G8 Education ltd

G8 Education Limited

ACN 123 828 553

Notice of Annual General Meeting

Notice is given that the Annual General Meeting of G8 Education Limited (**Company**) will be held on **26 April 2012** at **11.30 am (Brisbane time)** at The Southport Yacht Club, Macarthur Parade, Main Beach Gold Coast, Queensland.

ORDINARY BUSINESS

Financial statements and reports

To receive and consider the Company's financial report, the directors' report and the auditors' report for the period ended 31 December 2011.

Resolution 1: Remuneration report

To consider and, if thought fit, pass the following as an advisory ordinary resolution in accordance with section 250R(2) of the *Corporations Act*:

"That the section of the report of the directors' contained in the 2011 Annual Report dealing with the remuneration of the Company's Directors and Senior Executives ('Remuneration Report') be adopted".

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

Resolution 2: Re-election of a Director – Andrew Peter Somerville Kemp

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

"That Mr Andrew Peter Somerville Kemp, having been appointed as a Director on 18 March 2011 in accordance with Article 46(b) of the Company's Constitution, and retiring in accordance with Article 47(d) of the Company's Constitution, and being eligible for re-election, be elected as a Director of the Company."

Resolution 3: Re-election of a Director – Susan Margaret Forrester

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

"That Ms Susan Margaret Forrester, having been appointed as a Director on 3 November 2011 in accordance with Article 46(b) of the Company's Constitution, and retiring in accordance with Article 47(d) of the Company's Constitution, and being eligible for re-election, be elected as a Director of the Company."

Resolution 4: Re-election of a Director – Matthew Reynolds

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

"That Mr Matthew Reynolds, having been appointed as a Director on 3 November 2011 in accordance with Article 46(b) of the Company's Constitution, and retiring in accordance with Article 47(d) of the Company's Constitution, and being eligible for re-election, be elected as a Director of the Company."

Resolution 5: Re-election of a Director – Ms Jennifer Joan Hutson

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

"That Ms Jennifer Joan Hutson, who retires in accordance with Listing Rule 14.4 and Article 47(b) of the Company's Constitution and, being eligible for re-election, be elected as a Director of the Company."

SPECIAL BUSINESS

Resolution 6: Financial benefit to Related Party

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

"That for the purposes of Listing Rule 10.11 and Chapter 2E of the Corporations Act and for all other purposes, approval is given for the issue of shares and the provision of a loan by the Company to Mr Christopher Paul Sacre, Chief Operating Officer of the Company, on the terms and conditions set out in the Explanatory Statement".

Resolution 7: Issue of securities

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

"That for the purposes of Listing Rule 7.1 and for all other purposes, approval is given for the issue of shares to Mr Jae Fraser, General Manager, Operations, of the Company, on the terms and conditions set out in the Explanatory Statement".

Resolution 8: Amendment to Financial benefit to Related Party

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

"That for the purposes of Chapter 2E of the Corporations Act and for all other purposes, approval is given for the extension of the loan agreement between the Company to Mr Christopher John Scott, Managing Director of the Company, on the terms and conditions set out in the Explanatory Statement".

Resolution 9: Ratification of share issue

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

"That for the purposes of Listing Rule 7.4 and for all other purposes, members ratify and approve the issue of 12 million shares to the Vendors of the units in the Kindy Patch Unit Trust, as final consideration for the purchase of those units ".

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OTHER BUSINESS

To transact all other business which may be brought forward in accordance with the Constitution.

By order of the Board of Directors

Jenny Hutson

Jennifer Joan Hutson

Chairperson

23 March 2012

Community KIDS World of Learning Early Learning Services Limited Committed to Child Care Kindy Patch Kids headstart

Entitlement to vote

The Directors have determined that, for the purpose of voting at the Meeting, shares in the Company will be taken to be held by the Shareholders on 24 April 2012 at 11:00 am (Brisbane time).

PROXIES

In accordance with Section 249L of the *Corporations Act 2001*, Shareholders are advised that:

- each Shareholder who is entitled to attend and cast a vote at the meeting has a right to appoint a proxy;
- the proxy need not be a Shareholder of the Company; and
- a Shareholder who is entitled to cast two or more votes may appoint two proxies and may specify the proportion or number of votes each proxy is appointed to exercise. If no proportion or number is specified, then in accordance with Section 249X(3) of the *Corporations Act*, each proxy may exercise half of the votes. Fractions are disregarded.
- If you wish to appoint a proxy and are entitled to do so, please complete and return the attached proxy form.
- A corporation may elect to appoint a representative rather than a proxy, in accordance with the *Corporations Act*. In this case, the Company will require written proof of the representative's appointment, which must be lodged with or presented to the Company prior to the meeting.

The instrument appointing the proxy must be received by the Company at the address specified below at least 48 hours before the time notified for the Meeting (proxy forms can be lodged by facsimile).

Registered Office	G8 Education Limited Suite 27, Pegasus Centre 42 - 46 Bundall Road BUNDALL QLD 4217	**Postal Address**	G8 Education Limited P.O. Box 7092 G.C.M.C. QLD 9726
Facsimile Number	(07) 5581 5311		

VOTING EXCLUSION STATEMENT

Voting exclusion on Resolution 1

A vote may not be cast (in any capacity) on Resolution 1 by or on behalf of:

- Key Management Personnel of the Company (including Directors), details of whose remuneration are disclosed in the Remuneration Report; or
- A closely related party (such as close family members and any companies the person controls) of those persons.

However, a vote may be cast on Resolution 1 by a member of the Key Management Personnel or a closely related party to a member of the Key Management Personnel, if the vote is cast as a proxy appointed in writing which specifies the way in which the proxy is to vote on Resolution 1, and the vote is not cast on behalf of a member of the Key Management Personnel or a closely related party to a member of the Key Management Personnel.

Voting exclusion on Resolutions 6, 7 and 8

Because Resolutions 6, 7 and 8 relate to the remuneration of members of Key Management Personnel, the Company will disregard any votes cast on Resolutions 6, 7 and 8 by a member of key Management Personnel or a closely related party of a member of the Key Management Personnel who is appointed as proxy, where the appointment does not specify the way in which the proxy is to vote on a resolution.

However, if the person appointed under proxy is the chair of the meeting and the appointment 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, the Company will not disregard the vote.

In addition, in accordance with the ASX Listing Rules the Company will disregard any votes cast by the following persons in respect of the following resolutions:

(a) Resolution 1 – the Company will disregard any votes by any Director and any of their associates;

(b) Resolution 6 – the Company will disregard any votes by Christopher Paul Sacre and his associates.

(c) Resolution 7 – the Company will disregard any votes by Jae Fraser and his associates;

(d) Resolution 8 – the Company will disregard any votes by Christopher John Scott and his associates.

(e) Resolution 9 – the Company will disregard any votes by the vendors of the Kindy Patch child care centres and their associates.

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 the directions on the proxy form to vote as the proxy decides.

As Resolutions 2, 3, 4 and 5 (relating to the election of Directors) do not propose to provide a financial benefit, each candidate may validly cast a vote in respect of the resolution to elect them as a Director without infringing section 224 of the *Corporations Act* and Listing Rule 10.3. In the interests of good corporate governance practices however, each of the candidates and their associates will abstain from casting a vote on the resolution relating to their re-election (except as proxy for a person who is entitled to vote).

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EXPLANATORY STATEMENT

G8 Education Limited ABN 95 123 828 553

ORDINARY BUSINESS

1. **Financial Statements and Reports**

The *Corporations Act 2001* requires the Company's financial report, the directors' report and the auditor's report to be tabled at the Annual General Meeting of the Company. In addition, the Company's Constitution provides for such reports and statement to be received and considered at the meeting.

Apart from the matters involving remuneration of directors which are required to be voted upon, neither the *Corporations Act* nor the Company's Constitution requires a vote of members at the Annual General Meeting on such reports. However, members are given the opportunity to raise questions with respect to these reports and statements at the meeting.

The financial report, directors' report and auditor's report may be found in the annual report for the Company, which has previously been sent to members and which is also available on the Company's website www.g8education.com.

Members may submit a written question to the auditor no less than 5 days prior to the Annual General Meeting which relates to the content of the auditor's report or the conduct of the audit in relation to the financial report to be considered at the meeting.

The auditor will be attending the Annual General Meeting and will answer written questions submitted prior to the meeting.

2. **Resolution 1 – Remuneration Report**

Section 250R of the *Corporations Act 2001* requires that the remuneration report be put to the members for adoption by way of a non-binding vote.

The vote of the members is advisory only and does not bind the directors or the Company.

The remuneration report may be found in the annual financial report which members received via mail or which members can access from the Company's website www.g8education.com .

Following consideration of the Remuneration Report, members will be given a reasonable opportunity to ask questions about, or make comments on, the Remuneration Report.

Please note that the Chair of the Meeting is not permitted to vote undirected proxies for Resolution 1. If you intend to appoint the Chair of the Meeting as your proxy, you should direct your proxy how to vote by ticking the relevant boxes next to each item on the Proxy Form (For, Against or Abstain), or by ticking the Chair's box, in which case the Chair will vote your proxy in favour of Resolution 1. Please follow the instructions on the Proxy Form. If you do not direct the chair of the Meeting how to vote on Resolution 1, she will not be able to vote your undirected proxy for Resolution 1.

Consequences

You should also be aware that recent amendments to the Corporations Act have now implemented a 'two strikes' re-election process which applies to resolutions relating to the Remuneration Report. If a company's Remuneration Report receives a 'no' vote of 25% or more of all votes cast at two consecutive annual general meetings (the 'two strikes'), a spill resolution must be put at the second AGM requiring shareholders to vote on whether the Company must hold another general meeting to consider spilling the Board. If the spill resolution is approved by a simple majority of 50% or more of the eligible votes cast, the spill meeting must be held within 90 days.

At the spill meeting, those individuals who were directors when the Remuneration Report was considered at the most recent AGM will be required to stand for re-election. If, at the spill meeting, all of the directors are removed, the remaining positions will be filled by those three with the highest percentage of votes in their favour.

Such an event would have a significant impact of the Company and severely interrupt the Company's strategy and potentially, its market value.

The directors believe that the Company's remuneration policies and structures are appropriate relative to the size of the Company, its business and strategic objectives and market practice.

The directors recommend you vote in favour of this resolution.

3. **Resolutions 2, 3 and 4– Election of Directors**

Under Article 46(b) of the Company's Constitution, the Board may appoint any person as a director, subject to certain conditions. Directors appointed under Article 46(b) must retire at the next Annual General Meeting after their appointment and be subject to a vote for re-election at that meeting.

In accordance with the Constitution, Andrew Peter Somerville Kemp, Susan Margaret Forrester and Matthew Reynolds cease to hold office and, all being eligible, present themselves for re-election.

A summary of each candidate's experience and qualifications appear below.

Mr Andrew Peter Somerville Kemp

Mr Andrew Kemp has joined the G8 Education board.

Mr Kemp is the managing director of Huntington Group, a Queensland based advisory firm. Mr Kemp has structured and implemented the ASX listing of 12 companies in addition to other corporate advisory and investment activities.

He holds a Bachelor of Commerce degree from the University of Melbourne and is a chartered accountant. After working for KPMG and Littlewoods Chartered Accountants in Melbourne and Sydney, Mr Kemp joined AIFC, the merchant banking affiliate of the ANZ Banking Group in Sydney prior to establishing Huntington Group in 1987.

Ms Susan Margaret Forrester

BA, LLB (Hons) EMBA, FAICD

Ms Forrester is an experienced company director with a diverse portfolio career. She has a significant blend of commercial, financial and legal management experience gained across public, private and charitable organisations.

She is currently a director of Ergon Energy Corporation Limited, Shine Lawyers Limited, (Trustee) Gold Coast Parklands, Major Brisbane Festivals Pty Limited, and Royal Children's Hospital Foundation.

Ms Forrester is a member of the Operational Risk and People Committees of the Ergon Energy Board. Ergon Energy is an electricity distributor, retailer and generator which services around 690,000 customers across an area of one million square kilometers or 97% of the state of Queensland. The company employs around 4,700 people across the state and has a total asset base of $10 billion. The forecast EBIT for 2011/12 for Ergon is $731.8 million.

In addition to her directorships, Ms Forrester leads the Strategy Practice of Board Matters Pty Ltd. In this role, she provides expert advice to listed and unlisted boards on board governance, executive and strategy issues.

Ms Forrester has previously been the Chief Executive Officer of The CEO Institute in Queensland and has served on the Queensland Professional Credit Union, the Advisory Board to the Queensland Department of Primary Industries and Fisheries and the Board of Deaf Services.

Through these appointments, Ms Forrester has a keen focus on strategy development, corporate governance, brand and reputation management and strategic human resources.

She holds a Bachelor of Arts (Japanese), Bachelor of Laws (Honours), an Executive Masters of Business Administration and is a Fellow of the Australian Institute of Company Directors.

Mr Matthew Reynolds

BSc (Hons), LLB (Hons), MQLS

Mr Reynolds is currently a partner at HWL Ebsworth Lawyers and has experience in capital markets, ASX listings, private equity and mergers and acquisitions. He specialises in providing tailored legal and strategic advice in a highly regulated and technical market and has advised on a large number of complex capital market and merger and acquisition projects. His key clients are primarily in the energy and resources, technology and infrastructure sectors throughout Australia and Asia.

He is an expert in providing high level advice in a stringently regulated and highly technical market and has advised on a large number of complex corporate projects. His key clients are primarily in the energy and resources, technology and infrastructure sectors throughout Australia and Asia.

Mr Reynolds is a director of three operational subsidiaries of the Thailand based conglomerate Minor International. Those subsidiaries are Delicious Food Holding (Australia), Delicious Food Australia Finance and MHG Hotel Holding Australia. The group recently acquired the Oaks Hotel group in Australia. He has held a number of board positions on emerging companies in the energy and resources and technology sectors.

He holds a Bachelor of Political Science and Economics (Honours) and a Bachelor of Laws (Honours) and is a member of the Company Law Committee of the Queensland Law Society. He is currently a partner at HWL Ebsworth Lawyers.

The directors recommend you vote in favour of the re-election of Andrew Kemp, Susan Forrester, and Matthew Reynolds.

4. **Resolution 5 – Re-election of Directors**

Under Article 47(b) of the Company's Constitution and Listing Rule 14.4, one third of the current Directors (excluding the Managing Director) must retire by rotation at each annual general meeting. Accordingly, Ms Jennifer Joan Hutson, being determined as the director eligible retire at this annual general meeting and, being eligible, presents herself for re-election.

A summary of Ms Hutson's experience and qualifications appear below.

Ms Jennifer Joan Hutson
B.Com, LL.B, FAIM

Ms Hutson is a merchant banker and fund manager. She has over 20 years experience in capital markets involving listed companies, and is an experienced corporate adviser and company director.

Ms Hutson holds a Bachelor of Commerce and a Bachelor of Law. She was Queensland Businesswoman of the Year and Australian Institute of Management Owner/Manager of the Year.

Ms Hutson is a member of the G8 Education Limited Audit Committee.

The directors recommend you vote in favour of the re-election of Jennifer Joan Hutson.

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SPECIAL BUSINESS

5. Resolution 6: Financial benefit to Related Party

Under the ASX Listing Rules, the Company must obtain shareholder approval in order to grant shares and provide a loan to fund the shares, to the Company's Chief Operating Officer, Christopher Paul Sacre.

As with all other executives of the Company, the performance of Mr Sacre as Chief Operating Officer has been reviewed as part of the Company's performance management framework. That review process has led to a recommendation to grant securities to Mr Sacre on the terms outlined below as part of a long term performance incentive arrangement.

As announced to the ASX on 15 February 2012, the Company has agreed to issue 1,285,714 ordinary shares to the nominated entity of Mr Sacre, subject to shareholder approval, on the terms set out below.

Terms of share issue

The key terms of the proposed share issue are as follows:

Proposed allottee:	A party nominated by Christopher Paul Sacre
Maximum number of shares to be issued:	1,285, 714 ordinary shares
Proposed date of issue:	Within 1 month of the date of this meeting
Relationship:	The shares will be allotted to an entity nominated and controlled by Mr Sacre, the Chief Operating Officer of the Company
Issue price:	70 cents per share, to be funded by a loan provided by the Company on the terms set out below
Terms of issue of shares:	(1) All shares will be subject to escrow and will not be able to be transferred or sold until release in accordance with following timetable: o One year from date of issue: 428,571 shares will be released from escrow o Two years from date of issue: 428,571 shares will be released from escrow o Three years from date of issue: 428,572 shares will be released from escrow (2) The shares will not be able to be transferred or sold until released from escrow as set out above, or the loan is repaid and the personal guarantee released. (3) All shares will be released from escrow in the event of a takeover.
Intended use of funds raised:	The proceeds of the shares will be funded by a loan provided by the Company

The shares are being allotted at 70 cents each, which is a 6.7 percent discount to the closing price of the shares of 75 cents on 14 February 2012, being the day immediately prior to the date of the announcement.

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The volume weighted average price of the Company's shares prior to the announcement of the proposed share issue on 15 February 2012 was as follows:

30 day VWAP	60 day VWAP	90 day VWAP
70.54 cents per share	67.24 cents per share	65.47 cents per share

Since the date of the announcement of this proposed share issue, the price at which the Company's shares have traded has increased. As the share price increases, the proposed issue price of 70 cents per share represents a greater discount to market.

The share price may increase or decrease prior to the date of the Annual General Meeting. Accordingly, the proposed issue price of the shares may constitute a larger or smaller discount to market as at the date of the meeting.

Loan arrangement

The issue of shares is proposed to be funded by way of a loan from the Company to the nominee of Mr Sacre. This loan may be regarded as the giving of a financial benefit to a related party of the Company. In addition, the provision of a loan to the nominee of Mr Sacre to assist him to acquire 1,285,714 shares at 70 cents per share may be regarded as providing 'financial assistance' under section 260A of the Corporations Act. Accordingly, the ASX Listing Rules and the Corporations Act requires shareholder approval to be obtained in order for this to occur.

Details relevant to shareholders' consideration of this proposal are set out below:

Identity	An entity nominated by Mr Sacre will be advanced the loan for the purpose of acquiring the shares detailed above. As indicated previously, Mr Sacre is the Chief operating Officer of the Company.
Nature of the financial benefit	The provision by the Company of a loan of up to $900,000 for the purposes of acquiring the shares detailed above
Term	Three years
Interest	6% per annum capitalised and repaid at the end of the three year term
Security	(1) The loan will be secured by way of a personal guarantee by Christopher Paul Sacre in favour of the Company; (2) The loan is provided as a full recourse loan.
Repayments	All dividend payments from the Company are to be applied to repay interest and/or debt
Resignation	In the event that Mr Sacre leaves the employ of the Company, the shares still subject to escrow shall be transferred at the lower of current market value of 70 cents per share to a party nominated by the Company.
Rationale	The success of the Company depends greatly on the people employed by the Company. To maintain and improve performance, the Company has an ongoing need to motivate and incentivise its senior management team. The Board proposes providing this financial assistance to Mr Sacre's nominee in order to enable it to acquire shares in the Company, in order to ensure a deep alignment of interest between the Company and its Chief Operating Officer. The

	loan will enable the nominee of Mr Sacre to acquire an interest in the Company at a share price of 70 cents which was determined as reasonable as at the date of announcement on 15 February 2012 and as at the date of issue of this Notice of Meeting. The release of the shares from escrow in tranches over a three year period is part of ensuring ongoing alignment between the Chief Operating Officer and the performance of the Company for the benefit of shareholders. The directors believe that the proposed loan and share issue are in the best interests of the Company and promote the interests of the Company on the basis that senior management will be increasingly committed to improving the performance of the Company for the benefit of shareholders. The Directors believe that the loan and share arrangement will assist in ensuring Mr Sacre's long term commitment to the Company, and as such, the combined package is a more attractive and effective form of remuneration than a salary increase. In relation to the value of the loan and share package, the Directors considered that the value of $900,000 over a three year period was appropriate in light of current industry practice, the resultant long term commitment this package requires by Mr Sacre to the Company, and Mr Sacre's current salary.

Directors' recommendation

The Directors of the Company believe that providing the proposed loan to the nominee of Christopher Paul Sacre to acquire the shares in the Company is not materially prejudicial to the interests of the Company or its shareholders. The reasons for this conclusion are as follows:

- The Directors believe that Mr Sacre plays a critical role in ensuring the smooth operation of the Company's extensive network of child care centres. Accordingly, it is important to ensure Mr Sacre's ongoing involvement in the Company's future.
- Under the proposed arrangement, Mr Sacre is required to provide a personal guarantee as security for the loan, and is restricted in terms of transferring or selling the shares in tranches of one-third per annum over a three year period. In order to obtain the benefit of this arrangement, Mr Sacre must make a long term commitment to the Company. Mr Sacre will also be incentivised in respect of the financial performance of Company and the returns to shareholders.
- Provision of the incentive to Mr Sacre by way of an issue of shares means that no capital outlay is required by the Company. Further, as the shares may not be transferred into the open market until one, two and three years after issue, the dilutory impact on the share price will be lessened.

Directors' interest in the outcome

None of the directors have a personal interest in the outcome of the proposed resolution.

Valuation of the financial benefit

The value of the financial benefit being provided to Mr Sacre is $900,000 over a three year period. This is the equivalent of 1,285,714 shares at 70 cents.

Total remuneration package

This is proposed to be a one-off issue of shares to a party nominated by Mr Sacre.

The remuneration by the Company to Mr Sacre for the current financial year comprises:

- a base salary of $201,154 per annum exclusive of superannuation;
- superannuation of $19,504; and

- $1,279 in share based payments.

Existing interests

The relevant current interests of Mr Sacre in the securities of the Company are set out below:

Related Party	Shares	Options
Christopher Paul Sacre	**500,000**	**Nil**

Effects on the Company and shareholders

As indicated above, the directors of the Company believe that providing the proposed loan to the nominee of Mr Sacre to acquire the shares in the Company is not materially prejudicial to the interests of the Company or its shareholders.

The assessment of material prejudice takes into consideration the whole transaction and its immediate consequences, and has quantitative and qualitative elements. The quantitative element involves an assessment of the impact of providing the loans to acquire the shares on the Company's future profits and cash flows. The qualitative element requires an assessment of all interlocking elements of the commercial transaction as a whole to determine where the net balance of the financial advantage lies.

The directors of the Company consider that the provision of the loan will not have a material impact of the Company's financial position. As the loan funds will be used for payment of the share price for the shares to be issued, the funds will be immediately returned to the Company in the form of subscription money. Accordingly, the granting of the loan to acquire the shares will have no detrimental impact on the Company's cash flow and on repayment of the loan, the funds received will be available to the Company as working capital.

Further, the directors of the Company do not have any reason to believe that the nominee of Mr Sacre will default on his obligations under the terms of the loan.

In addition, the proposed issue of shares to Mr Sacre will not have a significant dilutory effect on the position of other shareholders in the Company, as the proposed share issue will take the total shares on issue from 200,209,010 shares, to 201,494,724 ordinary shares.

Additional information and recommendation

Copies of the Notice of Meeting and the Explanatory Memorandum were lodged with ASIC before being sent to members.

The directors consider that this Explanatory Memorandum contains all material information known to the company that could reasonably be required by members in deciding how to vote on the proposed resolution.

The Directors believe that the proposed share issue and loan terms are commercially reasonable, and recommend you vote in favour of this resolution.

6. Resolution 7 Proposed issue of securities to Jae Fraser

The Company seeks members' approval for the issue of shares as follows:

Proposed allottee:	Jae Fraser
Maximum number of shares to be issued:	857,143 ordinary shares
Proposed date of issue:	Within three months of the date of the meeting approving the issue of shares
Issue price:	70 cents per share

Terms of issue:	The shares will rank equally in all respects with the existing ordinary Shares on issue.
The use or intended use of the funds raised:	The proceeds of the shares will be funded by a loan provided by the Company in the amount of $600,000
Voting exclusion statement:	The Company will disregard any votes cast on this resolution by Jae Fraser and any of his associates.

The directors recommend you vote in favour of this resolution.

7. Resolution 8: Amendment to Financial benefit to Related Party

In accordance with the Corporations Act, the Company must obtain shareholder approval in order to grant a loan to a related party to fund the purchase of shares from the Company. On 27 May 2010, shareholder approval was granted for the issue of shares and the provision of a loan to Mr Scott, the Managing Director of the Company on the following terms:

Amount:	$700,000
Term:	Two years
Interest:	6% per annum capitalised and repaid at the end of the loan term
Use of loan funds:	Acquisition of 2 million shares in the Company
Security:	• Secured by way of a mortgage over the shares; • All dividend payments from the Company to be applied to repayment of the loan • Loan is full recourse • Shares not able to be transferred or sold until the loan is repaid and share mortgage released

The initial term of the loan agreement was two years, so that it was due to expire in May 2012. The Company seeks shareholder approval to extend the term of the loan agreement with Mr Scott so that it expires on the same date as the loan agreement provided to Mr Sacre described in Resolution 6 above, being April 2015.

The balance terms of the loan agreement with Mr Scott will remain unchanged, including the interest rate of 6% per annum, and the security arrangements.

Reasons for extension of loan term

The directors believe that aligning the repayment date of Mr Scott's loan with the repayment date of the loan to Mr Sacre will assist in aligning the senior management team within the Company. Both loans are for the purpose of acquiring shares in the Company, and are therefore designed to motivate the senior management team and deepen their commitment to improving the performance of the Company for the benefit of shareholders. The directors believe that by extending the term of Mr Scott's loan until the same repayment date of Mr Sacre's loan in April 2015, Mr Scott will be incentivized to continue his commitment to increasing shareholder value.

Impact of extension of loan term

The directors believe that the extension of the term of the loan will not be materially prejudicial to the interests of other Shareholders or the Company. The extension of the loan term, and the fact that repayment will not occur until April 2015, will not materially impact the Company's financial position, its future profits or cashflows. The security will remain in place and interest will continue to accrue for the benefit of the Company.

Further, the directors of the Company have no reason to believe that the Mr Scott will default on his obligations under the terms of the loan.

The directors recommend you vote in favour of this resolution.

8. Resolution 9: Ratification of share issue

On 30 September 2010, members at general meeting approved the issue of 12 million ordinary shares as partial consideration for the acquisition of the entity which owned 30 child care centres. These shares were issued to the vendors on 1 December 2010, and the centres are now owned and managed by the Company.

Pursuant to the agreement with the vendors, a second tranche of 12 million shares were to be issued subject to actual centre level Earnings Before Interest and Taxation being no less than $4.5 million for the 12 months ending 31 December 2011. As this condition has been satisfied, 12 million shares were issued to the vendors on 24 February 2012, and the Company now seeks to members' approval for that issue:

Allottee:	The securityholders of the entity which owned the 30 Kindy Patch child care centres
Number of shares issued:	12 million ordinary shares
Price at which the shares were issued:	60 cents per share
Terms of the Shares:	The shares rank equally in all respects with the existing ordinary shares on issue
The use of the funds raised:	Partial consideration for the acquisition of the entity which owned the 30 Kindy Patch child care centres
Voting exclusion statement:	The Company will disregard any votes cast on this resolution by the allottees and any of their associates.

The directors recommend you vote in favour of this resolution.

PROXY FORM

G8 Education Limited

A.B.N. 95 123 828 553

G8 Education ltd

A Appointment of proxy

I/we being a member/s of **G8 Education Limited** and entitled to attend and vote hereby appoint

☐ the **Chairperson of the Meeting (mark box with an 'X')** **OR** ______________________

If you are NOT appointing the Chairperson of the Meeting as your proxy, please write the name of the person or body corporate (excluding the registered Shareholder) you are appointing as your proxy.

or failing the person/body corporate named, or if no person/body corporate is named, the Chairperson 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 the Company to be held at 11.30am (Brisbane time) on 26 April 2012, at The Southport Yacht Club, Macarthur Parade, Main Beach Gold Coast, Queensland and at any adjournment of that meeting.

Please note in respect of Resolution 2: If the Chairperson of the Meeting is your proxy or is appointed proxy by default

By marking the box below, you are directing the Chairperson of the meeting to vote in accordance with his/her voting intentions on Resolution 1 as set out below and in the Notice of Meeting. If you do not mark this box, and you have not directed your proxy how to vote on Resolution 1, the Chairperson of the meeting will not cast your votes on Resolution 1 and your votes will not be counted in calculating the required majority if a poll is called on this resolution. If you appoint the Chairperson of the Meeting as your proxy, you can direct him/her how to vote by either marking the boxes on any or all items in Part B below (for example, if you wish to vote 'Against' or 'Abstain' from voting), or by marking this box, in which case the Chairperson of the Meeting will vote in favour of Resolution 1.

The Chairperson of the Meeting will vote all available proxies in favour of Resolution 1.

☐ I/we direct the Chairperson of the Meeting to vote in accordance with his/her voting intentions (except where I have indicated a different voting intention below) and acknowledge that the Chairperson of the Meeting may exercise my proxy even though Resolution 1 is connected directly or indirectly with the remuneration of a member of key management personnel and even if the Chairperson of the Meeting has an interest in the outcome of that resolution and that votes cast by him/her, other than as proxy holder, would be disregarded because of that interest.

B Voting directions - **To direct your proxy how to vote on a resolution, please insert ☒ in the appropriate box below.**

	For	Against	Abstain*
Resolution 1 Remuneration Report	☐	☐	☐
Resolution 2 Re-election of a Director: Andrew Peter Somerville Kemp	☐	☐	☐
Resolution 3 Re-election of a Director: Susan Margaret Forrester	☐	☐	☐

	For	Against	Abstain*
Resolution 4 Re-election of a Director: Matthew Reynolds			
Resolution 5 Re-election of a Director: Jennifer Joan Hutson			
Resolution 6 Financial benefit to a related party			
Resolution 7 Issue of securities			
Resolution 8 Amendment to financial benefit to a related party			
Resolution 9 Ratification of share issue			

In addition to the intentions advised above, the Chairperson of the Meeting intends to vote all available proxies in favour of each of the items of business.

* 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.

If no direction is given above, I/we authorise my/our proxy to vote or abstain as my/our proxy thinks fit in respect of each resolution (including any procedural resolution) to be considered by the meeting and any adjournment of that meeting.

C Signature of Securityholders – This MUST be completed

Securityholder 1 (individual)	Joint Securityholder 2 (Individual)	Joint Securityholder 3 (Individual)
Sole Director and Sole Company Secretary	Director/Company Secretary (Delete one)	Director

This form should be signed by the Securityholder. If a joint holding, both Securityholders should 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 company's constitution and the *Corporations Act 2001* (Clth).

IMPORTANT

Please complete this form where indicated **(A), (B), & (C)** and return to the Company Secretary, at the registered office or forward to P.O. Box 7092, Gold Coast Mail Centre, Queensland 9726, Australia. Proxy forms must be received **by 11.30am (Brisbane time) on 24 April 2012**.

Notes:

(a) Insert name of proxy. The proxy must be a natural person.

(b) A member is entitled to appoint 1 or 2 proxies to attend and vote at the meeting. If you appoint a second proxy you must delete the word "all" and insert the proportion of your voting rights given to the proxy in this form. An additional proxy form for the other proxy will be supplied on request.

(c) If you wish to direct your proxy how to vote, mark For, Against or Abstain for each resolution.

(d) All joint holders of shares must sign this form. A corporation must sign in accordance with its Constitution.

The proxy form (and the original or a certified copy of any power of attorney under which it is signed) must be received by the Company not later than 11.30am (Brisbane time) on 24 April 2012.