

## Notice of Annual General Meeting

The Annual General Meeting of Fleetwood Corporation Limited ABN 69 009 205 261 (**Company**) will be held in Meeting Room 7 on Level 2 of the Perth Convention and Exhibition Centre, 21 Mounts Bay Road, Perth, Western Australia 6000 at 9.30am on Thursday, 30 November 2017.

### Agenda

**1. Board Chair's Address – Mr. Phillip Campbell**

**2. Managing Director's Address – Mr. Brad Denison**

**3. 2017 Annual Financial Report**

To receive and consider the financial statements and the reports of the Directors and of the auditors for the year ended 30 June 2017.

*Note: There is no requirement for Shareholders to approve the financial statements and reports.*

**4. Resolution 1 – Election of Mr. Phillip Campbell** (refer to Explanatory Memorandum)

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

*"That Mr. Phillip Campbell, who retires in accordance with the Company's constitution and is eligible for re-election, be re-elected as a director."*

**5. Resolution 2 – Election of Mr. Jeff Dowling** (refer to Explanatory Memorandum)

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

*"That Mr. Jeff Dowling, who retires in accordance with the Company's constitution and is eligible for re-election, be re-elected as a director."*

**6. Resolution 3 – Election of Ms. Adrienne Parker** (refer to Explanatory Memorandum)

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

*"That Ms. Adrienne Parker, who retires in accordance with the Company's constitution and is eligible for re-election, be re-elected as a director."*

**7. Resolution 4 – Issue of Shares to Mr. Brad Denison, the Company's Managing Director, in accordance with the Executive Long Term Incentive Plan** (refer to Explanatory Memorandum)

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

*"That, for the purposes of ASX Listing Rule 10.14, sections 200B and 200E of the Corporations Act, and for all other purposes, approval is hereby given for the Company to grant to Mr. Denison 200,000 ordinary fully paid Shares in the capital of the Company in accordance with the Executive Long Term Incentive Plan, approved by Shareholders at the 2014 Annual General Meeting, and any benefit under the Executive Long Term Incentive Plan relating to those Shares that may be given to Mr. Denison in connection with any future retirement from office or employment with the Company."*

**8. Resolution 5 – Remuneration Report** (refer to Explanatory Memorandum)

To consider and, if thought fit, pass the following as an **advisory resolution**:

*"That the Remuneration Report for the year ended 30 June 2017 be adopted."*

## 9. Contingent Business

### Resolution 6 – Conditional Spill Resolution (refer to Explanatory Memorandum)

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

*“That, subject to and conditional upon at least 25% of the eligible votes cast on Resolution 5 (Remuneration Report) being cast against the adoption of the Remuneration Report:*

- (a) an extraordinary general meeting of the Company (**spill meeting**) be held within 90 days of the passing of this resolution;*
- (b) all Directors who were Directors when the resolution to approve the directors’ report for the financial year ending 30 June 2017 was passed, other than the Managing Director, cease to hold office immediately before the end of the spill meeting; and*
- (c) resolutions to appoint persons to offices that will be vacated immediately before the end of the spill meeting in accordance with paragraph (b) above be put to the vote at the spill meeting.”*

## 10. Other Business

To deal with any other business that may be considered in accordance with the constitution of the Company and the Corporations Act.

### Important information regarding voting on all Resolutions

#### Resolution 1, Resolution 2, and Resolution 3

The Chair intends to vote undirected proxies in favour of Resolution 1, Resolution 2, and Resolution 3.

#### Resolution 4, Resolution 5, and Resolution 6

Shareholders who appoint the Chair as proxy (either expressly or by default) are encouraged to expressly direct the Chair how they wish to vote in respect of **Resolution 4**, **Resolution 5** and, if required, **Resolution 6** by marking either ‘for’ or ‘against’ the relevant Resolution on the proxy form.

If a Shareholder appoints the Chair or the Chair is appointed by default and the Shareholder’s proxy does not direct the Chair how to vote in respect of **Resolution 4**, **Resolution 5** and, if required, **Resolution 6**, then the Shareholder will be deemed to have expressly authorised the Chair to vote the Shareholder’s proxy in accordance with the Chair’s stated voting intention in respect of those Resolutions, being a vote:

- **in favour** of Resolution 4,
- **in favour** of Resolution 5 and
- **against** Resolution 6.

This express authorisation acknowledges that the Chair may vote the Shareholder’s proxy even if the Resolution is connected directly or indirectly with the remuneration of a member of Key Management Personnel.

### Voting exclusions under the Listing Rules

In accordance with Listing Rule 14.11, the Company will disregard any votes on Resolution 4 cast by or on behalf of the following persons:

Resolution	People excluded from voting
<b>Resolution 4</b>	Mr. Brad Denison and his associates. However, the Company need not disregard a vote if: <ol style="list-style-type: none"><li>(a) 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</li><li>(b) it is cast by the Chair 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.</li></ol>

## Voting prohibitions under the Corporations Act

Because Resolution 4, Resolution 5 and if required, Resolution 6 relate to the potential remuneration of the Key Management Personnel of the Company, the Corporations Act requires that the following people be prohibited from voting on the respective Resolutions:

Resolution	People prohibited from voting
<b>Resolution 4</b>	<p>The following people are prohibited from voting in any capacity:</p> <ul style="list-style-type: none"><li>(a) Mr. Brad Denison; and</li><li>(b) any of his associates.</li></ul> <p>However, that person may vote as a proxy if the vote is cast on behalf of a person who is not mentioned above as being prohibited from voting, and the person is appointed as a proxy by writing that specifies the way the proxy is to vote on the Resolution.</p> <p>The following people are also prohibited from voting as proxy where the appointment does not specify the way the proxy is to vote on the relevant Resolution:</p> <ul style="list-style-type: none"><li>(a) members of the Key Management Personnel; and</li><li>(b) Closely Related Parties of those members.</li></ul> <p>However, the Chair may vote as proxy where the appointment does not specify the way the proxy is to vote on the relevant Resolution and expressly authorises the Chair to exercise the proxy in respect of the Resolution even if the Resolution is connected directly or indirectly with remuneration of a member of the Key Management Personnel.</p>
<b>Resolution 5 and Resolution 6</b>	<p>The following people are prohibited from voting in any capacity:</p> <ul style="list-style-type: none"><li>(a) members of the Key Management Personnel details of whose remuneration are included in the Remuneration Report for the year ended 30 June 2017; and</li><li>(b) Closely Related Parties of those members.</li></ul> <p>However, that person may vote as a proxy if the vote is cast on behalf of a person who is not mentioned above as being prohibited from voting and either:</p> <ul style="list-style-type: none"><li>(a) the person is appointed as a proxy by writing that specifies the way the proxy is to vote on the Resolution; or</li><li>(b) the person is the Chair and the appointment expressly authorises the Chair to exercise the proxy in respect of the Resolution even if the Resolution is connected directly or indirectly with remuneration of a member of the Key Management Personnel.</li></ul>

## Proxies

A Shareholder has the right to appoint a proxy, who need not be a Shareholder of the Company. If a Shareholder is entitled to cast two or more votes they may appoint two proxies and may specify the percentage of votes each proxy is appointed to exercise. If the percentage of votes each proxy may exercise is not specified, each proxy may exercise half of the votes.

To vote by proxy, please go online to [www.investorvote.com.au](http://www.investorvote.com.au) or return the enclosed proxy form via post to the share registry of the Company which is Computershare Investor Services Pty Limited, GPO Box 242 Melbourne, Vic 3001 or by facsimile on 1800 783 447 or from overseas on +61 3 9473 2555 no later than 48 hours before the commencement of the meeting. For intermediary online subscribers (custodians), please visit [www.intermediaryonline.com](http://www.intermediaryonline.com).

In light of the important information highlighted in this document regarding the Chair's ability to vote undirected proxies, any Shareholder in doubt as to how to complete or the procedure for completing a proxy form is encouraged to contact either the Company or Computershare to discuss their concerns.

**Voting Entitlements**

The Board has determined in accordance with the Company's constitution and the Corporations Act that a Shareholder's voting entitlement at the meeting will be the entitlement shown in the register of members as at 7.00pm (Sydney time) on Tuesday, 28 November 2017.

**Electronic Delivery**

By corresponding with you electronically, Fleetwood is able to reduce costs and provide more timely information. Information such as Notice of Meeting, Online Proxy and Dividend Advice can be accessed through web address links that will be sent to you via email. You will also be able to update certain information relating to your shareholding such as Tax File Number Notification, Direct Credit Instruction and Change of Address. To register your email address, go to [www.computershare.com](http://www.computershare.com). The default method for receiving an annual report is via the Company's website. Accordingly, if you have not requested a printed copy of the annual report, you can now download your 2017 Annual Report at [www.fleetwoodcorporation.com.au](http://www.fleetwoodcorporation.com.au).

If you have any questions about your security holding, please contact Computershare Investor Services Pty Limited on 1300 850 505 (within Australia) or +61 3 9415 4000 (outside Australia) or visit their website at [www.computershare.com](http://www.computershare.com).

**By order of the Board**

**Ms. Yanya O'Hara**  
**Company Secretary**  
**27 October 2017**

## Explanatory Memorandum

This Explanatory Memorandum has been prepared for the information of Shareholders in connection with the business to be conducted at the Annual General Meeting of the Company to be held at 9:30am (Perth time) on Thursday, 30 November 2017.

The Directors recommend Shareholders read this Explanatory Memorandum and the Notice of Annual General Meeting in full before making any decision in relation to the Resolutions. Terms used in this Explanatory Memorandum will, unless the context otherwise requires, have the meaning given to them in the glossary contained in this Explanatory Memorandum.

### 2017 Annual Financial Report

Shareholders will be provided with a reasonable opportunity to ask questions or make statements in relation to the Company's Annual Financial Report for 2017 but no formal resolution to adopt the reports will be put to Shareholders at the Annual General Meeting (save for Resolution 5 being the adoption of the Remuneration Report).

Shareholders will be given an opportunity to ask the auditor questions about the conduct of the audit and the preparation and content of the auditor's report. In addition to taking questions at the Annual General Meeting, the Chair will accept written questions about the management of the Company, or the Company's auditor about the finances of the Company. Written questions are to be received at the registered office of the Company no later than 5 business days before the Annual General Meeting.

A copy of the 2017 Annual Financial Report is available from the Financial Reports section of the Investor area on the Company website [www.fleetwoodcorporation.com.au](http://www.fleetwoodcorporation.com.au).

### Resolution 1 – Election of Mr. Phillip Campbell

In accordance with the Company's constitution Mr. Campbell will retire at the 2017 AGM and will be eligible for re-election.

Mr. Campbell was appointed as non-executive director on 12 August 2016, and thereafter as Chair on 24 August 2016. While Mr. Campbell's appointment as a director of the Company was approved by Shareholders at the Company's 2016 annual general meeting, following the board renewal which occurred in the 2017 financial year, as the longest serving director (other than Mr. Denison who as Managing Director is excluded from the requirement to retire by rotation), Mr. Campbell must retire by rotation and stand for re-election at the 2017 AGM in accordance with clause 15.5 and clause 15.6 of the Company's constitution.

Mr. Campbell is an independent and experienced director, having been involved with a number of listed and unlisted entities in capacities including managing director and chair. He has a proven track record of guiding businesses through challenging and volatile environments to restore and enhance shareholder value.

Mr Campbell's business experience includes dealing with domestic and international companies across a range of industries including resources, construction, and manufacturing.

Mr. Campbell holds a Bachelor in Engineering from the University of Queensland, a Diploma of Corporate Finance from the University of NSW/Institute of Management, and is a graduate member of AICD. Mr Campbell is currently non-executive director and board chair of Vmoto Limited.

The Board (other than Mr. Campbell, who declines to make a recommendation given his interest in the Resolution) unanimously support the re-election of Mr. Campbell, and recommend that **Shareholders vote in favour of Resolution 1.**

### Resolution 2 – Election of Mr. Jeff Dowling

Mr. Dowling was appointed as non-executive director on 1 July 2017, and thereafter appointed as Chair of the Audit Committee and Chair of the Remuneration Committee on 26 July 2017. As Mr. Dowling was appointed a director since the last annual general meeting, in accordance with the Company's constitution Mr. Dowling must retire at the 2017 AGM and will be eligible for re-election.

Mr. Dowling holds a Bachelor of Commerce from the University of Western Australia and is a fellow of the Institute of Chartered Accountants, the Australian Institute of Company Directors and the Financial Services Institute of Australasia.

Mr. Dowling is a highly experienced corporate leader with over 40 years' experience in professional services with Ernst & Young, and as a non-executive director on both listed and unlisted corporations. Mr. Dowling's experience centres around finance, risk and financial transactions derived from acting as lead partner on numerous large public company audits, capital raisings, and transactions. As a non-executive director on a number of ASX listed companies he has been involved with various corporate acquisitions and takeovers, debt restructures and equity raisings.

Mr. Dowling has a beneficial interest in 0.04% of the capital of the Company, and is currently the board chair of S2 Resources Limited and Non-Executive Director and Audit Committee Chair of NRW Holdings Limited.

Mr. Dowling brings a wealth of experience and insight to the Board, and the Directors unanimously support the re-election of Mr. Dowling.

The Board (other than Mr. Dowling, who declines to make a recommendation given his interest in the Resolution) unanimously recommend that **Shareholders vote in favour of Resolution 2.**

#### **Resolution 3 – Election of Ms. Adrienne Parker**

Ms. Parker was appointed non-executive director on 23 August 2017. As Ms. Parker was appointed a director since the last annual general meeting, in accordance with the Company's constitution Ms. Parker must retire at the 2017 AGM and will be eligible for re-election.

Ms. Parker is a partner at Norton Rose Fulbright Australia and specialises in major project construction, engineering and resources projects and disputes for major engineering, infrastructure, mining, and general construction projects.

Ms. Parker's experience includes both domestic and international front end negotiations advising all parties on procurement strategies, risk assessment and management, and project delivery. Ms. Parker has also acted in many large scale complex disputes in mining, construction plants, and oil and gas facilities, and major commercial building and infrastructure projects.

Ms. Parker is the immediate past President of the WA Chapter of National Association of Women in Construction, Governing Board Member and Deputy Chair and Member of Remuneration and Nominations Committee of Perth Public Art Foundation, and Board Member of the UWA Centenary Trust.

Ms. Parker holds a Bachelor of Laws from the University of Western Australia and does not hold any Shares in the Company.

Ms. Parker brings a wealth of legal experience to the Board, and the Directors unanimously support the re-election of Ms. Parker.

The Board (other than Ms. Parker, who declines to make a recommendation given her interest in the Resolution) unanimously recommend that **Shareholders vote in favour of Resolution 3.**

#### **Resolution 4 – Issue of Shares to Mr. Brad Denison, the Company's Managing Director, in accordance with the Executive Long Term Incentive Plan**

Shareholder approval is sought for the proposed grant of Shares to the Managing Director, Mr. Denison, under the terms of the Company's Executive Long Term Incentive Plan (**Executive Plan**), which was approved by Shareholders at the 2014 annual general meeting.

The Board (other than Mr. Denison) has approved the grant of 200,000 Shares to Mr. Denison in accordance with the Executive Plan representing his FY2018 long term incentives, subject to obtaining Shareholder approval which is being sought at the Meeting.

The Board believes that an equity-based long-term incentive is an important component of Mr Denison's remuneration to ensure that part of his remuneration is linked to generating long-term returns for Shareholders. As such, the non-executive Directors consider that Mr. Denison's remuneration package, including his participation in the Executive Plan through the proposed grant of the above Shares is reasonable and appropriate having regard to the circumstances of the Company and Mr. Denison's responsibilities as Managing Director.

ASX Listing Rule 10.14 does not permit any Director (or associate of the Director) to acquire securities under an employee incentive scheme without the approval of Shareholders. Accordingly, Shareholder approval for the issue of Shares to Mr. Denison is sought for the purposes of ASX Listing Rule 10.14. If approval is given under this Resolution for the purposes of Listing Rule 10.14, approval is not required for the proposed grant of Shares to Mr. Denison under Listing Rule 7.1, as exception 14 to Listing Rule 7.2 would apply and under Listing Rule 10.11, as exception 4 to Listing Rule 10.12 would apply.

If Shareholders do not approve Resolution 4, it will be necessary for the Board and Mr. Denison to agree an alternative remuneration structure to provide Mr. Denison with an appropriate long-term incentive.

## Terms of the Shares

The Shares will be granted in accordance with the Executive Plan. Pursuant to the terms of that plan, the Company utilises a trust structure where units in the trust are issued to Mr. Denison to which the Shares will then be allocated.

The amount payable for the units will be calculated based on the volume weighted average price at which the Company's Shares are traded on ASX ("VWAP") over five trading days following 30 November 2017.

The Company may lend funds on interest-free, non-recourse terms to Mr. Denison to acquire units in the trust, with such loans being repayable upon the eventual sale of any underlying Shares or transfer of the Shares from the trust.

The Shares will be quoted on the ASX and will rank pari passu with existing Shares on issue.

The Shares will be subject to the following vesting conditions:

- Total Shareholder Return of the Company for the period from the date of grant to the vesting date of the relevant tranche of Shares (see below) equals or exceeds both 15% per annum and the All Ordinaries Index over the same period; and
- Mr. Denison remains continuously employed over that period.

The vesting dates for the Shares to be granted to Mr. Denison are as follows:

- for one third of the Shares, the date that is at least 1 year after the Shares are granted;
- for two thirds of the Shares, the date that is at least 2 years after the Shares are granted; and
- for the balance of the Shares, the date that is at least 3 years after the Shares are granted.

If the above vesting conditions are satisfied, the relevant tranche of Shares will vest on their vesting date and become available to Mr. Denison.

The terms of the Executive Plan were described in detail in the 2014 notice of annual general meeting, and will apply to Mr. Denison's grant of Shares. The terms of the Executive Plan include the following:

**Transferability** – securities are only transferable with the prior consent of the Board or by force of law upon death of the participant.

**Lapsing of securities** – a security will lapse upon the earliest to occur: the date specified by the Board in the offer; failure to meet any vesting condition applicable to the security within the prescribed time; the relevant participant ceasing employment or terminating a contract as set out below; where, in the opinion of the Board, the relevant participant acts fraudulently or dishonestly, or is in breach of his or her obligations to the Company or its related companies and the Board has deemed that those securities (vested or unvested) should lapse.

**Cessation of employment** – except where the Board determines in its discretion, if the eligible employee ceases to be an eligible employee before securities vest for any reason other than death, illness, injury, or the attainment of the normal age of retirement specified from time to time by the Company, those rights shall lapse and terminate.

**Change of control** – the Board may at its discretion determine that unvested securities have vested (on a pro rata basis having regard to performance over the period from the date of grant against the vesting conditions (with remaining unvested securities lapsing unless the Board otherwise determines)):

- upon a takeover event occurring;
- a court ordering a meeting to be held in relation to a proposed compromise or arrangement in connection with a scheme which would result in a person (alone or together with related bodies corporate) owning all Shares in the Company or for the reconstruction of the Company or its amalgamation with any other company;
- Shareholders approving any such compromise or arrangement;
- any person becomes bound to acquire Shares under any such compromise or arrangement approved by a court or under section 414 or the compulsory acquisition provisions of the Corporations Act;
- a resolution is proposed to be put to Shareholders for a voluntary winding up; or
- an order is sought for the compulsory winding up of the Company.

**Participation in future issues and reorganisations** – Where the Company undertakes a corporate action such as the issue of Shares by way of a bonus issue or rights issue, or which effects the reorganisation of the Company's issued capital, the Board may amend the terms of the securities granted under the Executive Plan to minimise or eliminate any material advantage or disadvantage to that participant resulting from the corporation action.

### Additional information required by ASX Listing Rule 10.15

In accordance with the notice requirements of ASX Listing Rule 10.15, the Company formally notes that:

1.	The maximum number of Shares to be issued to Mr. Denison is 200,000.
2.	The amount payable for the Shares (or units) will be calculated based on the VWAP over five trading days following 30 November 2017.
3.	Since the approval by Shareholders of the Executive Plan at the 2014 Annual General Meeting, Mr. Denison is the only person referred to in Rule 10.14 (i.e. the only Director) who has been granted shares in accordance with the Executive Plan. In 2014 Mr. Denison elected to receive 170,000 Shares at a price of \$1.35 per Share. In 2015 Mr. Denison elected to receive 200,000 Shares at a price of \$1.22 per Share. In 2016 Mr. Denison elected to receive 200,000 Shares at a price of \$1.94 per Share.
4.	Mr. Denison is the only person referred to in Rule 10.14 (i.e. the only Director) entitled to participate in the Executive Plan.
5.	The voting exclusion statement is set out in the Notice.
6.	The Company may lend funds on interest-free, non-recourse terms to Mr. Denison for payment of the Shares, with such loans being repayable by Mr. Denison upon the sale or transfer of the underlying Shares.
7.	Under the ASX Listing Rules, the Company has up to 12 months after the Annual General Meeting to issue the Shares to Mr. Denison. The Company intends to issue the Shares to Mr. Denison (or the trust established for the purposes of the operation of the Executive Plan to be held on his behalf) promptly should Resolution 4 be approved.

### Sections 200B and 200E of the Corporations Act

The Corporations Act provides that the Company may only give a person a benefit in connection with their ceasing to hold a “managerial or executive office” (as defined under the Corporations Act) in the Company, or its related bodies corporate, if that benefit is approved by Shareholders or an exemption applies. Those exemptions include the Company being able to provide a limited amount of such benefits without requiring Shareholder approval.

The term “benefit” is open to a wide interpretation and may include the early vesting or acceleration of securities issued under the Executive Plan. As outlined above and in the summary of the terms of the Executive Plan attached to the Explanatory Memorandum to the 2014 notice of annual general meeting (the same meeting at which the Executive Plan was approved by Shareholders), the Board has the discretion to determine that some or all of the Shares issued to or held on behalf of Mr Denison may become entitled to early or accelerated vesting in certain circumstances, including on cessation of his employment. The Board considers it be appropriate for there to be flexibility to deal with vesting of securities as employment can cease in a variety of circumstances.

Shareholder approval is sought in respect of any “benefits” that the Company or its related bodies corporate provide to Mr. Denison in connection with the Shares the subject of Resolution 4. If Resolution 4 is passed, such benefits may be provided in addition to any other benefits that are approved by Shareholders or fall within one of the exemptions in the Corporations Act. Details of Mr. Denison’s remuneration including such benefits are set out in the Company’s Remuneration Report.

The value of any benefits that may be received by Mr. Denison in connection with the Shares, including as a result of the Board exercising its discretion under the Executive Plan to allow Shares to vest early upon cessation of Mr. Denison’s employment, cannot be ascertained at the present time. This is because various matters will, or are likely to, affect that value of the benefits depending on the circumstances existing at the time of cessation of employment. Apart from the future share price being unknown, the following are matters which will or are likely to affect the value of the benefits:

- the number of unvested Shares held by Mr. Denison prior to cessation of employment;
- the reasons for cessation of employment; and
- the exercise of the Directors’ discretion at the relevant time.

### Board recommendation

The Board (with Mr. Denison abstaining due to his interest in the Resolution) unanimously recommends that **Shareholders vote in favour of Resolution 4.**

### **Resolution 5 – Remuneration Report (advisory resolution)**

The Company's Remuneration Report for the financial year ended 30 June 2017 is contained within the Directors' Report in the Company's 2017 Annual Report. The Remuneration Report:

- (a) sets out remuneration policies of the Company;
- (b) discusses the relationship between remuneration policies and the Company's performance; and
- (c) details remuneration arrangements for Directors, senior executives, and Key Management Personnel.

Shareholders will be given the opportunity to comment on, and ask questions about the Remuneration Report.

A resolution for the adoption of the Remuneration Report is required to be considered and voted on at the Meeting in accordance with the Corporations Act. The Corporations Act provides that the vote on Resolution 5 is advisory only and does not bind the Directors or the Company. However, the Board will take into account any discussions on this Resolution and the outcome of the vote when considering future remuneration arrangements of the Company.

At the Company's 2016 annual general meeting, the Company received a "first strike" where more than 25% of the votes cast were cast against the adoption of the 2016 Remuneration Report.

Under the 'two strikes' rule, if 25% or more of votes cast at this year's AGM are cast against the adoption of the Remuneration Report, the Company will receive a 'second strike' and the Company will be required to put Resolution 6 to the Meeting to determine whether all of the Company's Non-Executive Directors (who were in office when the Board approved the last Directors' Report) will need to stand for re-election at an extraordinary general meeting (a 'spill meeting'), which must be held within 90 days after the Annual General Meeting.

In respect of the first strike the Company received last year, the Board advises that prior to the 2016 annual general meeting, a group of Shareholders advised the Board that they intended to vote against the remuneration report resolution as a protest against Board performance over recent years. The particular Shareholders were clear in stating that they did not take issue with the contents of the remuneration report itself, but wished to strongly convey their displeasure with the Board's performance. No other concerns regarding the remuneration report were raised at last year's annual general meeting. As the Board has undergone significant changes since the Company's last annual general meeting, the Board does not expect the reasoning behind last year's vote to be an issue at this year's Annual General Meeting.

### **Board recommendation**

Noting that the Directors, as members of the Key Management Personnel, and their Closely Related Parties are prohibited from voting on Resolution 5, the Board unanimously recommends that **Shareholders vote in favour of Resolution 5.**

### **Contingent Business**

#### **Resolution 6 – Conditional Spill Resolution**

**Important note:** The Company will only put this Resolution 6 to the Annual General Meeting if at least 25% of the eligible votes cast on Resolution 5 are cast against the adoption of the Remuneration Report.

The Corporations Act includes a 'two strikes' rule in relation to Remuneration Report resolutions. The rule provides that if 25% or more of the votes cast on a resolution to adopt the Remuneration Report at two consecutive AGMs are cast against the adoption of the Remuneration Report, shareholders will have the opportunity to vote on holding a 'spill meeting' (described above) at the second annual general meeting.

As mentioned above, at last year's annual general meeting, more than 25% of the votes cast on the resolution to adopt the Remuneration Report were against adopting the report (the 'first strike'). Accordingly, if at least 25% of the votes cast on Resolution 5 at this AGM are cast against the adoption of the 2017 Remuneration Report, the Company will receive a "second strike" and Resolution 6 must be considered at the Annual General Meeting.

However, if less than 25% of votes cast on Resolution 5 at this AGM are against adopting the Remuneration Report, then the Company will not receive a "second strike" and Resolution 6 will not be put to the AGM.

If Resolution 6 is put to the Annual General Meeting, it will be considered as an ordinary resolution which means that, to be passed, the Resolution requires the approval of a simple majority of votes cast by or on behalf of Shareholders entitled to vote on the matter. If Resolution 6 is passed, the Company must within 90 days of the Annual General Meeting hold an extraordinary general meeting to vote on whether to retain or replace the existing directors. If a spill meeting is required, the date of the meeting will be notified to shareholders in due course.

Immediately before the end of the spill meeting, all non-executive Directors who were in office when the 2017 Directors' Report was approved by the Board, being Mr. Campbell, Mr. Dowling, and Ms. Parker (each a "**Relevant Director**"), automatically cease to hold office and those who want to continue as a Director must stand for re-election at the spill meeting. There is no assurance that each Relevant Director would seek re-election. Following the spill meeting, those persons whose election or re-election as Directors is approved will be the Directors of the Company.

#### **Board recommendation**

Noting that the Directors, as members of the Key Management Personnel, and their Closely Related Parties are prohibited from voting on Resolution 6, the Directors unanimously recommend that **Shareholders vote against Resolution 6** if it is put to the Annual General Meeting.

#### **Glossary**

"**Annual General Meeting**", "**AGM**" or "**Meeting**" means the general meeting the subject of this Notice;

"**ASX**" means ASX Limited ABN 98 008 624 691 and, where the context permits, the Australian Securities Exchange operated by ASX Limited;

"**Board**" means the board of Directors;

"**Chair**" means the person chairing the Meeting from time to time;

"**Closely Related Party**" of a member of the Key Management Personnel means:

- (a) a spouse or child of the member; or
- (b) a child of the member's spouse; or
- (c) a dependent of the member or the member's spouse; or
- (d) anyone else who is one of the member's family and may be expected to influence the member or be influenced by the member in the member's dealings with the Company; or
- (e) a company the member controls; or
- (f) a person prescribed by the *Corporations Regulations 2001* (Cth);

"**Company**" means Fleetwood Corporation Limited ABN 69 009 205 261;

"**Corporations Act**" means the *Corporations Act 2001* (Cth);

"**Director**" means a current director or alternate director of the Company;

"**Explanatory Memorandum**" means this Explanatory Memorandum attached to the Notice;

"**Key Management Personnel**" has the same meaning as in the accounting standards. Broadly speaking this includes those persons with the authority and responsibility for planning, directing and controlling the activities of the Company (whether directly or indirectly), and includes any Director;

"**Listing Rules**" means the Listing Rules of ASX;

"**Notice**", "**Notice of Meeting**" and "**Notice of Annual General Meeting**" means the notice of meeting which accompanies this Explanatory Memorandum;

"**Remuneration Report**" means the remuneration report prepared in accordance with section 300A of the Corporations Act;

"**Resolution**" means a resolution referred to in the Notice;

"**Share**" means a fully paid ordinary share in the Company; and

"**Shareholder**" means a shareholder of the Company.



