

## **NOTICE OF ANNUAL GENERAL MEETING 2008**

Notice is hereby given that the 57th Annual General Meeting of the shareholders of Campbell Brothers Limited will be held in the **M3 Room (Mezzanine Level)**, at the **Brisbane Convention & Exhibition Centre**, Corner Merivale & Glenelg Streets, **South Bank, Brisbane, Qld** at **11.00am on Tuesday, 5 August 2008**.

### **BUSINESS OF THE MEETING**

#### **Item 1: Financial Statements and Reports**

To receive and consider the Financial Report (including the Financial Statements and the Directors' Declaration), the Directors' Report and the Auditor's Report in respect of the financial year ended 31 March 2008.

#### **Item 2: Re-election of Directors**

##### **Resolution 1 - Re-election of Mr Geoff McGrath**

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

"That Mr Geoff McGrath, a non-executive Director retiring in accordance with Division 34 of the Company's Constitution, being eligible, be re-elected as a non-executive Director of the Company."

##### **Resolution 2 - Re-election of Mr Martin Kriewaldt**

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

"That Mr Martin Kriewaldt, a non-executive Director retiring in accordance with Division 34 of the Company's Constitution, being eligible, be re-elected as a non-executive Director of the Company."

#### **Item 3: Remuneration Report**

##### **Resolution 3 - Adoption of Remuneration Report**

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

"That the Remuneration Report contained in the Company's 2008 Annual Report in respect of the financial year ended 31 March 2008, be adopted."

(This resolution is advisory only and does not bind the directors or the Company)

#### **Item 4: Resolution 4 – Approval of Long Term Incentive (Equity) Plan**

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

"That the Long Term Incentive (Equity) Plan, the terms of which are summarised in the Explanatory Notes to this notice, be approved."

#### **Item 5: Resolution 5 – Approval of grant of Performance Rights to Managing Director under the Long Term Incentive (Equity) Plan**

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

"That, for the purposes of the *Corporations Act 2001* (Cth), and ASX Listing Rules, and for all other purposes, approval is hereby given for the grant of Performance Rights (incorporating the right to acquire shares in the Company) to the Managing Director, Mr Greg Kilmister, to a maximum value of \$217,500 under the Campbell Brothers Long Term Incentive (Equity) Plan ("LTIP"), which is constituted and administered in accordance with the Rules of the LTIP."

(This resolution will not be considered unless Resolution 4 is passed)

### **OTHER BUSINESS**

To transact any other business which may legally be brought before the Meeting in accordance with the Company's Constitution.

#### **By Order of the Board**



Tim Mullen  
Company Secretary  
18 June 2008

## EXPLANATORY NOTES

The following information is provided to shareholders to assist them in deciding how to vote on each of the resolutions set out in the Notice of Annual General Meeting.

### Item 1: Financial Statements and Reports

Section 317 of the *Corporations Act 2001* (Cth) requires each of the Financial Report (which includes the Financial Statements and Directors' Declaration), the Directors' Report and the Auditor's Report for the last financial year to be laid before the Annual General Meeting.

Division 55 of the Company's Constitution also provides for these reports to be received and considered at that Meeting.

There is no requirement for the Financial Statements and Reports (excluding the Remuneration Report) to be formally approved by shareholders.

The Financial Statements and Reports referred to in Item 1 of the Notice of Annual General Meeting are included in the Annual Report, which has been sent to shareholders (where so requested) or may be viewed at [www.campbell.com.au](http://www.campbell.com.au) by selecting the "Investor Information" tab and then "Annual Report 2008" under Downloadable documents.

Shareholders will be given a reasonable opportunity at the Meeting to ask questions and make comments on these reports and on the business, operations and management of the Company. The Company's external auditor, KPMG, will be in attendance to respond to questions in relation to the conduct of the audit and the preparation and content of the Auditor's Report.

### Item 2: Re-election of Directors

#### Resolutions 1 and 2 - Re-election of Mr Geoff McGrath and Mr Martin Kriewaldt

Division 34 of the Company's Constitution provides that at each AGM, at least one third of the total directors of the Company (who hold office at the commencement of the AGM, excluding the Managing Director and any casual directors appointed since the last AGM) must retire from office. The directors to retire are determined according to the length of time in office, with those having spent the longest time in office retiring. Each retiring director is eligible for re-election in accordance with ASX Listing Rules and the Company's Constitution.

At this AGM, Mr Geoff McGrath and Mr Martin Kriewaldt are retiring from office in accordance with Division 34 of the Company's Constitution and, being eligible, both are seeking re-election as directors of the Company. Their details are:

#### **GEOFFREY J McGRATH MIIE. Chairman and Independent Non-Executive Director Age 66**

Mr McGrath became a director of Campbell Brothers in 2003 and was appointed chairman effective 1 August 2004. He retired from GWA International Limited in

May 2003 after 43 years service, including the last 10 years as Managing Director. He is a director of Fletcher Building Limited (appointed July 2003) and GWA International Limited (appointed July 2004). He is Chairman of the Remuneration Committee and a member of the Audit and Compliance Committee.

#### **MARTIN D KRIEWALDT B.A., LL.B. (Hons), F.A.I.C.D. Independent Non-Executive Director Age 58**

Mr Kriewaldt was appointed a director of Campbell Brothers in 2001. He provides advice to lawyers Allens Arthur Robinson and insurance brokers Aon Corporation. He is Chairman of Opera Queensland Limited and a director of Suncorp-Metway Ltd (appointed Dec 1996), GWA International Limited (appointed 1992), Oil Search Limited (appointed April 2002) and Impedimed Limited (appointed March 2005, listed on ASX Oct 2007). He was previously a director of Peptech Limited from Oct 2003 to August 2007. He is a member of the Audit and Compliance Committee and the Remuneration Committee.

Each of your directors (other than the director seeking re-election) recommends you vote in favour of Resolutions 1 and 2.

### Item 3: Remuneration Report

#### Resolution 3 – Adoption of Remuneration Report

Section 250R of the *Corporations Act 2001* (Cth) requires listed companies to put to their shareholders a resolution to adopt the Remuneration Report as contained in the Company's Annual Report.

The resolution is advisory only and does not bind the directors or the Company.

The Remuneration Report referred to in Item 3 of the Notice of Meeting is included in the Company's Annual Report which has been sent to shareholders (where so requested) or may be viewed at [www.campbell.com.au](http://www.campbell.com.au) by selecting the "Investor Information" tab and then "Annual Report 2008" under Downloadable documents.

It sets out the Board's policies for director and executive remuneration, including discussion of the relationship of remuneration to the Company's performance and other information required by the *Corporations Act 2001* (Cth).

Shareholders will be given a reasonable opportunity at the Meeting to ask questions and make comments on this report.

#### Item 4: Resolution 4 – Approval of Long Term Incentive (Equity) Plan

The Board proposes to implement the Campbell Brothers Long Term Incentive (Equity) Plan ("LTIP"), which is intended to attract, motivate, and retain employees (including the Managing Director) and reward them for superior performance by the Company. Although shareholder approval of the LTIP is not strictly required, the Board seeks to ensure high standards of corporate governance and therefore is seeking shareholder approval of the proposed LTIP.

A copy of the LTIP Rules is available, at no cost, on request to the Company Secretary.

#### Overview of LTIP

The LTIP will replace the cash-based Long Term Incentive Scheme for executives implemented three years ago in 2005 and has now expired.

Under the LTIP, the Board at its discretion, may offer employees conditional rights to be issued ordinary shares of the Company ("Performance Rights").

The Performance Rights will be granted and ordinary shares issued (or in limited cases cash payments made) at no cost to the employees, if the Performance Rights vest. The LTIP is designed as a three year rolling plan (initially April 2008 – March 2011) with participation being determined on an annual basis to ensure the plan is targeted at the appropriate employees.

The LTIP is specifically designed as a retention and reward tool for high performing personnel. It is likely that the LTIP will initially have up to 80 participants.

The LTIP is aligned to shareholder interests as Performance Rights only vest if certain Earnings per Share ("EPS") and Total Shareholder Return ("TSR") targets are achieved.

#### Participation

Access to the LTIP is generally only available to an employee if they are invited and have earned a Short Term Incentive ("STI") in the previous year (minimum currently set at A\$15,000).

Maximum eligibility in the LTIP is set at 100 percent of the STI earned in the previous year. For example, if an employee earned an STI of \$50,000 in the 2007/08 financial year, he/she is eligible, if invited, to be granted Performance Rights under the LTIP to the value of \$50,000 for the 3 year period April 2008 – March 2011.

The price used to determine an individual's allocation of Performance Rights will be the weighted average price of the Company's shares during the 20 trading days following the date of announcement of the final full year results (i.e. end of May) for the financial year preceding the period to which the grant of Performance Rights relate.

For example, based on a \$50,000 STI payment, and assuming a weighted average share price for the Company of \$30.00/share, the employee would receive 1,667 Performance Rights (i.e. \$50,000 divided by \$30.00 = 1,667 Performance Rights). Each Performance Right gives the employee a right to be issued one share in the Company on vesting.

In jurisdictions where the securities or other legislation makes the issue of shares difficult, the individual would be given access to a cash equivalent of the same value of the Performance Rights.

The employee must be employed in the CBL Group on the vesting date to be eligible for issue of the shares (subject to EPS and TSR performance criteria being met).

Employees will not be allowed to enter into any hedging arrangements in relation to any unvested Performance Rights.

#### Performance measures

Performance Rights will vest depending on the Company meeting or exceeding its performance hurdles over the specified performance period. 50 percent of the Performance Rights are subject to EPS measurement and 50 percent of the Performance Rights are subject to TSR measurement. The performance hurdles for each measure are as follows:

Compound annual diluted EPS growth	Proportion of EPS Hurdle Rights vesting
Less than 13% per annum	0%
13% per annum	25%
Between 13% and 20% per annum	Straight line vesting between 25% and 50%
20% or higher per annum	50% (i.e. 50% of total grant)

TSR of Campbell Brothers relative to TSR's of comparator companies	Proportion of TSR Hurdle Rights vesting
Less than the 50th percentile	0%
50th percentile	25%
Between 50th percentile and 75th percentile	Straight line vesting between 25% and 50%
75th percentile or higher	50% (i.e. 50% of total grant)

The group of comparator companies for the TSR hurdle will include local and overseas listed companies involved in the commercial services sector, initially:

Overseas companies	Location
Bodycote	UK
Bureau Veritas	France
Eurofins	Europe
Intertek	UK
SGS	Swiss
Australian companies	
Ausenco	
Boart Longyear	
Cardno Limited	
Clough	
Coffey International Ltd	
MacMahon Holdings	
Monadelphous	
Orica	
Servcorp	
WorleyParsons	

#### Recommendation

Each of the Directors (other than Mr Kilmister who is interested as a possible participant in the LTIP)

recommends the resolution to shareholders. None of the Directors (other than Mr Kilmister) has an interest in the outcome of Resolution 4.

**Item 5: Resolution 5 – Approval of grant of Performance Rights to Managing Director under the Long Term Incentive (Equity) Plan**

If Resolution 4 is passed, the Board is seeking approval of shareholders by ordinary resolution to the grant of \$217,500 in value of Performance Rights under the LTIP to the Managing Director, Mr Greg Kilmister, in accordance with the requirements of ASX Listing Rule 10.14.

Greg Kilmister is eligible to receive \$217,500 in value of Performance Rights under the LTIP (equivalent to his Short Term Incentive achieved for the financial year ended 31 March 2008), vesting over the period from 1 April 2008 to 31 March 2011.

The actual number of Performance Rights to be granted to Mr Kilmister (with a value no greater than \$217,500) is dependent on the volume weighted average price of shares in the Company calculated over the 20 trading days after finalisation of audited accounts, being 27 May 2008.

Based on a current share price of \$28.75 as at the date of this notice, Mr Kilmister would be eligible to be granted 7,565 Performance Rights. The maximum number of Performance Rights to be granted to Mr Kilmister under this approval is 10,000.

No Performance Rights have been granted under the LTIP and no Performance Rights have been previously granted to the Managing Director, Greg Kilmister. He will receive the Performance Rights at no cost to him.

Mr Kilmister is the only director eligible to be granted Performance Rights under the LTIP. No other person who requires approval to participate in the LTIP under Listing Rule 10.14 will be issued with Performance Rights until such approval is obtained.

No loans will be granted to Mr Kilmister in relation to his participation in the LTIP.

Details of any Performance Rights issued under the LTIP (and shares issued upon their vesting) will be published in each annual report of the Company relating to the period in which they have been issued, together with a note that approval of the issue was obtained under Listing Rule 10.14.

Additional persons:

- who become entitled to participate in the LTIP after Resolution 5 is approved;
- who were not named in this notice of meeting; and
- who are directors of the Company, associates of a director of the Company or persons to whom ASX considers this criteria should apply,

will not participate in the LTIP until approval is obtained under Listing Rule 10.14.

Allocation of Performance Rights to Mr Kilmister will be made no later than 12 months after the date of this meeting.

Any issue of shares to Mr Kilmister under this approval will be made no later than 3 years after the date of this meeting.

**Voting**

In respect of Resolution 5, Shareholders should note that the Company will disregard any votes cast on that resolution by:

- Mr Kilmister; and
- any associate of Mr Kilmister.

However, the Company need not disregard a vote if:

- it is cast by a person as proxy for a person who is entitled to vote, in accordance with the direction 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 discretion on the proxy form to vote as the proxy decides.

**Recommendation**

Each of the Directors (other than Mr Kilmister who is not entitled to vote) recommends the resolution to shareholders. None of the Directors (other than Mr Kilmister) has an interest in the outcome of Resolution 5.

## ENTITLEMENT TO VOTE

For the purposes of the meeting, the Board has determined, in accordance with Regulation 7.11.37 of the *Corporations Regulations 2001* (Cth), that a shareholder's voting entitlement will be taken to be the entitlement of that person as shown in the register of members **as at 11.00am (Brisbane time) on 3 August 2008**. Accordingly, those persons are entitled to attend and vote at the Meeting.

## PROXIES

1. A shareholder entitled to vote at the Meeting is entitled to appoint not more than two proxies to attend and vote at the Meeting on his or her behalf.
2. Where more than one proxy is appointed each proxy must be appointed to represent a specified proportion of the shareholder's voting rights.
3. The **proxy form** and a notarially certified copy of the power of attorney or other authority (if any) under which it is signed must be received by the Company's share registrar at least 48 hours before the Meeting at the address below or submitted electronically:

Computershare Investor Services Pty Limited  
Level 19, CPA Building  
307 Queen Street, Brisbane, 4000  
GPO Box 523, Brisbane, Qld, 4001  
Fax: +61 7 3237 2152  
Lodge by going online at:  
<http://www.computershare.com/au/proxy/cpb>

4. Corporations are reminded that to enable a representative to vote on their behalf at the Meeting they must appoint a representative under section 250D of the *Corporations Act 2001*. Alternatively, a valid proxy form must be lodged at the above address or submitted electronically.
5. A proxy need not be a shareholder of the Company.
6. It is not necessary to fill in the name of the person to be appointed proxy unless it is desired to appoint a person other than the Chairman.
7. If a shareholder appoints one (1) proxy only, that proxy is entitled to vote on a show of hands or on the taking of a poll.
8. Where a proxy and the shareholder both attend the meeting, the shareholder is not entitled to speak or vote, either on a show of hands or on the taking of a poll, unless notice in writing of the revocation of the proxy's authority was received by the Chairman or at the place for deposit of proxies before the proxy exercises the right to speak or vote.
9. If you require an additional proxy form, contact Computershare Investor Services on 1300 552 270 (within Australia) who will supply it on request.

Where a shareholder has indicated on the proxy form that the Chairman of the Meeting may exercise undirected proxy votes, it is the intention of the Chairman of the Meeting to vote undirected proxies in favour of all Resolutions.

## SHAREHOLDER QUESTIONS

Shareholders are able to submit written questions in advance of the meeting. To submit a written question, please complete and return the accompanying form, or submit the question online, in accordance with the instructions on the form. The form must be received by the Company **no later than Tuesday 29 July 2008** (five business days before the meeting date). Questions should relate to matters that are relevant to the business of the meeting as outlined in the Notice of Meeting.

Questions will be collated and, during the meeting, the Chairman will seek to address as many of the more frequently asked questions as possible and, where appropriate, will give the auditor of KPMG (or their representative) the opportunity to answer written questions submitted to the auditor. However, there may not be sufficient time available at the meeting to address all questions. Individual responses will not be sent to shareholders. A summary of the questions and answers submitted will be made available as soon as practicable after the meeting and posted on the Company's website under the Investor Information section.