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**ORCHID CAPITAL LTD**

**ABN 30 073 099 171**

**NOTICE OF ANNUAL GENERAL MEETING**

**EXPLANATORY STATEMENT**

**PROXY FORM**

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**TIME:** 11.00 am (WST)

**DATE:** Friday, 27 November 2009

**PLACE:** Suite 6  
32 Hines Road  
O'Connor WA 6163

*This Notice of Annual General Meeting is an important document and requires your immediate attention. Please read it carefully. If you are in doubt as to what you should do, please consult your professional adviser.*

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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 Orchid Capital Ltd which this Notice of Annual General Meeting relates to will be held at 11.00 am (WST) on 27 November 2009 at:

Suite 6  
32 Hines Road  
O'Connor WA 6163

**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 and either:

- (a) post or deliver the proxy form by hand to the Company's place of business at Suite 6, 32 Hines Road, O'Connor, Western Australia 6163; or
- (b) send the proxy form by facsimile to the Company on facsimile number +61 8 9338 8699

so that it is received no later than 11.00am (WST) on 25 November 2009

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

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## NOTICE OF ANNUAL GENERAL MEETING

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Notice is given that the Annual General Meeting of Shareholders of Orchid Capital Ltd will be held at Suite 6, 32 Hines Road, O'Connor, Western Australia 6163 at 11.00 am (WST) on 27 November 2009.

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 of the Company at the close of business on 25 November 2009.

### AGENDA

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#### BUSINESS

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

#### ORDINARY BUSINESS

##### Reports and Accounts

To receive and consider the financial statements of the Company for the year ended 30 June 2009 together with the declaration of the directors, the directors' report, the remuneration report and the auditor's report.

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#### 1. RESOLUTION 1 – REMUNERATION REPORT

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, the Company adopt the Remuneration Report."*

**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 Resolution 1 is advisory only and does not bind the Directors or the Company.

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#### 2. RESOLUTION 2 – RE-ELECTION OF DIRECTORS

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

*"That, Richard Lambe, being a Director of the Company who retires by rotation in accordance with clause 13.2 of the Constitution and, being eligible, offers himself for re-election, is re-elected as a Director of the Company."*

**Short Explanation:** Clause 13.2 of the Constitution requires that at the Annual General

Meeting one third of the Directors for the time being shall retire from office. A retiring Director is eligible for re-election.

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### 3. RESOLUTION 3 – REMOVAL OF AUDITOR

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

*"That, for the purpose of Section 329 of the Corporations Act 2001 and for all other purposes, the Company approves the removal of Stantons International as the auditor of the Company."*

**Short Explanation:** The Corporations Act provides that the auditor of a company may be removed from office by resolution of the company at a general meeting of which notice under Section 329, subsection 1A has been given.

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### 4. RESOLUTION 4 – APPOINTMENT OF AUDITOR

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

*"That, for the purpose of Section 327 of the Corporations Act 2001 and for all other purposes, the Company approves the appointment of Monash Partners as the auditor of the Company."*

**Short Explanation:** The Corporations Act provides that the company may appoint an auditor to fill a vacancy in the office at its AGM.

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**DATED: 26 OCTOBER 2009**

**BY ORDER OF THE BOARD**



**MR RICHARD LAMBE  
COMPANY SECRETARY  
ORCHID CAPITAL LTD**

#### **Voting Exclusion Note:**

Where a voting exclusion applies, the Company need not disregard a vote if it is cast by a person as a proxy for a person who is entitled to vote in accordance with the directions on the proxy form or it is cast by the person chairing the meeting 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.

## **EXPLANATORY STATEMENT**

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

### **1. RESOLUTION 1– REMUNERATION REPORT**

The Remuneration Report is set out in the Director's Report in the Company's 2009 Annual Report. It is also available on the Company's website at [www.orchidcapital.net](http://www.orchidcapital.net).

The Remuneration Report sets out the Company's remuneration arrangements for the Directors and senior management of the Company.

Section 250R(2) of the Corporations Act requires that a resolution to adopt the Remuneration Report be put to the vote of the Company at the Annual General Meeting. However, Shareholders should note that the vote on Resolution 1 is advisory only and is not binding on the Company or its Directors.

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

The Directors recommend that Shareholders vote in favour of Resolution 1.

### **2. RESOLUTION 2 – RE-ELECTION OF RICHARD LAMBE**

Clause 13.2 of the Constitution of the Company provides that at each annual general meeting one third of the Directors (other than alternate Directors and the Managing Director), or if their number is not a multiple of three, then the number nearest to but not more than one third of the directors must retire from office. A retiring director is eligible for re-election.

Mr Richard Lambe retires in accordance with that clause and being eligible for re-election, offers himself for re-election at the Meeting.

Appointed 27 November 2006. Mr Lambe has a Bachelor of Business degree in Economics and Finance from Curtin University, a Graduate Diploma of Accounting from Murdoch University and is a Certified Practising Accountant. He has worked in various positions with companies including Price Waterhouse Coopers (formerly Coopers & Lybrand during his employment), Wescorp International Ltd (former subsidiary of Wesfarmers Ltd) and is a current director of the CPA firm of Accountants and Business Advisers, Mercia Taxation and Accounting.

The Directors recommend that Shareholders vote in favour of Resolution 2.

### **3. RESOLUTION 3 – REMOVAL OF AUDITOR**

The Corporations Act provides that the auditor of a company may be removed from office by resolution of the company at a general meeting of which notice under section 329(1A) has been given, but not otherwise.

Notice under section 329(1A) has been received and the Company proposes to put

the resolution to members at the Annual General Meeting.

The Directors recommend that Shareholders vote in favour of Resolution 3.

#### **4. RESOLUTION 4 – APPOINTMENT OF AUDITOR**

Section 327 requires that when an auditor is removed from a company, the company must appoint a new auditor at a General Meeting. Pursuant to receipt of a letter of nomination, the Company proposes to appoint Monash Partners as auditor of the Company.

The Directors recommend that Shareholders vote in favour of Resolution 4.

#### **5. ENQUIRIES**

Shareholders are required to contact the Company Secretary on +61 8 9338 8670 if they have any queries in respect of the matters set out in these documents.

## GLOSSARY

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

**Company** means Orchid Capital Ltd (ABN 30 073 099 171).

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

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

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

**Explanatory Statement** means the explanatory statement to the Notice.

**Meeting** means the meeting convened by the Notice.

**Notice** means the notice of annual general meeting accompanying this Explanatory Statement.

**Options** means an option to acquire a Share in the Company pursuant to the Entitlement Issue.

**Share** means a share in the Company.

**Shareholder** means a shareholder in the Company.

PROXY FORM

APPOINTMENT OF PROXY  
ORCHID CAPITAL LTD  
ABN 30 073 099 171

I/We   
being a Member of **ORCHID CAPITAL LTD** entitled to attend and vote at the Meeting, hereby  
Appoint   
Name of proxy

or failing the person so named or, if no person is named, the Chairman of the Meeting or the Chairman's nominee, to vote in accordance with the following directions or, if no directions have been given, as the proxy sees fit at the Annual General Meeting to be held at 11.00 am (WST) on 27 November 2009 at Suite 6, 32 Hines Road, O'Connor WA 6163 and at any adjournment thereof. If no directions are given, the Chairman will vote in favour of all of the resolutions.

**Voting on Business of the General Meeting**

|  | FOR                      | AGAINST                  | ABSTAIN                  |
|--|--------------------------|--------------------------|--------------------------|
| Resolution 1 Remuneration Report                         | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |
| Resolution 2 Re-Election of Directors – Richard Lambe    | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |
| Resolution 3 Removal of Auditor – Stantons International | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |
| Resolution 4 Appointment of Auditor – Monash Partners    | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |

If you do **not** wish to direct your proxy how to vote, please place a mark in this box

By marking this box, you acknowledge that the Chairman may exercise your proxy even if he has an interest in the outcome of the resolution and votes cast by him other than as proxy holder will be disregarded because of the 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 calculating the required majority if a poll is called on these Resolutions. The Chairman intends to vote in favour of these Resolutions.

**IF THE CHAIRMAN IS TO BE YOUR PROXY IN RELATION TO THE RESOLUTIONS YOU MUST EITHER MARK THE BOXES DIRECTING YOUR PROXY HOW TO VOTE OR MARK THE BOX INDICATING THAT YOU DO NOT WISH TO DIRECT YOUR PROXY HOW TO VOTE, OTHERWISE THIS APPOINTMENT OF PROXY IN RELATION TO THE RESOLUTIONS WILL BE DISREGARDED.**

If you mark the abstain box for a particular item, you are directing your proxy not to vote on that item on a show of hands or on a poll and that your shares are not to be counted in computing the required majority on a poll.

Signed this      day of                      2009

By:

**Individuals and joint holders**

|           |
|-----------|
| Signature |
| Signature |
| Signature |

**Companies (affix common seal if appropriate)**

|  |
|--|
| Director                                 |
| Director/Company Secretary               |
| Sole Director and Sole Company Secretary |

**ORCHID CAPITAL LTD  
ABN 30 073 099 171**

**Instructions for Completing 'Appointment of Proxy' Form**

1. A member entitled to attend and vote at a Meeting is entitled to appoint not more than two proxies to attend and vote on their behalf. Where more than one proxy is appointed, such proxy must be allocated a proportion of the member's voting rights. If the shareholder appoints two proxies and the appointment does not specify this proportion, each proxy may exercise half the votes.
2. A duly appointed proxy need not be a member of the Company. In the case of joint holders, all must sign.
3. Corporate shareholders should comply with the execution requirements set out on the proxy form or otherwise with the provisions of Section 127 of the Corporations Act. Section 127 of the Corporations Act provides that a company may execute a document without using its common seal if the document is signed by:
  - directors of the company;
  - a director and a company secretary of the company; or
  - for a proprietary company that has a sole director who is also the sole company secretary – that director.

For the Company to rely on the assumptions set out in Section 129(5) and (6) of the Corporations Act, a document must appear to have been executed in accordance with Section 127(1) or (2). This effectively means that the status of the persons signing the document or witnessing the affixing of the seal must be set out and conform to the requirements of Section 127(1) or (2) as applicable. In particular, a person who witnesses the affixing of a common seal and who is the sole director and sole company secretary of the company must state that next to his or her signature.

4. Completion of a proxy form will not prevent individual shareholders from attending the meeting in person if they wish. Where a shareholder completes and lodges a valid proxy form and attends the meeting in person, then the proxy's authority to speak and vote for that shareholder is suspended while the shareholder is present at the meeting.
5. Where a proxy form or form of appointment of corporate representative is lodged and is executed under power of attorney, the power of attorney must be lodged in like manner as this proxy.
6. To vote by proxy, please complete and sign the proxy form enclosed:
  - (a) Post or deliver the proxy form by hand to the Company's place of business at Suite 6, 32 Hines Road, O'Connor, Western Australia 6163; or
  - (b) Send the proxy form by facsimile to the Company on facsimile number +61 8 9338 8699.

so that it is received no later than 11.00am (WST) on 25 November 2009

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