

**NOTICE OF ANNUAL GENERAL MEETING**

Notice is hereby given that the twenty-fifth annual general meeting of members of Cedar Woods Properties Limited will be held at 11.00am on 2 November 2012 at Kings Park Function Centre, Fraser Avenue, West Perth, Western Australia, 6005 to conduct the following business and to consider, and if thought fit, pass the following resolutions.

**AGENDA**

**1. Ordinary Business**

To receive and consider the financial report for the year ended 30<sup>th</sup> June 2012 and the accompanying directors' report, directors' declaration and auditor's report.

**2. Ordinary Resolution**

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

**Ratification of Share Issue**

Ordinary Resolution 1

That for the purposes of ASX Listing Rule 7.4 and for all other purposes, Shareholders hereby ratify and authorise the allotment and issue of 7,250,000 fully paid ordinary Shares to institutional investors on the terms and conditions set out in the Explanatory Memorandum accompanying this Notice.

**Voting exclusion statement:** The Company will disregard any votes cast on this Resolution by any person who participated in the issue and any associate of those persons. However, the Company need not disregard a vote if it is cast by a person as a 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.

**3. Ordinary Resolution**

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

**Re-election of retiring director**

Ordinary Resolution 2

That William G Hames, BArch (Hons) MCU Harvard LFRAIA, MPIA, FAPI (Econ) having retired in accordance with the company's constitution and, being eligible, offers himself for re-election, be re-elected as a director of the company.

#### 4. Ordinary Resolution

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

##### Remuneration report

##### Ordinary Resolution 3

That the remuneration report that forms part of the directors' report for the financial year ended 30 June 2012, be adopted.

The remuneration report is set out in the directors' report on pages 8 - 14 of the 2012 financial report. Please note that the vote on this resolution is advisory only and does not bind the directors or the company.

#### 5. Ordinary Resolution

If at least 25% of the votes cast on Ordinary Resolution 3 are against that resolution, to consider, and if thought fit, pass the following resolution:

##### Board spill resolution

##### Ordinary Resolution 4

That:

- A specially convened general meeting (“**the Spill Meeting**”) be held within 90 days; and
- All directors of the company who:
  - Were directors of the company when the resolution by the directors to make the directors' report considered at this, the 25<sup>th</sup> Annual General Meeting of the company was passed; and
  - Are not a managing director who may continue to hold office indefinitely without being re-elected to the office in accordance with the ASX Listing Rules; cease to hold office immediately before the end of the Spill Meeting; and
- Resolutions to appoint persons to offices that will be vacated before the end of the Spill Meeting must be put to the vote at the Spill Meeting.

By Order of the Board



**P S Freedman**  
**Secretary**

28 September 2012

## VOTING BY PROXY

- (a) Each shareholder has the right to appoint a proxy to attend and vote for the shareholder at this meeting.
  - (b) To enable a shareholder to divide their voting rights, a shareholder may appoint two proxies. Where two proxies are appointed, the Proxy Form should specify the proportion, or the number of votes that each proxy may exercise, and if it does not do so each proxy may exercise half of the votes.
  - (c) A shareholder can appoint any other person to be their proxy. A proxy need not be a shareholder of the company. The proxy appointed can be described in the Proxy Form by an office held, for example “the Chair of the Meeting”.
  - (d) In the case of shareholders who are individuals, the Proxy Form must be signed or otherwise authenticated in a manner prescribed by the Corporations Regulations:-
    - i. if the shares are held by one individual, by that shareholder;
    - ii. if the shares are held in joint names, by any one of them.
  - (e) In the case of shareholders who are companies, the Proxy Form must be signed or authenticated:-
    - i. if it has a sole director who is also a sole company secretary, by that director (and stating that fact next to, or under, the signature on the Proxy Form);
    - ii. in the case of any other company, by either two directors or a director and company secretary.
- The use of the common seal of the company, in addition to those required signatures, is optional.
- (f) If the person signing or otherwise authenticating the Proxy Form is doing so under power of attorney, or is an officer of a company outside of (e) above but authorised to sign or authenticate the Proxy Form, the power of attorney or other authorisation (or a certified copy of it) as well as the Proxy Form, must be received by the company by the time and at the place in (k) below.
  - (g) Section 250BB of the Corporations Act restricts voting at the meeting by the Chair or other holder of a directed proxy as follows:
    - (i) A proxy need not vote on a show of hands, but if the proxy does so, the proxy must vote as directed;
    - (ii) 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;
    - (iii) If the proxy is the chair of the meeting, the proxy must vote on a poll and must vote as directed; and
    - (iv) If the proxy is not the chair, the proxy need not vote on the poll, but if the proxy does so, the proxy must vote as directed.

If a proxy is also a member the above provisions do not affect the way that the person can cast any votes they hold as a member.

- (h) Section 250BC of the Corporations Act deems the Chair to have been appointed proxy in the following circumstances in respect of votes on a resolution at the meeting:

If:

  - (i) An appointment of a proxy specifies the way the proxy is to vote on a particular resolution; and
  - (ii) The appointed proxy is not the chair of the meeting; and
  - (iii) At the meeting a poll is duly demanded on the resolution; and

(iv) Either:

- A. If a record of attendance is made for the meeting – the proxy is not recorded as attending;
- B. The proxy does not vote on the resolution;

The chair 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.

- (i) In relation to voting on or after 1 August 2011, whether the resolution relates to a time before, on or after that date, Section 250BD of the Corporations Act will prevent key management personnel within the corporate group and their closely related parties from voting undirected proxies on a resolution connected with key management personnel remuneration.
- (j) Pursuant to Subsections 250R(4),(6), (7), (8), (9) and (10) of the Corporations Act, subject to Subsection 250R(5), members of key management personnel (and their closely related parties) will be prohibited from voting – either personally or by undirected proxy - on Resolution 3 and Resolution 4 at the annual general meeting.
- (k) Subsection 250R(5) of the Corporations Act provides that a member of the key management personnel details of whose remuneration are included in the remuneration report (and their closely related parties) (“**the voter**”) may cast a vote on Resolution 3 and Resolution 4 at the annual general meeting as a proxy if the vote is not cast on behalf of such a member of the key management personnel (or their closely related party) and either:
  - The voter is appointed as a proxy by writing that specifies the way the proxy is to vote on the resolution; or
  - The voter is the chair of the meeting and the appointment of the chair as proxy does not specify the way the proxy is to vote on the resolution and expressly authorises the chair to exercise the proxy even if the resolution is connected directly or indirectly with the remuneration of a member of the key management personnel for the company, or, if the company is part of a consolidated entity, for the entity.
- (l) A Proxy Form accompanies this notice. To be effective Proxy Forms (duly completed and signed) may be lodged:

**By post to** - Computershare Investor Services Pty Limited, GPO Box 242, Melbourne, Victoria 3001 or within the supplied reply paid envelope.

**By hand to** – Cedar Woods Properties Limited, Ground Floor, 50 Colin Street, West Perth WA 6005

**By Fax** – 1800 783 447 (Within Australia)  
+ 61 3 9473 2555 (Outside Australia)

**BY Email** - at the email address: [email@cedarwoods.com.au](mailto:email@cedarwoods.com.au). If you wish to lodge a proxy electronically, it will be necessary to scan an image of a signed proxy form and email that image of the proxy form with the signature(s) affixed.

**Online** – [www.investorvote.com.au](http://www.investorvote.com.au)

no later than 48 hours before the time of the holding of the meeting.

**Online Voting** – Shareholders may submit their proxy instructions electronically to the Company’s Share Registrar, Computershare Investor Services Pty Ltd, by visiting [www.investorvote.com.au](http://www.investorvote.com.au) and following the instructions given there. You will be taken to have signed your proxy form if you lodge it in accordance with the instructions given on the website.

## **SHAREHOLDERS WHO ARE ENTITLED TO VOTE**

In accordance with regulations 7.11.37 and 7.11.38 of the Corporations Regulations 2001, the directors have determined that a person's entitlement to vote at the meeting will be the entitlement of that person set out in the register of members as at 5.00pm Perth time (7.00pm Sydney time) on 31 October 2012.

The vote on the Resolutions will be by a show of hands, unless a poll is demanded. On a show of hands each shareholder present in person or by proxy has one vote. On a poll each shareholder present in person or by proxy has one vote for each share in Cedar Woods Properties Limited.

## EXPLANATORY MEMORANDUM

This Explanatory Memorandum forms part of a Notice convening a meeting of members of the company to be held on 2 November 2012 commencing at 11.00 am. This memorandum is to assist shareholders in understanding the background to and the legal and other implications of the Notice and the reason for the resolutions proposed. Certain terms used in this Explanatory Memorandum are defined in Section 5.

### 1. ORDINARY BUSINESS ITEM 1

As required by section 317 of the Corporations Act 2001, the financial report for the year ended 30<sup>th</sup> June 2012 and the accompanying directors' report, directors' declaration and auditor's report will be laid before the meeting. *Neither the Corporations Act nor the company's constitution requires a vote on the reports. However, shareholders will have an opportunity to ask questions about the report at the AGM.*

### 2. ORDINARY BUSINESS ITEM 2

#### (a) Ratification of Share Issue

On 4 April 2012 the Company announced that it has successfully placed 7.25 million Shares to institutional investors to raise \$25 million (before costs). The Shares were placed to institutional investors by joint managers RBS Morgans and Euroz Securities Limited. The placement, which was oversubscribed, was well supported by existing institutional shareholders of the Company and also provided for the introduction of a number of new institutional investors to the Company's register.

The reason for the placement was to provide for working capital and growth initiatives including:

- The launching of new projects in Western Australia and Victoria to deliver earnings in the 2013 financial year and future years;
- The development of the Williams Landing Town Centre in Victoria;
- The ongoing acquisition program to support future growth; and
- Maintaining a strong, conservatively-gearred balance sheet.

(b) **Listing Rule 7.4**

Listing Rule 7.1 limits the capacity of the Company to issue securities without the approval of its Shareholders. In broad terms, the rule provides that a company may not, within a 12 month period, issue securities equal to greater than 15% of the total number of ordinary securities on issue at the beginning of the 12 month period unless the issue is approved by shareholders or the issue otherwise comes within one of the exceptions to Listing Rule 7.1.

The Shares described in this Section 2 were issued within the 15% limit permitted under Listing Rule 7.1 without Shareholder approval. Ratification of this issue by Shareholders is now sought under Listing Rule 7.4 to restore the Company's 15% placement capacity.

(c) **Specific Information Required by Listing Rule 7.5**

In accordance with Listing Rule 7.5 the following information is provided:

***The number of securities allotted***

7,250,000 Shares were allotted.

***The price at which the securities were issued***

The Shares were issued for \$3.45 each.

***The terms of the securities***

The Shares are fully paid ordinary shares and rank equally in all respects with all other fully paid ordinary shares in the Company, except to the extent that the Shares the subject of Resolution 1 were not eligible to participate in the April 2012 interim dividend, for which the record date was 4 April 2012.

***The names of the allottees or the basis on which allottees were determined***

The allottees were institutional investors who were clients of the joint managers of the placement, RBS Morgans and Euroz Securities Limited.

### ***The use (or intended use) of the funds raised***

The funds raised will be used for:

- The launching of new projects in Western Australia and Victoria to deliver earnings in the 2013 financial year and future years;
- The development of the Williams Landing Town Centre in Victoria;
- The ongoing acquisition program to support future growth;
- Maintaining a strong, conservatively-gearred balance sheet; and
- To provide working capital.

### ***A voting exclusion statement***

A voting exclusion statement is included in this Notice.

## **3. ORDINARY BUSINESS ITEM 3**

### **(a) Ordinary Resolution 2**

William G Hames, BArch (Hons) MCU Harvard LFRAIA, MPIA, FAPI (Econ) having retired in accordance with the company's constitution and, being eligible, offers himself for re-election.

Mr Hames is a co-founder of Cedar Woods Properties Limited. He is an architect and town planner by profession, and received a Masters Degree in City Planning and Urban Design from the Harvard Graduate School of Design, at Harvard University in Boston. He worked in the US property development market before returning to Australia in 1975 and establishing Hames Sharley Australia, an architectural and town planning consulting company. Mr Hames brings substantial property experience to the Board upon which he has served as a director for twenty-two years.

Mr Hames has a relevant interest in 9,314,668 ordinary shares in Cedar Woods Properties Limited, as defined by sections 608 and 609 of the Corporations Act, 2001.

### **(b) Directors' recommendation on Resolution 2**

The other directors unanimously support the re-election of Mr William Hames under Resolution 2.



#### 4. ORDINARY BUSINESS ITEMS 4 and 5

##### (a) Ordinary Resolution 3

Shareholders are asked to adopt the company's remuneration report. The remuneration report is set out in the directors' report on pages 8 to 14 of the 2012 financial report. The remuneration report:

- Describes the policies behind, and structure of, the remuneration arrangements of the company and the link between the remuneration of directors and executives and the company's performance.
- Sets out the remuneration arrangements in place for each director and for the other key management personnel of the company.
- Explains the differences between the base remuneration for non-executive directors and executives, including the Managing Director.

A reasonable opportunity for discussion of the remuneration report will be provided at the annual general meeting. The vote on this resolution is advisory only, and does not bind the directors or the company.

Under recently introduced amendments to the Corporations Act if:

- (a) At an Annual General Meeting ("**the later AGM**") at least 25% of the votes cast on a Resolution that the remuneration report be adopted are against the adoption of the Remuneration Report; and
- (b) At least 25% of the votes cast at the immediately preceding Annual General Meeting ("**the earlier AGM**") on a resolution that the remuneration report be adopted under Sub-section 250R(2) of the Corporations Act were against the adoption of the Report;
- (c) No "spill resolution" was put at the earlier AGM;

Then a “Board Spill” resolution must be put at the later AGM. The “Board Spill” resolution must be that:

- A specially convened general meeting (“**the Spill Meeting**”) be held within 90 days; and
- All Directors who:
  - Were directors of the company when the resolution by the Directors to make the Directors’ report considered at the later AGM was passed; and
  - Are not a managing director of the company who may continue to hold office indefinitely without being re-elected to the office in accordance with the ASX Listing Rules;cease to hold office immediately before the end of the Spill Meeting; and
- Resolutions to appoint persons to offices that will be vacated immediately before the end of the Spill Meeting must be put to the vote at the Spill Meeting.

At the company’s AGM held on 4 November 2011 (the earlier AGM for the purpose of the discussion above), more than 25% of the votes cast in respect of the remuneration report were against the adoption of the remuneration report.

If at least 25% of the votes cast on Resolution 3 are against the adoption of the remuneration report then the spill resolution will need to be voted upon at this year’s AGM (the later AGM for the purpose of the discussion above). The spill resolution is set out in Ordinary Resolution 4.

If less than 25% of votes cast on resolution 3 are against that resolution then resolution 4 will not be tabled at the AGM.

**(b) Ordinary resolution 4**

As noted above, shareholders will be asked to vote in relation to the "Board Spill" resolution set out in Ordinary resolution 4, only if at least 25% of the votes cast on Resolution 3 are against that resolution.

If shareholders vote in favour of Ordinary resolution 4 by a simple majority then the Spill Meeting as described above will be convened and the matters described in 3(a) above will be transacted at the Spill Meeting.

Shareholders voting by proxy may direct their proxy on how to vote on resolution 4 by marking the appropriate box on the proxy form, in case Resolution 4 is tabled at the meeting.

**Board commentary in relation to Ordinary Resolutions 3 and 4**

At the company's 2011 Annual General Meeting, 6,077,613 eligible votes were cast against the remuneration report. This represented 26.7% of the eligible votes cast, but only 9.7% of the total shares issued, or 14.3% of the shares eligible to vote when excluding the shares of the directors, the other key management personnel and their closely related parties.

The Board of Cedar Woods takes seriously the need to ensure that executive remuneration achieves an appropriate balance between the interests of shareholders and the need to attract and retain management who have the skills and expertise necessary to drive the company forward.

In accordance with best practice the Board has in place a Human Resources and Remuneration Committee with responsibility for developing and implementing remuneration policy in line with the principles contained in this report.

In respect of the Remuneration Report for 2011, it should be noted that the company did not receive any questions related to the report either before or at the AGM. Indeed, the company had not received any specific complaints in relation to its remuneration practices during 2011. The company's remuneration practices and report structure had not changed from the previous year, when the "no vote" was only 3.7%.

However, the company did receive a number of questions at the 2011 AGM in relation to a takeover approach in March 2011. In the Board's view, the large increase in "no votes" in relation to the Remuneration Report was more likely to represent a protest vote in relation to the outcome of that approach, than a genuine expression of dissatisfaction with the company's remuneration structure or reporting.

Notwithstanding this, the Board has, consistent with best practice and its obligations under the Corporations Act, requested the Human Resources and Remuneration Committee to again consider the appropriateness of the company's remuneration structure. The Committee, having had regard to a number of factors including the size of the company, the nature of its operations and conditions in the executive employment market pertaining to its industry, and having obtained expert advice, has confirmed its view that the company's remuneration structure is reasonable and appropriate.

Further details of the long term incentive plan have been provided in this year's remuneration report in response to shareholder feedback on the 2011 remuneration report.

## **5. INTERPRETATION**

In this Explanatory Memorandum:

**"Company"** means Cedar Woods Properties Limited ACN 009 259 081.

**"Explanatory Memorandum"** means this Explanatory Memorandum.

**"Listing Rules"** means the official listing rules of the ASX.

**"Notice"** means the notice of meeting dated the 28 September 2012 to which this Explanatory Memorandum is attached.

**"Resolution"** means a resolution set out in this Notice

**"Share"** means an ordinary fully paid ordinary share in the capital of the Company and

**"Shareholder"** has a corresponding meaning.

## Lodge your vote:



**Online:**

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



**By Mail:**

Computershare Investor Services Pty Limited  
GPO Box 242 Melbourne  
Victoria 3001 Australia

Alternatively you can fax your form to  
(within Australia) 1800 783 447  
(outside Australia) +61 3 9473 2555

For Intermediary Online subscribers only  
(custodians) [www.intermediaryonline.com](http://www.intermediaryonline.com)

## For all enquiries call:

(within Australia) 1300 850 505  
(outside Australia) +61 3 9415 4000

000001 000 CWP  
MR SAM SAMPLE  
FLAT 123  
123 SAMPLE STREET  
THE SAMPLE HILL  
SAMPLE ESTATE  
SAMPLEVILLE VIC 3030

## Proxy Form



Vote online or view the annual report, 24 hours a day, 7 days a week:

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



**Cast your proxy vote**



**Access the annual report**



**Review and update your securityholding**

**Your secure access information is:**

**Control Number: 999999**

**SRN/HIN: 1999999999**

**PIN: 99999**



**PLEASE NOTE:** For security reasons it is important that you keep your SRN/HIN confidential.

**For your vote to be effective it must be received by 11:00am Wednesday 31 October 2012**

### How to Vote on Items of Business

All your securities will be voted in accordance with your directions.

#### Appointment of Proxy

**Voting 100% of your holding:** Direct your proxy how to vote by marking one of the boxes opposite each item of business. If you do not mark a box your proxy may vote as they choose. If you mark more than one box on an item your vote will be invalid on that item.

**Voting a portion of your holding:** Indicate a portion of your voting rights by inserting the percentage or number of securities you wish to vote in the For, Against or Abstain box or boxes. The sum of the votes cast must not exceed your voting entitlement or 100%.

**Appointing a second proxy:** You are entitled to appoint up to two proxies to attend the meeting and vote on a poll. If you appoint two proxies you must specify the percentage of votes or number of securities for each proxy, otherwise each proxy may exercise half of the votes. When appointing a second proxy write both names and the percentage of votes or number of securities for each in Step 1 overleaf.

**A proxy need not be a securityholder of the Company.**

### Signing Instructions for Postal Forms

**Individual:** Where the holding is in one name, the securityholder must sign.

**Joint Holding:** Where the holding is in more than one name, all of the securityholders should sign.

**Power of Attorney:** If you have not already lodged the Power of Attorney with the registry, 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 sign in the appropriate place to indicate the office held. Delete titles as applicable.

### Attending the Meeting

Bring this form to assist registration. If a representative of a corporate securityholder or proxy is to attend the meeting you will need to provide the appropriate "Certificate of Appointment of Corporate Representative" prior to admission. A form of the certificate may be obtained from Computershare or online at [www.investorcentre.com](http://www.investorcentre.com) under the information tab, "Downloadable Forms".

**Comments & Questions:** If you have any comments or questions for the company, please write them on a separate sheet of paper and return with this form.

**GO ONLINE TO VOTE,  
or turn over to complete the form** →

MR SAM SAMPLE  
FLAT 123  
123 SAMPLE STREET  
THE SAMPLE HILL  
SAMPLE ESTATE  
SAMPLEVILLE VIC 3030

**Change of address.** If incorrect, mark this box and make the correction in the space to the left. Securityholders sponsored by a broker (reference number commences with 'X') should advise your broker of any changes.



I 9999999999

IND

## Proxy Form

Please mark  to indicate your directions

### STEP 1 Appoint a Proxy to Vote on Your Behalf

XX

I/We being a member/s of Cedar Woods Properties Limited hereby appoint

the Chairman of the Meeting OR

**PLEASE NOTE:** Leave this box blank if you have selected the Chairman of the Meeting. Do not insert your own name(s).

or failing the individual or body corporate named, or if no individual or body corporate is named, the Chairman of the Meeting, as my/our proxy to act generally at the Meeting on my/our behalf and to vote in accordance with the following directions (or if no directions have been given, and to the extent permitted by law, as the proxy sees fit) at the Annual General Meeting of Cedar Woods Properties Limited to be held at Kings Park Function Centre, Fraser Avenue, West Perth WA on Friday 2 November 2012 as 11:00am and at any adjournment or postponement of that Meeting.

**Chairman authorised to exercise undirected proxies on remuneration related resolutions:** Where I/we have appointed the Chairman of the Meeting as my/our proxy (or the Chairman becomes my/our proxy by default), I/we expressly authorise the Chairman to exercise my/our proxy on Resolutions 3 and 4 (except where I/we have indicated a different voting intention below) even though Resolutions 3 and 4 are connected directly or indirectly with the remuneration of a member of the key management personnel, which includes the Chairman.

**The Chairman of the Meeting intends to vote undirected proxies in favour of each Item of business with the exception of Resolution 4 where the Chairman of the Meeting will be voting against.**

**Important Note:** If the Chairman of the Meeting is (or becomes) your proxy you can direct the Chairman to vote for or against or abstain from voting on Resolutions 3 and 4 by marking the appropriate box in step 2 below.

### STEP 2 Items of Business



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

		For	Against	Abstain
Resolution 1	Ratification of Share Placement	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Resolution 2	Re-election of Retiring Director - Mr William G Hames	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Resolution 3	Adoption of the Remuneration Report	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Resolution 4	Board Spill Resolution	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

The Chairman of the Meeting intends to vote all available proxies in favour of each item of business with the exception of Resolution 4 Board Spill Resolution where the Chairman of the Meeting will be voting against.

### SIGN

#### Signature of Securityholder(s) *This section must be completed.*

Individual or Securityholder 1

Sole Director and Sole Company Secretary

Securityholder 2

Director

Securityholder 3

Director/Company Secretary

Contact Name

\_\_\_\_\_

Contact Daytime Telephone

\_\_\_\_\_

Date / / \_\_\_\_\_

CWP

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Computershare +