



ABN 84 117 391 812

**NOTICE OF ANNUAL GENERAL MEETING
EXPLANATORY MEMORANDUM
PROXY FORM**

Date of Meeting

Wednesday, 26 November 2008

Time of Meeting

1.30pm (EDST)

Place of Meeting

Fredricks Restaurant
Alexander Motor Inn & Apartments
980 Mt Alexander Road
Essendon, Victoria, 3040

NOTICE OF ANNUAL GENERAL MEETING

The Annual General Meeting of Capitol Health Limited (**Capitol Health** or **Company**) is to be held on Wednesday, 26 November 2008 at Fredricks Restaurant, 980 Mt Alexander Road, Essendon, Victoria, 3040, commencing at 1.30pm (EDST).

The Explanatory Statement that accompanies and forms part of this Notice describes the matters to be considered at this meeting.

BUSINESS

Financial Statements and Report (No resolution required)

To receive and consider the financial statements for the year ended 30 June 2008 together with the directors' report and auditor's report.

Resolution 1 - Adoption of Remuneration Report (Non-binding resolution)

To consider and, if thought fit, to pass the following resolution as a **non-binding resolution**:

"To adopt the Remuneration Report for the year ended 30 June 2008."

Resolution 2 – Election of Director – Mr Dominik Kucera

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

"That Mr Dominik Kucera, having been appointed as a director of the Company on 31 July 2008, who retires in accordance with clause 13.4 of the Company's Constitution and being eligible and offering himself for re-election, be elected as a director of the Company."

Resolution 3 – Election of Director – Mr Steven Sewell

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

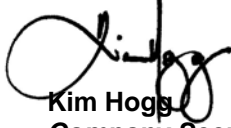
"That Mr Steven Sewell, having been appointed as a director of the Company on 6 February 2008, who retires in accordance with clause 13.4 of the Company's Constitution and being eligible and offering himself for re-election, be elected as a director of the Company."

Resolution 4 – Re-election of Director – Mr Andrew Harrison

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

"That Mr Andrew Harrison, being a director of the Company who retires by rotation in accordance with clause 13.2 of the Company's Constitution, be re-elected as a director of the Company."

DATED THIS 27th DAY OF OCTOBER 2008
BY ORDER OF THE BOARD



Kim Hogg
Company Secretary

NOTES:

1. A member entitled to attend and vote is entitled to appoint not more than two proxies to attend and vote on behalf of the member. A proxy need not be a member of the Company, but must be a natural person (not a corporation). A proxy may also be appointed by reference to an office held by the proxy (eg. "the Company Secretary").
2. Where more than one proxy is appointed, each proxy may be appointed to represent a specified proportion of the member's voting rights. If no such proportion is specified, each proxy may exercise half of the member's votes.
3. A proxy form is enclosed. A separate form must be used for each proxy. An additional form can be obtained by writing to the Company at PO Box 3438, Nedlands, WA, 6909 or by fax to (61 8) 6389 2588. Alternatively, you may photocopy the enclosed form.
4. A duly completed proxy form and (where applicable) any power of attorney or a certified copy of the power of attorney must be received by the Company at its registered office or the address or fax number set out below, not less than 48 hours before the time for commencement of the meeting. Please send by post to PO Box 3438, Nedlands, WA, 6909 or by fax to (61 8) 6389 2588.
5. The Company will accept proxy appointments by a corporate member executed in accordance with either section 127(1) (not under seal) or section 127(2) (under seal) of the Corporations Act.
6. For the purposes of section 1074E(2) of the Corporations Act 2001 and regulation 7.11.37 of the Corporations Regulations 2001, the Company determines that members holding ordinary shares at 5.00pm EDST on Monday, 24 November 2008 will be entitled to attend and vote at the Annual General Meeting.
7. The Explanatory Memorandum attached to this Notice forms part of this Notice.

EXPLANATORY MEMORANDUM

This Explanatory Memorandum has been prepared to provide Shareholders with material information to enable them to make an informed decision on the business to be conducted at the Annual General Meeting of Capitol Health Limited ("Company").

The Directors recommend shareholders read this Explanatory Memorandum in full before making any decision in relation to the resolutions.

Resolution 1 – Adoption of Remuneration Report

During discussion on this item, there will be an opportunity for shareholders at the meeting to comment on, and ask questions about, the Remuneration Report which is incorporated in the Directors' Report in the Company's 2008 Annual Report.

In accordance with the Corporations Act 2001, the vote on the proposed resolution is advisory only and will not bind the directors or the Company. However, the Board will take the outcome of the vote into consideration when reviewing remuneration practices and policies.

Resolution 2 – Election of Director – Mr Dominik Kucera

Clause 13.4 of the Constitution states that the Directors may at any time appoint any person to be a Director, either to fill a casual vacancy or as an addition to the existing Directors.

Mr Kucera was appointed to the Board on 31 July 2008 and in accordance with the Company's Constitution, seeks election as a director.

Mr Kucera has held senior finance roles in a number of private, joint venture and public companies, under Australian and Multi-National ownership, as both permanent employee and consultant. He has worked in Primary, Secondary and Tertiary (service) industries for extensive periods of time. His last role in a public company was as Chief Financial Officer for Sirius Telecommunications Ltd (ASX code SIU - now named as Sirius Corporation Ltd) for a period of 5 years between its initial listing in 2000 to 2005. Previous employers include ICI Australia Ltd (now Orica), Brambles, Ticketmaster and the Porta Group of companies. Mr Kucera has held ultimate responsibility in his various roles for the Finance, Human Resources and IT functions for the companies or business units under his control.

Directors' Recommendation

The Board (other than Mr Kucera) recommends shareholders vote in favour of the Resolution.

Resolution 3 – Election of Director – Mr Steven Sewell

Clause 13.4 of the Constitution states that the Directors may at any time appoint any person to be a Director, either to fill a casual vacancy or as an addition to the existing Directors.

Mr Sewell was appointed to the Board on 6 February 2008 and in accordance with the Company's Constitution, seeks election as a director.

Mr Sewell is a Division Director of the Real Estate Group of Macquarie Bank Limited and is the CEO of the Macquarie CountryWide Trust, with overall responsibility for the Trust's business operations and investment strategy. Macquarie CountryWide Trust is an ASX listed real estate investment trust, currently owning a portfolio of over 270 retail properties in five countries with a value in excess of A\$5.4b.

Mr Sewell has over ten years in the property investment and management industry. He is an active member of the Retail Lease Law and Planning sub-committee of the Shopping Centre Council of Australia. He is a graduate in Science from the University of Melbourne and The Geelong College.

EXPLANATORY MEMORANDUM (cont'd)

Resolution 3 – Election of Director – Mr Steven Sewell (cont'd)

Directors' Recommendation

The Board (other than Mr Sewell) recommends shareholders vote in favour of the Resolution.

Resolution 4 – Re-election of Director – Mr Andrew Harrison

Clause 13.2 of the Constitution requires that at the annual general meeting in every subsequent year, one-third of the Directors for the time being, or, if their number is not a multiple of 3, then the number nearest one-third (rounded upwards in case of doubt), shall retire from office, provided always that no director except a Managing Director shall hold office for a period in excess of 3 years, or until the third annual general meeting following his or her appointment, whichever is the longer, without submitting himself for re-election. A retiring director is eligible for re-election.

Mr Harrison retires by rotation in accordance with the Company's Constitution and, being eligible, offers himself for re-election.

Mr Harrison has significant experience in both senior management and board positions in publicly listed companies. He has held senior positions in a number of major organisations. Prior to forming Capitol Health Limited, Mr Harrison was Managing Director of Neptune Marine Services Limited, and played an integral role in the initial public offering of that company in April 2004. He was a non-executive director of ASX listed Neptune Marine Services Limited until February 2006, and is currently a Non Executive Director of C @ Limited, an ASX listed company.

Previously he has worked as a management consultant for such clients as Chubb Australasia and has been CEO of a Melbourne based marketing consultancy. Mr Harrison also holds a Bachelor of Commerce (Honours) in Marketing and Commercial Law from Curtin University in Western Australia, and is a member of the Australian Institute of Company Directors.

Directors' Recommendation

The Board (other than Mr Harrison) recommends shareholders vote in favour of the Resolution.

PROXY FORM

(Name of member/s)

of

(Address of member/s)

Appointment of Proxy

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

the Chairman of the Meeting (mark with an 'X'); or

If you are appointing **someone other than** the Chairman of the Meeting, write here the name of the company or person you are appointing;

or, failing a company or person named, or if no company or person 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 not directions have been given, as the proxy sees fit) at the Annual General Meeting of Capitol Health Limited to be held at Fredricks Restaurant, Alexander Motor Inn & Apartments, 980 Mt Alexander Road, Essendon, Victoria, 3040 on Wednesday, 26 November 2008 commencing at 1.30pm (EDST) and at any adjournment of that meeting.

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

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

	FOR	AGAINST	ABSTAIN*
1. Adoption of Remuneration Report	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
2. Election of Director – Mr Dominik Kucera	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
3. Election of Director – Mr Steven Sewell	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
4. Re-election of Director – Mr Andrew Harrison	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

* 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.

Appointing a second Proxy

I/We wish to appoint a second proxy

Mark with an 'X' if you wish to appoint a second proxy

AND

%

OR

State the percentage of your voting rights or the number of securities for this Proxy Form.

PLEASE SIGN HERE

This section must be signed in accordance with the instructions overleaf to enable your directions to be implemented.

Individual or Securityholder 1

Individual/ Sole Director and Sole Company Secretary

Securityholder 2

Director

Securityholder 3

Director/ Company Secretary

Contact Name

Contact Daytime Telephone

Date

HOW TO COMPLETE THE PROXY FORM

1. Appointment of a Proxy

If you wish to appoint the Chairman of the Meeting as your proxy, mark the box. If the company or person you wish to appoint as your proxy is someone other than the Chairman of the Meeting please write the name of that company or 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 securityholder of the company.

If you have appointed a company as your proxy and a representative of that company wishes to attend the meeting, the representative will be required to provide the Company with the appropriate written documentation evidencing that the person is a representative of the proxy. Should you require it, the Company will provide you with a corporate representative form free of charge. Please contact the Company Secretary if you require a corporate representative form.

2. Votes on Items of Business

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

3. 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) indicate that you wish to appoint a second proxy by marking the box.
- (b) on each of the first Proxy Form and the second Proxy Form state the percentage of your voting rights or number of securities applicable to that form. If the appointments do not specify the percentage or number of votes that each proxy may exercise, each proxy may exercise half your votes. Fractions of votes will be disregarded.
- (c) return both forms together in the same envelope.

4. 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 securityholders should sign.

Power of Attorney: to sign under Power of Attorney, you must have already lodged this document 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 the address given below no later than 48 hours before the commencement of the meeting at 1.30pm (EDST) on Wednesday, 26 November 2008. Any Proxy Form received after that time will not be valid for the scheduled meeting.

Documents may be lodged by posting, delivery or facsimile to Capitol Health Limited:-

PO Box 3438
Nedlands WA 6909

Fax: (61-8) 6389 2588
