



HOMELOANS LIMITED ACN 095 034 003

Notice of Annual General Meeting and Explanatory Memorandum

Date of Meeting: Friday, 25 November, 2011

Time of Meeting: 11.00am (Perth time)

Place of Meeting: The Theatrette
Level 4, The Atrium
168 St George's Terrace
Perth, Western Australia

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HOMELOANS LIMITED

ACN 095 034 003

NOTICE OF ANNUAL GENERAL MEETING

NOTICE IS HEREBY GIVEN that the 2011 Annual General Meeting of Homeloans Limited will be held at, The Theatre Level 4 The Atrium, 168 St George's Terrace Perth, Western Australia on 25 November 2011 at 11.00am (Perth time).

BUSINESS OF THE MEETING

1. FINANCIAL STATEMENTS AND REPORTS

To receive and consider the Company's financial statements and the reports of the directors and auditors for the year ended 30 June 2011.

2. REMUNERATION REPORT

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

"That the Remuneration Report for the year ended 30 June 2011 be adopted."

Note: the vote on this resolution is advisory only and does not bind the directors or the company.

3. RE-ELECTION OF DIRECTORS

- (a) In accordance with clause 13.4 of the Constitution, Mr Robert Norman Scott retires by rotation and being eligible offers himself for re-election; and
- (b) In accordance with clause 13.4 of the Constitution, Mr Andrew Loddington Hall retires by rotation and being eligible offers himself for re-election.

Items 3(a) and 3(b) will be voted on as separate ordinary resolutions.

The Chairman intends to vote undirected proxies in favour of each item of business.

BY ORDER OF THE BOARD



Jennifer Murray
Company Secretary

Dated this 20th day of October, 2011

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INFORMATION FOR SHAREHOLDERS

Explanatory Memorandum

The Explanatory Memorandum is included in and forms part of this Notice of Annual General Meeting. Please read the Explanatory Memorandum. It is an important document and should be read in its entirety. Please consult your professional advisor if you do not understand, or require further clarification in respect of, any part of the document.

Attending the Meeting

All shareholders may attend the Annual General Meeting. In the case of joint shareholders, all holders may attend the meeting but only one holder may vote at the meeting in respect of the relevant shares (including by proxy). If more than one joint holder is present, and more than one of the joint holders vote in respect of the relevant shares, only the vote of the joint holder whose name stands first in the register in respect of the relevant shares is counted. A corporate shareholder may appoint one or more persons to act as its representative(s), but only one representative may exercise the corporate shareholder's powers at any one time. The company requires appropriate evidence of appointment.

Asking Questions at the Meeting

The Annual General Meeting is intended to give shareholders the opportunity to hear the Chairman talk about the year that has just passed and also give some insight to the company's prospects for the year ahead.

We welcome shareholders' questions at the meeting. However, in the interests of all present, we ask that you confine your questions to matters before the meeting that are relevant to the shareholders as a whole.

We ask that you please submit your questions with your proxy form or by facsimile to +61 8 9327 1778. You may also submit questions via the Company's website, www.homeloans.com.au (contact us).

Voting Entitlements

The following persons may vote at the Annual General Meeting:

- (a) a person entitled to vote if they have an interest in the Company that allows them to do so;
- (b) a proxy of a person entitled to vote; and
- (c) the Chairman as proxy for a person entitled to vote, in accordance with their directions.

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- **Voting Exclusion – Resolution Number 2**

Homeloans Limited will disregard any votes cast (in any capacity) on resolution number 2 by or on behalf of a member of Homeloans Limited key management personnel and their closely related parties. The names of the key management personnel and their remuneration are included in the company's Remuneration Report for 2011.

However the company will not disregard a vote cast on resolution number 2 by a member of Homeloans Limited key management personnel or a closely related party if the vote is cast as a proxy appointed in writing that specifies how the proxy is to vote on the resolution and the vote is not cast on behalf of a member of Homeloans Limited key management personnel or their closely related parties.

- **Determination of Entitlement to Attend and Vote**

The Directors have determined that the shareholding of each member and their voting entitlements for the Annual General Meeting be as set out in the Company's Share Register at 5.00pm (Perth time) on Wednesday, 23 November 2011.

Proxy Votes

You can appoint a proxy to attend and vote for you at the meeting in accordance with the directions on the proxy form. If no directions are given to the proxy on the form, the proxy may vote as he or she thinks fit. A proxy does not need to be a shareholder of the Company and may be an individual or a body corporate.

If you are appointing the Chairman as your proxy in relation to resolution number 2 but have not completed the boxes 'For' 'Against' or 'Abstain' opposite that resolution on the proxy form, you will be directing the Chairman to vote in favour of resolution number 2. If you wish to appoint the Chairman as your proxy to vote against or abstain from voting on resolution number 2 then you must specify this by completing the boxes 'Against' or 'Abstain' on the proxy form. The Chairman intends to vote undirected proxies in favour of resolution number 2.

A corporate shareholder must sign the proxy form in accordance with its Constitution or otherwise in accordance with the Corporations Act. Where the proxy form is signed under the hand of a duly authorised person or persons of a corporate shareholder, such authorisation must have been sighted at the Company's Share Registry.

To be effective, a proxy form together with any power of attorney under which it is executed or a certified copy of the relevant authority, must be received by the Company by post or by facsimile no later than **11.00am (Perth time) on Wednesday, 23 November 2011**, which is 48 hours before the time for holding the meeting.

Registered Office:	Gooding Partners, Chartered Accountants Level 9 The Quadrant 1 William Street Perth WA 6000
Facsimile No:	+61 8 9327 1778

Annual Report Information

The Annual Report for the year ended 30 June 2011, accompanies this notice of meeting (unless you have elected not to receive a copy of the report).

The 2011 Annual Report is available on the company's website at www.homeloans.com.au

HOMELOANS LIMITED

ACN 095 034 003

EXPLANATORY MEMORANDUM

to Notice of Annual General Meeting

This Explanatory Memorandum is provided to shareholders of Homeloans Limited (the "*Company*") to explain the Resolutions contained in the attached Notice of Annual General Meeting and to be put to shareholders at the Annual General Meeting to be held at The Theatre Level 4 The Atrium, 168 St George's Terrace, Perth, Western Australia on Friday, 25 November 2011, at 11.00am (Perth time).

The Explanatory Memorandum provides shareholders with information that is reasonably required by shareholders to decide how to vote upon the Resolutions to be considered at the meeting. **The Directors recommend that shareholders carefully read this Explanatory Memorandum before determining the manner in which they vote on a Resolution.**

Other than as contained in the Notice of Annual General Meeting, this Explanatory Memorandum and the Company's Annual Report for the year ended 30 June 2011, the directors believe that there is no other information known to the company or the directors that is reasonably required by shareholders to decide whether or not to pass each resolution.

1. FINANCIAL STATEMENTS AND REPORTS

The Corporations Act requires the company's financial statements and reports for the last financial year to be laid before the Annual General Meeting. The financial statements and reports are contained in the Company's Annual Report for the year ended 30 June 2011, which accompanies the Notice of Annual General Meeting (unless you have elected not to receive a copy of the report).

No resolution is required in relation to the financial statements and reports. However shareholders will be given reasonable opportunity to raise questions on the financial statements and reports.

The company's auditors will also be present at the meeting and shareholders will have an opportunity to ask the auditors questions in relation to the conduct of the audit, the auditor's report, the company's accounting policies and the independence of the auditor.

2. REMUNERATION REPORT

2.1. Non-binding vote

The directors submit the company's Remuneration Report to shareholders for consideration and adoption by way of a non-binding resolution. However, as a result of changes to the Corporations Act 2001 (generally known as the 'two strikes rule') which came into effect on 1 July 2011, if at least 25% of the votes cast at the Annual General Meeting are cast against the adoption of the Remuneration Report for two consecutive years, the company will be required to put a resolution to shareholders (spill resolution) at the second annual general meeting (at which the second strike is recorded) proposing the calling of a general meeting (spill meeting) to consider the appointment of directors of the company. If more than 50% of the shareholders vote in favour of the spill resolution the company must hold the spill meeting within 90 days of the Annual General Meeting.

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The Remuneration Report is set out in the Directors' Report which forms part of the Annual Report for 2011. The Remuneration Report sets out the remuneration paid to the directors and other key management personnel during the financial year. It also explains the Board's policy for determining the nature and amount of the remuneration paid by the company, the relationship between the Board's remuneration policy and the company's performance and the performance hurdles applicable to the remuneration of key management personnel.

The Company's remuneration policies and practices have been designed to align the interests of directors and key management personnel of the company with those of the company's shareholders. Although the vote on the proposed resolution is advisory, only the Board will take the outcome of the vote into consideration when reviewing remuneration practices and policies.

Shareholders will be given a reasonable opportunity at the meeting to comment on and ask questions about the Company's Remuneration Report.

2.2 Recommendation

The Board unanimously recommends that shareholders vote in favour of this resolution.

3. RE-ELECTION OF DIRECTORS

3.1. Re-election

Each re-election will be treated as a separate ordinary resolution.

- (a) Mr Robert Norman Scott retires by rotation in accordance with clause 13.4 of the Company's Constitution at the forthcoming Annual General Meeting and, being eligible, offers himself for re-election at the meeting. Mr Scott's qualifications and experience are set out below:

Rob Scott was appointed to the Board on 9 November 2000. He is a Chartered Accountant and has over 36 years experience. He was an International Partner with Arthur Andersen before retiring from that firm in 1995 and now consults to Perth based Gooding Partners, Chartered Accountants. Rob is the chairman of the company's audit committee and is a member of the company's remuneration and nomination committee.

Rob is a non-executive director of the following listed public companies:

Sandfire Resources NL
CGA Mining Limited
Neptune Marine Services Limited
Amadeus Energy Limited

- (b) Mr Andrew Loddington Hall retires by rotation in accordance with clause 13.4 of the Company's Constitution at the forthcoming Annual General Meeting and, being eligible, offers himself for re-election at the meeting. Mr Hall's qualifications and experience are set out below:

Drew Hall was appointed to the Board on 28 October 2008. He is a Chartered Accountant and has a Bachelor of Business from the University of Technology, Sydney. He is also an Associate of FINSIA. Drew is the former Chief Executive Officer of Advantedge Financial Services with mortgages under management and administration of over \$135 billion. Prior to this he was the Chief Executive of Challenger Mortgage Management and the Chief Financial Officer/Chief Operating Officer from 2003 – 2008. Before joining Challenger Drew held senior executive roles at Zurich Capital Markets, Macquarie Bank and Bankers Trust. He is the chairman of the company's remuneration and nomination committee and is a member of the company's audit committee.

The Board, in the absence of Mr Scott and Mr Hall, reviewed the performance of the directors standing for re-election and have endorsed their nomination as candidates for re-election.

3.2. Recommendation

The Board (other than the directors who are the subject of the relevant resolutions) recommends that shareholders vote in favour of all directors standing for re-election.

End of explanatory memorandum

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Lodge your vote:



By Mail:

Gooding Partners, Chartered Accountants
Level 9 The Quadrant
1 William Street
Perth WA 6000

Alternatively you can fax your form to
(within Australia) 08 9327 1778
(outside Australia) +61 8 9327 1778

For all enquiries call:

(within Australia) 1300 850 505
(outside Australia) +61 3 9415 4000

000001 000 HOM
MR SAM SAMPLE
FLAT 123
123 SAMPLE STREET
THE SAMPLE HILL
SAMPLE ESTATE
SAMPLEVILLE VIC 3030

Proxy Form

For your vote to be effective it must be received by 11.00am (Perth time) Wednesday 23 November 2011

How to Vote on Items of Business

All your securities will be voted in accordance with your directions.

Appointment of Proxy

Voting 100% of your holding: Direct your proxy how to vote by marking one of the boxes opposite each item of business. If you do not mark a box your proxy may vote as they choose. If you mark more than one box on an item your vote will be invalid on that item.

Voting a portion of your holding: Indicate a portion of your voting rights by inserting the percentage or number of securities you wish to vote in the For, Against or Abstain box or boxes. The sum of the votes cast must not exceed your voting entitlement or 100%.

Appointing a second proxy: You are entitled to appoint up to two proxies to attend the meeting and vote on a poll. If you appoint two proxies you must specify the percentage of votes or number of securities for each proxy, otherwise each proxy may exercise half of the votes. When appointing a second proxy write both names and the percentage of votes or number of securities for each in Step 1 overleaf.

A proxy need not be a securityholder of the Company.

Signing Instructions

Individual: Where the holding is in one name, the securityholder must sign.

Joint Holding: Where the holding is in more than one name, all of the securityholders should sign.

Power of Attorney: If you have not already lodged the Power of Attorney with the registry, 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 sign in the appropriate place to indicate the office held. Delete titles as applicable.

Attending the Meeting

Bring this form to assist registration. If a representative of a corporate securityholder or proxy is to attend the meeting you will need to provide the appropriate "Certificate of Appointment of Corporate Representative" prior to admission. A form of the certificate may be obtained from Computershare or online at www.investorcentre.com under the information tab, "Downloadable forms".

Comments & Questions: If you have any comments or questions for the company, please write them on a separate sheet of paper and return with this form.

Turn over to complete the form →



View the annual report, 24 hours a day, 7 days a week:

www.homeloans.com.au

To view and update your securityholding:

www.investorcentre.com

Your secure access information is:

SRN/HIN: I9999999999



PLEASE NOTE: For security reasons it is important that you keep your SRN/HIN confidential.

MR SAM SAMPLE
FLAT 123
123 SAMPLE STREET
THE SAMPLE HILL
SAMPLE ESTATE
SAMPLEVILLE VIC 3030

Change of address. If incorrect, mark this box and make the correction in the space to the left. Securityholders sponsored by a broker (reference number commences with 'X') should advise your broker of any changes.



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I ND

Proxy Form

Please mark to indicate your directions

STEP 1 Appoint a Proxy to Vote on Your Behalf

XX

I/We being a member/s of Homeloans Limited hereby appoint

the Chairman of the Meeting OR

PLEASE NOTE: Leave this box blank if you have selected the Chairman of the Meeting. Do not insert your own name(s).

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 to act generally at the meeting 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) at the Annual General Meeting of Homeloans Limited to be held at The Theatre, Level 4 The Atrium, 168 St Georges Terrace, Perth, Western Australia on Friday, 25 November 2011 at 11.00am (Perth time) and at any adjournment of that meeting.

Important for Item 2 - If the Chairman of the Meeting is your proxy or is appointed as your proxy by default

By marking this box, you are directing the Chairman of the Meeting to vote in accordance with the Chairman's voting intentions on Item 2 as set out below and in the Notice of Meeting. If you do not mark this box, and you have not directed your proxy how to vote on Item 2, the Chairman of the Meeting will not cast your votes on Item 2 and your votes will not be counted in computing the required majority if a poll is called on this item. If you appoint the Chairman of the Meeting as your proxy you can direct the Chairman how to vote by either marking the boxes in Step 2 below (for example if you wish to vote against or abstain from voting) or by marking this box (in which case the Chairman of the Meeting will vote in favour of Item 2).

The Chairman of the Meeting intends to vote all available proxies in favour of Item 2 of business.

I/We direct the Chairman of the Meeting to vote in accordance with the Chairman's voting intentions on Item 2 (except where I/we have indicated a different voting intention below) and acknowledge that the Chairman of the Meeting may exercise my proxy even though Item 2 is connected directly or indirectly with the remuneration of a member of key management personnel.

STEP 2 Items of Business

PLEASE NOTE: If you mark the **Abstain** box for an item, you are directing your proxy not to vote on your behalf on a show of hands or a poll and your votes will not be counted in computing the required majority.

ORDINARY BUSINESS

	For	Against	Abstain
Item 2 Remuneration Report	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Item 3(a) Re-election of Director - Mr Robert Norman Scott	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Item 3(b) Re-election of Director - Mr Andrew Loddington Hall	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

The Chairman of the Meeting intends to vote all available proxies in favour of each item of business.

SIGN Signature of Securityholder(s) *This section must be completed.*

Individual or Securityholder 1

Sole Director and Sole Company Secretary

Securityholder 2

Director

Securityholder 3

Director/Company Secretary

Contact Name

Contact Daytime Telephone

Date / /

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Computershare +