



CMI LIMITED

ABN 98 050 542 553

# Notice of Annual General Meeting

26 November 2008

at 10:00 am Brisbane time

Brisbane Riverview Hotel, Ascot room,

Corner of Kingsford-Smith Drive and Hunt Street, Hamilton, Queensland

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# Chairman's Letter

**CMI LIMITED ABN 98 050 542 553**

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16 October 2008

Dear Shareholder

## **Annual General Meeting**

This booklet contains notice of CMI Limited's 2008 annual general meeting.

This has been a year of great change for the Company. In its review of forward strategy, the Board decided to re-shape the business focus and concluded that the engineering business was labour and capital intensive in a sector of the economy that presented uncontrollable risks. The future of automotive manufacturing in Australia is uncertain and the Board decided to reduce the perceived risk of that sector and to exit the business. That has been achieved and while substantial losses have been incurred, the Company has been able as a result of the sale to reduce bank debt to moderate levels while maintaining overall operating profitability generally consistent with previous years.

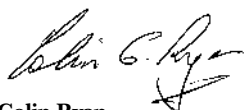
The Board has also decided that the finance business does not offer any synergies to the core CMI businesses but the global financial market difficulties has delayed the sale of that business. The Board has decided to write down the carrying value of that business pending a successful exit.

The future direction of the Company lies with the electrical business and the TJM business. Both are profitable and the electrical business continues to perform strongly. The TJM business has required reorganisation, product review and significant system upgrades but we expect that it will soon be in a position to expand in what we believe is an attractive market sector.

The Board expresses its appreciation to the Company's management for its diligence during a period of change.

I look forward to welcoming you at the Company's annual general meeting and thank you for your continuing support as a CMI Limited shareholder.

Yours faithfully,



**Colin Ryan**

*Chairman  
CMI Limited*

# Notice of Annual General Meeting

**CMI LIMITED ABN 98 050 542 553**

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Notice is given that the Annual General Meeting of CMI Limited will be held at 10.00am Brisbane time on 26 November 2008 at the Brisbane Riverview Hotel, Ascot room, Corner of Kingsford-Smith Drive and Hunt Street, Hamilton, Queensland.

## **AGENDA**

### **ORDINARY BUSINESS**

#### **Financial Statements and Reports**

To receive and consider the Company's financial statements, the related Directors' Report, Directors' Declaration and Independent Audit Report for the financial year ended 30 June 2008.

#### **1 Remuneration Report**

To consider and, if thought fit, to pass the following in accordance with section 250R(2) of the Corporations Act:

*'That the section of the Directors' Report dealing with the remuneration of the Company's Directors and the 7 most highly remunerated executives be adopted.'*

NB: This resolution shall be determined as if it were an ordinary (majority) resolution, but under section 250R(3) of the Corporations Act, the vote does not bind the Directors of the Company.

#### **2 Election of Director – Richard Catelan**

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

*'That Richard Catelan, who was appointed to the Board following the last annual general meeting be elected as a Director of the Company in accordance with rule 13.2 of the Company's constitution.'*


#### **3 Re-election of Director – Danny Herceg**

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

*'That Danny Herceg who retires in accordance with rule 16.1 of the Company's constitution and, being eligible, be re-elected as a Director of the Company.'*

DATED this 16 day of October 2008

By Order of the Board



**Sharyn Williams**

Company Secretary  
CMI Limited

## **NOTES**

- (a) A member who is entitled to attend and cast a vote at the meeting is entitled to appoint a proxy.
- (b) The proxy need not be a member of the Company. A member who is entitled to cast 2 or more votes may appoint 2 proxies and may specify the proportion or number of votes each proxy is appointed to exercise.
- (c) If you wish to appoint a proxy and are entitled to do so, then complete and return the enclosed proxy form.
- (d) A corporation may elect to appoint a representative, rather than appoint a proxy, in accordance with the Corporations Act in which case the Company will require written proof of the representative's appointment which must be lodged with or presented to the Company before the meeting.
- (e) The Company has determined in accordance with Regulation 7.11.37 of the Corporations Regulations 2001 that for the purpose of voting at the meeting or adjourned meeting, shares will be taken to be held by those persons recorded in the Company's register of Ordinary Shareholders as at 7.00pm (Brisbane time) on 24 November 2008.

If you have any queries on how to cast your votes then call the Company's share registry on (02) 8280 7454 during business hours.

**CMI LIMITED**

ABN 98 050 542 553

# Explanatory Memorandum

# Explanatory Memorandum

**CMI LIMITED ABN 98 050 542 553**

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The information in this Explanatory Memorandum is provided to shareholders of CMI Limited in compliance with the Corporations Act, Listing Rules and the Company's constitution.

## **INTRODUCTION**

This Explanatory Memorandum is despatched with the notice of the Company's 2008 AGM.

Only Ordinary Shareholders will be entitled to vote at the AGM.

All Ordinary Shareholders should read this Explanatory Memorandum in full and if they have any questions, obtain professional advice before making any decisions in relation to the resolutions to be put to shareholders at the AGM.

## **FINANCIAL STATEMENTS AND REPORTS**

The Corporations Act requires that the related Directors' Report, Directors' Declaration, Independent Audit Report and the financial statements of the Company for the year ended 30 June 2008 be presented to the AGM. In addition, the Company's constitution provides for such reports and statements to be received and considered at the meeting. Apart from the matters involving remuneration which are required to be voted upon, neither the Corporations Act nor the Company's constitution requires a vote of shareholders at the AGM on such reports or statements, however shareholders will be given ample opportunity to raise questions with respect to these reports and statements at the meeting.

In addition to asking questions at the meeting, shareholders may address written questions to the Chairman about the management of the Company, or to the Company's Auditor which are relevant to:

- (a) the content of the Independent Audit Report to be considered at the meeting; or
- (b) the conduct of the audit of the annual financial report to be considered at the meeting.

Any written questions must be submitted to the Company Secretary on or before 19 November 2008 by email, fax or post.

Email: sharyn.williams@cmilimited.com.au

Fax: (07) 3865-3677

Mailing Address: PO Box 716, Virginia Qld 4014

### **1 REMUNERATION REPORT**

- 1.1 The Corporations Act requires that the section of the Directors' Report dealing with the remuneration of Directors and the 7 most highly remunerated executives (Remuneration Report) be put to the vote of shareholders for adoption by way of a non-binding vote.
- 1.2 The Remuneration Report may be found in the Annual Report.
- 1.3 Following consideration of the Remuneration Report, the Chairman will give shareholders a reasonable opportunity to ask questions about or to make comments upon, the Remuneration Report.

### **2 ELECTION OF DIRECTOR – RICHARD CATELAN**

- 2.1 Richard Catelan was appointed to the Board since the last AGM under rule 13.2 of the Company's constitution. In accordance with that rule, he now seeks appointment as a Director by the Shareholders.
- 2.2 Richard Catelan joined the Board on 11 June 2008 as an executive director. Richard has extensive experience in implementation of corporate management systems, sales management, marketing, customer service and information technology. Currently, the Company's Chief Operations Officer, Richard's experience includes more than ten years with RP Data Ltd.
- 2.3 The Directors support the resolution to elect Richard Catelan.

### **3 RE-ELECTION OF DIRECTOR – DANNY HERCEG**

- 3.1 Rule 16.1 of the Company's constitution requires that at each AGM, one-third of the Directors (other than any Managing Director) or, if their number is not a multiple of three, then the number nearest to but not less than one third, must retire from office. In accordance with the Company's constitution, Danny Herceg retires as a Director and offers himself for re-election as a Director.
- 3.2 Danny Herceg joined the board on 9 March 2007 as an independent director. Danny is a senior corporate and commercial lawyer with a specialisation in capital raisings, mergers and acquisitions, privatisations, restructurings and venture capital. Danny commenced practise in 1990 after completing degrees in science and law. He was a capital raisings partner of Gilbert & Tobin before establishing Herceg Lawyers in 2002. In addition to Danny's capital raisings expertise, Danny advises on various commercial and corporate law issues, including prospectus issues, corporate governance and employee share and option plans, as well as joint ventures and non-equity funding.
- 3.3 The Directors support the resolution to re-elect Danny Herceg.

# Glossary of Terms

## CMI LIMITED ABN 98 050 542 553

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In the attached Notice of Meeting and Explanatory Memorandum the following words and expressions have the following meanings:

<b>AGM</b>	means the annual general meeting of the Company to be held on 26 November 2008.
<b>Board</b>	means the board of Directors of the Company.
<b>Chairman</b>	means the Chairman of the Company as approved from time to time and includes an acting Chairman.
<b>Company or CMI</b>	means CMI Limited ABN 98 050 542 553.
<b>Corporations Act</b>	means the <i>Corporations Act 2001</i> .
<b>Directors</b>	means the directors of the Company from time to time, and Director means any one of them.
<b>Explanatory Memorandum</b>	means the explanatory memorandum to the notice of meeting contained in this booklet.
<b>Ordinary Share</b>	means an ordinary share in the capital of the Company, the terms of which are contained in the Company's constitution.
<b>Ordinary Shareholders</b>	means the holders of the Ordinary Shares from time to time.



ABN 98 050 542 553



A.B.N. 98 050 542 553

# APPOINTMENT OF PROXY

Please return your Proxy forms to:  
Link Market Services Limited  
Level 12, 680 George Street, Sydney NSW 2000  
Locked Bag A14, Sydney South NSW 1235 Australia  
Telephone: (02) 8280 7454  
Facsimile: (02) 9287 0309  
ASX Code: CMI  
Website: www.linkmarketservices.com.au

If you would like to attend and vote at the Annual General Meeting, please bring this form with you. This will assist in registering your attendance.



X99999999999

I/We being a member(s) of CMI Limited and entitled to attend and vote hereby appoint

**A** the **Chairman of the Meeting (mark box)**

**OR** if you are **NOT** appointing the Chairman of the Meeting as your proxy, please write the name of the person or body corporate (excluding the registered securityholder) you are appointing as your proxy

or failing the person/body corporate named, or if no person/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 instructions (or if no directions have been given, as the proxy sees fit) at the Annual General Meeting of the Company to be held at 10am on Wednesday, 26 November 2008, at Brisbane Riverview Hotel, Ascot room, Corner of Kingsford-Smith Drive and Hunt Street, Hamilton, Queensland and at any adjournment of that meeting.

Where more than one proxy is to be appointed or where voting intentions cannot be adequately expressed using this form an additional form of proxy is available on request from the share registry. Proxies will only be valid and accepted by the Company if they are signed and received no later than 48 hours before the meeting. The Chairman of the Meeting intends to vote undirected proxies in favour of all items of business.

**B** To direct your proxy how to vote on any resolution please insert  in the appropriate box below.

	For	Against	Abstain*
<b>Resolution 1</b> Remuneration Report	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
<b>Resolution 2</b> Election of Director – Richard Catelan	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
<b>Resolution 3</b> Re-election of Director – Danny Herceg	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

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

## **C** SIGNATURE OF SECURITYHOLDERS – THIS MUST BE COMPLETED

Securityholder 1 (Individual)

Sole Director and Sole Company Secretary

Joint Securityholder 2 (Individual)

Director/Company Secretary (Delete one)

Joint Securityholder 3 (Individual)

Director

This form should be signed by the securityholder. If a joint holding, either securityholder may sign. If signed by the securityholder's attorney, the power of attorney must have been previously noted by the registry or a certified copy attached to this form. If executed by a company, the form must be executed in accordance with the securityholder's constitution and the Corporations Act 2001 (Cwlth).

CMI PRX841



## How to complete this Proxy Form

### 1 Your Name and Address

This is your name and address as it appears on the company's share register. If this information is incorrect, please make the correction on the form. Shareholders sponsored by a broker should advise their broker of any changes. **Please note: you cannot change ownership of your shares using this form.**

### 2 Appointment of a Proxy

If you wish to appoint the Chairman of the Meeting as your proxy, mark the box in section A. If the person you wish to appoint as your proxy is someone other than the Chairman 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 Chairman of the Meeting will be your proxy. A proxy need not be a shareholder of the company. A proxy may be an individual or a body corporate.

### 3 Votes on Items of Business

You should direct your proxy how to vote by placing a mark in one of the boxes opposite each item of business. All your shares will be voted in accordance with such a direction unless you indicate only a portion of voting rights are to be voted on any item by inserting the percentage or number of shares you wish to vote in the appropriate box or boxes. If you do not mark any of the boxes on the items of business, your proxy may vote as he or she chooses. If you mark more than one box on an item your vote on that item will be invalid.

### 4 Appointment of a Second Proxy

You are entitled to appoint up to two 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 or you may copy this form.

To appoint a second proxy you must:

- (a) on each of the first Proxy Form and the second Proxy Form state the percentage of your voting rights or number of shares 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 your votes. Fractions of votes will be disregarded.
- (b) return both forms together.

### 5 Signing Instructions

You must sign this form as follows in the spaces provided:

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

Joint Holding: where the holding is in more than one name, either securityholder may sign.

Power of Attorney: to sign under Power of Attorney, you must have already lodged the Power of Attorney with the 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 can also sign alone. Otherwise this form must be signed by a Director jointly with either another Director or a Company Secretary. Please indicate the office held by signing 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 produced prior to admission. A form of the certificate may be obtained from the company's share registry.

### Lodgement of a Proxy

This Proxy Form (and any Power of Attorney under which it is signed) must be received at an address given below by 10am on Monday, 24 November 2008, being not later than 48 hours before the commencement of the meeting. Any Proxy Form received after that time will not be valid for the scheduled meeting.

Proxy forms may be lodged using the reply paid envelope or:

- by posting or facsimile to CMI Limited's share registry as follows:  
CMI Limited  
C/- Link Market Services Limited  
Locked Bag A14  
Sydney South NSW 1235  
Facsimile: (02) 9287 0309
- delivering it to Level 12, 680 George Street, Sydney NSW 2000.