GOWING BROS

# NOTICE OF ANNUAL GENERAL MEETING

Notice is hereby given that the **Annual General Meeting** of Gowing Bros. Limited will be held in Suite 603 on Level 6, Gowings Building, 45 Market Street, Sydney on Thursday 17 November, 2005 at 10am.

The Explanatory Memorandum that accompanies and forms part of this Notice of Annual General meeting describes and explains in more detail the various matters set out below which are to be considered in the meeting.

## ORDINARY BUSINESS

**Item 1 Financial Statements & Reports**

To receive and consider the Financial Statements and the Reports of the Directors and Auditors for the year ended 31 July 2005.

**Item 2 Remuneration Report**

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

"That the company's Remuneration Report for the year ended 31 July, 2005 be adopted."

Please note that the vote on this resolution is advisory only and does not bind the Directors or the Company.

**Item 3 Election of Director**

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

"That Mr W.A. Salier, who retires by rotation in accordance with the company's Constitution, being eligible and having offered himself for re-election, be re-elected a Director of the Company."

## SPECIAL BUSINESS

**Item 4 Renewal of adoption of partial takeover approved provisions**

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

"That Article 42A of the Company's Articles of Association that form part of the Company's Constitution be re-adopted for a specific period, being a period of three years, commencing on the date this motion is passed as a Special Resolution."

## EXPLANATION OF ORDINARY BUSINESS

***Explanation of Item 1***

A copy of the full Annual Report of the Company containing the Financial Report, Director's Report and Auditor's Report for the years ended 31 July, 2005 is enclosed with this notice.
The Corporations Act 2001 (Cth) ("Corporations Act") requires the Financial Report, Director's Report and Auditor's Report to be laid before the meeting. There is no requirement in the Corporations Act or the Company's Constitution for shareholders to vote on, approve or adopt these Reports. Shareholders will have a reasonable opportunity at the meeting to ask questions and make comments on these reports.

***Explanation of Item 2***

The Remuneration Report for the Company for the year ended 31 July, 2005 is set out in the Director's Report in the section entitled "Remuneration Report".

The report sets out the principles and the current arrangements for the remuneration of Directors and the executive management.

Changes to the Corporations Act now require that the Company in Annual General Meeting consider and vote on a resolution formally adopting the Remuneration Report. It should be noted that whatever resolution is passed in the meeting in respect of the Remuneration Report it shall have the effect of an advisory nature only and shall not be binding on the Directors or the Company.

***Explanation of Item 3***

In accordance with the Company's Constitution one-third of the Directors, being those longest in office since their last election, must retire from office at each Annual General Meeting. The retiring Directors may offer themselves for re-election if eligible. Accordingly, Mr W.A. Salier retires by rotation and being eligible offers himself for re-election.

Mr Salier has been a Director of Gowing Bros. since 1974 and Chairman since 1995.
His association with the Gowing family and Gowing Bros. extends back over 35 years during which time he has witnessed and participated in the remarkable growth of the Company under the helm of Ted Gowing and John Gowing.

Mr Salier is a senior lawyer in Pigott Stinson Ratner Thom, a long established Sydney law firm. He has practiced corporate law for 38 years and has advised major local and overseas corporations. He was for many years the examiner in company law for the Barristers and Solicitors Admission Board.

Mr Salier is a trustee/director of private foundations, estates, private trusts and companies with a combined portfolio exceeding $85 million.

**EXPLANATION OF SPECIAL BUSINESS**

***Explanation of Item 4***

At an Extraordinary General Meeting of the Company held on 29 March 1990 the original Article 42A was adopted by members. The Article was subsequently renewed at the Company's Annual General Meetings on 29 October 1992 and 26 October 1995.

At the Annual General Meeting on 12 November 1998 the original Article 42A was deleted and a replacement Article 42A substituted. The change was made because the original Article 42A did not conform with the relevant requirements of the Corporations Act, including outdated references to Statutes preceding the Corporations Act.

The amended Article 42A was re-adopted at the Company's A.G.M. on 7 November 2002.

It is appropriate at this time to renew the Article for a further period. The Article remains complaint with the current Corporations Act and therefore requires no amendment.

*1. Effect of partial takeover approval Article*

The effect of the Article is that, if a partial takeover is received, the Directors are required to convene a meeting of shareholders to vote on a resolution to approve the partial offer. That meeting must be held at least 15 days before the offer closes.

If no resolution is voted on at least 15 days before the close of offer, such a resolution is deemed to have been approved.

If the resolution is rejected, the registration of any transfer of shares resulting from the partial offer will be prohibited and, under the Corporations Act, the offer will be ineffective.

If the resolution is approved, the relevant transfers of shares will be registered provided they comply with the other provisions of the Company's constitution.

The Article does not apply to full takeover offers.

If the Article is renewed, it will expire three years after renewal unless again renewed by special resolution.

*2. Reasons for proposing the partial takeover approval Article*

The Directors consider that shareholders should continue to have the opportunity to vote on a proposed partial takeover, because such a takeover may enable control of the Company to be acquired by a party holding less than a majority of shares and without shareholders having the opportunity to dispose of all of their shares. If Article 42A is renewed, it will continue to permit shareholders in general meeting to decide whether a partial takeover offer should be permitted to proceed.

*3. Present acquisition proposals*

As at the date of the Notice, none of the Directors is aware of a proposal by any person to acquire, or increase the extent of, a substantial interest in the Company.

*4. Advantages and disadvantages of the partial takeover approval Article during the period it was last in effect*

The Directors have not been aware of any partial takeover proposal during the period that the existing Article 42A has been in effect nor of any advantages or disadvantages during that period other than the potential advantages set out below.

*5. Potential advantages and disadvantages of renewal of partial takeover approval Article*

The procedure under the Article enables the Directors to formally ascertain the views of shareholders in respect of a partial takeover.

All shareholders will have an opportunity to study a partial takeover proposal and then attend a meeting of shareholders called specially to vote on the proposal. A majority of shareholders can thus prevent a partial takeover offer proceeding if they believe that control of the Company should not be permitted to pass, and in turn this is likely to encourage the terms of any future partial takeover offer to be structured so as to be attractive to a majority of shareholders.

The Directors believe that there are no specific disadvantages for Directors or shareholders resulting from the renewal of this Article.

**Instructions on Voting by Proxy**

**(i)** A shareholder entitled to attend and vote is entitled to appoint not more than two (2) Proxies.
**(ii)** When more than one (1) Proxy is appointed, each Proxy must be appointed to represent a specified proportion of the shareholder's voting rights.
**(iii)** A Proxy need not be a shareholder.
**(iv)** The Proxy Form must be received at the registered office of the Company not less than 46 hours before the appointed time of the meeting.

By order of the Board:

JS Byers
Secretary
23 September 2005