Forfeiture of shares</i>	<p>A participant's Shares will be forfeited if any added vesting conditions are not met or if the participant's employment is terminated for any of the following reason:</p> <ul style="list-style-type: none"> • he/she acts in a manner which has or is likely to reflect adversely on the reputation of the Company; • he/she has committed an act of fraud, dishonesty or gross misconduct in relation to the affairs of the Company (whether or not he/she is charged with an offence) or any act of harassment or discrimination or serious breach of any duty owed to the Company; • there is a judgment entered against him/her in any criminal or civil proceedings in respect of the performance of his duties in his capacity as an officer or employee of the Legend Group; or • his/her employment contract is terminated by the Company for cause. <p>In addition, Shares and/or cash acquired under the GLIP may be forfeited if at any subsequent time (within 3 years of payment of the GLIP bonus) it is determined that the NPBT (or any other calculation made under the GLIP) for a relevant financial year was incorrect.</p> <p>Forfeited Shares will be repurchased by the Company at a value of the greater of the loan balance outstanding or one cent.</p>
<i>Good leavers</i>	<p>If an executive is a good leaver, he or she will generally be entitled to retain any Shares issued under the GLIP (subject to repayment of the loan within 3 months of termination of his/her employment).</p> <p>Good leavers will be executives whose employment is terminated by reason of any one of the following:</p> <ul style="list-style-type: none"> • death, disablement or ill health; • redundancy; or • termination of employment by reason of other circumstance approved by the Company.
<i>Variation of the GLIP</i>	<p>The Board reserves the absolute right, at its discretion, to alter, suspend or terminate the GLIP at an time. It is intended that this power will only be used in abnormal and/or unforeseen circumstances, and that it will not be used to alter or amend the terms and conditions of the GLIP to make them materially more favourable to the participating executives.</p>

For the purpose of Exception 9 in ASX Listing Rule 7.2, as the GLIP will be introduced for the first time in the current financial year, no Shares have been issued to date under the GLIP and will not be issued until the after the release of the full year results of the Company for the financial year ending 30 June 2012.

Directors' Recommendation

Mr Dowe declines to make a recommendation to Shareholders in relation to Resolution 4 due to his material personal interest in the outcome of the Resolution. The independent Directors, who do not have a material interest in the outcome of Resolution 4, recommend that Shareholders vote in favour of Resolution 4.

Voting Exclusion Statement – Resolution 4

Pursuant to ASX Listing Rule 14.11, the Company will disregard any votes cast on Resolution 4 by any Director (except a Director who is ineligible to participate in any employee incentive scheme in relation to the company) and any associate of any such Director.

However, and subject to the provisions of section 250BD of the Corporations Act, the Company need not disregard a vote if:

- 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
- 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.

Proxy Prohibition Statement – Resolution 4

In accordance with section 250BD of the Corporations Act, a person appointed as a proxy must not vote, on the basis of that appointment, on Resolution 4 if:

- a) the proxy is either:
 - a member of KMP; or
 - a Closely Related Party of a member of KMP; and
- b) the appointment does not specify the way the proxy is to vote on Resolution 4.

However, the above prohibition does not apply if:

- c) the proxy is the chairperson of the Meeting; and
- d) the chairperson's appointment expressly authorises the chairperson to exercise the proxy even though the resolution is connected with the remuneration of a member of KMP

[Please note that persons referred to in paragraph (a), other than the chairperson, cannot vote on Resolution 4 as proxy unless given voting directions on the proxy form. Please direct your proxy how to vote by crossing the 'For', 'Against' or 'Abstain' box for Resolution 4 on the proxy form. If the chairperson has been appointed as your proxy, he cannot vote on Resolution 4 in the absence of directions on how to vote unless you specifically authorise him to exercise the proxy even though the Resolution is connected directly or indirectly with the remuneration of a member of KMP. Please authorise the chairperson to do so by crossing the relevant box in the 'Important for Resolution 4' section on the proxy form.]

6. APPROVAL OF ISSUE OF SHARES TO MR BRADLEY DOWE UNDER THE GLIP - RESOLUTION 5

Resolution 5 seeks Shareholder approval for the issue of Shares to Mr Dowe based on results for years ended FY12, FY13, and FY14. A detailed summary of the terms of the GLIP are set out above.

ASX Listing Rule 10.14

ASX Listing Rule 10.14 provides that the Company must not permit the following persons to acquire securities under an employee incentive scheme without the approval of Shareholders:

- (a) a Director;
- (b) an associate of a Director; or
- (c) a person whose relationship with the Company or a person referred to in paragraph (a) or (b) above is, in ASX's opinion, such that approval should be obtained.

Mr Dowe is a Director of the Company. Accordingly, the Company is seeking Shareholder approval pursuant to ASX Listing Rule 10.14 prior to it provide Shares to Mr Dowe under the GLIP.

Disclosure requirements under ASX Listing Rule 10.15A

Under ASX Listing Rule 10.15A, the Company is required to provide the following information to Shareholders to allow them to assess the proposed issue of Shares to Mr Dowe under the GLIP:

Number of securities to be issued

As set out above, the number of Shares that may be issued or transferred to Mr Dowe under the GLIP will be determined primarily by reference to the achievement by the Company of a NPBT in excess of the required performance hurdle (which in turn will determine the size of the GLIP bonus pool) and the number and level of each executive manager's participation in that bonus pool. In each year, however, the level of Mr Dowe's participation in the GLIP bonus pool will be capped at 130% of his base salary.

Further, as only 50% of Mr Dowe's participation in the GLIP bonus pool will be satisfied by the issue of Shares, the maximum number of Shares able to be issued to Mr Dowe in any one year would be the number equal in value (based on the 5 day trading volume weighted average sale price of the Shares in the period immediately preceding the date of issue the Shares) to (130% of his base salary) x 3 x 50% (assuming the Company continues to utilise the limited recourse loan option under the GLIP).

For example, in the current financial year:

- if the maximum amount possible under the GLIP was transferred to the bonus pool;
- Mr Dowe participated in that GLIP bonus pool payment to his maximum level (130% of his base salary); and
- the Company elected to utilise the limited recourse loan option within the GLIP,

Mr Dowe would be entitled to receive Shares worth up to 130% of his base salary. For FY12, the maximum number of shares which could be issued to Mr Dowe would be 3,650,250 shares, and then only if the NPBT for FY12 was 82% of the NPBT for FY11.

Issue price

The share price will be determined based on the market price on the date the Shares are acquired, or the 5 day trading volume weighted average sale price of the Shares up to the date of issue (where the Company issues new shares), at the discretion of the Board under the GLIP in August / September 2012. In future years, he would have an entitlement to Shares determined in a similar manner by the Company under the GLIP rules.

Limited Recourse Loan

The Company intends to provide a limited recourse loan, bearing interest at the Company's average rate of borrowing, to Mr Dowe for the sole purpose of him acquiring Shares offered under the GLIP at their market value at the date of acquisition. Details of loan terms are set out above under Resolution 4.

Date of issue

Shares will be issued no later than 3 years after the date of the Meeting. Details of any securities issued under the GLIP (and that approval of the issue of those securities was obtained under ASX Listing Rule 10.14) will be published in each annual report of the Company relating to the period in which the securities were issued.

Persons issued securities under the GLIP or entitled to participate in GLIP

The Board has determined that the following persons are entitled to participate in the GLIP:

- (a) Mr Dowe;
- (b) other senior executives within the senior decision making management team of the Legend Group, including, but not limited to, the chief financial officer, the group marketing manager and the general manager national sales.

As at the date of this Explanatory Statement, no securities have been issued under the GLIP.

Any additional persons who are not named above, either personally or by reference to the executive office that such persons hold within the Legend Group and who become entitled to participate in the GLIP and for whom approval is required to be obtained by Shareholders under ASX Listing Rule 10.14, will not participate until such approval is obtained under ASX Listing Rule 10.14.

Directors' Recommendation

Mr Dowe declines to make a recommendation to Shareholders in relation to Resolution 5 due to his material personal interest in the outcome of the Resolution. The independent Directors who form the Remuneration Committee (and who do not have a material interest in the outcome of Resolution) have sought independent advice from KPMG concerning the running of this program and based on that advice,, , recommend that Shareholders vote in favour of Resolution 5.

Voting Exclusion Statement – Resolution 5

Pursuant to ASX Listing Rule 14.11, the Company will disregard any votes cast on Resolution 5 by any Director (except a Director who is ineligible to participate in any employee incentive scheme in relation to the entity) and any associate of any Director.

However, and subject to the provisions of section 250BD of the Corporations Act, the Company need not disregard a vote if:

- 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
- 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.

Proxy Prohibition Statement – Resolution 5

In accordance with section 250BD of the Corporations Act, a person appointed as a proxy must not vote, on the basis of that appointment, on Resolution 5 if:

- a) the proxy is either:
 - a member of KMP; or
 - a Closely Related Party of a member of KMP; and
- b) the appointment does not specify the way the proxy is to vote on Resolution 5.

However, the above prohibition does not apply if:

- c) the proxy is the chairperson of the Meeting; and
- d) the chairperson's appointment expressly authorises the chairperson to exercise the proxy even though the resolution is connected with the remuneration of a member of KMP

[Please note that persons referred to in paragraph (a), other than the chairperson, cannot vote on Resolution 5 as proxy unless given voting directions on the proxy form. Please direct your proxy how to vote by crossing the 'For', 'Against' or 'Abstain' box for Resolution 5 on the proxy form. If the chairperson has been appointed as your proxy, he cannot vote on Resolution 5 in the absence of directions on how to vote unless you specifically authorise him to exercise the proxy even though the Resolution is connected directly or indirectly with the remuneration of a member of KMP. Please authorise the chairperson to do so by crossing the relevant box in the 'Important for Resolution 5' section on the proxy form.]

7. APPROVAL OF THE GIVING OF FINANCIAL ASSISTANCE BY SUBSIDIARIES - RESOLUTION 6

The share acquisitions

Under the Letters of Offer, the Company acquired the entire issued ordinary share capital of MSS Power Systems Pty Ltd ACN 082 835 292, MSS Fibre Systems Pty Ltd ACN 102 221 698 and MSS Power & Fibre Systems Pty Ltd ACN 113 923 079 (the **MSS Group**).

The acquisition by the Company of the share capital of MSS Group was subject to certain conditions precedent being satisfied. Those conditions precedent were either satisfied or waived, and completion of the acquisitions occurred on or about 1 July 2011.

After completion of the acquisitions of the shares, each MSS Group company became a subsidiary of the Company.

Sections 260A and 260B of the Corporations Act

Under section 260A of the Corporations Act, a company may financially assist a person to acquire shares (or units of shares) in the company or a holding company of the company only if:

- (a) giving the assistance does not materially prejudice:
 - (i) the interests of the company or its shareholders; or
 - (ii) the company's ability to pay its creditors; or
- (b) the assistance is approved by shareholders under section 260B; or
- (c) the assistance is exempted under section 260C.

Common examples of a company financially assisting a person to acquire its shares include that company issuing a debenture, giving other security over the company's assets and/or giving a guarantee or indemnity in to secure a loan or other indebtedness used by the acquirer for the purpose of the acquisition.

The financial assistance

As part of the arrangements to acquire the shares in each of the MSS Group companies, the Company has arranged term facilities of approximately A\$28,200,000 under a facilities agreement between National Australia Bank Limited ABN 12 004 044 937, the Company, the MSS Group and others (**Financial Accommodation**).

In order for the Company to secure the Financial Accommodation, among a large number of requirements, each MSS Group company is required to:

- (a) execute the Facilities Agreement as an obligor;
- (b) give an interlocking guarantee and indemnity for the repayment of money that may become owing, and to secure (among other things) each obligor's obligations under the Facilities Agreement; and
- (c) to secure its obligations under the Facilities Agreement, execute a fixed and floating charge or charges over its assets and undertaking,

and each MSS Group company may be required to execute, or accede to, any document ancillary to, or in connection with, the Facilities Agreement and any guarantee, indemnity or security interest given in connection with, or ancillary to, the Facilities Agreement and any related document.

The Company expects to arrange refinancing and additional financing facilities (including working capital facilities) of an amount to be determined in the future, from time to time. In order to secure and regulate the obligations of the Company and any applicable subsidiary or related entity of it in relation to new financing facilities, each MSS Group company may be required, from time to time, to:

- (a) execute, or accede to, a new facilities agreement as an obligor:
 - (i) on substantially the same terms as the Facilities Agreement; or
 - (ii) on terms approved by the Board or members (or both) at the relevant time;
- (b) give one or more of a guarantee, indemnity or security interest over its assets (whether by way of mortgage, fixed or floating (or both) charge or otherwise) to secure each obligor's obligations under any new facilities agreement and any related document; and
- (c) execute, or accede to, any document in connection with, or ancillary to, any new facilities agreement or guarantee, indemnity or security interest given in connection with any new facilities agreement and any related document.

Each MSS Group company may also be required in the future to execute, or accede to:

- (a) an inter-creditor deed;
- (b) a subordination deed; or
- (c) a security trust deed,

to (among other things) regulate the rights of the parties under, or deriving rights in connection with, the Finance Documents.

The MSS Group's obligations under each Finance Document are significant. Those obligations include:

- (a) unconditionally and irrevocably guaranteeing the performance of the obligations (including payment obligations) of the Company and any applicable subsidiary or related entity of it under the Finance Documents from time to time;
- (b) indemnifying each Finance Party and other parties against any liability, loss or cost incurred by them under, or in connection with, the Finance Documents; and
- (c) giving security interests over its assets to secure its obligations and the obligations of the Company or any applicable subsidiary or related entity of it under the Finance Documents from time to time.

As part of the funds available to the Company under the Financial Accommodation were used by the Company to complete the acquisition of the shares of the MSS Group companies, the agreement of each MSS Group company to entering into, and performing its obligations under, the Finance Documents will constitute the giving of financial assistance by each of them in relation to the acquisition of their shares. As the giving of the financial assistance will materially prejudice the ability of each MSS Group company to pay its creditors, under section 260A and 260B of the Corporations Act, the financial assistance must be approved by a special resolution of the Company.

Reasons for the financial assistance

The Company entered into the Facilities Agreement in order to complete its acquisition (by a purchase of shares) of the MSS Group and to provide working capital for the business of the MSS Group and the Company and related companies.

Effects of the financial assistance

The giving of the guarantee and indemnity, and any security in connection with the Financial Accommodation, will impact on the ability of each MSS Group company to borrow money in the future and, as such, it is possible that this could materially prejudice the interests of the each MSS Group company and its shareholders. It is also likely, if viewed in isolation, that the arrangements underpinning the Financial Accommodation will material prejudice the ability of each MSS Group company to pay its creditors.

However, the Company (as the new ultimate holding company of the MSS Group) believes strongly that the Financial Accommodation is in the best interests of the Company and the Legend Group (taken as a whole) and, if viewed in totality, is beneficial to the Legend Group and does not material prejudice the ability of the members of the Legend Group, including each MSS Group company, to pay its creditors.

The assessment of material prejudice has quantitative and qualitative elements.

The quantitative element involves an assessment of the impact of the Finance Documents on each MSS Group company's balance sheet, future profits and future cash flows. The prejudice to each MSS Group company's ability to pay its creditors relates to the guarantees and indemnities and security interests to be provided by each MSS Group company under the Finance Documents. If the Company or any applicable subsidiary or related entity of it defaults under the Finance Documents, any one or more of the Finance Parties may decide to make a demand under the Finance Documents (including by a call on a guarantee and indemnity or enforcement of security given by the Company (or both)). Accordingly, each MSS Group company will be liable for the default of the Company or any applicable subsidiary or related entity of it under the Finance Documents.

The qualitative aspect requires an assessment of all the interlocking elements of the commercial transaction as a whole to determine where the net balance of financial advantage lies. The Directors of the Company consider that the acquisition of the shares by the Company is to the benefit of the MSS Group and promotes the interests of the MSS Group. This is on the basis that the MSS Group will inherit committed shareholders who will be focussed on the performance of the MSS Group and its business.

The Directors of the Company do not currently have any reason to believe that the Company (or any applicable subsidiary or related entity of it) is likely to default in its obligations under the Finance Documents.

However, if a Finance Party becomes entitled to enforce any of its rights under a Finance Document because the Company or any applicable subsidiary or related entity of it defaults, the enforcement may materially prejudice the interests of each MSS Group company or its shareholders. On enforcement, among other rights, a Finance Party may become entitled to procure the sale of the assets of each MSS Group company. The sale of assets on enforcement may yield a return to the MSS Group company (and ultimately its shareholders) significantly lower than could have been achieved by the MSS Group company had those assets been otherwise sold. This may materially prejudice the interests of the each MSS Group company and its shareholders.

Accordingly, the Directors have decided to refer the proposal to shareholders for approval under section 260B of the Corporations Act in light of the guarantee, indemnity and security that is to be provided by the MSS Group under the Finance Documents.

Recommendation of directors

The Directors recommend that Shareholders vote in favour of Resolution 6 for the reasons set out above. Under section 260B(2) of the Corporations Act, shareholder approval for financial assistance by the MSS Group must be approved by special resolution passed at a general meeting of the Company.

Notice to ASIC

Copies of the notice to members of Resolution 6 and this section of the Explanatory Statement relating to Resolution 6 were lodged with the Australian Securities and Investments Commission before being sent to the members, in accordance with section 260B(5) of the Corporations Act.

Disclosure of information

The Directors consider that this Explanatory Statement contains all material information known to the Company that could reasonably be required by the members in deciding how to vote on Resolution 6, other than information that it would be unreasonable to require the Company to disclose because the Company has previously disclosed the information to its members.

8. GLOSSARY

In this Notice and Explanatory Statement:

Annual General Meeting or **Meeting** means the annual general meeting of the Company to be held on 19 October 2011.

AEST means Australian Eastern Standard Time.

ASIC means the Australian Securities & Investments Commission.

ASX means ASX Limited ACN 008 624 691.

ASX Listing Rules or **Listing Rules** means the Listing Rules of the ASX.

Board means the board of Directors of the Company.

Business Day has the same meaning as in the ASX Listing Rules.

Closely Related Party means, in relation to a member of a KMP, any of the following:

- a spouse, child or dependant of the member;
- a child or dependant of the member's spouse;
- anyone else who is one of the member's family and may be expected to influence, or be influenced by, the member in the member's dealings with the Company;
- a company the member controls; or
- a person prescribed by regulations (as at the date of this notice, no additional persons have been prescribed by regulation).

Company means Legend Corporation Limited ABN 69 102 631 087.

Corporations Act means *Corporations Act 2001* (Cth).

Director means a director of the Company.

Explanatory Statement means this document which accompanies, and is incorporated as part of the Notice.

Facilities Agreement means the facilities agreement between National Australia Bank Limited ABN 12 004 044 937, the Company, the MSS Group and others.

Finance Documents means the Facilities Agreement and each document referred to in paragraph 3 (headed 'The financial assistance') of the section titled 'Resolution 6 – Approval of the giving of financial assistance by companies that are subsidiaries of the company' in the Explanatory Statement.

Financial Accommodation means the financial accommodation provided by National Australia Bank Limited ABN 12 004 044 937 to the Company (and its subsidiaries and controlled entities, including the MSS Group) under the Facilities Agreement (and Finance Documents generally).

Finance Party means each financier, arranger, agent, trustee or security trustee under the Finance Documents.

GLIP means the Group Level Incentive Program, the terms of which are summarised in this Explanatory Statement.

KMP means those persons having authority and responsibility for planning, directing and controlling the activities of the Company, whether directly or indirectly. Members of key management personnel include its directors (both executive and non-executive) and certain senior executives.

Letters of Offer means:

- a) the Letter of Offer between the Company and MSS Power Systems Pty Ltd dated 23 March 2011; and
- (b) the Letter of Offer between the Company and MSS Fibre Systems Pty Ltd and MSS Power & Fibre Systems Pty Ltd dated 21 March 2011.

MSS Group means MSS Power Systems Pty Ltd, MSS Fibre Systems Pty Ltd and MSS Power & Fibre Systems Pty Ltd.

Notice or **Notice of Meeting** means this Notice of Annual General Meeting and the accompanying Explanatory Statement.

Resolution means a resolution set out in the Notice.

Share means a fully paid ordinary share in the capital of the Company.

Shareholder means a holder of Shares.

NOTES

1. Name and Address

This is the name and address on the Share Register of Legend Corporation Limited. If this information is incorrect, please make corrections on this form. Shareholders sponsored by a broker should advise their broker of any changes. Please note that you cannot change ownership of your shares using this form.

2. Appointment of a Proxy

If you wish to appoint the Chairperson of the Meeting as your Proxy please mark "X" in the box in Section A. Please also refer to Section B of this proxy form and ensure you mark the box in that section if you wish to appoint the Chairperson as your Proxy.

If the person you wish to appoint as your Proxy is someone other than the Chairperson of the Meeting please write the name of that person in Section A. If you leave this section blank, or your named Proxy does not attend the meeting, the Chairperson of the Meeting will be your Proxy. A Proxy need not be a Shareholder of Legend Corporation Limited.

3. Directing your Proxy how to vote

To direct the Proxy how to vote place an "X" in the appropriate box against each item in Section B. Where more than one Proxy is to be appointed and the proxies are to vote differently, then two separate forms must be used to indicate voting intentions.

4. Appointment of a Second Proxy

You are entitled to appoint up to two (2) 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 +61 8 9315 2333 or you may photocopy this form.

To appoint a second Proxy you must:

- (a) On each of the Proxy forms, state the percentage of your voting rights or number of securities 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 of your votes; and
- (b) Return both forms in the same envelope.

5. Signing Instructions

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

Joint Holding: where the holding is in more than one name, all of the Shareholders must sign.

Power of Attorney: to sign under Power of Attorney you must have already lodged this document with the Company's share 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 may sign alone. Otherwise this form must be signed by a Director jointly with either another Director or Company Secretary. Please indicate the office held in the appropriate place.

If a representative of the corporation is to attend the meeting the appropriate "Certificate of Appointment of Corporate Representative" should be lodged with the Company before the meeting or at the registration desk on the day of the meeting. A form of the certificate may be obtained from the Company's share registry.

6. Lodgement of Proxy

Proxy forms (and any Power of Attorney under which it is signed) must be received by Security Transfer Registrars Pty Ltd no later than 12:00 pm (AEST) on Monday 17 October 2011, being 48 hours before the time for holding the meeting. Any Proxy form received after that time will not be valid for the scheduled meeting.

Security Transfer Registrars Pty Ltd
PO BOX 535
Applecross, Western Australia 6953

Street Address:
Alexandrea House, Suite 1
770 Canning Highway
Applecross, Western Australia 6153

Telephone +61 8 9315 2333

Facsimile +61 8 9315 2233

Email registrar@securitytransfer.com.au

PRIVACY STATEMENT

Personal information is collected on this form by Security Transfer Registrars Pty Ltd as the registrar for securities issuers for the purpose of maintaining registers of securityholders, facilitating distribution payments and other corporate actions and communications. Your personal details may be disclosed to related bodies corporate, to external service providers such as mail and print providers, or as otherwise required or permitted by law. If you would like details of your personal information held by Security Transfer Registrars Pty Ltd or you would like to correct information that is inaccurate please contact them on the address on this form.