Capral Limited

Notice of Annual General Meeting of Shareholders 2012

ABN 78 004 213 692

CAPRAL
ALUMINIUM
SHAPING THE FUTURE

Notice of Annual General Meeting of Shareholders 2012

NOTICE IS HEREBY GIVEN that the Seventy-Fifth Annual General Meeting (**AGM**) of Shareholders of CAPRAL LIMITED ABN 78 004 213 692 (**Capral**) will be held at Sofitel Sydney Wentworth, 61-101 Phillip Street, Sydney, NSW 2000 on Tuesday 17 April 2012 at 11:00am.

BUSINESS

1. STATUTORY REPORTS

The Financial Report, the Directors' Report and the Independent Audit Report (the **Reports**) for the year ended 31 December 2011 will be presented for consideration.

Unless Capral's share registry has been notified otherwise, shareholders will not be sent a hard copy of the Annual Report. All shareholders can view the Annual Report, which contains the Financial Report for the year ended 31 December 2011, on the website of Capral (www.capral.com.au), go to "Invest" & then "Annual Reports".

2. QUESTIONS

Following the consideration of the Reports, the Chairman will give shareholders a reasonable opportunity to ask questions about or comment on the management of Capral.

The Chairman will also give shareholders a reasonable opportunity to ask the Auditor questions relevant to:

› the conduct of the audit;

› the preparation and content of the Independent Audit Report;

› the accounting policies adopted by Capral in relation to the preparation of the financial statements; and

› the independence of the Auditor in relation to the conduct of the audit.

The Chairman will also give the Auditor a reasonable opportunity to answer written questions submitted by shareholders that are relevant to the content of the Independent Audit Report or the conduct of the audit. A list of written questions, if any, submitted by shareholders will be made available at the start of the AGM and any written answer tabled by the Auditor at the AGM will be made available as soon as practicable after the AGM.

3. ELECTION OF DIRECTORS

3.1 TO CONSIDER AND, IF THOUGHT FIT, PASS THE FOLLOWING AS AN ORDINARY RESOLUTION:

That, Mr Rex Wood-Ward, who retires in accordance with Article 69 of Capral's Constitution and ASX Listing Rule 14.4 and, being eligible, offers himself for re-election, be re-elected as a director.

3.2 TO CONSIDER AND, IF THOUGHT FIT, PASS THE FOLLOWING AS AN ORDINARY RESOLUTION:

That, Mr Michael Jefferies, who retires in accordance with Article 69 of Capral's Constitution and ASX Listing Rule 14.4 and, being eligible, offers himself for re-election, be re-elected as a director.

3.3 TO CONSIDER AND, IF THOUGHT FIT, PASS THE FOLLOWING AS AN ORDINARY RESOLUTION:

That, Mr Anthony Eisen, who retires in accordance with Article 69 of Capral's Constitution and ASX Listing Rule 14.4 and, being eligible, offers himself for re-election, be re-elected as a director.

4. ADOPTION OF REMUNERATION REPORT (NON-BINDING RESOLUTION)

TO CONSIDER AND, IF THOUGHT FIT, PASS THE FOLLOWING AS AN ORDINARY RESOLUTION:

That, the Remuneration Report, included in the Directors' Report for the financial year ended 31 December 2011, be adopted.

Voting Exclusion Statement

A vote on this Resolution 4 must not be cast (in any capacity) by or on behalf of the following persons:

(a) a member of the Key Management Personnel; or

(b) a Closely Related Party of such a member.

However, a person described above may cast a vote on this Resolution 4 if:

› the person does so as a proxy appointed by writing that specifies how the proxy is to vote on the proposed resolution; and

› the vote is not cast on behalf of a person described in (a) or (b) above.

See attached for the definitions of "Key Management Personnel" and their "Closely Related Parties."

5. ISSUE OF SHARE RIGHTS AND SHARES TO PHILIP JOBE

TO CONSIDER AND, IF THOUGHT FIT, PASS THE FOLLOWING AS AN ORDINARY RESOLUTION:

That, the issue to Philip Jobe of:

(a) up to 6,860,000 Share Rights on the terms set out in the Explanatory Memorandum; and

(b) shares in Capral on the vesting of those Share Rights, as and on the basis described in the Explanatory Memorandum,

be approved for the purpose of ASX Listing Rule 10.11 and for all other purposes, including for the purpose of Section 200E of the Corporations Act in the event that the issue of shares constitutes a termination benefit in connection with his loss of office, on the terms set out in the Explanatory Memorandum.

Voting Exclusion Statement

Capral will disregard any votes cast on this Resolution 5 by:

› Philip Jobe; and

› an associate of Mr Jobe.

However, Capral 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.

By order of the Board

Richard Rolfe
Secretary

Sydney, 9 March 2012

ATTENDANCE & VOTING AT THE MEETING

In accordance with Corporations Regulation 7.11.37, the Board has determined that all the shares of Capral are taken, for the purposes of determining the right of shareholders to attend and vote at the meeting, to be held by persons who held them at 7:00 pm (Sydney time) on 15 April 2012. If you are not the registered holder of a relevant share at that time you will not be entitled to vote in respect of that share.

You may vote by attending the meeting in person or by proxy (see below).

Ordinary resolutions and special resolutions require the support of more than 50% and 75%, respectively, of the votes cast by those shareholders voting in person, by proxy, by representative or by attorney. Advisory resolutions however, do not bind the Board.

Every question arising at the Annual General Meeting (**AGM**) will be decided in the first instance by a show of hands. A poll may be demanded in accordance with Article 53 of Capral's Constitution.

On a show of hands, every shareholder who is present in person or by proxy, or by representative or by attorney, will have one vote. Upon a poll, every person who is present in person or by proxy, or by representative or by attorney, will have one vote for each share held by that person.

PROXIES

A shareholder who is entitled to attend and vote at the meeting may appoint a person, who need not be a shareholder of Capral, as the shareholder's proxy to attend and vote on behalf of the shareholder.

If you are entitled to cast two or more votes, you may appoint two proxies and may specify the proportion or number of votes each proxy is appointed to exercise. If you do not specify a proportion or number, each proxy may exercise half of the votes. If you appoint two proxies, neither proxy is entitled to vote on a show of hands. If you require a second proxy form, please contact Capral's share registry Computershare Investor Services Pty Limited on **1300 855 080 (within Australia)** or **+61 3 9415 4000 (outside Australia)**.

A proxy form accompanies this Notice. Should you wish to appoint a proxy, please complete the proxy form and return it (and any supporting documents attached) by no later than 11:00 am (Sydney time) on 15 April 2012 by one of the following methods:

› **by mail** to Capral's share registry, Computershare Investor Services Pty Limited, GPO Box 242, Melbourne, VIC 3001, Australia (a reply paid envelope is enclosed with this notice of meeting); or
› **in person** to Capral's registered office, c/o Company Secretary, 71 Ashburn Road, Bundamba, QLD 4304, Australia or to Capral's share registry, Computershare Investor Services Pty Limited, Level 4, 60 Carrington Street, Sydney, NSW 2000, Australia; or
› **by facsimile** to Capral's share registry, Computershare Investor Services Pty Limited, facsimile number: 1800 783 447 (within Australia) or +61 3 9473 2555 (outside Australia).

Chairman will vote undirected proxies in favour of all resolutions

If you appoint the Chairman as your proxy, or the Chairman is appointed your proxy by default, and the proxy form does not specify whether to vote "For", "Against" or "Abstain", your appointment will be taken as a direction to the Chairman to vote in accordance with his stated voting intention, which is to vote in favour of all resolutions.

Shareholders always have the ability to appoint the Chairman as their proxy and direct him to vote contrary to the Chairman's stated voting intention or to abstain from voting on a resolution.

The Chairman intends to vote any undirected proxy in favour of all resolutions including Resolution 4 (Adoption of Remuneration Report) and Resolution 5 (Issue of Share Rights to Philip Jobe).

Appointment of other Key Management Personnel as your proxy

Due to the voting exclusions and requirements referred to in the Notice of Meeting, if you intend to appoint any other Key Management Personnel or their Closely Related Parties as your proxy, you are encouraged to direct your proxy on how to vote on Resolution 4 (Adoption of Remuneration Report) and Resolution 5 (Issue of Share Rights to Philip Jobe) by marking either "For", "Against" or "Abstain" on the proxy form for the relevant item of business.

Attorney

If the appointment is signed by an attorney, the original power of attorney or a certified copy of it must be sent with the proxy form, unless it has been provided previously to Computershare Investor Services Pty Limited.

Corporate Representatives

A body corporate that is a shareholder, or that has been appointed as a proxy, is entitled to appoint any person to act as its representative at the AGM. Such appointment must comply with the requirements under section 250D of the Corporations Act. The representative should bring to the AGM a properly executed letter or other document confirming its authority to act as body corporate's representative.

DEFINITIONS

"Key Management Personnel" are those people described as Key Management Personnel in Capral's Remuneration Report and include all directors.

"Closely Related Parties" are any of the following people:

› a spouse or child of Key Management Personnel;
› a child of Key Management Personnel's spouse;
› a dependent of Key Management Personnel or Key Management Personnel's spouse;
› a member of Key Management Personnel's family who may be expected to influence, or be influenced by the Key Management Personnel, in the Key Management Personnel's dealings with Capral;
› a company controlled by the Key Management Personnel.

SHAREHOLDER QUESTIONS

If you wish a question to be put to the Chairman or the Auditor and you are not able to attend the AGM, please send your question to the Company Secretary via Capral's share registry by one of the methods detailed above. To allow time to collate questions and prepare answers, questions are to be received by 7:00 pm (Sydney time) on Tuesday 10 April 2012. Questions submitted in writing to the Company Secretary will be put to the Chairman or Auditor at the Board's discretion.

EXPLANATORY MEMORANDUM

This explanatory memorandum has been prepared to assist shareholders to understand the business to be put to shareholders at the AGM and forms part of the Notice of Meeting.

1&2. Statutory Reports and shareholder questions

The Financial Report, Directors' Report and Auditor's Report for Capral for the year ended 31 December 2011 will be laid before the meeting in accordance with section 317 of the Corporations Act.

The Chairman will allow a reasonable opportunity for shareholders to ask questions or make comments about those reports and about the management of Capral in accordance with section 250S of the Corporations Act. Shareholders will also be given a reasonable opportunity to ask the auditor questions about the conduct of the audit and the preparation and content of the Auditor's Report in accordance with section 250T of the Corporations Act.

3. Election of Directors

Article 69(a) of Capral's Constitution (which is consistent with ASX Listing Rule 14.4) provides that no director shall hold office for a continuous period in excess of 3 years or past the third AGM following the director's appointment, whichever is longer, without submitting for re-election. Article 69(b) provides that a retiring director shall be eligible for re-election without needing to give any prior notice of an interest to submit for re-election and shall hold office as a director until the end of the meeting at which the director retires.

Accordingly, at this AGM, Mr Rex Wood-Ward, Mr Michael Jefferies and Mr Anthony Eisen are each obliged to retire in accordance with Article 69(1) of Capral's Constitution and Listing Rule 14.4 and are each eligible for re-election.

Mr Rex Wood-Ward was appointed as a non-executive director on 6 November 2008 and is Chairman of the Board and the Remuneration & Nomination Committee and a member of the Audit Committee. Mr Wood-Ward has over 35 years of international experience in general management, mergers and acquisitions, corporate strategy and structuring, including in manufacturing and distribution. He is currently a non-executive director of Coats plc which is unlisted.

Mr Michael Jefferies (B.Comm, CA) was appointed as a non-executive director on 6 November 2008 and is a member of the Audit Committee and the Remuneration & Nomination Committee. Mr Jefferies is a Chartered Accountant who has extensive experience in finance and investment. He is currently an executive director of Guinness Peat Group (Australia) Pty Limited, Chairman of Touch Holdings Limited and a non-executive director of other listed companies in Australia as detailed in the 2011 Annual Report.

Mr Anthony Eisen (B.Comm, CA) was appointed as a non-executive director on 29 August 2008 and is a member of the Audit Committee and the Remuneration & Nomination Committee. Mr Eisen has over 15 years experience in commerce and financial advice. He is currently Chief Investment Officer at Guinness Peat Group and was previously an investment banker in Australia and the United States. He is a director of other listed companies in Australia as detailed in the 2011 Annual Report.

For the reasons set out above, the other Directors of Capral unanimously support the re-election of Mr Rex Wood-Ward, Mr Michael Jefferies and Mr Anthony Eisen.

4. Adoption of Remuneration Report

The Remuneration Report (which forms part of the Directors' Report) sets out Capral's remuneration for the Managing Director, executives and non-executive directors.

Section 250R(2) of the Corporations Act requires that at a listed company's annual general meeting, a shareholders' resolution that the Remuneration Report be adopted must be put to the vote.

A reasonable opportunity will be provided for discussion of the Remuneration Report at the meeting, in accordance with section 250SA of the Corporations Act.

Non-binding resolution on Remuneration Report

The resolution to adopt the Remuneration Report is advisory only and will not bind the directors or Capral, however, the Board will take the outcome of the vote into consideration when reviewing remuneration practices and policies.

Capral encourages all shareholders to cast their votes on Resolution 4 (Adoption of Remuneration Report).

5. Issue Of Share Rights and Shares to Philip Jobe

The Board values the contribution of Mr Philip Jobe, Capral's Chief Executive Officer and Managing Director, to the company over the last 3 years and its successful turnaround. The Board considers it is in the best interests of Capral to retain the services of Mr Jobe as CEO.

ASX Listing Rule 10.11 requires shareholder approval before a director can be issued securities in Capral.

Shareholder approval is sought for the grant of Share Rights to Mr Jobe. Specific details of the proposed grant are set out below. A "Share Right" is a right to be issued one fully paid ordinary share in Capral for nil exercise price upon the satisfaction of certain vesting conditions.

The Board, in its discretion, may satisfy some or all of the Share Rights by acquiring existing Shares rather than issuing new Shares.

Number of Share Rights

On approval, 6,860,000 Share Rights will be issued.

Timing of grant and vesting

The grant date of the Share Rights will be on or about the date of shareholder approval. The vesting date of the Share Rights will be 15 April 2013.

All Share Rights will be granted within one month of the date of the AGM (assuming approval is given).

Vesting conditions

Vesting of the Share Rights is subject to hurdles that Mr Jobe remains employed and/or a director of Capral on the vesting date and meets Board objectives regarding CEO succession planning by the vesting date (**Hurdles**), except if there is a change of control event or if Mr Jobe's employment is terminated by Capral other than for cause. In either of these circumstances all of the unvested Share Rights will immediately vest. Unvested Share Rights lapse upon Mr Jobe ceasing to be both an employee and director of Capral in circumstances other than the above.

Share Rights confer no rights to dividends or other distributions, or to participate in a new offer of shares unless and until the Share Rights have vested and shares are issued by Capral.

Other information

For the purposes of ASX Listing Rule 10.13, the following additional information is provided for shareholders.

- Mr Jobe is a related party of Capral because he is a Director.
- The acquisition price for the Share Rights is nil and no money is payable by Mr Jobe for a share on the vesting of a Share Right.
- No loans will be made in relation to the acquisition of Share Rights or shares by Mr Jobe.
- No funds will be raised by the issue of Share Rights or shares upon vesting.

If approval is granted for the purposes of Listing Rule 10.11 then approval will not be required for the purposes of Listing Rule 7.1 (the 15% limit on new issues of shares).

Accelerated vesting and potential termination benefit

As noted above, the Share Rights will vest on an accelerated basis in certain limited circumstances, including on a change of control of Capral, or cessation of employment from Capral other than by reason of voluntary resignation or dismissal for cause.

The accelerated vesting of Share Rights in these circumstances may be considered a retirement benefit. Shareholder approval is being sought for these benefits under section 200E of the Corporations Act.

Section 200B of the Corporations Act requires Capral to obtain shareholder approval before giving a benefit to a director in connection with the director's retirement from office unless the benefit falls within certain exceptions set out in the Corporations Act. A payment will only fall within those exceptions if the amount is less than a prescribed multiple of the director's base remuneration and if the nature of the payment falls within one of the categories set out in the Corporations Act. It is unlikely that these exemptions would apply.

Capral therefore seeks shareholder approval for the purposes of section 200E of the Corporations Act and for all other purposes.

The total value of the termination benefits that may accrue to Mr Jobe will depend on the market price of Capral shares at the time the Share Rights vest.

Effect of not approving issue of Share Rights, and Recommendation

Both Mr Jobe and the Board regard the grant of Share Rights as an integral part of Mr Jobe's decision to extend his employment contract for a further one year. If approval is not given for the issue of the Share Rights, then Mr Jobe has the right to terminate his contract.

The Board recommends (with Mr Jobe abstaining from making a recommendation) that shareholders vote in favour of Resolution 5.

Capral Limited
ABN 78 004 213 692

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

Lodge your vote:

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

For all enquiries call:

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

Proxy Form

For your vote to be effective it must be received by 11:00 am (Sydney time) on Sunday 15 April 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

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 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.

Turn over to complete the form ➔

View your securityholder information, 24 hours a day, 7 days a week:
www.investorcentre.com

☑ **Review your securityholding**
☑ **Update your securityholding**

Your secure access information is:

SRN/HIN: I9999999999

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

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 I ND

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 Capral 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, as the proxy sees fit) at the Annual General Meeting of Capral Limited to be held at Sofitel Sydney Wentworth, 61-101 Phillip Street, Sydney, NSW 2000 on Tuesday, 17 April 2012 at 11:00 am and at any adjournment of that meeting.

The Chairman of the Meeting intends to vote undirected proxies in favour of each item of business where he is able to do so.

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.

ORDINARY BUSINESS

	For	Against	Abstain
Item 3.1 To re-elect Mr Rex Wood-Ward as a director of the Company	☐	☐	☐
Item 3.2 To re-elect Mr Michael Jefferies as a director of the Company	☐	☐	☐
Item 3.3 To re-elect Mr Anthony Eisen as a director of the Company	☐	☐	☐
Item 4 To adopt the Remuneration Report	☐	☐	☐
Item 5 To issue Share Rights and Shares to Philip Jobe	☐	☐	☐

Important for Items 4 and 5 - If the Chairman of the Meeting is your proxy or is appointed as your proxy by default

By marking this box, you are directing the Chairman of the Meeting to vote in accordance with his intentions on Items 4 and 5 as set out above and in the Notice of Meeting. If you do not mark this box, and you have not directed your proxy how to vote on Items 4 and 5, the Chairman of the Meeting will not cast your votes on Items 4 and 5 and your votes will not be counted in computing the required majority if a poll is called on these Resolutions. If you appoint the Chairman of the Meeting as your proxy you can direct him how to vote by either marking the boxes on any or all of the items in Step 2 above (for example if you wish to vote 'for', 'against' or 'abstain' from voting) or by marking this box (in which case the Chairman of the Meeting will vote in favour of Items 4 and 5).

☐ I/We direct the Chairman of the Meeting to vote in accordance with his voting intentions on Items 4 and 5 (except where I/we have indicated a different voting intention above) and acknowledge that the Chairman of the Meeting may exercise my proxy even though a Resolution is connected directly or indirectly with the remuneration of a member of the key management personnel and even if the Chairman of the Meeting has an interest in the outcome of that Resolution and that votes cast by him, other than as proxy holder, would be disregarded because of that interest.

The Chairman of the Meeting intends to vote all available proxies in favour of each item of business.

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

Individual or Securityholder 1	Securityholder 2	Securityholder 3
Sole Director and Sole Company Secretary	Director	Director/Company Secretary

Contact Name ____________________ **Contact Daytime Telephone** ____________________ **Date** ____ / ____ / ____

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