

Notice of Annual General Meeting

Diversified United Investment Limited ABN 33 006 713 177

The Annual General Meeting of shareholders of Diversified United Investment Limited ("the Company") will be held at the offices of KPMG, 147 Collins Street, Melbourne, Victoria on Thursday, 13th October 2011 at 9:00 am.

Business:

Financial Statements and Reports:

1. To receive the Statement and Report of the Directors, the Report of the Auditor and the Financial Statements for the financial year ended 30 June 2011. The auditor will be available at the meeting to receive questions from shareholders about the preparation of the auditors report and the conduct of the audit.

Remuneration Report:

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

"That the Remuneration Report that forms part of the directors report for the Company for the financial year ended 30 June 2011 be adopted."

The Remuneration Report is set out on page 13 of the Annual Report.

Please note that the vote on this resolution is advisory only and does not bind the directors or the Company.

Directors:

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

"That Mr A R Burgess, a Director retiring from office by rotation in accordance with clause 9.3 of the Constitution, being eligible, is re-elected as a Director of the Company."

Mr Burgess' qualifications and experience are set out in the Annual Report.

Directors other than Mr Burgess unanimously recommend that shareholders vote in favour of Mr Burgess' re-election.

Adoption of New Constitution:

4. To consider, and if thought fit, to pass the following resolution as a special resolution:

"That the regulations contained in the document tabled at the meeting, and for the purposes of identification signed by the Chairman at the meeting, be adopted as the constitution of the Company, in substitution for the present constitution of the Company which is hereby repealed."

An explanation and reasons for the introduction of the new constitution is set out in the attached Explanatory Statement.

Adoption of new Deed of Access Insurance and Indemnity

5. To consider, and if thought fit, to pass the following resolution as a special resolution:

"That the Company enter into the new Deed of access, insurance and indemnity with each of the directors of the Company, in the same form of Deed tabled at the meeting for the purposes of identification, and signed by the Chairperson at the meeting."

An explanation and reasons for the proposed resolution is set out in the attached Explanatory Statement.

Other Business

To deal with any other business that may be brought forward in accordance with the Constitution and the Corporations Act.

Voting entitlements

The Company has determined, in accordance with regulation 7.11.37 of the Corporations Regulations 2001 (Cth), that the Company's shares quoted on ASX Limited at 7.00pm Melbourne time on 11 October 2011 are taken, for the purpose of the general meeting to be held by the persons who held them at that time. Accordingly, those persons are entitled to attend and vote (if not excluded) at the meeting.

Voting exclusion statements

A vote must not be cast (in any capacity) on Resolutions 2 and 5 by or on behalf of a member of Diversified United Investment Ltd's Key Management Personnel, details of whose remuneration are included in the Remuneration Report ("KMP"), and their closely related parties, whether as a shareholder or as a proxy. However, a vote may be cast on Resolutions 2 and 5 by a KMP, or a closely related party of a KMP, if:

- the vote is cast as a proxy appointed by writing that specifies how the proxy is to vote on Resolutions 2 and 5; and
- the vote is not cast on behalf of a KMP or a closely related party of a KMP.

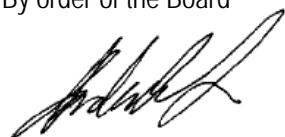
The Chairman of the Meeting, or any other member of the Company's KMP, is not permitted to vote undirected proxies on Resolutions 2 and 5. If the Chairman of the Meeting or other KMP is your proxy, and you fail to provide a voting direction in respect of Resolutions 2 and 5, your vote will not be cast.

Proxies

A shareholder has the right to appoint a proxy, who need not be a shareholder of the Company. If a shareholder is entitled to cast two or more votes they may appoint two proxies and may specify the percentage of votes each proxy is appointed to exercise. The Proxy Form must be deposited at the share registry of the Company, Link Market Services Limited, located at Locked Bag A14, Sydney South, NSW 1235 or by facsimile to Link Market Services on 61 2 9287 0309 by 9.00am Tuesday 11th October 2011.

Dated this 12th day of September 2011

By order of the Board



Andrew J Hancock.
Company Secretary

DIVERSIFIED UNITED INVESTMENT LIMITED

ABN 33 006 713 177

Explanatory Statements

This explanatory statement relates to the notice of Annual General Meeting dated 12th September 2011.

Item 2: Remuneration Report

The Board submits its Remuneration Report to shareholders for consideration and adoption by way of non-binding resolution.

The Remuneration Report is set out in the Directors' Report in the 2011 Annual Report:

This resolution is advisory only and does not bind the Directors of the Company. However, under changes to the Corporations Act which came into effect on 1 July 2011, if at least 25% of the votes cast on the resolution are voted against adoption of the Remuneration Report at the meeting, and then again at the 2012 AGM, the Company will be required to put to Shareholders a resolution proposing the calling of an extraordinary general meeting to consider the appointment of directors of the Company (spill resolution). If more than 50% of shareholders vote in favour of the spill resolution, the Company must convene the extraordinary general meeting (spill meeting) within 90 days of the 2012 AGM. All of the Directors who were in office when the 2012 Directors' Report was approved, other than a Managing Director, will cease to hold office immediately before the end of the spill meeting but may stand for re-election at the spill meeting.

Following the spill meeting those persons whose election or re-election as Directors is approved will be the Directors of the Company.

Item 4: Constitution

Since the adoption by the Company of its current Constitution in 2002, the Corporations Law has been extensively amended, most recently by the *Corporations Amendment (Improving Accountability on Director and Executive Remuneration) Act 2011*.

The Directors therefore consider it timely for the Company to adopt a new constitution, incorporating amendments to reflect legislative changes since 2002 and reflecting current good corporate governance practice, in substitution for the Company's current constitution. A copy of the new constitution is available for inspection by shareholders at the Company's registered office.

The changes in the proposed new constitution do not alter the rights of shareholders as regards transferability of shares, voting at shareholders' meetings, dividends and return of capital. The following outlines the more significant changes.

Subject	Reference in current constitution	Reference in proposed replacement constitution	Comments on differences
Share capital and variation of rights	Clause 1	Clauses 4 - 10	The replacement is drafted in a less proscriptive way to allow the Directors to issue securities with any rights as determined from time to time. In addition, the quorum for class meetings has been reduced.

Subject	Reference in current constitution	Reference in proposed replacement constitution	Comments on differences
Transfer of shares	Clause 5	Clauses 28 – 31	The replacement includes greater detail regarding the transfer procedure, and simplifies the drafting of the proportional takeover provisions.
General meetings	Clause 7	Clauses 36 – 38	The replacement includes information required by the <i>Corporations Amendment (Improving Accountability on Director and Executive Remuneration) Act 2011</i> relating to approving remuneration reports, spill resolutions and spill meetings.
Proceedings at general meetings	Clause 8	Clauses 39 – 58	The replacement is more comprehensive, for example it specifies the right of the auditor to be heard at the meeting. The replacement also specifies the changes required by the <i>Corporations Amendment (Improving Accountability on Director and Executive Remuneration) Act 2011</i> in relation to proxy appointments. In addition, the Chair has a casting vote where there is a deadlock on a matter considered at a general meeting.
The Directors	Clause 9	Clauses 59 – 70	The replacement includes greater detail and includes the changes required by the <i>Corporations Amendment (Improving Accountability on Director and Executive Remuneration) Act 2011</i> in relation to the appointment of remuneration consultants, voting on remuneration reports and the ability of the Board to no longer reduce the maximum number of Directors.
Dividends and reserves	Clause 15	Clauses 94 – 106	The replacement provides that dividends may be paid other than out of profits, to reflect recent amendments to the Corporations Act.
Indemnity and insurance	Clause 19	Clauses 112 – 113	The replacement reflects the proposed scope of the indemnity deed.

A copy of the Constitution is available on request by contacting the Company. Copies will also be made available at the Meeting.

The Board unanimously recommends that shareholders vote in favour of adopting the new Constitution.

Renewal of proportional takeover approval provisions:

The constitution of the Company contains a requirement that shareholder approval be obtained prior to proceeding with any proportional takeovers (the Proportional Takeover Provisions).

In accordance with the Corporations Act, the Proportional Takeover Provisions cease to have effect on the third anniversary of their adoption unless renewed. At the Company's annual general meeting on 15 October 2008, those provisions were renewed for a further three years, and they will lapse on 15 October 2011 unless renewed by the adoption of the new Constitution in which they appear as clause 29.

1. Effect of proposed proportional takeover provisions

The effect of the proposed provisions is that:

- (a) if a proportional takeover offer is received, the Directors are required to convene a general meeting of shareholders to vote on a resolution to approve the offer or conduct a postal ballot to approve the offer. That meeting must be held at least 15 days before the offer closes;
- (b) a majority of shares voting in favour at the meeting, excluding the shares of the offeror and its associates, is required for the resolution to be passed;
- (c) if no resolution is voted on at least 15 days before the close of the offer, such a resolution is deemed to have been approved;
- (d) if the resolution is rejected, the registration of any transfer of shares resulting from the proportional offer will be prohibited and, under the Corporations Act, the offer will be ineffective; and
- (e) if the resolution is approved, the relevant transfers of shares will be registered provided they comply with the other provisions of the Constitution.

The provisions will not apply to full takeover offers. If the provisions are adopted, they will expire in accordance with the Corporations Act in three (3) years time unless renewed by further special resolution.

2. Differences between Clause 5 in the current Constitution and Clause 29 in the new Constitution.

There are no material differences between clause 5 of the existing constitution and clause 29 of the proposed constitution.

3. Reasons for proposing the resolution

The Board considers that shareholders should have the opportunity to decide whether a proposed proportional takeover offer should proceed by voting upon it. If it does proceed, individual shareholders can make a separate decision as to whether they wish to accept the offer.

A proportional takeover bid for the Company may enable control of the Company to be acquired by a party holding less than a majority position and without shareholders having the opportunity to dispose of all of their shares, so that shareholders could be at risk of being left as part of a minority interest in the Company. If the Constitution includes these proportional takeover provisions, it will minimise the risk to shareholders.

4. Present acquisition proposals

As at the date of this Notice, no Director is aware of any proposal by a person to acquire, or increase the extent of, a substantial interest in the Company.

5. Review of the previous proportional takeover provisions

There has not been any proportional takeover bid during the period that the provisions were in effect previously.

6. Potential advantages of the proportional takeover approval provisions for the Directors and shareholders

- (a) Enables the Board to formally ascertain the views of shareholders in respect of a proportional takeover offer.
- (b) Ensures that shareholders will have an opportunity to study a proportional takeover offer and vote on whether the offer should be permitted to proceed.
- (c) Enables shareholders to prevent a proportional takeover bid from proceeding if they believe that control of the Company should not be permitted to pass under the bid.
- (d) May encourage a proportional bid to be structured so as to be attractive to a majority of independent shareholders.

7. Potential disadvantages of the proportional takeover provisions for the Directors and shareholders

- (a) May discourage proportional takeover bids for the Company.
- (b) May as a result reduce any 'takeover speculation' element in the Company's share price or deny shareholders the opportunity of selling some of their shares at a premium.
- (c) May restrict the ability of individual shareholders to deal freely with their shares in some circumstances.

8. Recommendation

The Board considers that it is in the interest of shareholders to have a continuing right to decide if any proportional takeover should proceed and recommends you vote in favour of the renewal of the proportional takeover provisions by adoption of the Constitution at the Annual General Meeting.

Item 5: Deed of Access Insurance and Indemnity

The Company has previously entered into a Deed of Access, Insurance and Indemnity with each director and now considers it timely to update the form of the Deed for current practice, Corporations Law amendments and the new Constitution.

Consistent with the principles of good corporate governance the directors have resolved to seek shareholder approval in relation to the proposed entry by the Company into the new Deed of Access, Indemnity and Insurance with each of the present and future directors of the Company.

The key differences between the existing Deed of Indemnity and the proposed Deed of Access, Indemnity and Insurance; and the primary features of the Deed are as follows:

(a) Indemnity

As is usual in these deeds, both the current and replacement deeds exclude from the indemnity any amount the director is entitled to recover from a third party or under an insurance policy other than the Director & Officer Policy taken out by the Company. However the replacement deed also provides that the Company indemnifies the Director if the third party or insurer does not pay the Director within 60 Business Days provided the Director has used all reasonable efforts to make and pursue claim under the insurance policy or indemnity from the third party indemnifier or insurer.

The current deed requires obligations to be performed within 30 days (eg. the Company must pay under the indemnity 30 days after Director providing sufficient proof of entitlement). This has been changed in the replacement to 10 Business Days.

(b) Access to documents

The proposed replacement deed allows Directors to access and copy Company documents, however the current deed only contemplates access to the documents or the Company providing a copy (and not both).

The proposed replacement deed allows the Company to refuse access or provide restricted access to privileged documents or those that risk the Company breaching an obligation of confidence owed to a third party.

(c) Conduct of claims

The replacement requires the Company to:

- (i) consult with Director about material decisions relating to a Claim (unless impracticable);
- (ii) keep the Director informed and consider the Director's interests and reasonable requests; and
- (iii) provide the proposed terms of settlement to the Director and the circumstances in which the Director may assume control of the Claim if the settlement terms are not satisfactory to the Director.

The replacement requires the Director, if the Company (or its insurer) has not assumed control of the Claim, to keep the Company informed of developments relating to the Claim.

(d) Insurance

The current deed exempts the Company from obtaining cover where cover for defending criminal proceedings in the case of the Director not being acquitted is not available. The replacement deed does not specifically include this exclusion but limits the Company's obligation to insure the director to the extent such cover is available in the market at reasonable cost.

A copy of the Deed of Access, Indemnity and Insurance is available on request by contacting the Company. Copies will also be made available at the Meeting.

Although section 191(2)(a)(vi) of the Corporations Act provides that Directors do not necessarily hold an interest in a matter relating to contracts of insurance, the Board is of the view that each Director has a material personal interest in the consideration of the other matters contained in the Deed (ie the indemnity and access to documents) and, therefore, the directors consider it is not appropriate for them to give a recommendation in respect of this resolution.



By mail:
Diversified United Investment Limited
C/- Link Market Services Limited
Locked Bag A14
Sydney South NSW 1235 Australia



By fax: +61 2 9287 0309



All enquiries to: Telephone: (02) 8280 7644



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SHAREHOLDER VOTING FORM

I/We being a member(s) of Diversified United Investment Limited and entitled to attend and vote hereby appoint:

STEP 1

APPOINT A PROXY

the Chairman of the Meeting¹ (mark box) OR if you are **NOT** appointing the Chairman of the Meeting as your proxy, please write the name of the person or body corporate (excluding the registered Shareholder) you are appointing as your proxy

or failing the person/body corporate named, or if no person/body corporate is named, the Chairman of the Meeting, as my/our proxy and to vote for me/us on my/our behalf at the Annual General Meeting of the Company to be held at **9:00am on Thursday, 13 October 2011, at the offices of KPMG, 147 Collins Street, Melbourne VIC 3000** and at any adjournment or postponement of the meeting.

i ¹ If you appoint a proxy, we encourage you to direct your proxy how to vote on each item of business. The Chairman of the Meeting, Directors and other Key Management Personnel of the Company and their closely related parties (see the Notice of Meeting and overleaf) will not cast any votes in respect of Items 2 and 5 that arise from any undirected proxy that they hold.

Proxies will only be valid and accepted by the Company if they are signed and received no later than **48 hours** before the meeting. Please read the voting instructions overleaf before marking any boxes with an **X**

STEP 2

VOTING DIRECTIONS

	For	Against	Abstain ²
Resolution 2 Adoption of Remuneration Report	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Resolution 3 Re-election of Mr A R Burgess as a Director	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Resolution 4 Adoption of New Constitution	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Resolution 5 Adoption of new Deed of Access Insurance and Indemnity	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

i ² 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.

STEP 3

SIGNATURE OF SHAREHOLDERS - THIS MUST BE COMPLETED

Shareholder 1 (Individual)

Sole Director and Sole Company Secretary

Joint Shareholder 2 (Individual)

Director/Company Secretary (Delete one)

Joint Shareholder 3 (Individual)

Director

This form should be signed by the Shareholder. If a joint holding, either Shareholder may sign. If signed by the Shareholder's attorney, the power of attorney must have been previously noted by the registry or a certified copy attached to this form. If executed by a company, the form must be executed in accordance with the company's constitution and the *Corporations Act 2001* (Cth).



HOW TO COMPLETE THIS PROXY FORM

Your Name and Address

This is your name and address as it appears on the company's Share register. If this information is incorrect, please make the correction on the form. Shareholders sponsored by a broker should advise their broker of any changes. **Please note: you cannot change ownership of your securities using this form.**

Appointment of a Proxy

If you wish to appoint the Chairman of the Meeting as your proxy, mark the box in Step 1. If the person you wish to appoint as your proxy is someone other than the Chairman of the Meeting please write the name of that person in Step 1. 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 Shareholder of the company. A proxy may be an individual or a body corporate.

Votes on Items of Business - Proxy Appointment

You should direct your proxy how to vote by placing a mark in one of the boxes opposite each item of business. All your shares 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 shares you wish to vote in the appropriate box or boxes. If you do not mark any of the boxes on the items of business, 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.

If the Chairman of the meeting or another of the Key Management Personnel of the company or their closely related parties is your proxy, that person will not vote your shares on Items 2 and 5 if you have not directed them how to vote on that item.

The Remuneration Report identifies the company's Key Management Personnel for the financial year to 30 June 2011. The Key Management Personnel are the Directors and the Company Secretary. Their closely related parties are defined in the *Corporations Act 2001* (Cth), and include certain of their family members, dependants and companies they control.

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 and return them both together.

To appoint a second proxy you must:

- (a) 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.
- (b) return both forms together.

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, either Shareholder may sign.

Power of Attorney: to sign under Power of Attorney, you must lodge the Power of Attorney 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.

Corporate Representatives

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 in accordance with the Notice of Meeting. A form of the certificate may be obtained from the company's Share registry.

Lodgement of a Proxy Form

This Proxy Form (and any Power of Attorney under which it is signed) must be received at an address given below by **9:00am on Tuesday, 11 October 2011**, being not later than 48 hours before the commencement of the meeting. Any Proxy Form received after that time will not be valid for the scheduled meeting.

Proxy Forms may be lodged using the reply paid envelope or:



ONLINE > www.linkmarketservices.com.au

Login to the Link website using the holding details as shown on the proxy form. Select 'Voting' and follow the prompts to lodge your vote. To use the online lodgement facility, Shareholders will need their "Holder Identifier" (Securityholder Reference Number (SRN) or Holder Identification Number (HIN) as shown on the front of the proxy form).



by mail:

Diversified United Investment Limited
C/- Link Market Services Limited
Locked Bag A14
Sydney South NSW 1235
Australia



by fax:

+61 2 9287 0309



by hand:

delivering it to Link Market Services Limited, Level 12, 680 George Street, Sydney NSW 2000.

**If you would like to attend and vote at the Annual General Meeting, please bring this form with you.
This will assist in registering your attendance.**