

7 October 2010

Manager of Company Announcements  
ASX Limited  
Level 6, 20 Bridge Street  
SYDNEY NSW 2000

By E-Lodgement

## **Notice of Annual General Meeting**

Stratatel Limited (ASX: STE) advises that its attached Notice of Annual General Meeting has been dispatched to shareholders today.

Yours faithfully



**Shannon Caporn**  
Company Secretary

For personal use only

# STRATATEL

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**STRATATEL LIMITED**  
**ABN 63 088 257 729**

## **NOTICE OF ANNUAL GENERAL MEETING**

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**TIME:** 10.00 am (EST)

**DATE:** 11 November 2010

**PLACE:** Amora Jamison Hotel, 11 Jamison Street, Sydney, New South Wales

***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 the Company Secretary on (08) 9322 7600.***

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**TIME AND PLACE OF MEETING AND HOW TO VOTE**

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**VENUE**

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The Annual General Meeting of the Shareholders of Stratatel Limited which this Notice of Meeting relates to will be held at 10.00am (EST) on 11 November 2010 at:

Amora Jamison Hotel  
11 Jamison Street  
Sydney, New South Wales

**YOUR VOTE IS IMPORTANT**

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The business of the Annual General Meeting affects your shareholding and your vote is important.

**VOTING IN PERSON**

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To vote in person, attend the Annual General Meeting on the date and at the place set out above.

**VOTING BY PROXY**

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To vote by proxy, please complete and sign the proxy form enclosed with this Notice of Meeting as soon as possible and either:

- (a) send the proxy form by post to— Stratatel Limited, PO Box 1263, West Perth, Western Australia 6872;
- (b) deliver the proxy form to the Company c/o Grange Consulting, 945 Wellington Street, West Perth, Western Australia; or
- (c) by facsimile to the Company on facsimile number INT + 61 8 9322 7602,

so that it is received not later than 10.00am (EST) on 9 November 2010.

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

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## NOTICE OF MEETING

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Notice is given that the Annual General Meeting of Shareholders of Stratatel Limited will be held at Amora Jamison Hotel, 11 Jamison Street, Sydney, New South Wales at 10.00am (EST) on 11 November 2010. The Directors have determined pursuant to Regulation 7.11.37 of the Corporations Regulations 2001 (Cth) that the persons eligible to vote at the Annual General Meeting are those who are registered Shareholders on 9 November 2010 at 5:00pm (EST).

Terms and abbreviations used in this Notice of Meeting and Explanatory Statement are defined in the glossary of the Explanatory Statement.

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### AGENDA

The Explanatory Statement to this Notice of Meeting describes the matters to be considered at the Annual General Meeting.

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### ADOPTION OF THE ANNUAL FINANCIAL REPORT

To receive the Annual Financial Report, including Directors' declaration and accompanying reports of the Directors and auditors for the financial year ending 30 June 2010.

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### RESOLUTION 1 – ADOPTION OF REMUNERATION REPORT (NON-BINDING)

To consider and, if thought fit, to pass, with or without amendment, the following resolution as a non-binding resolution:

*“That, for the purposes of Section 250R(2) of the Corporations Act and for all other purposes, approval is given to the adoption of the Remuneration Report as contained in the Company’s Annual Financial Report for the year ended 30 June 2010.”*

**Short Explanation:** The Corporations Act provides that a resolution that the remuneration report be adopted must be put to vote at a listed company’s annual general meeting. The vote on this resolution is advisory only and does not bind the Directors or the Company.

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### RESOLUTION 2 – RE-ELECTION OF MR GRAHAM BAILLIE

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

*“To elect Mr Graham Baillie as a director of the Company who retires by rotation, pursuant to ASX Listing Rule 14.4 and the Constitution of the Company, and being eligible offers himself for re-election.”*

**Short Explanation:** In accordance with ASX Listing Rule 14.4 and the Constitution, one third of the Directors must retire by rotation at every annual general meeting. Accordingly, Mr Baillie retires by rotation and being eligible for re-election, offers himself for re-election at the Meeting.

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### RESOLUTION 3 – ADOPTION OF NEW CONSTITUTION

To consider and if thought fit, to pass with or without amendment, the following resolution as a **special resolution**

*That, for the purposes of sections 136 of the Corporations Act 2001 and for all other purposes, the Company approves and adopts the new Constitution in the form tabled at the Annual General Meeting and repeals the existing Constitution of the Company.”*

**Short Explanation:** The Company is seeking to adopt a new Constitution to incorporate changes that have been made to the Corporations Act in recent years.

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**DATED: 24 SEPTEMBER 2010**

**BY ORDER OF THE BOARD**



**MR IAN MACLIVER  
CHAIRMAN**

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## EXPLANATORY STATEMENT

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This Explanatory Statement has been prepared for the information of the Shareholders in connection with the business to be conducted at the Meeting.

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.

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## BUSINESS OF THE MEETING

### 1. Resolution 1 – Remuneration Report (Non Binding Resolution)

In accordance with Section 250R(2) of the Corporations Act, the Company must put a resolution that the Remuneration Report as set out in the Directors' Report be adopted to vote at the Annual General Meeting. The vote on Resolution 1 is advisory only and does not bind the Directors or the Company.

A reasonable opportunity will be provided for discussion of the Remuneration Report at the Annual General Meeting.

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### 2. Resolution 2 - Re-election Mr Graham Baillie

#### 2.1 Regulatory Requirements – ASX Listing Rule 14.4 and Constitution

In accordance with ASX Listing Rule 14.4, no director of the Company may hold office (without re-election) past the third annual general meeting following their appointment or 3 years, whichever is longer. Further, in accordance with the Company's Constitution, at every annual general meeting, one third of the Directors must retire from office and being eligible offer themselves for re-election.

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### 3. Resolution 3 – Adoption of a new Constitution

Resolution 3 is a special resolution which seeks shareholder approval to adopt a new Constitution.

The Company's current Constitution was adopted in July 2000 under the former "Corporations Law". The Board considered it appropriate to review the existing Constitution to ensure it reflected the present provisions the *Corporations Act 2001 (Cth)* (**Corporations Act**), ASX Listing Rules and other relevant legislation. As a result of a number of changes to the Corporations Act and the Listing Rules over time, parts of the Constitution require minor amendments to ensure consistency. The Directors believe that it is preferable in the circumstances to replace the existing constitution with a new constitution (**Proposed Constitution**) rather than to amend and insert a multitude of specific provisions.

The Proposed Constitution will take effect from the date the special resolution is passed.

A copy of the Proposed Constitution is available for review on the Company's website ([www.stratatel.com.au](http://www.stratatel.com.au)) and during normal office hours at the Company's registered office. A copy of the Proposed Constitution can also be sent to Shareholders upon request to the Company Secretary (08) 9322 7600. A copy will also be available for inspection at the Annual General Meeting.

It is not practicable to list all of the changes to the Constitution in this explanatory statement but a summary of the proposed material changes is set out below.

#### 3.1 Summary of material proposed changes

##### **References to the Corporations Act**

The terminology in the Proposed Constitution refers to the Corporations Act rather than the former "Corporations Law", and to the corresponding provisions therein.

### **References to ASX Settlement Rules**

The terminology in the Proposed Constitution refers to the “ASX Settlement Operating Rules” (until recently, the “ASTC Settlement Rules”) rather than the former “SCH Business Rules”, and to the corresponding provisions therein.

### **Dividend**

There have been recent changes to the dividend payment provisions in the Corporations Act which came into effect on 28 June 2010. A new section 254T has been included in the Corporations Act which introduces a three-tiered test that a company will need to satisfy before paying a dividend. This replaces the previous test that a company may only pay dividends from profits.

The new section 254T of the Corporations Act provides that a company must not pay a dividend unless:

- (a) The company’s assets exceed its liabilities immediately before the dividend is declared and the excess is sufficient for the payment of the dividend;
- (b) The payment of the dividend is fair and reasonable to the company’s shareholders as a whole; and
- (c) The payment of the dividend does not materially prejudice the company’s ability to pay its creditors.

The Company’s existing Constitution currently reflects the former profits test and restricts dividends to be paid only out of the profits of the Company. The Proposed Constitution does not contain the profits test and enables the Company to pay dividend in accordance with the new position under the Corporations Act. The Directors consider it appropriate to remove this additional restriction in the Constitution to allow more flexibility in the payment of dividends to Shareholders.

As announced on 30 August 2010, subject to the passing of Resolution 3 and the Company satisfying the new tests for the payment of dividends outlined in section 254T of the Corporations Act, the Directors propose to pay a final unfranked dividend of 0.2 cents per share.

### **Proportional takeover bid requirements**

Section 648G of the Corporations Act requires that the proportional takeover approval provisions cease to have effect on the third anniversary of the date of adoption or of its most recent renewal.

Whilst the Company’s current Constitution includes proportional takeover approval provisions these have not been renewed since the date of adoption of the current Constitution. The proportional takeover approval provisions are also included in clause 35 of the Proposed Constitution. The approval of the adoption of the Proposed Constitution therefore seeks approval of the adoption/renewal of the proportional takeover provisions contained therein. Section 648G of the Corporations Act requires certain information to be included in the notice of meeting where the approval of members is sought to adopt and/or renew proportional takeover provisions. That information is set out below:

#### Effect of proposed takeover provisions

The effect of the proposed provisions is that where offers have been made under an off market bid in respect of shares included in a class of shares in the Company, the registration of a transfer giving effect to a contract resulting from the acceptance of an offer made under the off market bid is prohibited unless and until a resolution to approve an off market bid is passed.

#### Reasons for proportional takeover provisions

A proportional takeover bid may result in control of the Company changing without shareholders having the opportunity to dispose of all their shares. By making a partial bid, a bidder can obtain practical control of the Company by acquiring less than a majority interest. Shareholders are exposed to the risk of being left as a minority in the Company and the risk of the bidder being able to acquire control of the Company without payment of an adequate control premium. These provisions allow shareholders to decide whether a proportional takeover bid is acceptable in principle, and assist in ensuring that any partial bid is appropriately priced.

### Potential advantages and disadvantages

The Directors consider that the proportional takeover provisions have no potential advantages or disadvantages for them and that they remain free to make a recommendation on whether an offer under a proportional takeover bid should be accepted.

The potential advantages for Shareholders include the following:

- a) Shareholders have the right to decide by majority vote whether an offer under a proportional takeover bid should proceed;
- b) They may assist Shareholders from being locked in as a minority;
- c) They increase the bargaining power of Shareholders and may assist in ensuring that any proportional takeover bid is adequately priced; and
- d) Each individual Shareholder may better assess the likely outcome of the proportional takeover bid by knowing the view of the majority of Shareholders and assist in deciding whether to accept or reject an offer under the takeover bid.

The potential disadvantages for Shareholders include the following:

- a) Proportional takeover bids for Shares in the Company may be discouraged;
- b) Shareholders may lose an opportunity to sell some of their Shares at a premium; and
- c) The likelihood of a proportional takeover bid succeeding may be reduced.

The Directors do not believe the potential disadvantages outweigh the potential advantages of adopting the proportional takeover provisions.

### Knowledge of any acquisition proposals

As at the date on which the notice of meeting was prepared, no Director of the Company is aware of any proposal to any person to acquire or to increase the extent of a substantial interest in the Company.

### Recommendation of the Board

The Directors consider that the proposed proportional takeover provision in the Proposed Constitution is in the interest of shareholders and unanimously recommend that Shareholders vote in favour of Resolution 3.

### ***Unmarketable parcels of Shares***

The current Constitution includes provisions allowing the Company to sell the shareholding of a member (**Minority Member**) which is less than a "marketable parcel" as defined in the Listing Rules. Clause 3 of the Proposed Constitution includes similar provision in respect to the sale of an unmarketable parcel by the Company.

The notification requirements included in the Proposed Constitution have however been updated so that there is no longer a requirement for the Company to publish in a newspaper circulating generally throughout Australia the intention of the Company to sell or otherwise dispose of the "unmarketable parcels" of Shares and the names and number of shares held by the Minority Members.

The Proposed Constitution requires that the Company must give written notice to a Minority Member advising of the Company's intention to sell his or her shareholding. Unless the Minority Member, within 6 weeks from the date the notice was sent from the Company, gives written notice to the Company that it desires its shareholding to be exempted from clause 3 of the Proposed Constitution, then the provisions of clause 3 shall apply to the Minority Member.

Where a Minority Member has not given written notice to the Company within 6 weeks of receipt of notice from the Company that it desires its shareholding to be exempted from clause 3, then the Company shall give that Minority Member a second written notice advising that the Company intends to sell its shareholding immediately upon expiration of 5 Business Days from the date of that notice unless the Minority Member gives written notice to the Company within that time that it desires its shareholding to be exempted from clause 3, in which case clause 3 of the Proposed Constitution shall not apply to the Minority Member.

### ***Director's access to information***

Clause 28 of the Proposed Constitution provides that where the Directors consider it appropriate, the Company may:

- a) give a former Director access to certain papers, including documents provided or available to the Directors and other papers referred to in those documents; and
- b) bind itself in any contract with a Director or former Director to give the access.

This provision reflects the statutory right in section 198F of the Corporations Act authorising the Company to enter into contracts with Directors agreeing to provide continued access to Board papers.

### ***Breach of a restriction agreement***

The Proposed Constitution expressly provides at clause 21.8 that in the event of a breach of ASX Listing Rules related to "Restricted Securities" (as defined in the ASX Listing Rules) or of any escrow arrangements entered into by the Company under the ASX Listing Rules in relation to any Shares which are classified under the Listing Rules or by ASX as Restricted Securities, the Shareholder holding the Shares in question shall cease to be entitled to be paid any dividends in respect of those Shares for so long as the breach subsists.

### ***Distribution in proportion to Shares held***

The Proposed Constitution expressly provides at clause 26.3 that subject to the rights of Shareholders (if any) entitled to Shares with special rights in a winding-up and the Corporations Act all monies and property that are to be distributed among Shareholders on a winding-up, shall be distributed in proportion to the Shares held by them respectively, irrespective of the amount paid-up or credited as paid-up on the Shares.

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## **RESPONSIBILITY FOR INFORMATION**

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The information concerning the Company contained in this Explanatory Statement, including information as to the views and recommendations of the Directors has been prepared by the Company and is the responsibility of the Company.

The Explanatory Statement does not take into account the individual investment objectives, financial situation and particular needs of individual Shareholders. If you are in doubt as to what you should do you should consult your legal, financial or professional adviser prior to voting.

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## GLOSSARY

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**ASX** means ASX Limited.

**Board** means the current board of directors of the Company.

**Company** means Stratatel Limited (ABN 63 088 257 729).

**Constitution** means the Company's constitution.

**Corporations Act** means the *Corporations Act 2001* (Cth).

**Directors** mean the current directors of the Company.

**EST** means Eastern Standard Time.

**Explanatory Statement** means this explanatory statement to the Notice of Meeting.

**Listing Rules** means the Listing Rules of ASX.

**Meeting** means the annual general meeting of Shareholders convened by the Notice of Meeting.

**Notice of Meeting** means the notice of meeting which forms part of this Explanatory Statement.

**Remuneration Report** means that section of the Directors Report under the heading "Remuneration Report" set out in the 2010 Annual Report.

**Resolutions** means the resolutions set out in the Notice of Meeting, or any one of them, as the context requires.

**Share** means a fully paid ordinary share in the capital of the Company.

**Shareholder** means a holder of a Share.

**\$** means Australian dollars

**STRATATEL LIMITED**

**ABN 63 088 257 729**

**Shareholder Details**

Name: .....

Address: .....

Contact Telephone No: .....

Contact Name (if different from above): .....

**Appointment of Proxy**

I/We being a shareholder/s of Stratatel Limited and entitled to attend and vote hereby appoint

The Chairman of the Meeting **OR**

(mark with an 'X')

Write here the name of the person you are appointing if this person is someone other than the Chairman of the Meeting.

or failing the person named, or if no person is named, the Chairman of the Meeting, as my/our proxy to attend and 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 Meeting of Stratatel Limited to be held at the Amora Jamison Hotel, 11 Jamison Street, Sydney, New South Wales on 11 November 2010 at 10.00am (EST) and at any adjournment of that Meeting.

**IMPORTANT**

If the Chairman of the Meeting is your nominated proxy, or may be appointed by default, and you have not directed your proxy how to vote, please place a mark in this box with an 'X'. By marking this box you acknowledge that the Chairman of the Meeting may exercise your proxy even if he has an interest in the outcome of the resolutions and that votes cast by him, other than as a proxy holder, 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 the resolutions and your votes will not be counted in computing the required majority if a poll is called. The Chairman of the Meeting intends to vote undirected proxies in favour of each resolution.

**Voting directions to your proxy – please mark  to indicate your directions**

		For	Against	Abstain*
Resolution 1.	Adoption of the Remuneration Report (non-binding)	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Resolution 2.	Re-election of Mr Graham Baillie	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Resolution 3.	Adoption of a new Constitution	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

\*If you mark the Abstain box for a particular Resolution, 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.

Appointment of a second proxy (see instructions overleaf)

if you wish to appoint a second proxy, state the % of your voting rights applicable to the proxy appointed by this form

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

Individual or Shareholder 1

Sole Director and Sole Company Secretary

Shareholder 2

Director

Shareholder 3

Director/Company Secretary

**STRATATEL LIMITED**

**ABN 63 088 257 729**

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**HOW TO COMPLETE THIS PROXY FORM**

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Your Name and Address

Please print your name and address as it appears on your holding statement and the Company's share register. If shares are jointly held, please ensure the name and address of each joint shareholder is indicated. Shareholders should advise the Company of any changes. Shareholders sponsored by a broker should advise their broker of any changes. Please note, you cannot change ownership of your securities using this form.

Appointment of a Proxy

If you wish to appoint the Chairman of the Meeting as your proxy, mark the box. 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. 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.

Votes on Resolutions

You may direct your proxy how to vote by placing a mark in one of the boxes opposite each Resolution. All your shareholding will be voted in accordance with such a direction unless you indicate only a portion of voting rights are to be voted on any Resolution 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 a given Resolution, your proxy may vote as he or she chooses. If you mark more than one box on a Resolution your vote on that Resolution will be invalid.

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 Secretary on (08) 9322 7600 or you may photocopy this form.

To appoint a second proxy you must on each Proxy Form state (in the appropriate box) the percentage of your voting rights which are the subject of the relevant proxy. If both Proxy Forms do not specify that percentage, each proxy may exercise half your votes. Fractions of votes will be disregarded.

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, all of the shareholders should sign.

Power of Attorney: to sign under Power of Attorney, you must have already lodged a copy of the Power of Attorney with the Company's share 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) 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 a "Certificate of Appointment of Corporate Representative" should be produced prior to admission. A form of the certificate is either included in the Notice of Meeting or 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 the address given below 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.

This Proxy Form (and any Power of Attorney and/or second Proxy Form) may be sent or delivered to the Company at Stratatel Limited, 945 Wellington Street, West Perth, WA or sent by facsimile to the company on (08) 9322 7602.