



25 August 2009

Dear Shareholder

## **NOTICE OF EXTRAORDINARY GENERAL MEETING**

Allomak Limited (**Allomak** or the **Company**) is convening an Extraordinary General Meeting (**Meeting**) of shareholders on 2 October 2009 to consider proposals in relation to the recapitalisation of the Company.

The meeting will be held at Elizabeth Room, Royal Automobile Club, 89 Macquarie Street, Sydney NSW 2000 at 11.00am and will consider:

- the re-election of Mr Ray Malone as director who was appointed to fill a casual vacancy; and
- as individual resolutions, the issue of consideration in the form of cash and shares to the vendors of the Surrey Panelcare business and Alanco business, the shares in Mr Gloss Holdings Pty Ltd and the shares in KT Cables Accessories Pty Ltd.

The Explanatory Memorandum and the attached Notice of Meeting provides details about the re-capitalisation of Allomak that was announced on 30<sup>th</sup> June, 2009.

### **Banking Facilities**

Under the terms of the recapitalisation, the Company's bankers have agreed to restructure our current banking facilities with interest payments and covenants in line with the projected performance of the restructured businesses. The new facilities are long term facilities which are designed to give the Company support to underpin its future success.

Details of the new banking facilities are included in the attached Independent Expert Report.

Importantly, the new banking facilities are dependent on the new vendor agreements, each of which are subject to the resolutions being put to shareholders at the EGM.

### **Vendor agreements**

The Company owed approximately \$10 million to the vendors of certain key operating businesses underlying Allomak and was in breach of its obligation to repay these amounts. The vendors have now agreed to accept approximately 50% of the amounts owed to them as a conversion to ordinary shares in Allomak (**Vendor Share Entitlement**) and the balance in the form of a long term **interest free loan**, repayable over 5 years. These interest free loans are subordinated to the Company's banking facilities.

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The vendors agreed to have their shares issued at 4 cents per share, which is a premium of more than 2 times the last closing share price. Furthermore, they accepted this Share Entitlement price even though their contracts allowed for a lower price than what has been accepted. For example, Surrey Panels' contract stated a VWAP of 2.1 cents and Mr Gloss' contract stated a VWAP of 3.7 cents per share.

The Vendors other than Mr Gloss Pty Ltd received approximately 45% of their Vendor Share Entitlement on 13 August and Resolutions 2 to 5 are seeking shareholder approval for the issue of the balance of the Vendor

Shareholders should note that this arrangement creates the minimum possible dilution for existing shareholders.

The arrangements with the vendors also have the important effect of locking in the vendors to work for the benefit of all Allomak shareholders for the medium to longer term as they have a strong vested interest in the success of the Company over the next 5 years. The existing problems for the Company in relation to its breaches of the vendor contracts will all fall away.

### **Restructuring of Business and Management**

Over the past 6 months the Board and management have worked hard to improve the operating performance of the underlying businesses in Allomak and we have either closed or divested low margin, higher risk businesses. We have substantially improved the balance sheet and if these resolutions are passed, interest bearing debt will be reduced from \$34 million to \$22 million.

We have also achieved very significant senior management changes without any additional costs to the Company. We have filled two important and needed positions (CEO Ray Malone and COO Ray Smith-Roberts), by expanding the roles of existing senior managers within the underlying Allomak businesses on the same salaries.

Ray Malone has overseen the very successful development of the Mr Gloss panel business and brings a wealth of experience in the automotive industry as CEO of Allomak. Ray was appointed a Director of Allomak in January 2009 and has made a significant contribution to the restructuring of the company during the past few months and has led the overall strategy and management of the key vendor discussions.

Ray Smith-Roberts is CEO of ECB, one of the profit leaders within Allomak. His experience covers all areas of operational management, sales and manufacturing. He has demonstrated leadership skills in profitably growing the ECB business in a highly competitive environment.

### **Conclusion**

In conclusion, the Directors of Allomak Limited strongly recommend that shareholders approve the necessary resolutions (other than Mr Malone who does not provide a recommendation in relation to Resolution 4) that are needed to complete the recapitalisation of the Company. If these Resolutions are not passed, the agreements with the Company's bankers, key vendors and key management will be breached. This will put the Company in a very uncertain position and will seriously disadvantage the Company going forward.

**Notice of Meeting**

Attached to this letter is the Notice of General Meeting, an Explanatory Memorandum setting out details on each of the resolutions to be proposed at the Meeting and an Independent Expert Report assessing the re-capitalisation. It is strongly recommended that you read these documents.

If you are unable to attend the Meeting, I encourage you to vote using the Proxy Form, which is also enclosed. If you are able to attend, please bring this letter and package with you to facilitate your entitlement to vote.

It is the intention of the Chairman to vote any undirected proxy votes in favour of all the Resolutions.

Thank you for your continued support.

Yours sincerely



**Chris Sadler  
Chairman  
Allomak Limited**



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**ALLOMAK LIMITED**  
**ABN 50 113 883 560**

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**NOTICE OF EXTRAORDINARY GENERAL MEETING**

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**TIME:** 11.00am (AEDT)  
**DATE:** 2 October 2009  
**PLACE:** Elizabeth Room  
Royal Automobile Club  
89 Macquarie Street  
Sydney NSW 2000

*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 Mr David Franks, Joint Company Secretary on (612) 9419 2966.*

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## NOTICE OF EXTRAORDINARY GENERAL MEETING

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Notice is given that an Extraordinary General Meeting of Shareholders of Allomak Limited will be held at Elizabeth Room, Royal Automobile Club, 89 Macquarie Street, Sydney NSW 2000 at 11.00am (AEDT) on 2 October 2009.

The Explanatory Statement to this Notice of Meeting provides additional information on matters to be considered at the 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 General Meeting are those who are registered Shareholders of the Company on 30 September 2009 at 7.00pm (AEDT).

## BUSINESS

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### RESOLUTION 1 – RE-ELECTION OF MR RAY MALONE AS A DIRECTOR

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

*“That, for all purposes, Mr Ray Malone, a director of the Company who retires in accordance with clause 15.1(c) of the Constitution and, being eligible, is re-elected as a Director of the Company.”*

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### RESOLUTION 2 – ISSUE OF SHARES TO THE VENDORS OF THE SURREY PANELCARE BUSINESS

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To consider and, if thought fit, to pass, with or without amendment, 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 Company to issue and allot 9,343,750 Shares at an issue price of 4 cents per share to Surrey Panelcare Pty Ltd and Tamadene Pty Ltd, the vendors of the Surrey Panelcare business, pursuant to the Surrey Panelcare Settlement Deed dated 30 June 2009.”*

**Voting Exclusion:** The Company will disregard any votes cast on this Resolution by Surrey Panelcare Pty Ltd and Tamadene Pty Ltd, any person who may participate in the proposed issue and a person who may obtain a benefit, except a benefit solely in the capacity of a security holder, if the Resolution is passed and any associates of those persons.

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### RESOLUTION 3 – ISSUE OF SHARES TO THE VENDOR OF THE ALANCO BUSINESS

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To consider and, if thought fit, to pass, with or without amendment, 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 Company to issue and allot 14,259,375 Shares at an issue price of 4 cents per share to OCNALA Pty Ltd as trustee for the Alan Golding Family Trust, being the vendor of the Alanco business in accordance with the OCNALA Settlement Deed dated 30 June 2009.”*

**Voting Exclusion:** The Company will disregard any votes cast on this Resolution by OCNALA Pty Ltd, any person who may participate in the proposed issue and a person who may obtain a benefit, except a benefit solely in the capacity of a security holder, if the Resolution is passed and any associates of those persons.

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**RESOLUTION 4 – ISSUE OF SHARES TO THE VENDOR OF THE MR GLOSS HOLDINGS PTY LTD SHARES**

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

*“That for the purposes of Item 7 of Section 611 of the Corporations Act, Chapter 2E of the Corporations Act and Listing Rule 10.11 of the Listing Rules of Australian Stock Exchange Limited(as the case may be)and for all other purposes, approval is given for the Company to*

*(a) issue and allot 81,250,000 Shares at an issue price of 4 cents per share; and*

*(b) enter into a 5 year interest free loan agreement to repay \$3,000,000,*

*to Mr Gloss Pty Ltd as trustee for the Mr Gloss Unit Trust as vendor of the Mr Gloss Holding Pty Ltd Shares, in accordance with the Mr Gloss Settlement Deed dated 30 June 2009.”*

**Voting Exclusion:** The Company will disregard any votes cast on this Resolution by Mr Gloss Pty Ltd, any person who may participate in the proposed issue and a person who may obtain a benefit, except a benefit solely in the capacity of a security holder, if the Resolution is passed and any associates of those persons.

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**RESOLUTION 5 – ISSUE OF SHARES TO THE VENDORS OF THE KT CABLES ACCESSORIES PTY LTDSHARES**

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To consider and, if thought fit, to pass, with or without amendment, 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 Company to issue and allot 5,687,500 Shares at an issue price of 4 cents per share to Lachlan McGillivray and Jocelyn McGillivray, the vendors of the shares of KT Cable Accessories Pty Limited on the terms of the KT Cables Settlement Deed dated 30 June 2009 .”*

**Voting Exclusion:** The Company will disregard any votes cast on this Resolution by the KT Vendors, any person who may participate in the proposed issue and a person who may obtain a benefit, except a benefit solely in the capacity of a security holder, if the Resolution is passed and any associates of those persons

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**DATED: 25 August 2009**

**BY ORDER OF THE BOARD**



**MR THOMAS McDONALD  
JOINT COMPANY SECRETARY - ALLOMAK LIMITED**

## Important information for shareholders

1. The business of the General Meeting affects your shareholding and your vote is important
2. To vote in person, attend the General Meeting on the date and at the place set out above.
3. To vote by proxy, please complete and sign the proxy form enclosed with this Notice of Meeting as soon as possible and:
  - (a) deliver the proxy form to Allomak Limited, c/- Registries Limited, Level 7, 207 Kent Street, Sydney NSW 2000 Australia;
  - (b) send the proxy form to Allomak Limited, c/- Registries Limited, GPO Box 3993, Sydney NSW 2001, Australia; or
  - (c) send the proxy form by facsimile to the Company on facsimile number (612) 9279 0664

so that it is received not later than 11.00am (AEDT), 30 September 2009.

**Proxy forms received later than this time will be invalid.**

#### 4. Voting Exclusion Note

Where a voting exclusion applies, 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.

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## EXPLANATORY STATEMENT

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This Explanatory Statement forms part of the notice of meeting of the Company dated 25 August 2009

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. Introduction

On 30 June 2009, the Company announced that it had reached agreement with the vendors of the Surrey Panelcare business, the Alanco business, Mr Gloss Holdings Pty Ltd and KT Cable Accessories Pty Ltd (**Vendors**) and the Company's financiers as part of its re-capitalisation program.

The re-capitalisation program involves:

- (a) the restructure of the Company's current finance facilities; and
- (b) the entering into Deeds of Settlement and Release with each of the Vendors (**Vendor Settlement Deeds**).

### 2. Banking Facilities

Under the terms of the recapitalisation, the Company's bankers have agreed to restructure the Company's banking facilities with interest payments and covenants in line with the projected performance of the restructured businesses. The new facilities are long term facilities which are designed to give the Company support to underpin its future success.

Details of the new banking facilities are included in the attached Independent Expert Report.

In summary, the terms of the restructured facilities are as follows:

- (a) The previous funding facility of \$34m was in default and has been replaced by 2 separate facilities.
- (b) \$22m of the debt comprises a commercial bills facility with a term of 5 years to be amortised quarterly by 35% of the previous year's EBIT and annually by 75% of Free Cash Flow (**Commercial Bills Facility**).
- (c) The balance of \$12m is an approximately 10 year no interest loan note which can be extinguished at any time by the Company paying 50% (\$6m) of the face value of the debt (**Loan Note**).
- (d) The Commercial Bills Facility and Loan Note, are secured by a first ranking fixed and floating charge over the Company, cross guarantees from each of the Company's subsidiaries and first ranking fixed and floating charges over each of those subsidiaries.
- (e) It is a condition subsequent of both facilities that the issue of shares under the Vendor Settlement Deeds, and all other necessary shareholder approval is given for the Vendor Settlement Deeds. In the event that approval is not



given it shall be a Default Event under both facilities. (Resolutions 2 to 5 are put forward for this purpose.)

### 3. Vendor Settlement Deeds

The Company is in default under each of the acquisition contracts with the Vendors and owes the Vendors (collectively) approximately \$10 million (**Vendor Debt**).

The Company and the Vendors have entered into Settlement and Release Deeds pursuant to which, the Vendors have agreed to accept (subject to any required shareholder approval):

- (a) 50% of the amounts owing to them to be converted into fully paid ordinary shares in Allomak at an issue price of \$0.04 per share (other than Mr Gloss Pty Ltd who has agreed to accept 52% in shares and 48% in debt) (**Vendor Share Entitlement**); and
- (b) the balance of the amount owing to them in the form of a long term loan, **interest free**, that will be repaid over a 5 year period. These loans are subordinated to the Company's banking facilities.

The issue price of \$0.04 represents a premium of 200% over the last closing share price and the Board is pleased that it has secured the ongoing support of the Vendors by having them reinvest in the Company.

On 13 August 2009, the Company issued 35% of the Vendors Share Entitlement to each of the Vendors (except for Mr Gloss Pty Ltd). Resolutions 2 to 5 are seeking shareholder approval to issue the balance of the Vendor Share Entitlement to the Vendors in accordance with the Vendor Settlement Deeds.

Shareholders should note that as the Vendor Settlement Deeds are separate independent documents, Resolutions 2 to 5 are not interdependent.

To the extent that only some (and not all) of Resolutions 2 to 5 are passed, only the Shares the subject of any passed Resolutions will be issued which will have the effect of partially reducing the Vendor Debt of that particular Vendor. In such circumstances, the Company will be in default of its refinanced facilities.

#### 4. Overview of key terms of Vendor Settlement Deeds

	Surrey Panelcare (purchase of business)	Panelcare of	Alanco (purchase of business)	Mr Gloss Holdings Pty Ltd (share purchase)	KT Cable Accessories Pty Ltd (share purchase)
<b>Vendors</b>	Surrey Panelcare Pty Ltd and Tandene Pty Ltd		Ocnala Pty Ltd	Mr Gloss Pty Ltd	Lachlan Alexander McGillivray and Jocelyn May McGillivray
<b>Total liability owed</b>	\$1,150,000		\$1,755,000	\$6,250,000	\$700,000
<b>Cash consideration (total/per quarter)</b>	\$575,000/\$28,750		\$877,500/\$43,875	\$3,000,000/\$150,000	\$350,000/\$17,500
<b>Cash consideration (payment start date)</b>	20 equal quarterly instalments of starting 30 October 2009		20 equal quarterly instalments of starting 30 October 2009	20 equal quarterly instalments of starting 30 October 2009	20 equal quarterly instalments of starting 30 October 2009
<b>Share Consideration</b>	\$575,000 at 4 cents per Allomak limited share		\$877,500 at 4 cents per Allomak limited share	\$3,250,000 at 4 cents per Allomak limited share	\$350,000 at 4 cents per Allomak limited share
<b>Number of Shares</b>	14,375,000 of which 5,031,250 have been issued		21,937,500 of which 7,678,125 have been issued	81,250,000	8,750,000 of which 3,062,500 have been issued

#### 5. EFFECT OF RECAPITALISATION ON SHARE CAPITAL

The effect on the capital restructure of the Company is set out below:	
<b>Ordinary Shares</b>	
Current shares on issue	<u><b>159,371,045</b></u>
Issue of shares to Vendors under Vendor Settlement Deeds and Release pursuant to Resolutions 2 to 5	
- Surrey Panelcare Pty Ltd and Tamadene Pty Ltd	9,343,750
- OCNALA Pty Ltd	14,259,375
- Mr Gloss Pty Ltd	81,250,000
- Lachlan and Jocelyn McGillivray	<u>5,687,500</u>
Total Vendor shares pursuant to this General Meeting	<b>110,540,625</b>
<b>TOTAL</b>	<b>269,911,670</b>
<b>Options (no new issues of options contemplated under this recapitalisation)</b>	
Employee options - various exercise prices and expiry dates	255,000
Series A Options, exercisable at 40 cents on or before 22 July 2011	560,000
Series B Options, exercisable at 40 cents on or before	560,000

22 July 2011	
Series C Options, exercisable at 47 cents on or before 22 July 2011	4,875,000
Series D Options, exercisable at 57 cents on or before 22 July 2011	4,875,000
<b>TOTAL</b>	<b>11,125,000</b>

## 6. ADVANTAGES OF THE TRANSACTION

### 6.1 General

The transactions contemplated at this Extraordinary General Meeting give the Company an opportunity to move forward from its past difficulties under a sustainable capital structure.

### 6.2 Advantages

The Directors are of the view that the following non-exhaustive list of advantages may be relevant to a Shareholder's decision on how to vote on the proposed transactions:

- (a) if the issue of the shares under Vendor Settlement Deeds proposed at this Extraordinary Meeting (**Proposed Issues**) are not approved, Allomak will be in default of its facilities with its external financier which will entitle the financier to appoint an external controller to Allomak;
- (b) the interest bearing debt with the external financier will be reduced from \$34 million to \$22 million;
- (c) if the Proposed Issues are not approved, Allomak cannot meet its obligations to the Vendors and any demands for payment will not be able to be satisfied and interest will continue to accrue on any amounts outstanding under the acquisition agreements
- (d) the terms of the Vendor Settlement Deeds and the new finance facilities are favourable to Allomak and provide a good opportunity for future profitability;
- (e) the Vendor Settlement Deeds provide strong incentives for the Vendors to support the Company and achieve financial objectives over at least the next 5 year period; and
- (f) recent management and business restructuring has given the Company the best possible opportunity to capitalise on the proposed restructuring with the Vendors and the external financier.

## 7. DISADVANTAGES OF THE TRANSACTION

The Board is of the view that, given the Company's current position the only possible disadvantage is the dilutive effect on current shareholders. However it is of the view that this is the minimum possible dilution and is outweighed by the significant advantages in proceeding with the restructure.

Shareholders should note that a potential disadvantage of the issue of the Shares to the Vendors is the fact that Mr Gloss Pty Limited will acquire a substantial stake in Allomak. This may mean that in the future, Mr Gloss may acquire a controlling interest in Allomak and may also potentially impede a third party takeover bid.

## 8. ALTERNATE STRATEGY

If the Proposed Issues are not approved, the Board does not have any feasible alternate strategy to meet its obligations to its external financier and the Vendors and would be subject to their discretion.

## 9. ROLE OF THE INDEPENDENT EXPERT

The Independent Expert's Report assesses whether the transactions are fair and reasonable to the non-associated Shareholders. This assessment is designed to assist all Shareholders in reaching their voting decision.

Hall Chadwick has provided an opinion that it believes the transactions are *fair and reasonable to non associated Shareholders*. It is recommended that all Shareholders read the Independent Expert's Report in full.

## 10. DIRECTORS' RECOMMENDATIONS

Mr Ray Malone has an interest in the outcome of Resolution 4 and did not participate in the decision at Board level to refer Resolution 4 to Shareholders for determination.

Other than Mr Malone, the Directors do not have any material personal interest in the outcome of the Resolutions other than their interests arising solely in their capacity as Shareholders of the Company. The Directors' security holdings in the Company are set out in the following table:

Director	Shares	Options
Mr Chris Sadler	Nil	Nil
Hon John Anderson	30,000	Nil
Mr Ray Malone (via Mr Gloss Pty Ltd)	10,180,835	Nil
Mr Don Easter	150,000	Nil

Each of the Directors intends to vote their Shares in favour of all of the Resolutions, subject to any voting exclusions for particular Resolutions.

Mr Malone has declined to make a recommendation in relation to Resolution 4.

The Directors consider that the proposed transactions and Resolutions are in the best interests of the Company and recommend that Shareholders vote in favour of the Resolutions, subject to any voting exclusions for particular Resolutions. The Directors (other than Mr Malone) have approved the proposal to put the Resolutions to Shareholders and separately approved the information contained in this Explanatory Statement.

**11. RESOLUTION 1 – RE-ELECTION OF MR RAY MALONE AS A DIRECTOR**

Clause 15.1(c) of the Constitution requires that if a director is appointed at any time by the Board of the Company, that person holds office until the end of the next following general meeting and is eligible for election at that meeting.

Mr Ray Malone will retire at the end of the General Meeting and seeks re-election.

Ray Malone is the founder and Managing Director of the Mr Gloss business, a leading prestige car repair business in Victoria.

Ray has over 28 years experience in the automotive repair industry and has brought substantial business skills and industry knowledge to the board of Allomak Limited.

**12. RESOLUTION 2 – ISSUE OF SHARES TO THE VENDORS OF THE SURREY PANELCARE BUSINESS**

**Background**

Resolution 2 seeks Shareholder approval for the allotment and issue of 9,343,750 Shares to Surrey Panel Care Pty Ltd and Tamadene Pty Ltd (**Surrey Vendors**) at an issue price of 4 cents per shares (**Surrey Shares Placement**), pursuant to the Deed of Settlement and Release between the Company, the Surrey Vendors, and covenantors dated 30 June 2009 (**Surrey Settlement Deed**) in part satisfaction of moneys owing to the Surrey Vendors under the Sale of Business Agreement dated 5 March 2008 (**Surrey Sale of Business Agreement**)

The Surrey Vendors are owed \$1,150,000.

The key terms of the Surrey Settlement Deed are as follows:

- (a) repayment to the Surrey Vendors of \$575,000 in cash (**Surrey Loan**) payable in 20 equal quarterly instalments of \$28,750 starting 30 October 2009;
- (b) the Surrey Loan is **interest free**;
- (c) the Surrey Loan is secured by a registered second ranking fixed and floating charge over the assets of Allomak Limited and its subsidiaries in accordance with the Deed of Charge and the Inter-creditor Deed;
- (d) the issue of 14,375,000 fully paid ordinary shares in Allomak Limited to the Surrey Vendors for the remaining value of \$575,000, to be issued at an issue price of 4 cents per share. The shares are to be issued in two tranches, with the first tranche of 5,031,250 being issued on 13 August 2009 and the second tranche to be issued than no later than 31 October 2009;
- (e) shareholder approval for the issue of the second tranche of shares must be obtained; and

- (f) in consideration of the Surrey Loan and the issue of the Surrey Share Placement, the Surrey Vendors unconditionally and irrevocably covenant and undertake that they will take no steps to seek to enforce any action or claim that they have against Allomak Limited under the Surrey Sale of Business Agreement.

### **Shareholder approval pursuant to Listing Rule 7.1**

Listing Rule 7.1 prohibits a listed company from issuing, during any 12 month period, any equity securities or other securities with rights of conversion to equity if the number of those securities exceeds 15% of its issued capital (**15% Limit**), unless an exception under Listing Rule 7.2 applies or the issue has the prior approval of Shareholders in general meeting.

As the number of shares to be issued under this Resolution, together with Resolutions 3, 4 and 5 and certain other shares issues in the last 12 months will exceed the 15% Limit, shareholder approval under Listing Rule 7.1 is being sought.

The effect of this Resolution will be to permit the Directors to issue the Surrey Shares Placement at any time within 3 months of the Extraordinary General Meeting (or a longer period if approved by ASX) without breaching the 15% Limit.

### **Notice requirements under Listing Rule 7.3**

Listing Rule 7.3 requires the following information be provided to Shareholders when seeking approval for the purposes of Listing Rule 7.1:

- (a) the maximum number of securities to be issued under the Surrey Share Placement is 9,343,750;
- (b) the Surrey Share Placement securities will be issued no later than three (3) months after the date of the General Meeting (or a longer period if approved by ASX) and it is intended that allotment will occur on the same date;
- (c) the Shares will be issued at a price of 4 cents per share;
- (d) the Shares will be issued to the Surrey Panelcare Pty Ltd and Tamadene Pty Ltd (or their nominees). The allottees are not related parties or associates of the Company;
- (e) the Shares will be fully paid ordinary shares and will rank equally with the Company's then issued Shares; and
- (f) no funds will be raised from the issue of Surrey Share Placement as the allotment is made in satisfaction of outstanding liabilities to the Surrey Vendors.

## **13. RESOLUTION 3 - ISSUE OF SHARES TO THE VENDOR OF THE ALANCO BUSINESS**

Resolution 3 seeks Shareholder approval for the allotment and issue of 14,259,375 Shares to OCNALA Pty Ltd as trustee for the Alan Golding Family Trust (as vendor of the Alanco business) at an issue price of 4 cents (**OCNALA Share Placement**) pursuant to the Deed of Settlement and Release between the Company, OCNALA Pty Ltd, Alanco Australia Pty Ltd and Alan Farley Golding dated 30 June 2009 (**Alanco Settlement Deed**) in part satisfaction of the moneys owing to OCNALA under the Sale of Business Agreement dated 15 November 2007 (**Alanco Sale of Business Agreement**)

OCNALA is owed \$1,755,000.

The terms of the Alanco Settlement Deed are as follows:

- (a) the repayment of \$877,500 to OCNALA (**OCNALA Loan**) payable in 20 equal quarterly instalments of \$43,875 starting 30 October 2009;
- (b) the OCNALA Loan is **interest free**;
- (c) the OCNALA Loan is secured by a registered second ranking fixed and floating charge over the assets of Allomak Limited and its subsidiaries in accordance with the Deed of Charge and the Intercreditor Deed;
- (d) the issue of 21,937,500 shares in Allomak Limited to OCNALA for the remaining value of \$877,500 at 4 cents per Allomak Limited share. The shares are to be issued in two tranches, with the first tranche of 7,678,125 being issue on 13 August 2009 and the second tranche to be issued than no later than 31 October 2009;
- (e) Shareholder approval for the issue of the second tranche of shares must be obtained; and
- (f) in consideration of the OCNALA Loan and the OCNALA Share Placement, OCNALA unconditionally and irrevocably covenants and undertakes that it will take no step to seek to enforce any action or claim that it has against Allomak Limited under the Alanco Sale of Business Agreement.

#### **Shareholder approval of Listing Rule 7.1**

As stated above, Listing Rule 7.1 prohibits a listed company from issuing, during any 12 month period, any equity securities or other securities with rights of conversion to equity (including an Option) if the number of those securities exceeds 15% of its issued capital (**15% Limit**), unless an exception in listing rule 7.2 applies or the issue has the prior approval of Shareholders.

As the number of shares to be issued under this Resolution, together with resolutions 2, 4 and 5, and certain shares issues in the last 12 months will exceed the 15% Limit, shareholder approval under Listing Rule 7.1 is being sought.

The effect of this Resolution will be to permit the Directors to issue the OCNLA Share Placement at any time within 3 months of the General Meeting (or a longer period if approved by ASX) without the Company breaching the 15% Limit.

#### **Notice requirements under Listing Rule 7.3**

Listing Rule 7.3 requires the following information be provided to Shareholders when seeking approval for the purposes of Listing Rule 7.1:

- (a) the maximum number of securities to be issued under the OCNALA Share Placement is 14,259,375 ;
- (b) the OCNALA Share Placement securities will be issued no later than three (3) months after the date of the General Meeting (or a longer period if approved by ASX) and it is intended that allotment will occur on the same date;
- (c) the Shares will be issued at a price of 4 cents per share;

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- (d) the Shares will be issued to OCNALA Pty Ltd as trustee for the Alan Golding Family Trust (or its nominees). The allottee is not a related party or associate of the Company;
  - (e) the Shares will be fully paid ordinary shares and will rank equally with the Company's then issued Shares; and
  - (f) no funds will be raised from the issue of OCNALA Share Placement as the allotment is made in satisfaction of outstanding liabilities to OCNALA .

14 **RESOLUTION 4 – ISSUE OF SHARES TO THE VENDOR OF THE MR GLOSS HOLDINGS PTY LTD SHARES**

**Background**

Resolution 4 seeks shareholder approval for the:

- (a) issue of 81,250,000 Shares (**Mr Gloss Share Placement**); and
- (b) entry into a 5 year interest free loan to repay \$3,000,000 (**Mr Gloss Loan**),

to Mr Gloss Pty Ltd as trustee of the Mr Gloss Unit Trust pursuant to the Deed of Settlement and Release between Mr Gloss Pty Ltd, the Company, Mr Gloss Holdings and the specified covenantors dated 30 June 2009 (**Mr Gloss Settlement Deed**), in satisfaction of moneys owed to Mr Gloss Pty Ltd under the Share Sale Agreement Dated October 2007 (**Mr Gloss Share Sale Agreement**)

The other key terms of the Mr Gloss Settlement Deed are as follows:

- (a) the repayment of the Mr Gloss Loan is payable in 20 equal quarterly instalments of \$150,000 starting 30 October 2009;
- (b) the Mr Gloss Loan is **interest free**;
- (c) the Mr Gloss Cash Loan is secured by a registered second ranking fixed and floating charge over the assets of Allomak Limited and its subsidiaries in accordance with the Deed of Charge and the Inter-creditor Deed;
- (d) the issue of 81,250,000 fully paid ordinary shares in Allomak Limited to the Mr Gloss is at an issue price of 4 cents per share;
- (e) shareholder approval for the Mr Gloss Share Placement and the Mr Gloss Loan; and
- (f) in consideration of entering into the Mr Gloss Loan and issuing the Mr Gloss Share Placement, Mr Gloss unconditionally and irrevocably covenants and undertakes that it will take no steps to seek to enforce any action or claim that it has against Allomak Limited under the Mr Gloss Share Sale Agreement.

**Summary of approvals sought**

Mr Gloss Pty Ltd is an entity controlled by Mr Ray Malone, a director of the Company and is therefore a related party of the Company for the purposes of the Corporations Act and the Listing Rules.

Furthermore, the proposed issue to Mr Gloss Pty Ltd will result in Mr Gloss Pty Ltd and Ray Malone acquiring a relevant interest in more than 20% of the voting shares in



the Company which is prohibited under the Corporations Act, except with the approval of shareholders.

Accordingly, the Company is seeking the following approvals:

- (a) approval under section 208 of the Corporations Act, to allow the entry into the Mr Gloss Loan as a related party of the Company.
- (b) approval for the purposes of ASX Listing Rule Listing Rule 10.11 and section 208 of the Corporations Act to allow the issue of 81,250,000 fully paid ordinary Shares to Mr Gloss Pty Ltd as a related party of the Company; and
- (c) approval for the purpose of Item 7 of Section 611 of the Corporations Act to allow Mr Gloss Pty Ltd and Mr Ray Malone to increase their relevant interests from 6.4% to a 33.9% on the assumption that Resolutions 2, 3 4 and 5 are passed.

### **Approval under Chapter 2E of the Corporations Act**

Chapter 2E of the Corporations Act regulates the provision of financial benefits to related parties by a public company. Section 208 of the Corporations Act **prohibits a public company giving a financial benefit to a related party** unless one of a number of exceptions applies.

A **financial benefit** is defined in the Corporations Act in broad terms and includes a public company issuing securities and entering into a financial arrangement.

A company that is controlled by a director of Allomak is a related party of Allomak and accordingly the proposed issue of the Mr Gloss Placement Shares and the entry into the Mr Gloss Loan is a related party transaction.

Whilst the Directors believe that the rights and obligations of the parties under the Mr Gloss Settlement Deed satisfy an arms length transaction, the Directors have considered it appropriate to seek Shareholder approval given the significance of the transaction and the overall affect on the recapitalisation process.

Section 208 of the Corporations Act provides that for a public company to give a financial benefit to a related party of that company, the public company must:

- (a) obtain the approval of members in the way set out in Sections 217 to 227 of the Corporations Act; and
- (b) give the benefit within 15 months after the approval is obtained.

For the purposes of Sections 217 to 227 of the Corporations Act, the following information is provided to allow Shareholders to assess the proposed issue of the Mr Gloss Placement Shares and entry into the Mr Gloss Loan:

- (a) the related party whom will receive the financial benefit is Mr Gloss Pty Ltd as trustee of the Mr Gloss Unit Trust;
- (b) the nature of the financial benefit is the issue of 81,250,000 fully paid ordinary shares and the entry into the Mr Gloss Loan by the Company;
- (c) the maximum number of Shares to be issued to Mr Gloss Pty Ltd is 81,250,000 (which shall be issued for nil consideration, accordingly no funds will be raised from the issue of the Mr Gloss Share Placement, with the allotment involving settlement of outstanding liabilities owing to Mr Gloss);

- (d) the Mr Gloss Placement Shares will rank equally in all respects with the Company's existing issued fully paid ordinary Shares;
- (e) the value of the Shares is based on the market value (as determined by the Independent Expert) is between \$0.021 and \$0.029 per share with a mid point of \$0.025 per share. More information on how the share value has been calculated is set out in the Independent Experts report;
- (f) in the last 12 months before the date of this Notice the highest, lowest and latest trading price of Shares on ASX were:

Highest	40.0 cents on 21 January 2009
Lowest	1.7 cents on 15 April 2009
Last	1.9 cents on 16 April 2009
- (g) as at the date of this Notice, Mr Gloss has the following interests in the securities of the Company:

10,180,835 fully paid ordinary shares
- (h) if the Mr Gloss Shares Placement is effected, a total of 81,250,000 Shares will be allotted and issued to Mr Gloss Pty Ltd. This will increase the number of Shares on issue from 188,661,670 to 269,911,670 (assuming that no other options are exercised and no other Shares are issued) with the effect that the shareholding of existing Shareholders would be diluted as follows:

30.1% - on the basis that all shares under Resolutions 2, 3, 4 and 5 are issued (or 33.8% - on the basis that the shares under Resolutions 2, 3 and 5 are not issued)
- (i) the Mr Gloss Share Placement will be allotted not later than 1 month after the date of the Meeting (or such later date as permitted by any ASX waiver or modification of the Listing Rules) and it is anticipated that they will be granted on one date; and
- (j) Mr Malone has declined to make a recommendation in relation to Resolution 4 as he has an interest in the outcome. The other current Directors recommend that Shareholders vote in favour of Resolution 4 as they are of the view that the issue of the Mr Gloss Placement Shares to Mr Gloss Pty Ltd and the entry into the Mr Gloss Loan are in the best interest of the Shareholders as it will allow for the recapitalisation program to be adopted. Further assessment of the advantages and disadvantages are discussed above. The Directors are not aware of any other information that would be reasonably required by Shareholders to allow them to make a decision whether it is in the best interests of the Company to pass the Resolution.

**ASX Listing Rule 10.11**

ASX Listing Rule 10.11 requires a listed company to obtain shareholder approval by ordinary resolution prior to the issue of securities to a related party. As stated above, Mr Gloss Pty Ltd is considered a related party of the Company by virtue of the fact that it is controlled by Mr Ray Malone, a Director of the Company.

ASX Listing Rule 10.13 sets out a number of matters which must be included in a notice of meeting proposing an approval under ASX Listing Rule 10.11. The following information is provided to Shareholders for the purposes of Listing Rule 10.13:

- (a) the name of the person is Mr Gloss Pty Ltd as trustee for the Mr Gloss Unit Trust;
- (b) the maximum number of Shares to be issued is 81,250,000;
- (c) the Shares will be issued no later than one (1) month from the date of approval of the Resolutions (or such later date as approved by ASX) and it is anticipated that the Shares will be issued on one date;
- (d) Mr Gloss Pty Ltd is controlled by Ray Malone a director of the Company and therefore Mr Gloss is considered to be a related party of the Company;
- (e) the Shares will be fully paid ordinary shares and will rank equally in all respects with the Company's existing issued Shares and will be issued at \$0.04 per share; and
- (f) the Shares will be granted for nil consideration, accordingly no funds will be raised from the issue of the Shares, with the allotment involving settlement of outstanding liabilities to Mr Gloss Pty Ltd under the Mr Gloss Share Sale Agreement.

Approval pursuant to Listing Rule 7.1 is not required in order to issue the Mr Gloss Placement Shares as approval is being obtained under Listing Rule 10.11. Accordingly, the issue of securities to the Related Parties will not be included in the calculation of the 15% Limit.

#### **Approval pursuant to Item 7 of Section 611 of the Corporations Act**

Pursuant to Section 606(1) of the Corporations Act, a person must not acquire a relevant interest in issued voting shares in a listed company if the person acquiring the interest does so through a transaction in relation to securities entered into by or on behalf of the person and because of the transaction, that person's or someone else's voting power in the company increases:

- (a) from 20% or below to more than 20%; or
- (b) from a starting point that is above 20% and below 90%.

The voting power of a person in a body corporate is determined in accordance with Section 610 of the Corporations Act. The calculation of a person's voting power in a company involves determining the voting Shares in the company in which the **person and the person's associates** have a relevant interest.

A person has a relevant interest in securities if they:

- (a) are the holder of the securities;
- (b) have the power to exercise, or control the exercise of, a right to vote attached to the securities; or
- (c) have power to dispose of, or control the exercise of a power to dispose of, the securities.

It does not matter how remote the relevant interest is or how it arises. If two or more people can jointly exercise one of these powers, each of them is taken to have that power.

Item 7 of Section 611 of the Corporations Act provides an exception to the prohibition, whereby a person may acquire a relevant interest in a company's voting shares with Shareholder approval.

Shareholder approval under Item 7 of Section 611 of the Corporations Act is required for Resolution 4.

### **Associates**

A person (**second person**) will be an "associate" of the other person (**first person**) if:

- (a) the first person is a body corporate and the second person is:
  - (i) a body corporate the first person controls;
  - (ii) a body corporate that controls the first person; or
  - (iii) a body corporate that is controlled by an entity that controls the person;
- (b) the second person has entered or proposed to enter in a relevant agreement with the first person for the purpose of controlling or influencing the composition of the Company's board or the conduct of the Company's affairs; and
- (c) the second person is a person with whom the first person is acting or proposed to act, in concert in relation to the Company's affairs.

### **Specific Information Required by Section 611 Item 7 of the Corporations Act and ASIC Policy Statement 74**

The following information is required to be provided to Shareholders under the Corporations Act and ASIC Policy Statement 74 in respect of obtaining approval for Item 7 of Section 611 of the Corporations Act.

Shareholders are also referred to the Independent Expert's Report prepared by Hall Chadwick annexed to this Explanatory Statement.

Section 611 provides that certain acquisitions of relevant interests in a company's voting shares are exempt from the prohibition in Section 606(1), including acquisitions approved previously by a resolution passed at a general meeting of the company in which the acquisition is made (Section 611 Item 7).

For the exemption of Section 611 Item 7 to apply, Shareholders must be given all information known to the person proposing to make the acquisition or their associates, or known to the Company that was material to the decision on how to vote on the resolution. In ASIC Policy Statement 74, the ASIC has indicated what additional information should be provided to shareholders in these circumstances.

#### **Identity of persons who will hold a relevant interest in the Shares on completion of Resolution 4**

On completion of the transaction anticipated under Resolution 4, the following persons will hold a relevant interest in the Vendor Shares:

- (a) Mr Gloss Pty Limited as trustee for the Mr Gloss Unit Trust as the direct holder of the Shares); and
- (b) Mr Ray Malone (who is deemed to have a relevant interest in the Shares held by Mr Gloss Pty Ltd by virtue of Section 608(3)(a) of the Corporations Act as he controls Mr Gloss Pty Ltd).

#### **Maximum extent of the increase in voting power on completion of Resolution 4**

As at the date of this Explanatory Statement, Mr Gloss Pty Ltd has a relevant interest in 10,180,835 Shares (as direct holder of the shares) representing a maximum voting power of 6.4%.

The maximum extent of the increase in voting power of Mr Gloss and Ray Malone:

- (a) is 27.5%, assuming the capital structure is as set out in Section 5 of this Explanatory Statement, and Resolutions 2, 3 4 and 5 are approved by shareholders and Shares under these resolutions allotted and no options are exercised; and
- (b) is 31.6 % if only Resolution 4 is approved and no options are exercised.

Further details of the voting power of the Vendors are set out in the Independent Expert's Report.

No parties other than Mr Gloss Pty Ltd and Ray Malone will receive an increase in voting power because of the allotment of the Shares.

#### **The voting power of Mr Gloss Pty Ltd and Ray Malone on completion of Resolution 4**

33.9% on the basis that all shares under Resolutions 2, 3 ,4 and 5 are issued

38.0% on the basis that the shares under Resolutions 2, 3 and 5 are not issued

#### **Intentions of Mr Gloss Pty Ltd in relation to Allomak Limited**

Other than as disclosed elsewhere in this Explanatory Statement, the Company understands that Mr Gloss Pty Ltd:

- (a) has no intention of making any significant changes to the business of the Company or the future employment of employees;
- (b) does not intend to redeploy any fixed assets of the Company;
- (c) does not have any present intention to inject further capital into the Company;
- (d) does not intend to transfer any property between the Company and Mr Gloss Pty Limited or any person associated with any of them; and
- (e) has no current intention to change the Company's existing policies in relation to financial matters or dividends.

### **Date when allotment will be effected**

The Shares will be issued no later than one (1) month from the date of approval of the Resolutions (or such later date as approved by ASX) and it is anticipated that the Shares will be issued on one date.

### **Capital Structure**

The proposed capital structure of the Company following completion of all the transactions the subject of this Notice is set out in this Explanatory Statement.

### **Interests and Recommendations of Directors**

The Directors, other than Mr Ray Malone, do not have any personal interests in the outcome of Resolution 4 and did not participate in the vote to refer the matter to shareholders Mr Malone declines to comment in relation this Resolution due to Mr Malone's personal interest in the outcome of Resolution 4. Accordingly, the remaining Directors, Mr Chris Sadler, Hon John Anderson and Mr Don Easter are of the opinion that Resolution 4 is in the best interests of Shareholders. Mr Chris Sadler, Hon John Anderson and Mr Don Easter recommend Shareholders vote in favour of Resolution 4. The Directors have approved the proposal to put Resolution 4 to Shareholders.

The Directors' recommendations are based on the following reasons:

- (a) the Company needs to recapitalise if it is to succeed as a listed company;
- (b) if the Company does not proceed with the proposed Resolution, the company will have difficulty to continue as a going concern; and
- (c) the independent expert has determined the proposed transaction is fair and reasonable to the non-associated Shareholders of the Company.

### **Independent Expert's Report**

The Independent Expert's Report assesses whether the transaction is fair and reasonable to the non-associated Shareholders of the Company. The advantages and disadvantages of the Resolution are outlined in this Explanatory Statement and in the Independent Experts' Report and are provided to enable non-associated Shareholders of the Company to determine whether they are better off if the Transaction proceeds than if it does not.

The Independent Expert's Report concludes that the transaction is fair and reasonable to the non-associated Shareholders of the Company.

Shareholders are urged to read the Independent Expert's Report to understand the scope of the report, the methodology of the valuation and the sources of information and assumptions made.

## Pro-forma consolidated statement of financial position

A PRO-FORMA STATEMENT OF FINANCIAL POSITION OF THE COMPANY POST RESOLUTION (AND AFTER COMPLETION OF ALL OTHER RESOLUTIONS IN THIS NOTICE) IS SET OUT IN SECTION 7.5.10 ON PAGE 22 OF THE IENDEPENDENT EXPERT'S REPORT.

### 16 RESOLUTION 5 – ISSUE OF SHARES TO THE VENDORS OF KT CABLES ACCESSORIES PTY LTD SHARES

Resolution 5 seeks Shareholder approval for the allotment and issue of 5,687,500 Shares to Lachlan McGillivray and Jocelyn McGillivray (**KT Cable Vendors**) at an issue price of 4 Cents (**KT Cable Share Placement**) pursuant to Deed of Settlement and Release entered into between the Company, KT Cable Accessories (**KT Cable Settlement Deed**), in part satisfaction of the moneys owing to the KT Cable Vendors under the KT Cable Share Sale Agreement dated 19 December 2007. The amount owing to the KT Cable Vendors is \$700,000 plus the 'earn out' payments referred to below.

The terms of the KT Cables Settlement Deed are as follows:

- (a) the repayment of \$350,000 in cash to the KT Cable Vendors (**KT Cable Loan**) payable in 20 equal quarterly instalments of \$17,500 starting 30 October 2009;
- (b) the KT Cable Loan is **interest free**;
- (c) the KT Cable Loan is secured by a registered second ranking fixed and floating charge over the assets of Allomak Limited and its subsidiaries in accordance with the Deed of Charge and the Intercreditor Deed;
- (d) issue of 8,750,000 shares in Allomak Limited to the KT Cable Vendors for the remaining value of \$350,000 at 4 cents per Allomak Limited share. The Shares are to be issued in two tranches, with the first tranche of 3,062,500 issued on 13 August 2009 and the second tranche to be issued no later than 31 October 2009;
- (e) shareholder approval for the issue of the second tranche of shares must be obtained;
- (f) in consideration of the KT Cable Loan and the KT Cable Share Placement, the KT Cable Vendors unconditionally and irrevocably covenant and undertake that they will take no step to seek to enforce any action or claim that they has against Allomak Limited under the KT Cable Share Sale Agreement; and
- (g) the Company agrees to pay to the KT Cable Vendors an incentive payment subject to the performance of EBIT in FY2010 from KT Cable Accessories Pty Ltd being equal to or greater than the minimum target as defined. No incentive is payable to the Vendor if the EBIT in FY 2010 is less than the minimum target.

#### 16.1 Approval under Listing Rule 7.1

Listing Rule 7.1 prohibits a listed company from issuing, during any 12 month period, any equity securities or other securities with rights of conversion to equity if the number of those securities exceeds 15% of its issued capital (**15% Limit**), unless an

exception applies in Listing Rule 7.2 applies or the issue has the prior approval of Shareholders.

As the number of shares to be issued under this Resolution, together with resolutions 2, 3 and 4 and certain shares issues in the last 12 months will exceed the 15% Limit, shareholder approval under Listing Rule 7.1 is being sought.

The effect of this Resolution will be to permit the Directors to issue the KT Placement Shares at any time within 3 months of the General Meeting (or a longer period if approved by ASX) without the Company breaching the 15% Limit.

Listing Rule 7.3 requires the following information be provided to Shareholders when seeking approval for the purposes of Listing Rule 7.1:

- (a) the maximum number of securities to be issued under the KT Cable Share Placement is 5,687,500;
- (b) the KT Cable Share Placement securities will be issued no later than three (3) months after the date of the General Meeting (or a longer period if approved by ASX) and it is intended that allotment will occur on the same date;
- (c) the Shares will be issued at a price of 4 cents per share;
- (d) the Shares will be issued to the KT Cable Vendors, being Lachlan Alexander McGillivray and Jocelyn May McGillivray (or their nominees). The allottees are not related parties or associates of the Company;
- (e) the Shares will be fully paid ordinary shares and will rank equally with the Company's then issued Shares; and
- (f) no funds will be raised from the issue of KT Share Placement securities, with the allotment involving settlement of outstanding liabilities to the KT Cable Vendors.





FOR ALL ENQUIRIES CALL:  
(within Australia) 1300 737 760  
(outside Australia) +61 2 9290 9600

FACSIMILE  
+61 2 9290 9655

ALL CORRESPONDENCE TO:  
Registries Limited  
GPO Box 3993  
Sydney NSW 2001  
Australia

Name : \_\_\_\_\_  
Address : \_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_

**Your Address**

This is your address as it appears on the company's share register. If this is incorrect, please mark the box with an "X" and make the correction on the form. Securityholders sponsored by a broker should advise your broker of any changes. **Please note, you cannot change ownership of your securities using this form.**

**YOUR VOTE IS IMPORTANT**

FOR YOUR VOTE TO BE EFFECTIVE IT MUST BE RECORDED BEFORE 11.00 AM  
WEDNESDAY 30 SEPTEMBER 2009

**TO VOTE BY COMPLETING THE PROXY FORM**

**STEP 1 Appointment of Proxy**

Indicate here who you want to appoint as your Proxy  
If you wish to appoint the Chairman of the Meeting as your proxy, mark the box. If you wish to appoint someone other than the Chairman of the Meeting as your proxy please write the full name of that individual or body corporate. If you leave this section blank, or your named proxy does not attend the meeting, the Chairman of the Meeting will be your proxy. A proxy need not be a security holder of the company. Do not write the name of the issuer company or the registered securityholder in the space.

**Proxy which is a Body Corporate**

Where a body corporate is appointed as your proxy, the representative of that body corporate attending the meeting must provide an "Appointment of Corporate Representative" prior to admission. An Appointment of Corporate Representative form can be obtained from the company's securities registry.

**Appointment of a Second Proxy**

You are entitled to appoint up to two proxies to attend the meeting and vote on a poll. If you wish to appoint a second proxy, an additional Proxy Form may be obtained by telephoning the company's securities registry or you may copy this form.

To appoint a second proxy you must:

- (a) complete two Proxy Forms. On each Proxy Form state the percentage of your voting rights or the number of securities applicable to that form. If the appointments do not specify the percentage or number of votes that each proxy may exercise, each proxy may exercise half your votes. Fractions of votes will be disregarded.
- (b) return both forms together in the same envelope.

**STEP 2 Voting Directions to your Proxy**

You can tell your Proxy how to vote

To direct your proxy how to vote, place a mark in one of the boxes opposite each item of business. All your securities will be voted in accordance with such a direction unless you indicate only a portion of voting rights are to be voted on any item by inserting the percentage or number of securities you wish to vote in the appropriate box or boxes. If you do not mark any of the boxes on a given item, your proxy may vote as he or she chooses. If you mark more than one box on an item your vote on that item will be invalid.

**STEP 3 Sign the Form**

The form **must** be signed

In the spaces provided you must sign this form as follows:

**Individual:** This form is to be signed by the securityholder.

**Joint Holding:** where the holding is in more than one name, all the securityholders must sign.

**Power of Attorney:** to sign under a Power of Attorney, you must have already lodged it with the registry. Alternatively, attach a certified photocopy of the Power of Attorney to this form when you return it.

**Companies:** this form must be signed by a Director jointly with either another Director or a Company Secretary. Where the company has a Sole Director who is also the Sole Company Secretary, this form must be signed by that person. **Please indicate the office held by signing in the appropriate place.**

**STEP 4 Lodgement of a Proxy**

This Proxy Form (and any Power of Attorney under which it is signed) must be received at an address given below not later than 48 hours before the commencement of the meeting at 11.00 am on Friday, 2 October 2009. Any Proxy Form received after that time will not be valid for the scheduled meeting.

Proxies may be lodged using the reply paid envelope or:

**BY MAIL** - Share Registry – Registries Limited, GPO Box 3993, Sydney NSW 2001 Australia

**BY FAX** - + 61 2 9290 9655

**IN PERSON** - Share Registry – Registries Limited, Level 7, 207 Kent Street, Sydney NSW 2000 Australia



HIN/SRN : \_\_\_\_\_

Name : \_\_\_\_\_  
Address : \_\_\_\_\_  
\_\_\_\_\_

### STEP 1 - Appointment of Proxy

I/We being a member/s of Allomak Limited and entitled to attend and vote hereby appoint

the Chairman of the Meeting (mark with an 'X') **OR**

If you are not appointing the Chairman of the Meeting as your proxy please write here the full name of the individual or body corporate (excluding the registered Securityholder) you are appointing as your proxy.

or failing the individual or body corporate named, or if no individual or body corporate is named, the Chairman of the Meeting, as my/our proxy at the Extraordinary General Meeting of Allomak Limited to be held on **Friday the 2<sup>nd</sup> of October 2009 at 11.00am** and at any adjournment of that meeting, to act 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.

If the Chairman of the Meeting is appointed as your proxy or may be appointed by default, and you do not wish to direct your proxy how to vote in respect of a resolution, please mark this box. By marking this box, you acknowledge that the Chairman of the Meeting may vote as your proxy even if he has an interest in the outcome of the resolution and votes cast by the Chairman of the Meeting for those resolutions, 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 Chairman of the Meeting will not cast your votes on the resolution and your votes will not be counted in calculating the required majority if a poll is called. The Chair intends to vote all undirected proxies in favour of the resolution.

### STEP 2 - Voting directions to your Proxy – please mark to indicate your directions

Ordinary Business

		For	Against	Abstain*
Resolution 1	(a) Re-election of Mr Ray Malone as a Director	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Resolution 2	(a) Issue of Shares to the Vendors of the Surry Panelcare Business	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Resolution 3	(a) Issue of Shares to the Vendor of the Alanco Business	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Resolution 4	(a) Issue of Shares to the Vendor of the Mr Gloss Holdings Pty Ltd Shares	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Resolution 5	(a) Issue of Shares to the Vendors of the KT Cables Accessories Pty Ltd Shares	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

In addition to the intentions advised above. The Chairman of the Meeting intends to vote undirected 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.

### STEP 3 - PLEASE SIGN HERE This section *must* be signed in accordance with the instructions overleaf to enable your directions to be implemented.

Individual or Securityholder 1

Securityholder 2

Securityholder 3

Sole Director and Sole Company Secretary

Director

Director/Company Secretary

Contact Name .....

Contact Daytime Telephone ..... Date /