



## **PIPE NETWORKS LIMITED**

ABN 21 099 104 122

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

NOTICE IS HEREBY GIVEN that the fourth Annual General Meeting (AGM) of the members of PIPE Networks Limited (the "Company") will be held at the Regus Riverside Auditorium on Level 5, Riverside Centre, 123 Eagle Street, Brisbane on Monday the 27<sup>th</sup> of October 2008 commencing 10.00am (Brisbane time). Shareholders are invited to attend and participate at this meeting to canvass relevant issues of interest. If you are unable to attend the AGM, you are invited to vote by proxy on the resolutions to be considered at the meeting.

#### **ORDINARY BUSINESS**

##### **1. Financial Statements and Reports**

To receive and consider the Reports of the Directors and Auditors, and the Financial Report for the year ended 30 June 2008.

##### **2. Election of Directors**

To consider and, if thought fit, pass the following as ordinary resolutions;

- a. That Mr Lloyd Ernst retires by rotation in accordance with clause 58.1(c) of the Company's Constitution and does not seek re-election.
- b. That Mr Stephen Baxter retires by rotation in accordance with clause 58.1(c) of the Company's Constitution and, being eligible, offers himself for re-election.
- c. That Mr Jason Sinclair, having been elected in accordance with clause 57 of the Company's Constitution and requiring re-election, being eligible, offers himself for re-election.

##### **3. Remuneration Report**

To consider and, if thought fit, pass the following resolution;

That the Remuneration Report for the year ended 30 June 2008 be adopted.

#### **SPECIAL BUSINESS**

##### **4. Ratification of Previous Issue of Shares**

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

That, for the purpose of Listing Rule 7.4 and for all other purposes, the Company approves and ratifies the allotment and issue of 6,500,000 fully paid ordinary shares at an issue price of \$4.00 per share to institutional and sophisticated investors within the meaning of section 708 of the Corporations act.

*NB: The information required to be provided by Listing Rule 7.5 to assist shareholders in voting on this resolution is set out in the accompanying Explanatory Memorandum.*



**5. Non-Executive Director aggregate maximum remuneration**

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

That for the purpose of Listing Rule 10.17 and in accordance with clause 61.1 of the Company's Constitution the total aggregate maximum remuneration available to non-executive directors as a whole be set at \$400,000 per annum.

*NB: The information required to be provided by Listing Rule 10.17 to assist shareholders in voting on this resolution is set out in the accompanying Explanatory Memorandum*

By order of the Board

A handwritten signature in black ink, appearing to read "Malcolm Thompson", with a long horizontal flourish extending to the right.

**Malcolm Thompson**  
**CFO/Company Secretary**  
25 September, 2008

# **EXPLANATORY MEMORANDUM TO NOTICE OF ANNUAL GENERAL MEETING**

## **FINANCIAL STATEMENTS AND REPORTS**

The Corporations Act 2001 (Cth) (**Corporations Act**) requires the financial report (which includes the financial statements and directors' declaration), the directors' report and the auditor's report to be laid before the AGM. There is no requirement either in the Corporations Act or in the Constitution of the Company for shareholders to approve the financial report, the directors' report or the auditor's report. Shareholders will have a reasonable opportunity at the meeting to ask questions and make comments on these reports and on the business and operations of the Company.

A copy of the financial report is available for electronic download from the Investor Relations section of the Company's website ([www.pipenetworks.com](http://www.pipenetworks.com)).

## **ELECTION OF DIRECTORS**

Details of the background and qualifications of both Mr Stephen Baxter and Mr Jason Sinclair appear on page 7 of the 2008 Annual Report.

## **REMUNERATION REPORT**

The Directors' Report for the year ended 30 June 2008 contains a Remuneration Report which sets out the policy for the remuneration of the directors of the Company and specified executives of the Company.

The Corporations Act requires that a resolution be put to the vote that the Remuneration Report be adopted. The Corporations Act expressly provides that the vote is advisory only and does not bind the directors or the Company.

Shareholders attending the AGM will be given a reasonable opportunity to ask questions about, or make comments on, the Remuneration Report.

## **RATIFICATION OF PREVIOUS ISSUE OF SHARES**

The purpose of this resolution is for shareholders to ratify and approve, pursuant to Listing Rule 7.4, the issue of shares that occurred during the 12 months before the date of this Annual General Meeting which count toward the Company's 15% limit under Listing Rule 7.1.

Listing Rule 7.1 provides that (subject to certain exceptions, none of which is relevant here) prior approval of shareholders is required for an issue of securities if the securities will, when aggregated with the securities issued by a company during the previous 12 months, exceed 15% of the number of the securities on issue at the commencement of that 12 month period.

The allotment and issue of shares detailed in this resolution did not exceed the 15% threshold. However, Listing Rule 7.4 provides that where a company ratifies an issue of securities, the issue will be treated as having been made with approval for the purpose of Listing Rule 7.1, thereby replenishing that company's 15% capacity and enabling it to issue further securities up to that limit.

The resolution proposes the ratification and approval of the allotment and issue of shares for the purpose of satisfying the requirements of ASX Listing Rule 7.4.



The information required to be provided to shareholders to satisfy Listing Rule 7.4 is specified in Listing Rule 7.5. In compliance with the information requirements of Listing Rule 7.5, members are advised of the following particulars in relation to the allotment and issue:

Date of issue	Number of Securities issued	Issue price per Security	Terms of Securities issued	Person to whom Securities were issued	Basis for determining allottees and use of funds raised by the issue
1/05/2008	6,500,000	\$4.00	Rank equally with all fully paid ordinary shares on issue	J P Morgan Nominees Australia Limited, National Nominees Limited, Vallero Holdings No 2 Pty Ltd, Cogent Nominees Pty Limited, Queensland Investment Corporation, ANZ Nominees Limited, RBC Dexia Investor Services Australia Nominees Pty Limited, AMP Life Limited, HSBC Custody Nominees and other Institutional and sophisticated investors.	The shares were issued on the basis of confirmed indications of interest from selected institutional and sophisticated investors.  To provide equity funding for the capital expenditure requirements of key projects including the Company's submarine cable system and other strategic opportunities.

## NON-EXECUTIVE DIRECTOR AGGREGATE MAXIMUM REMUNERATION

The purpose of this resolution is for shareholders to approve an increase in the total maximum amount of remuneration that may be available to non-executive directors of the Company as a whole. Listing Rule 10.17 requires the permission of shareholders to approve any increase in total amounts payable to non-executive Directors as a whole. Clause 61.1 of the Company's Constitution allows for shareholders to determine the aggregate maximum amount from time to time in general meeting.

Non-executive director remuneration and any aggregate amount set by shareholders is inclusive of any superannuation and any fringe benefits but does not include reimbursements for costs incurred on behalf of the Company or for travel to and from Board meetings.

At time of listing its shares on the ASX in May 2005, the Company had set an aggregate maximum amount payable to all non-executive directors at \$200,000. Due to the growth in size and complexity of the Company, and for future needs to attract additional independent non-executive directors, the Board has determined that the current maximum is insufficient and recommends **an increase of \$200,000 to a total of \$400,000 maximum** amount that may be paid to the non-executive directors as a whole.

## PROXY FORM

If you are attending the AGM, please bring the proxy form with you as the details on it will assist attendance registration. If you are unable to attend the meeting, you may appoint a proxy to vote for you at the meeting using the proxy form attached. Please have the proxy form completed and returned to the Company's Share Registry in the reply paid envelope provided to reach the Share Registry not later than 10.00am (Brisbane time) on 25th October 2008.

## VOTING

A member entitled to attend and vote may appoint up to two proxies. Where a member appoints two proxies and the appointment does not specify the number or proportion of the member's votes each proxy may exercise, each proxy may exercise half of the votes. A proxy need not be a shareholder.

On a show of hands, every member present in person or by proxy or by attorney or, in the case of a corporation, by duly appointed representative, shall have one vote and on a poll one vote for every share held provided that if a member appoints two proxies or two attorneys, neither proxy nor attorney shall be entitled to vote on a show of hands.



## VOTING EXCLUSION STATEMENT

The Company will disregard any vote cast on item 4 by:

- J P Morgan Nominees Australia Limited, National Nominees Limited, Vallero Holdings No 2 Pty Ltd, Cogent Nominees Pty Limited, Queensland Investment Corporation, ANZ Nominees Limited, RBC Dexia Investor Services Australia Nominees Pty Limited, AMP Life Limited, HSBC Custody Nominees and other Institutional and sophisticated investors. ("the investors") who participated in the issue; and
- any associate of the investors who participated in the issue.

The Company will disregard any vote cast on item 5 by:

- R. Clarke, B. Slattery, S. Baxter, G. Baynton, L. Ernst, J. Sinclair or any other director of the Company; and
- any associate of a Director of the Company.

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 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.

## ENTITLEMENT TO VOTE

In accordance with section 1074E(2)(g)(i) of the Corporations Act and regulation 7.11.37 of the Corporations Regulations, the Company has determined that for the purposes of the meeting all ordinary shares in the Company shall be taken to be held by the persons who held them as registered shareholders at 6pm (Brisbane time) on 24<sup>th</sup> October 2008 for holding the meeting (**Entitlement Time**). All holders of ordinary shares in the Company as at the Entitlement Time are entitled to attend and vote at the meeting outlined above.



**Pipe Networks Limited**  
ABN 21 099 104 122

**Please return your Proxy forms to:**  
Link Market Services Limited  
Level 12, 680 George Street, Sydney NSW 2000  
Locked Bag A14, Sydney South NSW 1235 Australia  
Telephone: (02) 8280 7454  
Facsimile: (02) 9287 0309  
ASX Code: PWK  
Website: www.linkmarketservices.com.au

**APPOINTMENT OF PROXY**

If you would like to attend and vote at the Annual General Meeting, please bring this form with you. This will assist in registering your attendance.



**X99999999999**

I/We being a member(s) of Pipe Networks Limited and entitled to attend and vote hereby appoint

**A** the **Chairman of the Meeting (mark box)**  **OR** if you are **NOT** appointing the Chairman of the Meeting as your proxy, please write the name of the person or body corporate (excluding the registered securityholder) you are appointing as your proxy

or failing the person/body corporate named, or if no person/body corporate is named, the Chairman of the Meeting, as my/our proxy to act generally at the meeting on my/our behalf and to vote in accordance with the following instructions (or if no directions have been given, as the proxy sees fit) at the Annual General Meeting of the Company to be held at 10:00am (AEST) on Monday, 27 October 2008, at Riverside Auditorium, Level 5, Riverside Centre, 123 Eagle Street, Brisbane and at any adjournment of that meeting.

Where more than one proxy is to be appointed or where voting intentions cannot be adequately expressed using this form an additional form of proxy is available on request from the share registry. Proxies will only be valid and accepted by the Company if they are signed and received no later than 48 hours before the meeting. The Chairman of the Meeting intends to vote undirected proxies in favour of all items of business.

**B** To direct your proxy how to vote on any resolution please insert  in the appropriate box below.

ORDINARY BUSINESS	For	Against	Abstain*	SPECIAL BUSINESS	For	Against	Abstain*
<b>Resolution 1</b> Financial Statements and Reports	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<b>Resolution 4</b> Ratification of Previous Issue of Shares	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
<b>Resolution 2(b)</b> Re-election of Mr. Stephen Baxter as a Director of the Company	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<b>Resolution 5</b> Non-Executive Director aggregate maximum remuneration	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
<b>Resolution 2(c)</b> Re-election of Mr. Jason Sinclair as a Director of the Company	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>				
<b>Resolution 3</b> Remuneration Report	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>				

**C**  **IMPORTANT: FOR ITEM 5 ABOVE**  
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 as your proxy in respect of Item 5 above, please place a mark in this box. By marking this box, you acknowledge that the Chairman of the Meeting may exercise your proxy even though he/she has an interest in the outcome of that Item and that votes cast by him/her for that Item, other than as proxyholder, would 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 Item 5 and your votes will not be counted in calculating the required majority if a poll is called on this Item.  
The Chairman of the Meeting intends to vote undirected proxies in favour of Item 5.

\* 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.

**D SIGNATURE OF SECURITYHOLDERS – THIS MUST BE COMPLETED**

Securityholder 1 (Individual) <input type="text"/>	Joint Securityholder 2 (Individual) <input type="text"/>	Joint Securityholder 3 (Individual) <input type="text"/>
Sole Director and Sole Company Secretary	Director/Company Secretary (Delete one)	Director

This form should be signed by the securityholder. If a joint holding, either securityholder may sign. If signed by the securityholder's attorney, the power of attorney must have been previously noted by the registry or a certified copy attached to this form. If executed by a company, the form must be executed in accordance with the securityholder's constitution and the Corporations Act 2001 (Cwth).

**PWK PRX842**



# How to complete this Proxy Form

## 1 Your Name and Address

This is your name and address as it appears on the company's share register. If this information is incorrect, please make the correction on the form. Shareholders sponsored by a broker should advise their broker of any changes. **Please note: you cannot change ownership of your shares using this form.**

## 2 Appointment of a Proxy

If you wish to appoint the Chairman of the Meeting as your proxy, mark the box in section A. If the person you wish to appoint as your proxy is someone other than the Chairman of the Meeting please write the name of that person in section A. 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 shareholder of the company. A proxy may be an individual or a body corporate.

## 3 Votes on Items of Business

You should direct your proxy how to vote by placing a mark in one of the boxes opposite each item of business. All your shares 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 shares you wish to vote in the appropriate box or boxes. If you do not mark any of the boxes on the items of business, 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.

## 4 Appointment of a Second Proxy

You are entitled to appoint up to two persons as 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 share registry or you may copy this form.

To appoint a second proxy you must:

- (a) on each of the first Proxy Form and the second Proxy Form state the percentage of your voting rights or number of shares 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.

## 5 Signing Instructions

You must sign this form as follows in the spaces provided:

Individual: where the holding is in one name, the holder must sign.

Joint Holding: where the holding is in more than one name, either securityholder may sign.

Power of Attorney: to sign under Power of Attorney, you must have already lodged the Power of Attorney with the registry. If you have not previously lodged this document for notation, please attach a certified photocopy of the Power of Attorney to this form when you return it.

Companies: where the company has a Sole Director who is also the Sole Company Secretary, this form must be signed by that person. If the company (pursuant to section 204A of the *Corporations Act 2001*) does not have a Company Secretary, a Sole Director can also sign alone. Otherwise this form must be signed by a Director jointly with either another Director or a Company Secretary. Please indicate the office held by signing in the appropriate place.

If a representative of the corporation is to attend the meeting the appropriate "Certificate of Appointment of Corporate Representative" should be produced prior to admission. A form of the certificate may be obtained from the company's share registry.

## 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 by 10:00am (AEST) on Saturday, 25 October 2008, being not later than 48 hours before the commencement of the meeting. Any Proxy Form received after that time will not be valid for the scheduled meeting.

Proxy forms may be lodged using the reply paid envelope or:

- by posting or facsimile to Pipe Networks Limited's share registry as follows:  
Pipe Networks Limited  
C/- Link Market Services Limited  
Locked Bag A14  
Sydney South NSW 1235  
Facsimile: (02) 9287 0309
- delivering it to Level 12, 680 George Street, Sydney NSW 2000.