

## Notice of Annual General Meeting

The Annual General Meeting of Fleetwood Corporation Limited ABN 69 009 205 261 (**Company**) will be held in Meeting Room 7 on Level 2 of the Perth Convention and Exhibition Centre, 21 Mounts Bay Road, Perth, Western Australia 6000 at 9.30am on Friday, 27 November 2015.

### Agenda

1. **Chairman's Address – Michael Hardy**

2. **Directors' Report and Financial Statements**

To receive and consider the financial report of the Company for the year ended 30 June 2015, together with the directors' declaration and report and the auditor's report included in the annual report.

3. **Resolution 1 – Election of Greg Tate** (refer to Explanatory Memorandum)

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

*"That Mr. Greg Tate, who retires in accordance with the Company's constitution and is eligible for re-election, be re-elected as a director."*

4. **Resolution 2 – Remuneration Report** (refer to Explanatory Memorandum)

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

*"That the Remuneration Report for the year ended 30 June 2015 be adopted."*

5. **Resolution 3 – Issue of shares to Brad Denison, the Company's Managing Director, in accordance with the Executive Long Term Incentive Plan** (refer to Explanatory Memorandum)

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

*"That, for the purposes of ASX Listing Rule 10.14, section 200B and 200E of the Corporations Act, and for all other purposes, approval is hereby given for the Company to grant to Brad Denison 200,000 ordinary fully paid shares in the capital of the Company in accordance with the Executive Long Term Incentive Plan, approved by shareholders at the 2014 Annual General Meeting, and any benefit under the Executive Long Term Incentive Plan relating to those shares that may be given to Mr Denison in connection with any future retirement from office or employment with the Company."*

6. **Other Business**

To deal with any other business that may be considered in accordance with the constitution of the Company and the *Corporations Act*.

## Important information regarding voting on Resolution 1

### Chairman authorised to exercise undirected proxies on Resolution 1

Shareholders who appoint the Chairman as proxy (either expressly or by default) are encouraged to expressly direct the Chairman how they wish to vote in respect of **Resolution 1** by marking either 'for' or 'against' the relevant Resolution on the proxy form.

If a Shareholder appoints the Chairman or the Chairman is appointed by default and the Shareholder's proxy does not direct the Chairman how to vote in respect of **Resolution 1** then the Shareholder will have expressly authorised the Chairman to vote the Shareholder's proxy in accordance with the Chairman's stated voting intention in respect of that Resolution, being a vote in favour of Resolution 1.

## Important information regarding voting on Resolutions 2 and 3

### Chairman authorised to exercise undirected proxies on remuneration related Resolutions

Shareholders who appoint the Chairman as proxy (either expressly or by default) are encouraged to expressly direct the Chairman how they wish to vote in respect of **Resolutions 2 and 3** by marking either 'for' or 'against' the relevant Resolution on the proxy form.

If a Shareholder appoints the Chairman or the Chairman is appointed by default and the Shareholder's proxy does not direct the Chairman how to vote in respect of **Resolutions 2 and 3** then the Shareholder will have expressly authorised the Chairman to vote the Shareholder's proxy in accordance with the Chairman's stated voting intention in respect of that Resolution, being a vote in favour of Resolutions 2 and 3 (as applicable). This express authorisation acknowledges that the Chairman may vote the Shareholder's proxy even if the Resolution is connected directly or indirectly with the remuneration of a member of Key Management Personnel.

## Voting prohibitions under the Corporations Act

Because Resolutions 2 and 3 relate to the potential remuneration of the Key Management Personnel of the Company, the Corporations Act requires that the following people are prohibited from voting on the respective Resolutions:

Resolution	People prohibited from voting
<b>Resolution 2</b>	<p>The following people are prohibited from voting in any capacity:</p> <ul style="list-style-type: none"><li>(a) members of the Key Management Personnel details of whose remuneration are included in the Remuneration Report for the year ended 30 June 2015; and</li><li>(b) Closely Related Parties of those members.</li></ul> <p>However, that person may vote as a proxy if the vote is cast on behalf of a person who is not mentioned above as being prohibited from voting and either:</p> <ul style="list-style-type: none"><li>(c) the person is appointed as a proxy by writing that specifies the way the proxy is to vote on the Resolution; or</li><li>(d) the person is the Chairman and the appointment expressly authorises the Chairman to exercise the proxy in respect of the Resolution even if the Resolution is connected directly or indirectly with remuneration of a member of the Key Management Personnel.</li></ul>
<b>Resolution 3</b>	<p>The following people are prohibited from voting in any capacity:</p> <ul style="list-style-type: none"><li>(a) Brad Denison; and</li><li>(b) any of his associates.</li></ul> <p>However, that person may vote as a proxy if the vote is cast on behalf of a person who is not mentioned above as being prohibited from voting, and the person is appointed as a proxy by writing that specifies the way the proxy is to vote on the Resolution.</p> <p>The following people are also prohibited from voting as proxy where the appointment does not specify the way the proxy is to vote on the relevant Resolution:</p> <ul style="list-style-type: none"><li>(a) members of the Key Management Personnel; and</li><li>(b) Closely Related Parties of those members.</li></ul> <p>However, the Chairman may vote as proxy where the appointment does not specify the way the proxy is to vote on the relevant Resolution and expressly authorises the Chairman to exercise the proxy in respect of the Resolution even if the Resolution is connected directly or indirectly with remuneration of a member of the Key Management Personnel.</p>

## Voting exclusions under the Listing Rules

In accordance with Listing Rule 14.11, the Company will disregard any votes on Resolution 3 cast by or on behalf of the following persons:

Resolution	People excluded from voting
Resolution 3	Brad Denison and his associates.

However, the Company need not disregard a vote if:

- (a) 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
- (b) it is cast by the Chairman 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.

## Proxies

A Shareholder has the right to appoint a proxy, who need not be a Shareholder of the Company. If a Shareholder is entitled to cast two or more votes they may appoint two proxies and may specify the percentage of votes each proxy is appointed to exercise. To vote by proxy, please go online to [www.investorvote.com.au](http://www.investorvote.com.au) or return the enclosed proxy form via post to the share registry of the Company which is Computershare Investor Services Pty Limited, GPO Box 242 Melbourne, Vic 3001 or by facsimile on 1800 783 447 or from overseas on +61 3 9473 2555 no later than 48 hours before the commencement of the meeting. For intermediary online subscribers (custodians), please visit [www.intermediaryonline.com](http://www.intermediaryonline.com).

In light of the important information highlighted in this document regarding the Chairman's ability to vote undirected proxies, any Shareholder in doubt as to how to complete or the procedure for completing a proxy form is encouraged to contact either the Company or Computershare to discuss their concerns.

## Voting Entitlements

The Board has determined in accordance with the Company's Constitution and the Corporations Act that a shareholder's voting entitlement at the meeting will be the entitlement shown in the register of members as at 7.00pm (Sydney time) on 25 November 2015.

## Electronic Delivery

By corresponding with you electronically, Fleetwood is able to reduce costs and provide more timely information. Information such as Notice of Meeting, Online Proxy and Dividend Advice can be accessed through web address links that will be sent to you via email. You will also be able to update certain information relating to your shareholding such as Tax File Number Notification, Direct Credit Instruction and Change of Address. To register your email address, go to [www.computershare.com](http://www.computershare.com). The default method for receiving an annual report is via the Company's website. Accordingly, if you have not requested a printed copy of the annual report, you can now download your 2015 Annual Report at [www.fleetwoodcorporation.com.au](http://www.fleetwoodcorporation.com.au).

If you have any questions about your security holding, please contact Computershare Investor Services Pty Ltd on (08) 9323 2000 or visit their website at [www.computershare.com](http://www.computershare.com).

By order of the Board



Yanya O'Hara  
Company Secretary  
30 September 2015

## Explanatory Memorandum

This Explanatory Memorandum has been prepared for the information of Shareholders in connection with the business to be conducted at the Annual General Meeting of the Company to be held on Friday, 27 November 2015.

The Directors recommend Shareholders read this Explanatory Memorandum and the Notice of Annual General Meeting in full before making any decision in relation to the Resolutions. Terms used in this Explanatory Memorandum will, unless the context otherwise requires, have the meaning given to them in the glossary contained in this Explanatory Memorandum.

### Financial Statements, Directors' Report and Auditor's Report – 2015 Annual Report

Shareholders will be provided with a reasonable opportunity to ask questions or make statements in relation to the Company's Annual Report for 2015 but no formal resolution to adopt the reports will be put to Shareholders at the Annual General Meeting (save for Resolution 2 being the adoption of the Remuneration Report).

Shareholders will be given an opportunity to ask the auditor questions about the conduct of the audit and the preparation and content of the auditor's report. In addition to taking questions at the Annual General Meeting, the Chairman will accept written questions about the management of the Company, or the Company's auditor about the finances of the Company. Written questions are to be received at the registered office of the Company no later than 5 business days before the Annual General Meeting.

A copy of the 2015 Annual Report is available from the Financial Reports section of the Investor area on the Company website [www.fleetwoodcorporation.com.au](http://www.fleetwoodcorporation.com.au).

### Resolution 1 – Election of Greg Tate

In accordance with the Company's constitution Mr. Tate will retire at the 2015 AGM and will be eligible for re-election.

Mr. Tate was first appointed to the Board in 1987 as a non-executive director, and thereafter as Managing Director in 1990. Mr. Tate resigned as Managing Director in 2007 and was appointed as an executive director. In 2007 Mr. Tate retired from his executive position and was appointed as a non-executive director. Mr. Tate is a chartered accountant and holds a Bachelor of Commerce degree from the University of Western Australia. Prior to joining the Company, Mr. Tate was employed by Deloitte in both Australia and the US, and later founded a chartered accountancy practice.

Mr. Tate has a beneficial interest in 10.78% of the capital of the Company and previously held executive positions in the Company and therefore, he is not considered to be independent.

Mr. Tate brings a wealth of experience to the Board, and the Directors unanimously support the re-election of Mr. Tate.

The Board recommends that Shareholders vote in favour of Resolution 1.

### Resolution 2 – Remuneration Report (advisory resolution)

The Company's Remuneration Report for the financial year ended 30 June 2015 is contained within the Directors' Report in the Company's 2015 Annual Report. The Remuneration Report:

- (a) sets out remuneration policies of the Company;
- (b) discusses the relationship between remuneration policies and the Company's performance; and
- (c) details remuneration arrangements for Directors, senior executives and Key Management Personnel.

Shareholders will be given the opportunity to comment on and ask questions about the Remuneration Report.

A resolution for the adoption of the Remuneration Report is required to be considered and voted on at the Meeting in accordance with the Corporations Act. The Corporations Act provides that the vote on Resolution 2 is advisory only and does not bind the Directors or the Company. However, the Board will take into account any discussions on this Resolution and the outcome of the vote when considering future remuneration arrangements of the Company.

The Corporations Act provides that if 25% or more of votes that are cast are voted against the adoption of the Remuneration Report at two consecutive Annual General Meetings, a resolution must then be put to Shareholders at the second of those Annual General Meetings as to whether another meeting should be held within 90 days at which all Directors (other than the Managing Director) who were in office at the date of approval of the applicable directors' report considered at the second Annual General Meeting must stand for re-election. This process is referred to as the '2 strikes rule'. At last year's Annual General Meeting 25% or more of votes were not cast against the adoption of the Remuneration Report.

### **Resolution 3 – Issue of shares to Brad Denison, the Company’s Managing Director, in accordance with the Executive Long Term Incentive Plan**

Shareholder approval is sought for the proposed grant of shares to the Managing Director, Brad Denison, under the terms of the Company’s Executive Long Term Incentive Plan, (**Executive Plan**) which was approved by shareholders at the 2014 Annual General Meeting.

Under the terms of his employment contract, Mr Denison is entitled to participate in the Executive Plan in accordance with the plan rules, and under the terms of the Executive Plan, Mr. Denison can elect to receive either options or shares. In this instance, Mr. Denison has elected to receive shares.

The Board (other than Mr. Denison) has approved the grant of 200,000 shares to Mr. Denison in accordance with the Executive Plan representing his FY2016 long term incentives, subject to obtaining Shareholder approval which is being sought at the Meeting.

The Board believes that an equity-based long-term incentive is an important component of Mr Denison’s remuneration to ensure that part of his remuneration is linked to generating long-term returns for Shareholders. As such, the non-executive Directors consider that Mr. Denison’s remuneration package, including his participation in the Executive Plan through the proposed grant of the above shares is reasonable and appropriate having regard to the circumstances of the Company and Mr. Denison’s responsibilities as Managing Director.

ASX Listing Rule 10.14 does not permit any Director (or associate of the Director) to acquire securities under an employee incentive scheme without the approval of Shareholders. Accordingly, Shareholder approval for the issue of shares to Mr. Denison is sought for the purposes of ASX Listing Rule 10.14. If approval is given under this Resolution for the purposes of Listing Rule 10.14, approval is not required for the proposed grant of shares to Mr. Denison under Listing Rule 7.1, as exception 14 to Listing Rule 7.2 would apply and under Listing Rule 10.11, as exception 4 to Listing Rule 10.12 would apply.

If Shareholders do not approve Resolution 3, it will be necessary for the Board and Mr Denison to agree an alternative remuneration structure to provide Mr. Denison with an appropriate long-term incentive.

#### **Terms of the shares**

The shares will be granted in accordance with the Executive Plan, and the Company may utilise a trust structure established for the Plan (for example by the issue of units in the trust to which the shares will then be allocated).

The amount payable for the shares (or units) will be the volume weighted average price at which the Company’s ordinary shares are traded on ASX (“VWAP”) over five trading days commencing on 23 November 2015.

The Company may lend funds on interest-free, non-recourse terms to Mr. Denison for payment of the shares, with such loans being repayable upon the eventual sale of any underlying Shares or transfer of the Shares from the trust.

The shares will be quoted on the ASX and will rank pari passu with existing shares.

The shares will be subject to the following vesting conditions:

- Total Shareholder Return of the Company for the period from the date of grant to the vesting date of the share (see below) equals or exceeds both 15% per annum and the All Ordinaries Index over the same period; and
- Mr. Denison remains continuously employed over that period.

The vesting dates for the shares are as follows:

- for one third of the shares, the date that is at least a minimum of 1 year after being granted;
- for two thirds of the shares, the date that is at least a minimum of 2 years after being granted; and
- for the balance of the shares, the date that is at least a minimum of 3 years after being granted.

If the above conditions are satisfied, the shares will vest on their vesting date and become available to Mr. Denison.

The terms of the Executive Plan were described in detail in last year’s notice of Annual General Meeting, and will apply to Mr. Denison’s grant of shares. The terms of the Executive Plan include the following:

**Lapsing of securities** – a security will lapse upon the earliest to occur: the date specified by the Board in the offer; failure to meet any vesting condition applicable to the security within the prescribed time; the relevant participant ceasing employment or terminating a contract as set out below; where, in the opinion of the Board, the relevant participant acts fraudulently or dishonestly, or is in breach of his or her obligations to the Company or its related companies and the Board has deemed that those securities (vested or unvested) should lapse.

**Cessation of employment** – except where the Board determines in its discretion, if the eligible employee ceases to be an eligible employee before securities vest for any reason other than death, illness, injury or the attainment of the normal age of retirement specified from time to time by the Company, those rights shall lapse and terminate.

**Change of control** – the Board may at its discretion determine that vested securities have vested (on a pro rata basis having regard to performance over the period from the date of grant against the vesting conditions (with remaining unvested securities lapsing unless the Board otherwise determines)):

- upon a takeover event occurring;
- a court ordering a meeting to be held in relation to a proposed compromise or arrangement in connection with a scheme which would result in a person (alone or together with related bodies corporate) owning all shares in the Company or for the reconstruction of the Company or its amalgamation with any other company;
- Shareholders approving any such compromise or arrangement;
- any person becomes bound to acquire shares under any such compromise or arrangement approved by a court or under section 414 or the compulsory acquisition provisions of the Corporations Act;
- a resolution is proposed to be put to Shareholders for a voluntary winding up; or
- an order is sought for the compulsory winding up of the Company.

Unless the Board otherwise determines, where any above event occurs, any vested shares will become exercisable for a period notified by the Board to participants and the trustee (where relevant), trading restrictions (where relevant) on any shares will cease to have effect and the Company will require any shares held on behalf of participants by the trustee to be transferred to the participant.

#### Additional information required by ASX Listing Rule 10.15

In accordance with the notice requirements of ASX Listing Rule 10.15, the Company formally notes that:

1.	The maximum number of shares to be issued to Mr. Denison is 200,000.
2.	The amount payable for the shares (or units) will be the VWAP over five trading days commencing on 23 November 2015.
3.	Since the approval by shareholders of the Executive Plan at the 2014 Annual General Meeting, Mr. Denison is the only person referred to in Rule 10.14 (i.e. the only Director) who has been granted shares in accordance with the Executive Plan. Mr. Denison elected to receive 170,000 shares at a price of \$1.35 per share.
4.	Mr. Denison is the only person referred to in Rule 10.14 (i.e. the only Director) entitled to participate in the Executive Plan.
5.	The voting exclusion statement is noted in the Resolution.
6.	The Company may lend funds on interest-free, non-recourse terms to Mr. Denison for payment of the shares, with such loans being repayable by Mr. Denison upon the sale or transfer of the underlying Shares.
7.	Under the ASX Listing Rules, the Company has up to 12 months after the Annual General Meeting to issue the shares to Mr. Denison. The Company intends to issue the shares to Mr. Denison (or the trust established for the purposes of the operation of the Executive Plan to be held on his behalf) promptly should Resolution 3 be approved.

#### Sections 200B and 200E of the Corporations Act

The Corporations Act provides that the Company may only give a person a benefit in connection with their ceasing to hold a “managerial or executive office” in the Company, or its related bodies corporate, if that benefit is approved by shareholders or an exemption applies.

The term “benefit” is open to a wide interpretation and may include the early vesting or acceleration of securities issued under the Executive Plan. As outlined in the summary of the terms of the Executive Plan attached to the Explanatory Memorandum to the 2014 Notice of Annual General Meeting (the same meeting at which the plan was approved by Shareholders), the Board has the discretion to determine that some or all of the shares issued to and held by Mr Denison may become entitled to early or accelerated vesting in certain circumstances.

Shareholder approval is sought such that the grant of shares and the issue of Shares do not count towards such maximum termination amounts to the extent that the benefits are deliverable on the cessation of Mr Denison’s employment. Details of Mr Denison’s remuneration including termination benefits are set out in the Company’s 2015 remuneration report.

The value of any consequent termination benefit that may be received as a result of the early exercise of the shares upon cessation of employment cannot be ascertained at the present time. Apart from the future share price being unknown, the following are matters which will or are likely to affect the value of the benefit:

- the number of unvested shares held by Mr Denison prior to cessation of employment.
- the reasons for cessation of employment; and
- the exercise of the Directors’ discretion at the relevant time.

#### Board recommendation

The Board (with Mr. Denison abstaining) unanimously recommends that Shareholders vote in favour of Resolution 3.

## Glossary

"**Annual General Meeting**", "**AGM**" or "**Meeting**" means the general meeting the subject of this Notice;

"**ASX**" means ASX Limited ABN 98 008 624 691 and, where the context permits, the Australian Securities Exchange operated by ASX Limited;

"**Board**" means the board of Directors;

"**Chairman**" means the person chairing the Meeting from time to time;

"**Closely Related Party**" of a member of the Key Management Personnel means:

- (a) a spouse or child of the member; or
- (b) a child of the member's spouse; or
- (c) a dependent of the member or the member's spouse; or
- (d) anyone else who is one of the member's family and may be expected to influence the member or be influenced by the member in the member's dealings with the Company; or
- (e) a company the member controls; or
- (f) a person prescribed by the *Corporations Regulations 2001* (Cth);

"**Company**" means Fleetwood Corporation Limited ABN 69 009 205 261;

"**Corporations Act**" means the *Corporations Act 2001* (Cth);

"**Director**" means a current director or alternate director of the Company;

"**Explanatory Memorandum**" means this Explanatory Memorandum attached to the Notice;

"**Key Management Personnel**" has the same meaning as in the accounting standards. Broadly speaking this includes those persons with the authority and responsibility for planning, directing and controlling the activities of the Company (whether directly or indirectly), and includes any Director;

"**Listing Rules**" means the Listing Rules of ASX;

"**Notice**", "**Notice of Meeting**" and "**Notice of Annual General Meeting**" means the notice of meeting which accompanies this Explanatory Memorandum;

"**Remuneration Report**" means the remuneration report prepared in accordance with section 300A of the Corporations Act;

"**Resolution**" means a resolution referred to in the Notice;

"**Share**" means a fully paid ordinary share in the Company; and

"**Shareholder**" means a shareholder of the Company.