



ABN 84 117 391 812

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

Date of Meeting

Thursday, 26 November 2009

Time of Meeting

1.00 pm (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 Thursday, 26 November 2009 at Fredricks Restaurant, 980 Mt Alexander Road, Essendon, Victoria, 3040, commencing at 1.00 pm (EDST).

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

BUSINESS

Financial Report

To receive and consider the financial report for the year ended 30 June 2009 together with the Directors' Report and Auditor's Report.

Resolution 1 - Adoption of Remuneration Report

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 2009."

Resolution 2 – Re-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, 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."


Resolution 3 – Appointment of Auditor

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

"For the purposes of section 327B of the Corporations Act and for all other purposes, the firm RSM Bird Cameron Partners of Level 8, Rialto South Tower 525 Collins Street Melbourne, Victoria, 3000 (having been nominated by a member of the Company and consented in writing to act in the capacity of auditor) be appointed as auditor of the Company in accordance with section 327B(1) of the Corporations Act".

Short Explanation: Pursuant to section 329(5) of the Corporations Act, BDO Kendalls Audit and Assurance (Vic) Pty Ltd has applied to ASIC for consent to resign as auditor of the Company, with effect from the date of the AGM. Subject to ASIC consenting to the resignation and BDO Kendalls Audit and Assurance (Vic) Pty Ltd then submitting its resignation to the Company, it is proposed that the Company appoint RSM Bird Cameron Partners as auditor of the Company. Pursuant to section 328B(1) of the Corporations Act, a member of the Company has nominated RSM Bird Cameron Partners to be the Company's auditor. A copy of the nomination letter is attached to this Notice at Annexure A.

DATED THIS 28th DAY OF OCTOBER 2009
BY ORDER OF THE BOARD



Kim Hogg
Company Secretary

IMPORTANT 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 Tuesday, 24 November 2009 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.

ELECTRONIC ANNUAL REPORT

In accordance with section 314 (1AA)(c) of the *Corporations Act 2001*, the Company advises the 2009 Annual Report is available from the Company's website (www.capitolhealth.com.au).

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** or **Capitol Health**).

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

Financial Statements and Report

Under the *Corporations Act 2001*, the directors of the Company must table the financial report, the Directors' Report and the Auditor's Report for Capitol Health for the year ended 30 June 2009 at the meeting.

These reports are set out in the 2009 Annual Report. Shareholders who elected to receive a printed copy of annual reports should have received the 2009 Annual Report with this Notice of Annual General Meeting. The 2009 Annual Report is available from the Company's website (www.capitolhealth.com.au).

Shareholders will be given reasonable opportunity at the meeting to ask questions and make comments on the financial report, the Directors' Report and the Auditor's Report.

Resolution 1 – Adoption of Remuneration Report

Under the *Corporations Act 2001*, the Company is required to include, in the Directors' Report, a detailed remuneration report setting out the prescribed information in relation to the remuneration of directors and executives of Capitol Health and the Company's remuneration practices.

Shareholders will be given reasonable opportunity at the meeting to ask questions and make comments on the Remuneration Report.

The Remuneration Report is required to be submitted for adoption by a resolution of shareholders at the meeting. The vote on this resolution is advisory only and does 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 – Re-election of Director – Mr Dominik Kucera

Clause 13.2 of the Constitution requires that at the annual general meeting, 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 Kucera retires by rotation in accordance with the Company's Constitution and, being eligible, offers himself for re-election.

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 Consolidated entity 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.

EXPLANATORY MEMORANDUM (cont'd)

Resolution 3 – Appointment of Auditor

The Company has conducted a tender process for the provision of external audit services in an effort to reduce costs, consistent with the Company's Technology and Operational Transformation Programmes. Consequently, the Company wishes to appoint RSM Bird Cameron Partners of Level 8, Rialto South Tower 525 Collins Street Melbourne, Victoria, 3000 (**RSM Bird Cameron**) as its new auditor. Pursuant to section 328A of the Corporations Act, RSM Bird Cameron has provided the Company with written notice of its consent to act as Company auditor, to take effect from 26 November 2009.

Pursuant to section 329(5) of the *Corporations Act*, BDO Kendalls Audit and Assurance (Vic) Pty Ltd (**BDO Kendalls**) has applied for ASIC's consent to resign as auditor of the Company, with effect from the date of the Company's next Annual General Meeting, being 26 November 2009. Resolution 3 cannot take effect unless ASIC consents to the resignation, and BDO Kendalls then submits its resignation by notice in writing given to the Company.

In accordance with section 328B(1) of the *Corporations Act*, Ildinoc Pty Ltd, a member of the Company, has nominated RSM Bird Cameron to be the Company's auditor by providing the Company with written notice of the nomination not less than 21 days before the Annual General Meeting. Under section 328B(3) of the Corporations Act, a copy of this nomination:

- (a) has been sent to BDO Kendalls;
- (b) has been sent to RSM Bird Cameron; and
- (c) is attached to this Notice at Annexure A.

Directors' Recommendation

The Board recommends shareholders vote in favour of the Resolution.

ANNEXURE A

Nomination of Auditor

The Company Secretary
Capitol Health Limited
Level 1, 952 Mt Alexander Road
Essendon, Victoria 3040

Dear Sir

We, Idinoc Pty Ltd, being a member of Capitol Health Limited (**Company**), hereby nominate RSM Bird Cameron Partners of Level 8, Rialto South Tower 525 Collins Street Melbourne, Victoria, 3000 for appointment as auditor of the Company at its next Annual General Meeting.

Please distribute copies of this notice of nomination as required by section 328B(3) of the Corporations Act 2001 (Cth).

Yours faithfully
IDINOC PTY LTD



Mr John Conidi
Director

23 October 2009

PROXY FORM

MR SAM SAMPLE
 UNIT 123
 123 SAMPLE STREET
 THE SAMPLE HILL
 SAMPLE ESTATE
 SAMPLEVILLE WA 6060

1. Appointment of Proxy

I/We being a member/s of Capitol Health Limited hereby appoint

the Chairman
of the Meeting

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 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 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 Thursday, 26 November 2009 commencing at 1.00 pm (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.

2. Items of Business

Please mark to indicate your voting directions.

	FOR	AGAINST	ABSTAIN
1. Adoption of Remuneration Report	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
2. Re-election of Director – Mr Dominik Kucera	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
3. Appointment of Auditor	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

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 on a poll and your votes will not be counted in computing the required majority.

3. Appointment of a Second Proxy

I/We wish to appoint a second proxy

Please mark 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.

4. Signature of Securityholder(s)

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 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 an appointment of corporate representative form free of charge. Please contact the Company Secretary if you require an appointment of corporate representative form.

2. 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. 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 securityholder must sign.

Joint Holding: Where the holding is in more than one name, all of the securityholders must 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 sign in the appropriate place to indicate the office held.

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 1.00 pm (EDST) on Thursday, 26 November 2009. 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

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 the Company's share registry.
