



**PHOSPHATE AUSTRALIA LIMITED**  
**ACN 129 158 550**

**NOTICE OF ANNUAL GENERAL MEETING  
OF SHAREHOLDERS**

**Thursday, 17<sup>th</sup> November 2011**  
**Commencing at 10.00 am (WST)**

**At**

**Park Business Centre**  
**45 Ventnor Avenue**  
**West Perth**  
**Western Australia**

**PHOSPHATE AUSTRALIA LIMITED  
NOTICE OF ANNUAL GENERAL MEETING**

---

Notice is hereby given that the Annual General Meeting of Phosphate Australia Limited ("the Company") will be held at Park Business Centre, 45 Ventnor Avenue, West Perth, Western Australia on Thursday, 17 November 2011 at 10.00am (WST).

**AGENDA**

**FINANCIAL REPORT**

To table the Annual Financial Report of the Company for the period ended 30 June 2011 and the related Director's Report, Director's Declaration and Audit Report thereon.

**RESOLUTION 1: ADOPTION OF REMUNERATION REPORT**

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

*"That, for the purposes of section 250R(2) of the Corporations Act, the Remuneration Report for the year ended 30 June 2011 be adopted."*

**Voting Exclusion**

In accordance with section 250R of the Corporations Act, a vote on Resolution 1 must not be cast (in any capacity) by, or on behalf of:

- (a) a member of the Key Management Personnel whose remuneration details are included in the Remuneration Report; or
- (b) a Closely Related Party of such member.

However, a person described above may cast a vote on Resolution 1 if:

- (c) the person does so as a proxy appointed by writing that specifies how the proxy is to vote on Resolution 1; and
- (d) the vote is not cast on behalf of a person described in subparagraphs (a) or (b) above.

*Note – the vote on this resolution is advisory only and does not bind the Directors or the Company.*

**RESOLUTION 2: RE-ELECTION OF MR JIM RICHARDS AS A DIRECTOR**

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

*"That Mr Jim Richards, having retired in accordance with the Constitution of the Company and being eligible offers himself for re-election, is hereby re-elected as a director."*

**SNAPSHOT DATE**

The Directors have determined that for the purposes of regulation 7.11.37 of the *Corporations Regulations 2001 (Cth)*, the Board has determined that persons who are registered holders of shares of the Company as at 10.00am (WST) on 15 November 2011 will be entitled to attend and vote at the Meeting.

**HOW TO VOTE**

Shareholders can vote by either:

- (a) attending the meeting and voting in person or by attorney or, in the case of corporate Shareholders, by appointing a corporate representative to attend and vote; or
- (b) appointing a proxy to attend and vote on their behalf using the proxy form accompanying this Notice and by submitting their proxy appointment and voting instructions in person, by post or by facsimile.

**BODIES CORPORATE**

A body corporate may appoint an individual as its representative to exercise all or any of the powers the body corporate may exercise at meetings of the Shareholders. The appointment may be a standing one. Unless the appointment states otherwise, the representative may exercise on the body corporate's behalf all of the powers that the appointing body could exercise at a meeting or in voting on a resolution.

**PHOSPHATE AUSTRALIA LIMITED**  
**NOTICE OF ANNUAL GENERAL MEETING**

---

**VOTING PROHIBITION BY PROXY HOLDERS**

In accordance with section 250R of the Corporations Act 2001, a vote on Resolution 1 must not be cast (in any capacity) by, or on behalf of:

- (a) a member of the Key Management Personnel whose remuneration details are included in the Remuneration Report; or
- (b) a Closely Related Party of such member.

However, a person described above may cast a vote on Resolution 1 if:

- (c) the person does so as a proxy appointed by writing that specifies how the proxy is to vote on Resolution 1; and
- (d) the vote is not cast on behalf of a person described in subparagraphs (a) or (b) above.

**PROXIES**

In accordance with Section 249L of the Corporations Act 2001, members are advised:

- each member has a right to appoint a proxy;
- the proxy need not be a member of the Company;
- a member who is entitled to cast two or more votes may appoint two proxies and may specify the proportion or number of votes each proxy is appointed to exercise.

In accordance with Section 250BA of the Corporations Act 2001 the Company specifies the following for the purposes of receipt of proxy appointments:

Phosphate Australia Limited  
C/- Link Market Services Limited  
Locked Bag A14  
Sydney South NSW 1235  
Australia

Fax No: (02) 9287 0309

Each shareholder entitled to vote at the Annual General Meeting has the right to appoint a proxy to vote on each particular resolution. The shareholder may specify the way in which the appointed proxy is to vote on a particular resolution or may allow the appointed proxy to vote at its discretion. The instrument appointing the proxy must be received by the Company as provided in its Constitution no later than 48 hours prior to the time of the commencement of the Annual General Meeting. This proxy form may be sent by facsimile transmission to the number identified on the proxy form.

**INCORPORATION OF EXPLANATORY MEMORANDUM**

The Explanatory Memorandum to Shareholders attached to this Notice of General Meeting, is hereby incorporated into and forms part of this Notice of Annual General Meeting.

By order of the Board



**GRANT J. MOONEY**  
Director and Company Secretary  
14 October 2011

**EXPLANATORY MEMORANDUM**

This Explanatory Memorandum should be read in its entirety. If Shareholders are in doubt as to how they should vote, they should seek advice from their accountant, solicitor or other professional adviser prior to voting.

**INTRODUCTION**

This Explanatory Memorandum has been prepared for the information of Shareholders of Phosphate Australia Limited ("**the Company**") in connection with the business to be conducted at the Annual General Meeting to be held Park Business Centre, 45 Ventnor Avenue, West Perth, Western Australia on 17 November 2011 at 10.00 am (WST).

This Explanatory Memorandum should be read in conjunction with the accompanying Notice of Annual General Meeting.

Defined terms in this Explanatory Memorandum and accompanying Notice of Annual General Meeting have, unless provided otherwise, the meaning given by the Glossary.

**RESOLUTION 1: ADOPTION OF REMUNERATION REPORT**

Section 250R(2) of the Corporations Act provides that the Company is required to put the Remuneration Report to the vote of Shareholders. The directors' report contains a Remuneration Report which sets out the remuneration policy for the Company and reports the remuneration arrangements in place for the executive and non-executive directors.

Section 250R(3) of the Corporations Act provides that Resolution 1 is advisory only and does not bind the Directors of the Company of itself, a failure of Shareholders to pass Resolution 1 will not require the Directors to alter any of the arrangements in the Remuneration Report.

However, the Corporations Act has been amended by the Corporations Amendment (Improving Accountability on Director and Executive Remuneration) Act (**Director and Executive Remuneration Act**) which received the Royal Assent on 27 June 2011 and came into effect on 1 July 2011.

The Director and Executive Remuneration Act introduced new sections 250U and 250Y, among others, into the Corporations Act, giving Shareholders the opportunity to remove the Board if the Remuneration Report receives a 'no' vote of 25% or more at two consecutive annual general meetings (**Two Strikes Rule**).

Under the Two Strikes Rule, where a resolution on the Remuneration Report receives a 'no' vote of 25% or more at two consecutive annual general meetings, the Company will be required to put to Shareholders at the second annual general meeting a resolution on whether another meeting should be held (within 90 days) at which all Directors (other than the managing director) who were in office at the date of approval of the applicable Directors' Report must stand for re-election.

In summary, if the Remuneration Report receives a 'no' vote of 25% or more at this Meeting, Shareholders should be aware that if there is a 'no' vote of 25% or more at the next annual general meeting the consequences are that it may result in the re-election of the Board.

The Chairman will allow a reasonable opportunity for Shareholders as a whole to ask about, or make comments on the Remuneration Report.

The Chairman will not cast undirected votes on Resolution 1.

**RESOLUTION 2: RE-ELECTION OF MR JIM RICHARDS AS A DIRECTOR**

Rule 7.3 of the Company's Constitution require that at an Annual General Meeting one-third of Directors for the time being shall retire from office. This rule does not apply to the managing director. A retiring Director is eligible for re-election.

In accordance with the Company's Constitution, Director Jim Richards retires as a director of the Company and being eligible, offers himself for re-election as a director of the Company. Details of the experience and qualifications of Mr Richards are set out in the Company's 2011 Annual Report.

**GLOSSARY**

**Annual General Meeting** means the meeting of Shareholders called by the Notice of Meeting of which this Explanatory Memorandum forms part.

**ASX** means ASX Limited (ACN 008 624 691).

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

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

**Chair** or **Chairman** means the person appointed to chair the Meeting convened by this Notice.

**Closely Related Party** means:

- (a) a spouse or child of the member of Key Management Personnel; or
- (b) has the meaning given in section 9 of the Corporations Act.

**Constitution** means the Constitution of the Company.

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

**Director and Executive Remuneration Act** has the meaning given in section 2 of the Explanatory Memorandum.

**Directors** means directors of the Company.

**Explanatory Memorandum** means this explanatory memorandum.

**Key Management Personnel** means a person having authority and responsibility for planning, directing and controlling the activities of the Company, directly or indirectly, including any Director (whether executive or otherwise) of the Company.

**Notice of Meeting** means the Notice of Meeting of which this Explanatory Memorandum forms part.

**Option** means an option to subscribe for a Share.

**Phosphate Australia or the Company** means Phosphate Australia Limited (ACN 129 158 550).

**Resolution** means a resolution to be considered by the Shareholders at the Annual General Meeting.

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

**Shareholder** or member means a registered member of the Company.

**Two Strikes Rule** has the meaning given in section 2 of the Explanatory Memorandum.

**WST** means Australian Western Standard Time.

In this Explanatory Memorandum and Notice, words importing the singular include the plural and vice versa.