
HANNANS REWARD LIMITED

ACN 099 862 129

NOTICE OF ANNUAL GENERAL MEETING

TIME: 10.00 am (WST)

DATE: Thursday 18 November 2010

PLACE: The Park Centre
45 Ventnor Avenue
WEST PERTH WA

This Notice of Meeting should be read in its entirety. If Shareholders are in doubt as to how they should vote, they should seek advice from their professional advisers prior to voting.

Should you wish to discuss the matters in this Notice of Meeting please do not hesitate to contact the Company Secretary on (+61 8) 9324 3388

CONTENTS PAGE

Notice of Annual General Meeting (setting out the proposed resolutions)	3
Explanatory Statement (explaining the proposed resolutions)	5
Glossary	8
Schedule 1 – summary of Employee Share Option Plan terms and conditions	9
Annexure A – Auditor Nomination	11

TIME AND PLACE OF MEETING AND HOW TO VOTE

VENUE

The Annual General Meeting of the Shareholders to which this Notice of Meeting relates will be held at 10.00 am (WST) on Thursday 18 November 2010 at:

The Park Centre
45 Ventnor Avenue
WEST PERTH WA

YOUR VOTE IS IMPORTANT

The business of the Annual General Meeting affects your shareholding and your vote is important.

VOTING IN PERSON

To vote in person, attend the Annual General Meeting on the date and at the place set out above.

VOTING BY PROXY

To vote by proxy, please complete and sign the enclosed Proxy Form and return to the Company by:

- (a) post to Hannans Reward Ltd PO Box 1227 West Perth WA 6872; or
- (b) facsimile to Hannans Reward Ltd facsimile number (+61 8) 9324 3366; or
- (c) email to the Company at admin@hannansreward.com,

so that it is received not later than 10.00 am (WST) on Tuesday, 16 November 2010.

Proxy Forms received later than this time will be invalid.

NOTICE OF ANNUAL GENERAL MEETING

Notice is given that the Annual General Meeting of Shareholders will be held at 10.00 am (WST) on Thursday 18 November 2010 at The Park Centre, 45 Ventnor Avenue, West Perth, Western Australia.

The Explanatory Statement to this Notice of Meeting provides additional information on matters to be considered at the Annual General Meeting. The Explanatory Statement and the Proxy Form are part of this Notice of Meeting.

The Directors have determined pursuant to Regulation 7.11.37 of the Corporations Regulations 2001 (Cth) that the persons eligible to vote at the Annual General Meeting are those who are registered Shareholders of the Company at 7.00 pm (Sydney time) on Tuesday, 16 November 2010.

Terms and abbreviations used in this Notice of Meeting and Explanatory Statement are defined in the Glossary.

AGENDA

ORDINARY BUSINESS

Financial Statements and Reports

To receive and consider the annual financial report of the Company for the financial year ended 30 June 2010 together with the declaration of the directors, the directors' report, the remuneration report and the auditor's report.

1. RESOLUTION 1 – ADOPTION OF REMUNERATION REPORT

To consider and, if thought fit, to pass, with or without amendment, the following resolution as a **non-binding resolution**:

"That, for the purpose of Section 250R(2) of the Corporations Act and for all other purposes, approval is given for the adoption of the remuneration report as contained in the Company's annual financial report for the financial year ended 30 June 2010."

2. RESOLUTION 2 – RE-ELECTION OF DIRECTOR – JONATHAN MURRAY

To consider and, if thought fit, to pass, with or without amendment, the following resolution as an **ordinary resolution**:

"That, for the purpose of clause 13.4 of the Constitution and for all other purposes, Mr Jonathan Murray, a Director who was appointed on 22 January 2010, retires, and being eligible, is re-elected as a Director."

3. RESOLUTION 3 – RE-ELECTION OF DIRECTOR – WILLIAM HICKS

To consider and, if thought fit, to pass, with or without amendment, the following resolution as an **ordinary resolution**:

"That, for the purpose of clause 13.2 of the Constitution and for all other purposes, Mr William Hicks, a Director who retires by rotation, and being eligible, is re-elected as a Director."

4. RESOLUTION 4 – NON-EXECUTIVE DIRECTORS' REMUNERATION

To consider and, if thought fit, to pass, with or without amendment, the following resolution as an **ordinary resolution**:

"That, for the purposes of clause 13.7 of the Constitution, Listing Rule 10.17 and all other purposes, the Company approves the maximum aggregate amount that may be paid to Non-Executive Directors as remuneration for their services in each financial year be set at \$250,000 which may be divided among those Directors in the manner determined by the Board of the Company from time to time."

Voting Exclusion: The Company will disregard any votes cast on this resolution by a Director of the Company and any of 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 a direction on the Proxy Form to vote as the proxy decides.

5. RESOLUTION 5 – EMPLOYEE SHARE OPTIONS PLAN

To consider and, if thought fit, to pass, with or without amendment, the following resolution as an **ordinary resolution**:

"That, for the purposes of ASX Listing Rule 7.2 (Exception 9) and for all other purposes, approval is given for the Company to adopt the Employee Share Option Plan on the terms and conditions set out in the Explanatory Statement."

Voting Exclusion: The Company will disregard any votes cast on this Resolution by any Director, other than any Director who is ineligible to participate in the Employee Share Option Plan, and any associates of those directors. 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 a direction on the Proxy Form to vote as the proxy decides.

6. RESOLUTION 6 – APPOINTMENT OF AUDITOR

To consider and, if thought fit, to pass, with or without amendment, the following resolution as an **ordinary resolution**:

"That, for the purposes of section 327B of the Corporations Act 2001 (Cth) and for all other purposes, Stantons International Audit and Consulting Pty Ltd, having been nominated by a shareholder and consented in writing to act in the capacity of auditor, be appointed as auditor of the Company."

DATED: 29 September 2010
BY ORDER OF THE BOARD



IAN GREGORY
HANNANS REWARD LIMITED
COMPANY SECRETARY

EXPLANATORY STATEMENT

This Explanatory Statement has been prepared for the information of the Shareholders in connection with the business to be conducted at the Annual General Meeting to be held at 10.00 am (WST) on Thursday 18 November 2010 at The Park Centre, 45 Ventnor Avenue, West Perth, Western Australia.

The purpose of this Explanatory Statement is to provide information which the Directors believe to be material to Shareholders in deciding whether or not to pass the Resolutions in the Notice of Meeting.

1. FINANCIAL STATEMENTS AND REPORTS

In accordance with the Constitution, the business of the Annual General Meeting will include receipt and consideration of the annual financial report of the Company for the financial year ended 30 June 2010 together with the declaration of the directors, the directors' report, the remuneration report and the auditor's report.

In accordance with amendments to the Corporations Act the Company is no longer required to provide a hard copy of the Company's annual financial report to Shareholders unless a Shareholder has specifically elected to receive a printed copy. These amendments may result in reducing the Company's printing costs.

Whilst the Company will not provide a hard copy of the Company's annual financial report unless specifically requested to do so, Shareholders may view the Company annual financial report on its website at www.hannansreward.com.

2. RESOLUTION 1 – ADOPTION OF REMUNERATION REPORT

The Corporations Act requires that at a listed company's annual general meeting, a resolution that the remuneration report be adopted must be put to the shareholders. However, such a resolution is advisory only and does not bind the Directors or the Company.

The remuneration report sets out the Company's remuneration arrangements for the Directors and senior management of the Company. The remuneration report is part of the Directors' report contained in the annual financial report of the Company for the financial year ending 30 June 2010.

A reasonable opportunity will be provided for discussion of the remuneration report at the Annual General Meeting.

3. RESOLUTION 2 – RE-ELECTION OF DIRECTOR – JONATHAN MURRAY

Clause 13.4 of the Constitution allows the Directors to appoint at any time a person to be a Director as an addition to the existing Directors, but only where the total number of Directors does not at any time exceed the maximum number specified by the Constitution.

Any Director so appointed holds office only until the next following annual general meeting and is then eligible for re-election.

Mr Jonathan Murray will retire in accordance with clause 13.4 of the Constitution and being eligible seeks re-election.

4. RESOLUTION 3 – RE-ELECTION OF DIRECTOR – WILLIAM HICKS

Clause 13.2 of the Constitution requires that if the Company has three or more Directors, one third (or the number nearest one-third) of those Directors must retire at each annual general meeting, provided always that no Director (except a Managing Director) shall hold office for a period in excess of 3 years, or until the third annual general meeting following his or her appointment, whichever is the longer, without submitting himself or herself for re-election.

The Company currently has 4 Directors and, as Mr Jonathan Murray is retiring and seeking re-election pursuant to Resolution 2, an additional Director must retire.

A Director who retires by rotation under clause 13.2 of the Constitution is eligible for re-election.

Mr William Hicks retires by rotation and seeks re-election.

5. RESOLUTION 4 – NON-EXECUTIVE DIRECTORS' REMUNERATION

Clause 13.7 of the Constitution requires that the maximum aggregate remuneration that may be paid to non-executive directors of the Company be set by the Company in a general meeting.

The maximum aggregate remuneration that may be paid to Non-Executive Directors of the Company has not previously been set. Resolution 4 seeks Shareholder approval to set the maximum aggregate remuneration that may be paid to Non-Executive Directors at \$250,000 per annum. This aggregate amount has been determined after reviewing similar companies listed on ASX and the Directors believe that this level of remuneration is in line with corporate remuneration of similar companies.

The Company currently has 3 Non-Executive Directors, being Messrs Jonathan Murray (subject to being re-elected pursuant to Resolution 2), William Hicks (subject to being re-elected pursuant to Resolution 3) and Richard Scallan. For each of the past 2 years, the Non-Executive Directors of the Company have received total annual remuneration as follows:

Director	Remuneration 2010	Remuneration 2009
Mr Jonathan Murray	\$13,500	N/A
Mr William Hicks	\$32,400	\$32,400
Mr Richard Scallan	\$35,200	\$35,316

6. RESOLUTION 5 – EMPLOYEE SHARE OPTION PLAN

ASX Listing Rule 7.1 provides that a company must not, subject to specified exceptions, issue or agree to issue more equity securities during any 12 month period than that amount which represents 15% of the number of fully paid ordinary securities on issue at the commencement of that 12 month period.

An exception to ASX Listing Rule 7.1 is set out in ASX Listing Rule 7.2 (Exception 9) which provides that issues under an employee incentive plan are exempt for a

period of 3 years from the date on which shareholders approve the issue of securities under the plan as an exception to ASX Listing Rule 7.1.

Resolution 5 seeks Shareholder approval for the adoption of the Employee Share Option Plan (**ESOP**) in accordance with Exception 9 of ASX Listing Rule 7.2.

If Resolution 5 is passed, the Company will be able to issue Plan Options under the ESOP without impacting on the Company's ability to issue up to 15% of its total ordinary securities without Shareholder approval in any 12 month period.

Shareholders should note that no Plan Options have previously been issued under this ESOP and the objective of the ESOP is to attract, motivate and retain key employees.

It is considered by the Directors that the adoption of the ESOP and the future grant of Plan Options under the ESOP will provide selected employees with the opportunity to participate in the future growth of the Company.

A summary of the terms and conditions of the ESOP is set out in Schedule 1.

7. RESOLUTION 6 – APPOINTMENT OF AUDITOR

Due to a restructure of Stantons International, Stantons International Pty Ltd, who are the Company's current auditors, has given notice of their intention to resign as auditor of the Company (under section 329(5) of the Corporations Act) subject to receipt of the consent of the Australian Securities & Investments Commission (ASIC) and Shareholder approval of this Resolution 6 for the appointment of Stantons International Audit and Consulting Pty Ltd as auditor.

Subject to the ASIC consenting to the resignation of Stantons International Pty Ltd, and Stantons International Pty Ltd submitting a resignation to the Company, it is proposed that the Company appoint Stantons International Audit and Consulting Pty Ltd as auditor of the Company.

In accordance with section 328B(1) of the Corporations Act, the Company has sought and obtained a nomination from a shareholder for Stantons International Audit and Consulting Pty Ltd to be appointed as the Company's auditor. A copy of this nomination is attached to this Explanatory Statement as Annexure A.

Stantons International Audit and Consulting Pty Ltd has given its written consent to act as the Company's auditor subject to Shareholder approval of this Resolution 6.

If Resolution 6 is passed, the appointment of Stantons International Audit and Consulting Pty Ltd the Company's auditor, will take effect at the close of this Annual General Meeting.

8. ENQUIRIES

Shareholders are required to contact the Company Secretary on (+ 61 8) 9324 3388 if they have any queries in respect of the matters set out in these documents.

GLOSSARY

\$ means Australian dollars.

Annual General Meeting means the meeting convened by the Notice of Meeting.

ASX means ASX Limited.

ASX Listing Rules means the Listing Rules of ASX.

Board means the current board of directors of the Company.

Business Day means Monday to Friday inclusive, except New Year's Day, Good Friday, Easter Monday, Christmas Day, Boxing Day, and any other day that ASX declares is not a business day.

Company means Hannans Reward Limited (ACN 099 862 129).

Constitution means the Company's constitution.

Corporations Act means the Corporations Act 2001 (Cth).

Directors means the current directors of the Company.

Employee Share Option Plan or **ESOP** means the employee share option plan to be adopted pursuant to Resolution 5, with the terms and conditions summarised in Schedule 1.

Explanatory Statement means the explanatory statement accompanying the Notice of Meeting.

Notice of Meeting or **Notice of Annual General Meeting** means this notice of annual general meeting including the Explanatory Statement.

Option means an option to acquire a Share.

Optionholder means the holder of an Option.

Plan Option means an Option granted to pursuant to the Employee Share Option Plan.

Resolutions means the resolutions set out in the Notice of Meeting, or any one of them, as the context requires.

Share means a fully paid ordinary share in the capital of the Company.

Shareholder means a holder of a Share.

WST means Western Standard Time as observed in Perth, Western Australia.

SCHEDULE 1– SUMMARY OF EMPLOYEE SHARE OPTION PLAN TERMS AND CONDITIONS

The Company has established the Employee Share Option Plan (**ESOP**) in order to provide an incentive for employees to participate in the future growth of the Company. The ESOP will be administered in accordance with the ESOP rules, which are summarised below.

Options Issue

The Board may, in its absolute discretion, offer Options to eligible participants under the ESOP. The Options will be issued for no consideration and each Option will carry the right in favour of the Optionholder to subscribe for one Share in the capital of the Company.

An eligible participant is a full or part time employee or a Director of a company within the Hannans Reward Limited group of companies. The Company must obtain Shareholder approval before the participation under the ESOP of an eligible participant who is a Director of, or otherwise a related party of the Company.

The Board may impose performance criteria such as vesting hurdles.

The Options issued under the ESOP are not transferable.

Restrictions

The Options may only be issued or exercised within the limitations imposed by the Corporations Act and the ASX Listing Rules.

Further, the total number of Shares that would be issued under the ESOP where each Option issued pursuant to the ESOP is exercised, and the number of Shares issued by the Company pursuant to an employee share or option scheme implemented by the Company during the previous 5 years may not exceed 5% of the total number of Shares on issue as at the date any Options are offered pursuant to the ESOP.

Exercise Price and Expiry Date

The exercise price of the Options to be issued under the ESOP will be determined by the Board, but to the extent that the Listing Rules specified or require a minimum price, the Option exercise price in respect of an offer made following first quotation must not be less than any minimum price specified in the Listing Rules. The expiry date will be determined by the Board.

Exercise of Options

If performance criteria are imposed on an Optionholder, that Optionholder may only exercise their Options upon satisfaction of the performance criteria and prior to the expiry date. Notwithstanding this, all Options may be exercised during a takeover period or, in the Board's discretion, upon the death or permanent disablement of an eligible participant.

Notice of Exercise

Options may only be exercised by the Optionholder delivering an option exercise notice to the Company specifying the number of Options being exercised and accompanied by the exercise price for the Options specified in the option exercise notice and the certificates for those Options.

Bonus Issue

If, prior to the expiry of any Options, the Company makes a bonus share issue to the holders of Shares on a pro rata basis, the number of Shares over which an Option is exercisable will be increased by the number of Shares which the Optionholder would have received if the Option had been exercised before the date the Shares the subject of the bonus issue had been duly allotted and issued.

Restructure of Capital

In the event that prior to the expiry of any Options, there is a reconstruction (including consolidation, subdivision, reduction, return or pro-rata cancellation) of the issued capital of the Company, then the number of Options to which each Optionholder is entitled or the exercise price or both will be reconstructed in the manner required by the ASX Listing Rules.

Pro-Rata Issues

In the event the Company makes a pro-rata issue of securities, the exercise price of the Options will be adjusted in accordance with the formula set out in ASX Listing Rule 6.22.2.

Administration of the ESOP

The Board will supervise the administration of the ESOP and has discretion to amend the rules.

ANNEXURE A – NOMINATION OF AUDITOR

27 September 2010

The Board of Directors

Dear Sirs

**NOMINATION OF STANTONS INTERNATIONAL AUDIT AND CONSULTING PTY LTD AS
COMPANY AUDITOR**

We Michael Craig and Sarah Craig as trustees of the Brenoli Trust being a shareholder of Hannans Reward Limited, hereby nominate Stantons International Audit and Consulting Pty Ltd of level 1, 1 Havelock Street, West Perth WA, for appointment as auditor of Hannans Reward Limited at its 2010 Annual General Meeting.

We consent to the distribution of a copy of this notice of nomination as an annexure to the Notice of Meeting and Explanatory Statement for the 2010 Annual General Meeting of Hannans Reward Limited as required by section 328B (3) of the Corporations Act 2001.

Signed:



Michael Craig

Signed:



Sarah Craig

PROXY FORM

**APPOINTMENT OF PROXY
HANNANS REWARD LIMITED
ACN 099 862 129**

ANNUAL GENERAL MEETING

I/We

of

being a member of Hannans Reward Limited entitled to attend and vote at the Annual General Meeting, hereby

Appoint

Name of proxy

OR

☐

the Chair of the Annual General Meeting as my/our proxy

or failing the person so named or, if no person is named, the Chair of the Annual General Meeting, or the Chair's nominee, 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 to be held at 10.00 am (WST), on Thursday 18 November 2010 at The Park Centre, 45 Ventnor Avenue, West Perth, Western Australia, and at any adjournment thereof.

If no directions are given, the Chair will vote in favour of all the Resolutions.

☐

If the Chair of the Annual General Meeting is appointed as your proxy, or may be appointed by default, and you do **not** wish to direct your proxy how to vote as your proxy in respect of **Resolutions 4 and 5** please place a mark in this box.

By marking this box, you acknowledge that the Chair of the Annual General Meeting may exercise your proxy even if he has an interest in the outcome of Resolutions 4 and 5 and that votes cast by the Chair of the Annual General Meeting for Resolutions 4 and 5 other than as proxy holder will be disregarded because of that interest. If you do not mark this box, and you have not directed your proxy how to vote, the Chair will not cast your votes on Resolutions 4 and 5 and your votes will not be counted in calculating the required majority if a poll is called on Resolutions 4 and 5.

OR

Voting on Business of the Annual General Meeting

Resolution 1 – Adoption of remuneration report
Resolution 2 – Re-election of Director – Jonathan Murray
Resolution 3 – Re-election of Director – William Hicks
Resolution 4 – Non-Executive Directors' Remuneration
Resolution 5 – Adoption of Employee Share Option Plan
Resolution 6 – Appointment of Auditor

FOR	AGAINST	ABSTAIN
☐	☐	☐
☐	☐	☐
☐	☐	☐
☐	☐	☐
☐	☐	☐
☐	☐	☐

Please note: If you mark the abstain box for a particular Resolution, you are directing your proxy not to vote on that Resolution on a show of hands or on a poll and your votes will not be counted in computing the required majority on a poll.

Signature of Member(s):

Date: _____

Individual or Member 1

Sole Director/Company Secretary

Member 2

Director

Member 3

Director/Company Secretary

Contact Name: _____ Contact Ph (daytime): _____

HANNANS REWARD LIMITED
ACN 099 862 129

Instructions for Completing 'Appointment of Proxy' Form

1. **(Appointing a Proxy):** A member entitled to attend and vote at an Annual General Meeting is entitled to appoint not more than two proxies to attend and vote on a poll on their behalf. The appointment of a second proxy must be done on a separate copy of the Proxy Form. Where more than one proxy is appointed, such proxy must be allocated a proportion of the member's voting rights. If a member appoints two proxies and the appointment does not specify this proportion, each proxy may exercise half the votes. A duly appointed proxy need not be a member of the Company.
2. **(Direction to Vote):** A member may direct a proxy how to vote by marking one of the boxes opposite each item of business. Where a box is not marked the proxy may vote as they choose. Where more than one box is marked on an item the vote will be invalid on that item.
3. **(Signing Instructions):**
 - **(Individual):** Where the holding is in one name, the member must sign.
 - **(Joint Holding):** Where the holding is in more than one name, all of the members should sign.
 - **(Power of Attorney):** If you have not already provided the Power of Attorney with the Company, 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, that person must sign. Where the company (pursuant to Section 204A of the Corporations Act) does not have a company secretary, a sole director can also sign alone. Otherwise, a director jointly with either another director or a company secretary must sign. Please sign in the appropriate place to indicate the office held.
4. **(Attending the Meeting):** Completion of a Proxy Form will not prevent individual members from attending the Annual General Meeting in person if they wish. Where a member completes and lodges a valid Proxy Form and attends the Annual General Meeting in person, then the proxy's authority to speak and vote for that member is suspended while the member is present at the Annual General Meeting.
5. **(Return of Proxy Form):** To vote by proxy, please complete and sign the enclosed Proxy Form and return to the Company by:
 - post to Hannans Reward Ltd PO Box 1227 West Perth WA 6872; or
 - facsimile to Hannans Reward Ltd on facsimile number (+61 8) 9324 3366; or
 - email to the Company at admin@hannansreward.com,

so that it is received not later than 10.00 am (WST) on Tuesday,
16 November 2010.

Proxy Forms received later than this time will be invalid.