

2008 Annual General Meeting

NOTICE OF MEETING

Notice is given that the Annual General Meeting of OrotonGroup Limited (the Company) will be held at 10am on 10 December 2008 at the offices of the Company, Unit 15, Level 2, 409 George Street, Waterloo NSW 2017

This Notice should be read in conjunction with the accompanying Explanatory Memorandum. Certain terms used in this Notice and Explanatory Memorandum are defined in the glossary which appears at the end of the Explanatory Memorandum.

A proxy form accompanies this Notice.

CONSIDERATION OF REPORTS

To receive and consider the Financial Report, the Directors' Report and the Independent Audit Report of the Company for the financial year ended 26 July 2008.

ITEMS FOR APPROVAL

Resolution 1 – Adoption of Remuneration Report

To consider and, if thought fit, pass the following as an advisory resolution of the Company:

“That, the Company's Remuneration Report for the year ended 26 July 2008 (set out in the Directors' Report) be adopted.”

Resolution 2 – Re-election of a Director, John P Schmoll

To consider and, if thought fit, pass the following as an ordinary resolution of the Company:

“That, John P Schmoll, who retires in accordance with the Company's Constitution, and having offered himself for re-election and being eligible, is hereby re-elected as a Director of the Company.”

Resolution 3 – Approval of Lane Deed and Acquisition of Relevant Interests in Excess of 20%

To consider and, if thought fit, pass the following as an ordinary resolution of the Company:

“That the New Lane Deed between Robert Lane, Ross Lane, Tom Lane and Anna Hookway, and the resulting acquisitions of relevant interests in the Company's shares, as described in the accompanying Explanatory Memorandum, be approved for all purposes including for the purposes of Item 7 of Section 611 of the Corporations Act.”

Voting Exclusion Statement

The Company will disregard any votes cast on Resolution 3 by Robert Lane, Ross Lane, Tom Lane, Anna Hookway and associates of each of them.

However, the Company need not disregard a vote if:

- a) it is cast by a person as proxy for a person who is entitled to vote in accordance with the directions on the proxy form; or
- b) it is cast by the person chairing the meeting as proxy for a person who is entitled to vote in accordance with the direction on the proxy form to vote as the proxy decides.

Dated: **31 October 2008**

By Order Of The Board



Kevin Fine
Company Secretary

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Notes

1. Proxies

If you are a shareholder entitled to attend and vote, you may appoint an individual or a body corporate as a proxy. If a body corporate is appointed as a proxy, that body corporate must ensure that it appoints a corporate representative in accordance with section 250D of the Corporations Act to exercise its powers as proxy at the AGM.

If you are entitled to cast two or more votes, you may nominate one or two persons to vote on your behalf at the AGM. If two proxies are appointed, each proxy may be appointed to represent a specified number or proportion of your votes. Fractions of votes resulting from the appointment of proxies will be disregarded. If no such number or proportion is specified, each proxy may exercise half your votes. A proxy form and a reply paid envelope have been included for members with the Notice. Proxy voting instructions are provided on the back of the proxy form.

A proxy need not be a holder of Company shares. If you wish to direct a proxy how to vote on any resolution, place a mark (e.g. a cross) in the appropriate box on the proxy form and your votes may only be exercised in that manner. You may split your voting direction by inserting the number of shares or percentage of shares that you wish to vote in the appropriate box.

2. Proxy Delivery

Proxies given by post, fax or delivery must be received by the Company's share registry, Link Market Services Limited, by no later than **10.00 am (Sydney time) on 8 December 2008 being 48 hours before the AGM:**

By post: Link Market Services Limited
Locked Bag A14
Sydney South NSW 1235

By facsimile: In Australia (02) 9287 0309
From outside Australia: +61 2 9287 0309

By delivery: Link Market Services Limited
Level 12, 680 George Street
Sydney South NSW 2000

Any revocations of proxies must be received at one of these places before the commencement of the meeting, or at the registration desk for the meeting from 9.00 am on the day of the meeting until the commencement of the meeting.

3. Power of Attorney

If a member has appointed an attorney to attend and vote at the meeting, or if the proxy is signed by an attorney, the power of attorney (or a certified copy of the power of attorney) must be received by the Company's share registry, Link Market Services Limited, at the address or fax number in section 2 above, by no later than 10.00 am (Sydney time) on 8 December 2008 being 48 hours before the AGM, unless the power of attorney has been previously lodged with the Company's share registry for notation and has not expired or otherwise been revoked.

4. Corporate Representatives

If a corporate member wishes to appoint a person to act as its representative at the meeting, that person should be provided with a letter or certificate authorising him or her as the company's representative (executed in accordance with its constitution) or with a copy of the resolution appointing the representative, certified by a secretary or director of the company. A form of certificate may be obtained from the Company's share registry.

5. Members Eligible to Vote

In accordance with Reg. 7.11.37 of the Corporations Regulations 2001, the Board has determined that persons who are registered holders of shares of the Company as at 7.00pm (Sydney time) on 8 December 2008 will be entitled to attend and vote at the meeting as a Shareholder.

6. Voting at the Meeting

An ordinary resolution will be passed where more than 50% of the eligible votes cast are in favour of it.

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EXPLANATORY MEMORANDUM

Information included in this Explanatory Memorandum is intended to assist with your consideration of the ordinary business proposed at the OrotonGroup Limited's Annual General Meeting (**AGM**).

The purpose of this Explanatory Memorandum is to provide Shareholders with information that is reasonably required by Shareholders to decide how to vote upon the Resolutions. The Directors recommend that Shareholders read this Explanatory Statement before determining whether or not to support the Resolutions.

CONSIDERATION OF ACCOUNTS

Unless the Company's share registry has been notified otherwise, each Shareholder will have received notification of the release of the Annual Report which contains the Financial Report for the year ended 26 July 2008.

Following the consideration of the Reports, the Chairman will give Shareholders a reasonable opportunity to ask questions about or comment on the management of the Company. The Chairman will also give Shareholders a reasonable opportunity to ask the Auditor questions relevant to:

- the conduct of the audit;
- the preparation and content of the Independent Audit Report;
- the accounting policies adopted by the Company in relation to the preparation of the financial statements; and
- the independence of the Auditor in relation to the conduct of the audit.

The Chairman will also give the Auditor a reasonable opportunity to answer written questions submitted by Shareholders that are relevant to the content of the Independent Audit Report or the conduct of the audit. A list of written questions, if any, submitted by Shareholders will be made available at the start of the AGM and any written answer tabled by the Auditor at the AGM will be made available as soon as practicable after the AGM.

ORDINARY BUSINESS

Resolution 1 – Adoption of Remuneration Report

The Remuneration Report is available on pages 16 to 23 of the 2008 OrotonGroup Annual Report and can also be viewed under "Corporate Investor" section of the Company's website (www.orotongroup.com.au). The Remuneration Report sets out the remuneration policy for the Company and its controlled entities, and reports the remuneration arrangements in place for Key Management Personnel (identified for the purposes of the Accounting Standards) and other OrotonGroup employees.

Section 250R(2) of the Corporations Act 2001 requires listed companies to put an annual non-binding Resolution to Shareholders to adopt the Remuneration Report. In line with the legislation, this vote will be advisory only, and does not bind the Directors or the Company. However, the Board will take the outcome of the vote into consideration when next considering the Company's remuneration policy.

The Chairman will give Shareholders a reasonable opportunity to ask questions about or make comments on the Remuneration Report.

The Directors unanimously recommend that Shareholders vote in favour of this Resolution.

Resolution 2 – Re-election of a Director, John P Schmoll

John P Schmoll retires by rotation in accordance with the Constitution and, being eligible, offers himself for re-election.

John was until 2002 the Chief Financial Officer of Coles Myer Ltd. Prior to this he held senior corporate and professional roles in Australia and South Africa including Arthur Young and Edgars Stores Ltd (South Africa's largest apparel and home wares retailer). Accordingly, he brings to OrotonGroup over 35 years of experience in finance, investor relations, information technology, corporate governance and an extensive history in working with large-scale activities in major corporations. He is currently non executive Chairman of Housewares International Ltd and a non-executive Director of AWB Ltd and Chandler Macleod Ltd. Previously, he was a director of Australian Leisure and Hospitality Ltd and Golden Circle Ltd.

The Directors, with John P Schmoll abstaining, recommend that Shareholders vote in favour of this Resolution.

Resolution 3 – Approval of Lane Deed and Acquisition of Relevant Interests in Excess of 20%

Overview

On 19 October 2001, Robert Lane (**Robert**), Ross Lane (**Ross**) and Tom Lane (**Tom**) entered into a deed, then known as “the Lane Deed”, which provided that Robert, Ross and Tom would act co-operatively in relation to the Company’s affairs and would consult with each other prior to disposing or causing the disposition of, or exercising any vote in respect of, any shares in the Company (**Shares**) in which they have a relevant interest (**Original Deed**). The Original Deed was approved by Shareholders of the Company at the general meeting of the Company held on 27 November 2001.

Robert, Ross and Tom have now entered into a new deed with Anna Hookway (**Anna**) which is on substantially similar terms to the Original Deed and which provides that Robert, Ross, Tom and Anna agree to act co-operatively in relation to the Company’s affairs and to consult with each other prior to disposing, or causing the disposition of, or exercising any vote in respect of, any Shares in which they have a relevant interest (**New Lane Deed**). Anna is Robert’s daughter, and the sister of Ross and Tom.

When the relevant provisions of the New Lane Deed take effect, if and when the Shareholder approval envisaged in this Resolution is given, each of the parties to that Deed will acquire a relevant interest in the Shares in which each other party holds a relevant interest. Each of Robert, Ross and Tom, as parties to the Old Deed, currently hold a relevant interest in 26.89% of the voting Shares. Once the New Deed becomes operative, in addition to the Shares in which Anna currently has a relevant interest, Anna will acquire a relevant interest in the Shares in which Robert, Ross and Tom currently have a relevant interest, being 26.89% of the voting Shares. Anna will, therefore, acquire a relevant interest in more than 20% of the voting Shares. Similarly, Robert, Ross and Tom will increase the number of voting Shares in which they hold a relevant interest by 2.33%, representing Anna’s current relevant interest in voting Shares.

Resolution 3 provides approval of the New Lane Deed, and the resulting acquisitions of relevant interests, for all purposes including for the purposes of Item 7 of Section 611 of the Corporations Act.

For the purposes of all calculations in this Explanatory Memorandum, the share capital of the Company as at close of business on 27 October 2008 (namely, 40,880,902 Shares) has been used. As the Company is currently undertaking an on-market buy back, it is possible that the stated percentages may increase by the date of the AGM, if further buy backs take place.

Section 606 of the Corporations Act provides that a person must not acquire a relevant interest in voting shares of a listed company through transactions in relation to securities entered into by or on behalf of that person if, as a result of the transactions, that person or someone else’s voting power in the Company increases:

- (a) from 20% or below to more than 20%; or
- (b) from an amount above 20% and below 90%.

Section 611 of the Corporations Act sets out a number of exceptions to Section 606. In particular, Item 7 of Section 611 of the Corporations Act provides that an acquisition of a relevant interest in the voting shares of a company will be exempt from the operation of Section 606 if that acquisition is approved by a resolution passed at a general meeting of the Company and no votes are cast in favour of the resolution by the person proposing to make the acquisition or the persons from whom the acquisition is to be made and their respective associates.

The New Lane Deed

Robert, Ross, Tom and Anna have entered into the New Lane Deed pursuant to which they will become associates for the purposes of the Corporations Act in relation to Shares in which each of them hold a relevant interest. They will also all have a relevant interest in all Shares in which the others have a relevant interest.

The New Lane Deed provides that each of the parties (being Robert, Ross, Tom and Anna) agree to:

- (a) act co-operatively in relation to the Company’s affairs;
- (b) consult with the other parties prior to disposing or causing the disposition of any Shares in which they hold a relevant interest; and
- (c) consult with each other prior to exercising any vote in respect of any Shares in which they hold a relevant interest.

The obligations in the New Lane Deed require only that the parties consult with each other. There is an express provision in the New Lane Deed which provides that the New Lane Deed does **not** prevent Robert, Ross, Tom or Anna from:

- (a) exercising any vote in respect of a Share in which he or she has a relevant interest; or
- (b) disposing or causing the disposition of any Share in which he or she has a relevant interest,

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in the manner that he or she sees fit, provided that that person has consulted with the others before doing so.

The New Lane Deed does not require the Company to issue any new Shares, and does not involve the transfer of any legal or beneficial interest in any Shares, to or by Robert, Ross, Tom or Anna or their respective associates.

The New Lane Deed is on substantially the same terms as the Original Deed entered into by Robert, Ross and Tom dated 19 October 2001 which was approved by shareholders of the Company at the annual general meeting held on 27 November 2001.

The obligations to co-operate and consult contained in the New Lane Deed are subject to a condition precedent that the Deed is approved by the Company passing a resolution under Item 7 of Section 611 of the Corporations Act.

The obligations in the New Lane Deed are of course subject to restrictions imposed by law. In particular, the Corporations Act prohibits insider trading. This prohibition provides that a person must not deal in securities or procure that another person deal in securities if that person is in possession of information which is not generally available and which could be expected to have a material effect on the price of securities. Further, the Corporations Act provides that a person in possession of such inside information must not communicate that information to any other person if they know or ought reasonably know that the person would be likely to deal in securities or procure that another person deal in securities.

In addition, as an executive Director of the Company, Ross is subject to the Company's share trading policy. This policy prohibits Directors, officers and employees of the Company who might be aware of price sensitive information about the Company from dealing in Shares for 6 weeks before each annual and half year financial period ends and for 24 hours after the release of the annual or half year results announcement, provided that outside these times they are not in possession of price sensitive information. In addition, the policy requires that Directors must notify the Company Secretary and Chairman before they buy or sell shares in the Company.

Therefore, it is important to note that while the parties to the New Lane Deed are required to co-operate and consult with each other, this contractual obligation is constrained by the operation of the Corporations Act and, in the case of Ross, additionally by the Company's share trading policy.

As each party to the New Lane Deed will arguably have (or share with others) the power to control the voting rights attached to the Shares, or the power to control the disposal of those Shares, each of the parties can be said to have acquired a relevant interest for the purposes of the Corporations Act in all of the Shares in which each other party has a relevant interest.

If Resolution 3 is passed, each of the parties to the New Lane Deed, being Robert, Ross, Tom and Anna will acquire a relevant interest in the Shares in which each of the other parties hold a relevant interest, and their voting power including their associates will be correspondingly increased.

If Resolution 3 is not passed, the acquisitions of relevant interest which occur as a result of the New Lane Deed becoming effective will be prohibited by Section 606 of the Corporations Act and the obligations to co-operate and consult under the New Lane Deed will be of no effect. However, the Original Deed will continue to govern dealings between Robert, Ross and Tom in relation to their and their associates' Shares.

The interests of the parties to the New Lane Deed are discussed in more detail below.

A copy of the New Lane Deed is attached to this Explanatory Memorandum as annexure A.

Disclosure required under the Corporations Act and ASIC Regulatory Guide 74

The following information is provided for Shareholders in accordance with the Corporations Act and ASIC Regulatory Guide 74. An analysis of whether the proposed transaction is fair and reasonable when considered in the context of Shareholders not associated with the transaction is contained in the Independent Experts Report prepared by PKF Corporate Advisory (East Coast) Pty Ltd, which is attached to this Explanatory Memorandum.

Identity of the parties and existing associates

The parties to the New Lane Deed are Robert and his three children, Ross, Tom and Anna.

Currently, Robert has the following associates in relation to the Company:

- Ross;
- Tom;
- Carol Lane; and
- Anulka Pty Limited (In Liquidation).

None of these associates, other than Ross and Tom who are parties to the Original Deed, currently have a relevant interest in the Shares in which Robert, Ross or Tom have a relevant interest, except those Shares registered in their respective names. This will remain unchanged if the New Lane Deed becomes effective.

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Currently, Ross has the following associates in relation to the Company:

- Robert;
- Tom;
- Sara Lane;
- Hazakson Pty Limited; and
- Zacnali Pty Limited.

None of these associates, other than Robert and Tom who are parties to the Original Deed, currently hold a relevant interest in the Shares in which Ross, Robert or Tom have a relevant interest, except those Shares registered in their respective names. This will remain unchanged if the New Lane Deed becomes effective.

Currently, Tom has the following associates in relation to the Company:

- Robert;
- Ross; and
- Hubbas Pty Limited.

None of these associates, other than Robert and Ross who are parties to the Original Deed, currently hold a relevant interest in the Shares in which Tom, Robert or Ross have a relevant interest, except those Shares registered in their respective names. This will remain unchanged if the New Lane Deed becomes effective.

Currently, Anna has the following associate in relation to the Company:

- Batiha Pty Limited.

Batiha Pty Limited does not hold a relevant interest in Shares held by any other Shareholder of the Company. This will remain unchanged if the New Lane Deed becomes effective.

Relevant interests of the Lanes and their associates

Particulars of the number and percentage of the Shares in the Company held by the parties to the New Lane Deed and their associates before and after the New Lane Deed becoming effective are set out below:

Name of Registered Holder	No. of Shares before the New Lane Deed	Percentage	No. of Shares after the New Lane Deed	Percentage
Robert Lane Group				
Robert Lane	2,841,294	6.95%	2,841,294	6.95%
<i>Robert Lane's associates:</i>				
Carole Lane	52,026	0.13%	52,026	0.13%
Anulka Pty Limited (In Liquidation)	2,311,649	5.65%	2,311,649	5.65%
Total Robert Lane Group holdings	5,204,969	12.73%	5,204,969	12.73%
Ross Lane Group				
Ross Lane	50,350	0.12%	50,350	0.12%
<i>Ross Lane's associates:</i>				
Sara Lane	11,556	0.03%	11,556	0.03%
Hazakson Pty Limited	2,790,624	6.83%	2,790,624	6.83%
Zacnali Pty Limited	40,788	0.10%	40,788	0.10%
Total Ross Lane Group holdings	2,893,318	7.08%	2,893,318	7.08%

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Name of Registered Holder	No. of Shares before the New Lane Deed	Percentage	No. of Shares after the New Lane Deed	Percentage
Tom Lane Group				
Tom Lane	245,090	0.60%	245,090	0.60%
<i>Tom Lane's associates:</i>				
Hubbas Pty Limited	2,648,228	6.48%	2,648,228	6.48%
Total Tom Lane Group holdings	2,893,318	7.08%	2,893,318	7.08%
By virtue of Robert, Ross and Tom being parties to the Original Deed, each of them has a relevant interest in the Shares in which each of the other parties has a relevant interest. The aggregate relevant interests are shown below:				
Total relevant interests of parties to Original Deed (Robert, Ross and Tom)	10,991,605	26.89%	N/A	N/A
Anna Hookway Group				
Anna Hookway	Nil	0%	Nil	0%
<i>Anna Hookway's associates:</i>				
Batiha Pty Limited	953,254	2.33%	953,254	2.33%
Total Anna Hookway Group holdings	953,254	2.33%	953,254	2.33%
By virtue of Robert, Ross, Tom and Anna being parties to the New Lane Deed, each of them has a relevant interest in the Shares in which each of the other parties has a relevant interest. The aggregate relevant interests are shown below:				
Total relevant interests of parties to New Lane Deed (Robert, Ross, Tom and Anna)	N/A	N/A	11,944,859	29.22%

Voting power of the parties and their associates

Under the Corporations Act, voting power is calculated by adding the total number of votes attached to all voting shares in the company in which a person and their associates have a relevant interest and dividing this by the total number of votes attached to all voting shares in the company. The percentage voting power of each of the parties to the New Lane Deed and their associates is set out below. Voting power has been calculated based on the current number of voting shares in the Company as at close of business on 27 October 2008 being 40,880,902 ordinary shares.

Name of Relevant Interest holder	Voting power before New Lane Deed is effective	Voting power after New Lane Deed is effective
Robert Lane (including associates)	26.89%	29.22%
Robert Lane's associates:		
- Carol Lane	0.13%	0.13%
- Anulka Pty Limited (In Liquidation)	5.65%	5.65%
Ross Lane (including associates)	26.89%	29.22%
Ross Lane's associates:		
- Sara Lane	0.03%	0.03%
- Hazakson Pty Limited	6.83%	6.83%
- Zacnali Pty Limited	0.10%	0.10%
Tom Lane (including associates)	26.89%	29.22%
Tom Lane's associates:		
- Hubbas Pty Limited	6.48%	6.48%

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Name of Relevant Interest holder	Voting power before New Lane Deed is effective	Voting power after New Lane Deed is effective
Anna Hookway (including associates)	2.33%	29.22%
Anna Hookway's associates:		
- Batiha Pty Limited	2.33%	2.33%

Maximum increase in voting power of the parties and their associates

The maximum extent of the increase in the voting power of Robert, Ross, Tom, Anna and each of their associates which would result from the New Lane Deed becoming effective is set out below:

Name	Increase in Voting Power
Robert Lane	2.33%
Robert Lane's associates:	
- Carol Lane	0%
- Anulka Pty Limited (In Liquidation)	0%
Ross Lane	2.33%
Ross Lane's associates:	
- Sara Lane	0%
- Hazakson Pty Limited	0%
- Zacnali Pty Limited	0%
Tom Lane	2.33%
Tom Lane's associates:	
- Hubbas Pty Limited	0%
Anna Hookway	26.89%
Anna Hookway's associates:	
- Batiha Pty Limited	0%

Changes to Board as a result of the New Lane Deed

Ross is currently an Executive Director of the Company and acts as Executive Chairman of the Board. It is not intended that the composition of the Board will change as a result of the New Lane Deed being approved and implemented. Ross will remain in his current role and there is no proposal that Robert, Tom, Anna or any of their associates be appointed to the Board as a result of the New Lane Deed being approved and implemented.

Intention of the parties regarding the future of the Company

None of the parties to the New Lane Deed have any intention, whether as a result of the approval and implementation of the New Lane Deed or otherwise, to:

- (a) change the business of the Company;
- (b) inject further capital into the Company;
- (c) change the future employment of the Company's employees;
- (d) transfer any property between the Company and any of Robert, Ross, Tom, Anna or any associate of any of them;
- (e) redeploy any fixed assets of the Company; or
- (f) change the financial or dividend policies of the Company.

Reasons for the New Lane Deed

Ross has advised the Board that the proposal for Robert, Ross, Tom and Anna to enter into the New Lane Deed substantially on the terms of the Original Deed in place between Robert, Ross and Tom is as a consequence of Robert's personal succession and estate planning.

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By entering into the New Lane Deed, each of Robert, Ross, Tom and Anna will be able to take a more co-operative and efficient approach with respect to their interests in the Company and to discuss the voting of their Shares without potentially breaching Section 606 of the Corporations Act.

The net effect of the proposal will be:

- (a) Anna will join Robert, Ross and Tom (who already have an obligation to co-operate and consult with each other in relation to their Shares) and so will acquire a relevant interest in the Shares in which Robert, Ross and Tom already have a relevant interest, being 26.89%. This will increase the total percentage of Shares in which Anna will have a relevant interest to 29.22%; and
- (b) the Shares in respect of which Robert, Ross and Tom have a relevant interest will increase by 2.33% to a total of 29.22%.

Given the familial relationship between the parties to the New Lane Deed, the Board considers that the New Lane Deed is appropriate.

Contracts conditional on approval of the New Lane Deed

The Board understands that, as part of the succession and estate planning for Robert, it is proposed that the remaining shares registered to Anulka Pty Limited (In Liquidation) will be distributed. The principal beneficiary of that distribution is expected to be Anna or her associates. As each of Robert, Ross and Tom currently hold a relevant interest in all of the Shares held by Anulka Pty Limited (In Liquidation), and will, once the New Lane Deed is approved, hold a relevant interest in Shares held by Anna and her associates, any such distribution to Anna will not result in a net change in the relevant interests of Robert, Ross, Tom or Anna.

Other than as referred to above, there are no contracts or proposed contracts between Robert, Ross, Tom, Anna or their associates and the Company which are conditional upon, or which are directly or indirectly dependent on, approval of the New Lane Deed and the resulting increases in relevant interest.

When the New Lane Deed will become effective

The New Lane Deed was entered into by each of Robert, Ross, Tom and Anna on 21 October 2008. As noted above, the operative part of the New Lane Deed is expressed to be subject to Shareholder approval of the Deed. Consequently, the New Lane Deed will only come into effect once the Shareholders approve the New Lane Deed and the resulting increases in the relevant interests of Robert, Ross, Tom and Anna and their relevant associates.

Interests of the Directors

Apart from Ross, no other Director has a personal interest in Resolution 3.

Board resolution to seek Shareholder approval

All of the Company's Directors (other than Ross) approved the proposal to put Resolution 3 approving the New Lane Deed, and the resulting increases in relevant interest, to Shareholders and this Explanatory Memorandum. Ross, as an interested Director, did not attend the meeting at which this matter was considered.

Recommendations of independent Directors

Each Director, other than Ross (who does not make a recommendation in relation to Resolution 3 due to his personal interest in the matter), recommends that the Shareholders approve the New Lane Deed, and the resulting increase in relevant interests of Robert, Ross, Tom and Anna and their relevant associates, by passing Resolution 3.

In making this recommendation, the Directors have had regard to the opinion of the Independent Expert commissioned to prepare the Independent Expert's Report which is attached to this Explanatory Memorandum, and the fact that:

- (a) Robert, Ross and Tom already hold a relevant interest in 26.89% of the voting Shares;
- (b) Anna already holds a relevant interest in 2.33% of the voting Shares; and
- (c) there is no net increase in the relevant interests of the Lane family taken as a whole.

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GLOSSARY

In this Notice and Explanatory Memorandum:

AGM means the Annual General Meeting of the Company to be held on 10 December 2008.

Anna means Anna Hookway (nee Lane), daughter of Robert Lane.

Board means the board of directors of the Company.

Company means OrotonGroup Limited.

Director means a director of the Company.

Explanatory Memorandum means the explanatory memorandum which forms part of the Notice of the AGM.

Independent Expert means PKF Corporate Advisory (East Coast) Pty Limited.

Independent Experts Report means the Independent Experts Report prepared by PKF Corporate Advisory (East Coast) Pty Limited which is attached to and forms a part of this Explanatory Memorandum.

New Lane Deed means the deed entered into between Robert, Ross, Tom and Anna dated 21 October 2008, the approval of which is the subject of Resolution 3.

Notice means the Notice of the AGM including the Explanatory Memorandum, the Independent Expert's Report and all annexures to those documents.

Original Deed means the deed entered into by Robert, Ross and Tom dated 19 October 2001 which was approved by Shareholders at a general meeting of the Company held on 27 November 2001.

Robert means Robert Lane.

Ross means Ross Lane.

Shareholder means a holder of a Share.

Share means an ordinary share in the capital of the Company.

Tom means Tom Lane.