



## NOTICE OF ANNUAL GENERAL MEETING

Notice is hereby given that the 2008 Annual General Meeting of Coventry Group Ltd (Company) will be held at the Grand River Ballroom East, Sheraton Perth Hotel, 207 Adelaide Terrace, Perth, Western Australia on Thursday 6 November 2008 commencing at 3.00 pm WDST.

### ORDINARY BUSINESS

#### 1. Financial and other reports

To receive and consider the Financial Report, Directors' Report and Audit Report for the year ended 30 June 2008.

#### 2. Election of directors

(a) to elect as a director, Mr John Nickson, who having been appointed by the Board to fill a casual vacancy, retires in accordance with the Company's Constitution and, being eligible, offers himself for re-election;

(b) to elect as a director, Mr Vince Scidone, who having been appointed by the Board as an additional director, retires in accordance with the Company's Constitution and, being eligible, offers himself for re-election.

**Note:** Separate resolutions will be considered in respect of each of the above directors.

#### 3. Remuneration Report

To adopt the Remuneration Report of the Company for the year ended 30 June 2008.

**Note:** The vote on this resolution is advisory only and does not bind the directors of the Company.

### SPECIAL BUSINESS

#### 4. To consider the renewal of the proportional takeover provisions in the Company's Constitution.

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

"That Rule 6 of the Company's Constitution, containing the proportional takeover provisions, be renewed for a period of three years".

### OTHER BUSINESS

#### 5. To consider any other business which may be brought before the meeting in accordance with the Constitution.

Please read the attached proxy form which contains voting entitlement instructions. If you have any questions regarding this Notice of Meeting or Explanatory Notes please call the Company Secretary on (08) 9436 5404.

By Order of the Board

John Colli

Company Secretary

3 October 2008

## NOTICE OF ANNUAL GENERAL MEETING (continued)

### Proxies

Please note that:

- (a) a member of the Company entitled to attend and vote at the annual general meeting is entitled to appoint a proxy;
- (b) a proxy need not be a member of the Company;
- (c) a member of the Company 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, but where the proportion or number is not specified, each proxy may exercise half of the votes; and
- (d) to be effective, a completed proxy form must be received not less than 48 hours before the appointed time of the annual general meeting. Once the proxy form is completed and all details checked by you, the form is to be sent or delivered to 525 Great Eastern Highway, Redcliffe WA 6104 or posted in the reply paid envelope provided or sent by facsimile to (08) 9436 5406.

### Point at which Voting Rights are Determined

The Corporations Act 2001 permits the Company to specify a time, not more than 48 hours before the meeting, at which a “snap-shot” of shareholders will be taken for the purposes of determining shareholder entitlements to vote at the meeting.

The Company’s directors have determined that all shares of the Company that are quoted on ASX at 5pm WDST on Tuesday 4 November 2008 shall, for the purposes of determining voting entitlements at the annual general meeting, be taken to be held by the persons registered as holding the shares at that time.

### Questions and Comments by Shareholders at the Meeting

In accordance with the Corporations Act 2001, a reasonable opportunity will be given to shareholders to ask questions about or make comments on the management of Coventry Group at the meeting.

Shareholders may also lodge written questions prior to the AGM by completing the enclosed Shareholder Questions form (on the reverse side of the Proxy Form).

Similarly a reasonable opportunity will be given to shareholders to ask Coventry Group’s external auditor, KPMG, questions relevant to:

- (a) the conduct of the audit;
- (b) the preparation and content of the auditor’s report;
- (c) the accounting policies adopted by Coventry Group in relation to the preparation of its financial statements; and
- (d) the independence of the auditor in relation to the conduct of the audit.

Shareholders may also submit written questions to KPMG if the questions are relevant to the content of KPMG’s audit report or the conduct of its audit of Coventry Group’s financial report for the year ended 30 June 2008 by completing the appropriate section of the enclosed Shareholder Questions form.

Relevant written questions for KPMG must be received by mail or facsimile at 525 Great Eastern Highway, Redcliffe WA 6104, facsimile number (08) 9436 5406 no later than 5.00 pm WDST on Thursday 30 October 2008.

### 2008 Concise Annual Report

The Company’s 2008 Concise Annual Report and full Financial Report are available on the Company’s website at [www.cgl.com.au](http://www.cgl.com.au)

**EXPLANATORY NOTES ON AGENDA ITEMS****Item 1 – Financial and other reports**

The Company is required by the Corporations Act 2001 to table the Financial Report and the Reports of the Directors and the Auditors on the Financial Report for the year ended 30 June 2008. Shareholders are not required to vote on these reports but will have ample opportunity to raise questions on the Reports and on the performance of the Company generally at the meeting.

**Item 2 - Election of directors (ordinary resolutions)**

- (a) Mr Nickson was appointed by the Board to fill a casual vacancy on 5 November 2007 following the retirement of Mr Ross McLean. The Company's Constitution states that any director so appointed must retire at the next annual general meeting to be held on 6 November 2008 and, being eligible, offers himself for re-election. The Board (with the relevant Director abstaining) unanimously recommends that the shareholders vote in favour of the re-election of Mr Nickson.
- (b) Mr Scidone was appointed by the Board as an additional director on 22 February 2008. The Company's Constitution states that any director so appointed must retire at the next annual general meeting to be held on 6 November 2008 and, being eligible, offers himself for re-election. The Board (with the relevant Director abstaining) unanimously recommends that the shareholders vote in favour of the re-election of Mr Scidone.

The following is a profile of the directors standing for re-election:

**John Harold Nickson**

B.Ec, CPA, FAICD

Independent non-executive director

Member of audit & risk committee and remuneration committee

Age 64

Mr Nickson was appointed a director of the Company in November 2007. He has over 43 years experience in the finance industry, including 35 years at Goldman Sachs JBWere (formerly J B Were and Son) until retiring in 2004. He was a Director/Partner for over 20 years.

For 28 years Mr Nickson specialised in corporate advice and finance, working closely with a wide range of listed and to be listed corporations, both public and private, many in Western Australia. He is a director of a number of private companies and a committee member of a number of charities and treasurer of a sporting club.

He held no other listed company directorships during the past 3 financial years.

**Vince Scidone**

BBus, AFAIM

Executive director

Age 45

Mr Scidone was appointed an executive director of the Company in February 2008. He joined the Company in 1996 as Group Marketing Manager and was appointed the Group General Manager, Industrial in 1997. He has since successfully led the growth of that division.

Mr Scidone has a strong background in the steel, fastener and industrial industries having worked for BHP Steel, Email Limited and Ajax Fasteners.

He is also a director of the subsidiary Coventry Group (NZ) Limited.

He held no other listed company directorships during the past 3 financial years.

**EXPLANATORY NOTES ON AGENDA ITEMS (continued)****Item 3 – Remuneration Report (ordinary resolution)**

The Corporations Act 2001 (the Act) requires listed companies to make expanded disclosure in respect of director and executive information. As a result, the Directors' Report must include a section called the "Remuneration Report". This report is set out on pages 13 to 29 of the Concise Annual Report. Additionally, the Act requires listed companies to put the Remuneration Report for each financial year to a vote of members at the Company's annual general meeting.

Under the Act, the vote is advisory only. Accordingly, the vote is not binding on the Company and does not affect the employment arrangements in place for employees of the Company and its subsidiaries.

In summary, the Remuneration Report:

- explains the principles used to determine the nature and amount of remuneration of Key Management Personnel (KMPs) of the Company. The KMPs have the authority and responsibility for planning, directing and controlling the activities of the Company and include the directors and the 5 executive officers exercising the greatest control over the Company's activities;
- details any performance conditions applicable to the remuneration of KMPs;
- sets out the remuneration details for KMPs of the Company; and
- sets out particulars of short-term and long-term incentives and key employment terms of the relevant KMPs.

A reasonable opportunity will be provided for discussion of the Remuneration Report at the meeting.

The Board unanimously recommends that shareholders vote in favour of the adoption of the Remuneration Report.

**Item 4 – Renewal of Proportional Takeover Provisions (special resolution)**

At the Company's Annual General Meeting held on 8 November 2005 shareholders approved the renewal of Rule 6 of the Company's Constitution which specifically provides that transfers of shares resulting from a proportional takeover offer cannot be registered unless members in general meeting have approved the offer. In accordance with section 648G of the Corporations Act 2001 (the Act), Rule 6 will cease to have effect after 7 November 2008 unless again renewed for a further 3 years.

Renewal of proportional takeover provisions

The Directors consider that it is in the interests of shareholders for the operation of the proportional takeover provisions to continue and accordingly propose that Rule 6 be renewed and this will allow 3 years to remain before shareholders must again consider the provision. That is, it would cease to have effect after 5 November 2011, unless renewed again.

The renewal of the proportional takeover provisions is a special resolution and therefore requires 75% of the persons present (in person or by proxy) and entitled to vote and voting, to vote in favour of the resolution.

The information set out below is required to be included in this Explanatory Note by section 648G(5) of the Act.

Reason for including a proportional takeover provision

In a proportional takeover bid, the bidder offers to buy a proportion only of each shareholder's shares in the target company.

This means that control of the company may pass without shareholders having the chance to sell all their shares to the bidder. The bidder may take control of the company without paying an adequate amount for gaining control.

In order to deal with this possibility, the Company may provide in its Constitution that if a proportional takeover bid is made for shares in the Company, shareholders must vote on whether to accept or reject the offer and that decision will be binding on all the shareholders.

The benefit of the provision is that shareholders are able to decide collectively whether the proportional offer is acceptable in principle and it ensures that any partial offer is appropriately priced.

Effect of proportional takeover provisions

If a takeover bid is made under a proportional takeover scheme, the directors must ensure that shareholders vote on a resolution to approve the takeover scheme more than 14 days before the bid period closes.

## EXPLANATORY NOTES ON AGENDA ITEMS (continued)

When voting on the resolution:

- each shareholder has one vote for each fully paid share held; and
- each partly paid share carries a fraction of a vote, reflecting the amount paid up.

The vote is decided on a simple majority.

The bidder and its associates are not allowed to vote.

If the resolution is not passed, transfers which would have resulted from the acceptance of a bid will not be registered and the bid will be taken to have been withdrawn.

If the bid is approved (or taken to have been approved) the transfers must be registered if they comply with the Act and Company's Constitution.

The Directors will breach the Act if they fail to ensure the approving resolution is voted on. However, if the resolution is not voted on, the bid will be taken to have been approved.

Rule 6 does not apply to full takeover bids and only applies for 3 years after the date the proportional takeover provisions were last approved or renewed. The provisions may be renewed, but only by a special resolution.

### Present acquisition proposals

At the date this statement was prepared, no Director is aware of a proposal by a person to acquire, or to increase, a substantial interest in the Company.

### Advantages and disadvantages

The Directors consider that there are no advantages or disadvantages for them in Rule 6 being renewed as they remain free to make a recommendation on whether an offer under a proportional takeover scheme should be accepted. The Directors consider that there have been no specific advantages or disadvantages to them during the period that Rule 6 has been in effect.

The potential **advantages** of the takeover approval provisions for shareholders of the Company are:

- shareholders will have the right to decide by majority vote whether an offer under a proportional takeover scheme should proceed;
- the provisions may help shareholders avoid being locked in as a minority;
- the bargaining power of shareholders may increase which may ensure that any partial offer is adequately priced; and
- knowing the view of the majority of shareholders may help each individual shareholder assess the likely outcome of the proportional takeover offer and to decide whether to accept or reject that offer.

The potential **disadvantages** for shareholders of the Company include:

- proportional takeover offers for shares in the Company may be discouraged;
- shareholders may lose an opportunity of selling some of their shares at a premium if the proportional takeover offer does not proceed; and
- the chance of a proportional takeover being successful may be reduced.

The Directors consider that the above advantages and disadvantages have equally applied during the period that Rule 6 has been in effect. During this period, there have been no takeover bids for the Company, so there are no actual examples against which to review the advantages and disadvantages. The Directors are not aware of any proportional takeover bid that was discouraged by Rule 6.

The Directors consider that the potential advantages for shareholders of the takeover approval provisions outweigh the potential disadvantages. In particular, shareholders as a whole are able to decide whether or not a proportional takeover scheme is successful.

### Recommendation

The Directors consider that the renewal of the proportional takeover provisions in Rule 6 is in the interests of the shareholders and recommend that shareholders vote in favour of the renewal of Rule 6 of the Constitution.

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PROXY FORM

SHAREHOLDER (Please Print)

I/We
of
Daytime phone no

APPOINT

(insert name of proxy)

or failing him/her the Chairman as my/our proxy to vote for me/us and on my/our behalf at the Annual General Meeting of the Company to be held at 3.00 pm WDST on 6 November 2008 at the Grand River Ballroom East, Sheraton Perth Hotel, 207 Adelaide Terrace, Perth, Western Australia and at any adjournment thereof in respect of % of my/our shares or, failing any percentage being specified, ALL of my/our shares in the Company.

SIGNATURE OF SHAREHOLDER(S)

If a natural person: (all single or joint shareholders must sign this form)

SIGNED by

(Print name) Signature

SIGNED by

(Print name) Signature

SIGNED by

(Print name) Signature

If a company:

EXECUTED by

in accordance with section 127(1) of the Corporations Act 2001:

Signature of director Signature of director/company secretary\*

Name of director (block letters) Name of director/company secretary\* (block letters)

\* delete whichever is not applicable

PROXY'S VOTING INSTRUCTIONS (OPTIONAL)

If you wish to indicate how your proxy is to vote, please tick the appropriate box below. If no indication is given on a resolution, the proxy may abstain or vote at his or her discretion. If two proxies are appointed, the proportion of voting rights this proxy is authorised to exercise is %.

The Chairman will vote all undirected proxies appointing him in favour of the Resolutions.

I/we direct my/our proxy to vote as indicated:

Table with 4 columns: RESOLUTION, FOR, AGAINST, ABSTAIN. Rows include: 2. (a) Elect John Nickson as a director, (b) Elect Vince Scidone as a director, 3. Adopt the Remuneration Report, 4. Approve renewal of Rule 6 of the Constitution.

Dated 2008

Deadline for Receipt of Proxies - To be effective, a completed proxy form together with the power of attorney (if any) under which it is signed, must be received by the Company not less than 48 hours before the appointed time of the Annual General Meeting ie no later than 3.00 pm WDST on 4 November 2008.

Destination of Completed Proxy Form - Once the Proxy Form is completed and all details checked by you, the form is to be sent or delivered to 525 Great Eastern Highway, Redcliffe, WA 6104 or posted in the reply paid envelope provided or sent by facsimile to (08) 9436 5406.

For Further Information - If you need any further information about this form or attendance at the Company's Annual General Meeting, please contact John Colli, Company Secretary on (08) 9436 5404.

(Please see over for Shareholders Question form)





## SHAREHOLDER QUESTIONS

The Board of Coventry Group Ltd (CGL) welcomes questions regarding the Company, the Annual Report or any matter relating to the Notice of Meeting.

Shareholders may also ask CGL's external auditor, KPMG, relevant questions (refer Note 1 below). Appropriate questions will be forwarded to KPMG for response.

If you wish to have a question answered at the AGM, please complete this form and return it by 5.00 pm WDST, Thursday 30 October 2008 in the reply paid envelope provided or send it by facsimile to (08) 9436 5406.

We will endeavour to address as many as possible of the more frequently raised matters during the course of the AGM. If time does not permit us to address all raised issues at the meeting, we will respond, if appropriate, to you directly.

**Shareholder Name:** \_\_\_\_\_  
(Please print)

**Address:** \_\_\_\_\_

**Daytime phone No.:** \_\_\_\_\_

**Question(s)**

Section A - CGL

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Section B - KPMG

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**Signature:** \_\_\_\_\_

**Date:** \_\_\_\_\_

**Note 1 – Questions to KPMG must relate to:**

- (a) the conduct of the audit;
- (b) the preparation and content of the auditor's report;
- (c) the accounting policies adopted by Coventry Group in relation to the preparation of its financial statements; and
- (d) the independence of the auditor in relation to the conduct of the audit.