



NOTICE OF 2013 ANNUAL GENERAL MEETING

Notice is given that the Annual General Meeting of Devine Limited (Company) will be held at Customs House, 399 Queen Street, Brisbane, on Friday 1 November 2013 at 10.30 am (Brisbane time).

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AGENDA

1. ORDINARY BUSINESS

1.1 Financial statements and reports

To receive and consider the financial statements and reports of the Directors and the Auditors for the year ended 30 June 2013.

1.2 Resolution 1 – Adoption of Remuneration Report

To consider and, if thought fit, to pass the following resolution in accordance with section 250R (2) of the Corporations Act:

‘That the Remuneration Report be adopted’.

Note: This resolution shall be determined under section 250R (2). Votes must not be cast on this resolution by key management personnel and closely related parties in contravention of sections 250R or 250BD of the Corporations Act. Restrictions apply to votes cast as proxy unless exceptions apply.

The Directors abstain, in the interests of corporate governance, from making a recommendation in relation to this resolution.

1.3 Resolution 2 – Election of Director – Ms Judith Downes

To consider and, if thought fit, to pass the following ordinary resolution:

That, having been appointed a Director by the Company’s Board to fill a casual vacancy with the appointment having been effective from 1 January 2013 and in accordance with Rule 19.2 (b) of the Company’s Constitution, and Listing Rule 14.4, Ms Judith Downes being eligible, be elected as a Director of the Company.

Information about the candidate is set out in the Explanatory Notes which accompany this Notice of Annual General Meeting.

The Directors (with Ms Judith Downes abstaining) recommend that you vote in favour of this resolution.

1.4 Resolution 3 – Re-election of Director – Mr Graeme McOrist

To consider and, if thought fit, to pass the following ordinary resolution:

That, Mr Graeme McOrist, who retires by rotation in accordance with Rule 19.3 (a) of the Company’s Constitution and Listing Rule 14.4, and being eligible, be re-elected as a Director of the Company’.

Information about the candidate is set out in the Explanatory Notes which accompany this Notice of Annual General Meeting.

The Directors (with Mr Graeme McOrist abstaining) recommend that you vote in favour of this resolution.

1.5 Resolution 4 – Re-election of Director – Hon. Terence Mackenroth

To consider and, if thought fit, to pass the following ordinary resolution:

That, the Hon. Terence Mackenroth, who retires by rotation in accordance with Rule 19.3 (a) of the Company’s Constitution and Listing Rule 14.4, and being eligible, be re-elected as a Director of the Company’.

Information about the candidate is set out in the Explanatory Notes which accompany this Notice of Annual General Meeting.

The Directors (with Hon. Terence Mackenroth abstaining) recommend that you vote in favour of this resolution.

2. SPECIAL BUSINESS

2.1 Resolution 5 — Approval of Long Term Incentive Plan (LTIP)

To consider and, if thought fit, to pass the following ordinary resolution:

‘That, for the purposes of being approved as an exemption from Listing Rule 7.1 pursuant to Listing Rule 7.2 exception 9, and for all other purposes, approval is given for the issue of securities and the implementation of a new Long Term Incentive Plan, which replaces the previous shareholder approved Executive Option Scheme’.

Further information about the proposal is set out in the Explanatory Notes which accompany this Notice of Annual General Meeting.

Note: Votes must not be cast on this resolution by key management personnel and closely related parties in contravention of section 250BD of the Corporations Act. Restrictions apply to votes cast as proxy unless exceptions apply.

The Directors (with Mr David Keir abstaining) recommend that you vote in favour of this resolution.

2.2 Resolution 6 — Issue of Performance Rights to Director: Mr David Keir

To consider and, if thought fit, to pass the following ordinary resolution:

‘That, pursuant to section 208(1)(a) of the Corporations Act and Listing Rule 10.14, Shareholders approve the granting of 604,578 Performance Rights to Mr David Keir, in the manner outlined in the Explanatory Notes’.

Note: if approval is obtained under Listing Rule 10.14, approval is not required under Listing Rule 7.1 or Listing Rule 10.11, as set out in the Explanatory Notes.

Note: Votes must not be cast on this resolution by key management personnel and closely related parties in contravention of section 250BD of the Corporations Act. Restrictions apply to votes cast as proxy unless exceptions apply.

The Directors (with Mr David Keir abstaining) recommend that you vote in favour of this resolution.

2.3 Resolution 7 — Ratification and approval of previous issue of Performance Rights

To consider and, if thought fit, to pass the following ordinary resolution:

‘That, for the purposes of Listing Rule 7.4 and for all other purposes, Shareholders ratify and approve the previous issue of 971,980 Performance Rights to employees and senior managers of the Company, as detailed in the Explanatory Notes’.

The Directors unanimously recommend that you vote in favour of this resolution.

DATED: 17 September 2013

By Order of the Board



Vivian N Grayson
Company Secretary

NOTES

- (a) Subject to the Corporations Act, including sections 250R and 250BD, a member who is entitled to attend and cast a vote at the meeting is entitled to appoint a proxy.
- (b) The proxy need not be a member of the Company. A member who is entitled to cast 2 or more votes may appoint 2 proxies and may specify the proportion or number of votes each proxy is appointed to exercise.
- (c) If you wish to appoint a proxy and are entitled to do so, then complete and return the enclosed proxy form. To be effective the proxy must be received at the share registry of the Company, Computershare Investor Services no later than 10.30am (Brisbane time) Wednesday 30 October 2013.
- (d) If voting by attorney, a proxy form and the original power of attorney (if any) under which the proxy form is signed (or a certified copy of that power of attorney or other authority) must be received by the Company no later than 10.30am (Brisbane time) on Wednesday 30 October 2013.
- (e) A corporation may elect to appoint a corporate representative in accordance with section 250D of the Corporations Act in which case the Company will require written proof of the representative's appointment which must be lodged with or presented to the Company before the meeting.
- (f) The Company has determined in accordance with Regulation 7.11.37 of the Corporations Regulations 2001 that for the purpose of voting at the meeting or adjourned meeting, Shares will be taken to be held by those persons recorded in the Company's register of members as at 7.00pm (Brisbane time) on Wednesday 30 October 2013.
- (g) If more than one joint holder of Shares is present at the AGM (whether personally, by proxy or by attorney or by representative) and tenders a vote, only the vote of the joint holder whose name appears first on the register will be counted.
- (h) If you have any queries on how to cast your votes then call the Company Secretary on (07) 3608 6341 during business hours.

Proxies must be received **before 10.30am (Brisbane time) on Wednesday 30 October 2013** by one of the following methods:

By post: Computershare Investor Services Pty Limited
 GPO Box 242
 Melbourne VIC 3001

By facsimile: In Australia 1800 783 447
 From outside Australia + 61 3 9473 2555

Online: By visiting www.investorvote.com.au and logging in using the control number found on the front of your accompanying proxy form.

Intermediary Online subscribers (Institutions/Custodians) may lodge their proxy instruction online by visiting www.intermediaryonline.com.

The Company reserves the right to declare invalid any proxy not received in this manner.

VOTING EXCLUSION STATEMENT

Corporations Act

Resolution 1 - The Company will disregard votes cast by a member of the Key Management Personnel details of whose remuneration are included in the Remuneration Report, or a closely related party of such a member, in contravention of section 250R or 250BD of the Corporations Act. Restrictions also apply to votes cast as proxy unless exceptions apply.

Resolution 5 and 6 – The Company will disregard votes cast by Key Management Personnel or their closely related parties in contravention of section 250BD of the Corporations Act. Restrictions also apply to votes cast as proxy unless exceptions apply.

Resolution 6 – The Company will disregard votes cast by a related party of the Company to whom the resolution would permit a financial benefit to be given or an associate of such a related party in contravention of section 224 of the Corporations Act.

Listing Rules

In accordance with Listing Rule 14.11, the Company will disregard any votes cast on each resolution (as applicable) by:

Resolution 5 – Approval of LTIP	Each Director and each of their associates (except one who is ineligible to participate in the LTIP).
Resolution 6 – Issue of Performance Rights to Director: Mr David Keir	Each Director and each of their associates (except one who is ineligible to participate in the LTIP).
Resolution 7 – Ratification and approval of previous issue of Performance Rights	Any person who participated in the issue of securities described in the Explanatory Notes or any of their associates.

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.

Further details regarding proxy voting are set out in the proxy form accompanying this Notice of Meeting.

EXPLANATORY NOTES

1. ORDINARY BUSINESS

The Explanatory Notes have been prepared to assist Shareholders with their consideration of the resolutions to be put to the Annual General Meeting to be held on Friday 1 November 2013.

Financial Statements and Reports

The Corporations Act requires that the report of the Directors, the Auditor's report and the financial report be laid before the AGM. In addition, the Company's Constitution provides for such reports and statements to be received and considered at the meeting. Apart from the matters involving remuneration which are required to be voted upon, neither the Corporations Act nor the Company's Constitution requires a vote of Shareholders at the AGM on such reports or statements however Shareholders will be given ample opportunity to raise questions with respect to these reports and statements at the meeting.

In addition to asking questions at the meeting, Shareholders may address written questions to the Chairman about the management of the Company, or to the Company's Auditor which are relevant to:

- (a) the content of the Auditor's Report to be considered at the meeting; or
- (b) the conduct of the audit of the annual financial report to be considered at the meeting.

Pursuant to section 250PA of the Corporations Act, any written questions must be submitted to the Company Secretary on or before 5:00 pm (Brisbane time) on Friday 25 October 2013 to:

By post:

The Company Secretary
Devine Limited
PO Box 780
Hamilton Central QLD 4007

By fax or by email:

The Company Secretary
Fax - (07) 3608 6333
Email – viv.grayson@devine.com.au

1.1 Resolution 1 – Adoption of Remuneration Report

The Corporations Act requires that Shareholders be asked to vote on the Remuneration Report.

This report can be found in the Annual Report. It sets out the remuneration policy of the Company and reports on the remuneration arrangements in place for Non-Executive Directors, Executive Directors and the Group's Senior Executives.

Note that under section 250R (3) of the Corporations Act, the vote by Shareholders is advisory only and is not binding on the Directors or the Company.

A reasonable opportunity will be provided for discussion of the Remuneration Report at the AGM.

As the resolution relates to matters including the remuneration of the Directors, the Board, as a matter of corporate governance and in accordance with the spirit of section 250R (4) of the Corporations Act, make no recommendation regarding this resolution.

1.2 Resolution 2 – Election of Director – Ms Judith Downes

Ms Judith Downes, a non-executive Director, was appointed to this role effective from 1 January 2013 to fill a casual vacancy. In accordance with rule 19.2 of the Constitution and consistent with Listing Rule 14.4, the Board may appoint a person as a Director and that person may hold office until the next AGM of the Company when that person is eligible for election as Director by Shareholders. These provisions reflect the requirements of Listing Rule 14.4.

EXPLANATORY NOTES

Continued

Resolution 2 proposes the election of Ms Downes as a Director of Devine. If elected under Resolution 2, Ms Downes will then be subject to the director rotation provisions under the Constitution.

Ms Judith Downes (Non-Executive Director)

Ms Judith Downes joined the Board as an independent non-executive Director on 1 January 2013. She has extensive experience in accounting and finance having previously held senior roles in those fields including CFO of Alumina Limited and CFO and Chief Operating Officer Institutional Division for the Australia and New Zealand Banking Group Limited. Judith has also held a number of Professional Appointments including having just completed seven years as a member of the IFRS Advisory Council of the International Accounting Standards Board. She is a Director and Chairman of the Audit Committee of bankmecu, Australia's first customer owned bank.

Directors' Recommendation

The Directors (with Ms Judith Downes abstaining), recommend the re-appointment of Ms Judith Downes to the Board.

1.3 Resolution 3 – Re-election of Director – Mr Graeme McOrist

Mr Graeme McOrist, a non-executive Director, retires in accordance with rule 19.3 of the Constitution and is standing for re-election at the AGM as a non-executive Director of Devine.

Under rule 19.3 (a) of the Company's Constitution, where required by the Corporations Act or Listing Rules to do so, the company must hold an election of directors each year. If there would otherwise not be a vacancy on the board, and no director is required to retire under the rules then the director who has been longest in office since last being elected must retire.

Under rule 19.3 (b), no Director who is not a Managing Director may hold office without re-election beyond the third AGM following the meeting at which the Director was last elected or re-elected.

The directors to retire under rule 19.3 (d) are those directors or director longest in office since last being elected. As between directors who were elected on the same day, the directors to retire are (in default of agreement between them) determined by ballot. The length of time a director has been in office is calculated from the director's last election or appointment.

Mr Graeme McOrist (Non-Executive Director)

Mr Graeme McOrist has been a non-independent non-executive Director since April 2007. Graeme worked at Leighton Holdings Limited from 1969 until his retirement in January 2006. During his time at Leighton, he was involved in and responsible for a number of areas of the business including accounting, treasury, project finance, mergers and acquisitions and risk management. He was also involved in securing and executing a number of major infrastructure projects in Australia and South East Asia. He is a Director of Gemco Investments Pty Ltd, Gemco Advisory Pty Ltd and Southern Way Holdings Pty Ltd.

Directors' Recommendation

The Directors (with Mr Graeme McOrist abstaining), recommend the re-appointment of Mr Graeme McOrist to the Board.

EXPLANATORY NOTES

Continued

1.4 Resolution 4 – Re-election of Director – Hon. Terence Mackenroth

The Hon Terence Mackenroth, a non-executive Director, retires in accordance with rule 19.3 of the Constitution and is standing for re-election at the AGM as a non-executive Director of Devine.

Under rule 19.3 (a) of the Company's Constitution, where required by the Corporations Act or Listing Rules to do so, the company must hold an election of directors each year. If there would otherwise not be a vacancy on the board, and no director is required to retire under the rules then the director who has been longest in office since last being elected must retire.

Under rule 19.3 (b), no Director who is not a Managing Director may hold office without re-election beyond the third AGM following the meeting at which the Director was last elected or re-elected.

The directors to retire under rule 19.3 (d) are those directors or director longest in office since last being elected. As between directors who were elected on the same day, the directors to retire are (in default of agreement between them) determined by ballot. The length of time a director has been in office is calculated from the director's last election or appointment.

Hon. Terence Mackenroth (Non-Executive Director)

Hon. Terry Mackenroth has been an independent non-executive Director since September 2005. Terry is a former Queensland Deputy Premier and Treasurer, and was the Minister for State Development, Communication & Information, Housing, Planning & Local Government, Regional & Rural Communities and Sport. He was responsible for establishing the Office of Urban Management and oversaw the South East Queensland Regional Plan and the South East Queensland Infrastructure Plan. He is currently the Chairman of Lenard's Pty Ltd, a Director of the Queensland Rugby League and Chairman of the Camp Hill Carina Welfare Association.

Directors' Recommendation

The Directors (with Hon. Terence Mackenroth abstaining), recommend the re-appointment of Hon. Terence Mackenroth to the Board.

2. SPECIAL BUSINESS

2.1 Resolution 5 – Approval of new LTIP

Resolution 5 seeks Shareholder approval for the implementation of a new Long Term Incentive Plan (LTIP) for the Company's senior executive team (SET) which includes the Managing Director and CEO.

In May 2012, the Company's Remuneration and Nomination Committee sought independent advice from a Remuneration Consultant in relation to the remuneration structure of the SET. Details of the remuneration consultant engaged, the terms of their engagement and the advice sought are set out on page 24 of the Company's 2013 Annual Report.

The advice sought also included recommendations on an LTIP that might better align the interests of the SET with those of Shareholders in relation to the performance of the Company and that might replace the previous Shareholder approved Executive Option Scheme.

The Remuneration and Nomination Committee received and considered the independent recommendations made in relation to an appropriate LTIP and this has been further considered during the course of the 2012/13 year and a new LTIP has now been approved by the Board.

EXPLANATORY NOTES

Continued

Listing Rules 7.1 and 7.2 (exception 9)

ASX Listing Rule 7.1 allows the Company to issue a maximum of 15% of its capital in any 12 month period without requiring Shareholder approval.

Pursuant to Listing Rule 7.2, exception 9, an issue under an employee incentive scheme will not count toward a company's 15% limit provided the plan was approved by shareholders within three years before the date of the securities being issued.

Resolution 5 proposes that Shareholders consider and approve the LTIP in accordance with Listing Rule 7.2, exception 9, which will enable securities issued under the LTIP in the course of the next three years to be excluded from the Company's 15% limit for the purpose of Listing Rule 7.1.

No issues of securities to Directors can be made under the LTIP without separate Shareholder approval under the Listing Rules (including Resolution 6).

To coincide with this resolution, the Board is seeking approval (under Resolution 7) for the ratification and approval of Performance Rights that have already been issued under the LTIP, for the purposes of refreshing the Company's 15% limit.

The following information is included for compliance with Listing Rule 7.2, exception 9.

Purpose:	To offer a performance based reward to senior executives and selected managers through potential share ownership on meeting specified performance hurdles.
Plan Structure:	The LTIP operates under a trust structure, adopted for the purpose of administering the LTIP. The LTIP is governed by a trust deed that provides for the administration, terms and conditions of the LTIP.
Eligible Participants:	Senior executives and selected managers as approved by the Board.
Securities Offer and Funding:	<p>LTIP securities will be acquired by the trustee through contributions provided by Devine to allow the trustee to purchase shares on-market or through a new issue of Shares by Devine.</p> <p>LTIP securities will be Performance Rights (subject to a 3 year and 6 month term) and vested Performance Rights will automatically exercise to require the issue of Shares to LTIP participants at maturity.</p> <p>The terms of the Performance Rights are set out below and are subject to the more detailed LTIP plan rules. Shares issued on maturity of Performance Rights shall otherwise rank equally with other Shares.</p>
Consideration:	The LTIP rules provide the Board with an absolute discretion to determine the issue price for Performance Rights. However, it is anticipated that Performance Rights will be issued for nil consideration.

EXPLANATORY NOTES

Continued

Performance Hurdles:	<p>Tranche 1: Total Shareholder Returns (TSR) Hurdle</p> <p>The vesting of 50% of the Performance Rights is based on the Total Shareholder Return (TSR) of Devine's shares when compared against the constituent companies within the S&P/ASX Small Ordinaries Index (XSO as amended or replaced) over the Vesting Period. Fifty percent (50%) of the Performance Rights subject to the TSR Hurdle will vest should the TSR for Devine Limited rank at the 50th percentile of companies within the XSO and 100% of the Performance Rights subject to the TSR Hurdle will vest if Devine's TSR ranks at or above the 75th percentile of companies within the XSO with straight line vesting between these two points.</p> <p>TSR is defined as the growth in the Devine share price plus dividends paid over the vesting period expressed as a percentage of the Devine share price at the beginning of the vesting period. The Devine share prices used for the calculation will be volume weighted average price (VWAP) of Devine's shares in the five (5) trading days immediately before the start of the vesting period and the five (5) days up to and including the end of the vesting period.</p> <p>Tranche 2: Earnings Per Share (EPS) Hurdle</p> <p>The vesting of 50% of the Performance Rights is based on an Earnings Per Share (EPS) measure. Fifty percent (50%) of the Performance Rights subject to the EPS Hurdle will vest should Devine achieve a base percentage (as determined by the Board from time to time) compound annual growth in EPS and 100% will vest if a nominated higher (as determined by the Board from time to time) percentage compound annual growth in EPS is achieved with straight-line vesting between these two points.</p>
Plan Limit:	The number of Performance Rights offered under the LTIP (in addition to any other employee share scheme) will not exceed the 5% limit set out in ASIC Class Order 03/184.
Acquisition Limitations:	A participant cannot accept Performance Rights under this offer if, at the time of acceptance, the participant has an interest in or controls more than five per cent of the issued capital of the company.
Rights on reorganisation	<p>Performance Rights shall not give right to an entitlement to participate in new issues until the Performance Right has vested and been exercised. Performance Rights shall however be adjusted in the event of:</p> <ul style="list-style-type: none">• a pro-rata issue under Listing Rule 6.22.2;• a bonus issue under Listing Rule 6.22.3; and• a reorganisation of capital under Listing Rule 7.22. <p>Any reorganisation of Shares shall be conducted in accordance with Listing Rule 7.20.</p>

EXPLANATORY NOTES

Continued

Right to Receive Dividends:	No dividends are paid on the Performance Rights and a participant does not receive a dividend benefit until becoming a holder of Shares through the exercise of those Performance Rights.
Right to Vote:	There are no voting rights associated with Performance Rights. Voting rights will only be afforded to Shares issued to participants under the LTIP when the Performance Rights vest.
Redundancy or Other:	<p>Where an LTIP participant with LTIP securities that have not vested leaves the employ of Devine as a result of resignation or dismissal, the securities will be forfeited.</p> <p>Where a participant's role has been made redundant and the participant leaves Devine's employ as a result of redundancy, the Board may, at its absolute discretion, allow the total number of securities that have not vested to be reduced pro-rata to the participant based on their tenure between the allocation date and the date of termination and the 36 month vesting period. These securities will be held for the remaining vesting period and then vest to the participant subject to the performance hurdles having been achieved.</p>
Special Circumstances:	<p>The Board may make determinations regarding vesting in special circumstances, examples being:</p> <ul style="list-style-type: none">• the death of the participant; or• the total and permanent disablement of the participant as determined by the Board.
Change of Control:	Should an offer for the acquisition of Devine shares be made, such that a change of 'control' of Devine (as defined in Section 50AA of the Corporations Act) will occur and this offer is recommended by the Board, all LTIP securities will vest to the participants and Performance Hurdles will be deemed satisfied.
Notice upon cessation of employment:	The participant is required to provide instructions to the administrator for the exercise, sale or transfer of LTIP securities within 30 days from the date the participant leaves the employment of Devine. After 30 days, the LTIP administrator, deemed as having "power of attorney" to execute any required documents, will exercise any vested Performance Rights, sell any Shares held within the LTIP, deduct costs and any withholding tax or other Devine legislative withholding requirements and pay the result, in addition to any other funds held on the participant's behalf (if any), to the participant.
Trading Window:	A notice of withdrawal cannot be submitted if in conflict with any of Devine's corporate governance restrictions under its Securities Trading Policy.

EXPLANATORY NOTES

Continued

Variation:	Subject to the Listing Rules, corporation and taxation legislation, the Board may vary any of the LTIP terms and conditions at any time by resolution of the Board.
Termination:	The Board may terminate the Plan at any time, by resolution of the Board.

Directors' Recommendation

The Directors (with Mr David Keir abstaining) recommend the approval of the proposed new LTIP for the senior executive team which includes the Managing Director and CEO.

2.2 Resolution 6 – Issue of Performance Rights to Director: Mr David Keir

Subject to the approval of Shareholders, the Company proposes to issue 604,578 Performance Rights to Mr David Keir. The Performance Rights will be issued for nil consideration.

Once approval is obtained pursuant to Listing Rule 10.14, the Company is entitled to rely on Listing Rule 10.12, Exception 4 as an exception to any requirement that may otherwise apply requiring Shareholder approval under Listing Rule 10.11. Similarly, approval will not be required under Listing Rule 7.1.

The Performance Rights shall be issued under and subject to the terms of the LTIP.

Approval is sought for the grant of the Performance Rights on the following terms and conditions:

- (a) each Performance Right is to acquire one Share;
- (b) the Performance Rights are issued for nil consideration;
- (c) vesting of the Performance Rights is subject to Mr Keir remaining in employment and the Company achieving the TSR and EPS hurdles set out above (under the Explanatory Notes for resolution 5). In respect to the calculation of the EPS for the base 2012/13 financial year, the underlying profit after tax will be used to calculate the EPS;
- (d) the Performance Rights will vest on the earlier of 1 September 2016 and the release of the financial statements for the half-year ending 30 June 2016¹ for Devine;
- (e) the Performance Rights will expire 30 days after the vesting date if not exercised;
- (f) the Performance Rights will not be transferable without the approval of the Board; and
- (g) it is intended that the Performance Rights will be issued within 5 business days of Shareholder approval being obtained for the issue.

The other general terms of the Performance Rights to be issued are:

- (h) if there is a reorganisation (including consolidation, sub-division, reduction or return) of the share capital of the Company, the rights attaching to Mr Keir's Performance Rights will be changed to the extent necessary to comply with the Listing Rules applying to a re-organisation of capital at the time of the re-organisation;
- (i) the Performance Rights do not entitle Mr Keir to participate in any new issues by the Company without exercising the Performance Rights;

¹ As the Company is intending to change its financial year to a calendar year, 30 June 2016 will be the Company's half year (rather than full year) end.

EXPLANATORY NOTES

Continued

- (j) the Performance Rights do not confer on Mr Keir any rights to a change to the number of underlying securities over which the Performance Rights can be exercised except:
 - (i) in the case of a pro rata issue to the holders of shares (except a bonus issue) in which case the exercise price (if any) of each Performance Right shall be reduced in accordance with the formula contained in Listing Rule 6.22.2; and
 - (ii) in the case of a bonus issue to the holders of Shares, in which case the number of Shares over which each Performance Right is exercisable shall be increased by the number of Shares which Mr Keir would have received if the Performance Rights had been exercised before the record date for the bonus issue;
- (k) all Shares issued pursuant to the exercise of Performance Rights will, subject to the Constitution, rank in all respects (other than in respect of dividends, rights issues or bonus issues declared prior to allotment) *pari passu* with the existing Shares at the date of issue and allotment; and
- (l) the Performance Rights will not be quoted on ASX. The Company intends to apply to ASX for quotation of any Shares acquired on exercise of the Performance Rights.

General Information

The Company discloses the following information concerning the value of the Performance Rights to be issued to Mr Keir. A fair value for the Performance Rights to be issued has been calculated using a Black Scholes methodology and based on a number of assumptions, set out below. This methodology is commonly used for valuing Performance Rights and is one of the permitted methodologies under ASIC Regulatory Guide 76. The Board believes this valuation model is appropriate to the circumstances and has not used any other valuation or other models in proposing the terms of the Performance Rights.

The stated valuation does not constitute and should not be taken as audited financial information. The reportable value of the employee benefit expense in subsequent financial periods may vary due to a range of timing and other factors. In particular, the figures were calculated effective as at 22 August 2013.

Underlying price	\$0.88
Volatility	36.84%
Dividend yield (estimate)	5.83%
Expiry date	1 October 2016
Exercise (strike) price	Nil
Risk free rate	2.77%
Performance Right value	\$0.7417
Number of Performance Rights issued	604,578
Assessed Value of Proposed Grant*	\$448,415.50

* The fair value of the Performance Rights for expensing under AASB2 (Share-based Payments) will be determined on the date of grant.

EXPLANATORY NOTES

Continued

Remuneration

Excluding the value of the Performance Rights, Mr Keir received \$800,000 comprising salary and superannuation contributions for the 2012/13 financial year. In addition, Mr Keir received a retention bonus of \$320,000 in the 2012/13 financial year as provided for in his contract of employment.

Financial Benefit – Details and reasons

Approval has been sought for the giving of a financial benefit to Mr Keir, as a related party, under section 208 of the Corporations Act. Section 229(3)(e) of the Corporations Act provides that the 'issuing of securities or granting of an option to a related party' (which includes a director of an entity) is an example of the giving of a financial benefit.

Under Resolution 6, as noted above, Performance Rights will be issued to Mr Keir. The amount, terms and value (subject to the stated assumptions) of those Performance Rights are set out above.

The reasons for giving this financial benefit are:

- (a) the Company wishes to maximise the use of its cash resources towards other strategic initiatives and equity based incentives such as Performance Rights are used to supplement cash based remuneration;
- (b) the total quantum of Performance Rights to be issued to Mr Keir under this resolution is moderate in number and the issue of Performance Rights will act as an incentive for future growth of the business;
- (c) equity based incentives, such as Performance Rights, assist in the alignment of Shareholders and directors' interests;
- (d) the remuneration package is designed to attract and retain Mr Keir, as a suitably qualified and experienced director; and
- (e) the Company believes the associated expense is limited and the nature of the rights package proposed is commensurate with market practice.

On this basis the Company believes the giving of the financial benefit, as constituted by the issue of the Performance Rights to Mr Keir under resolution 6 is in the best interests of the Company and its Shareholders.

Existing interests and the dilutionary effect on other Shareholders' interests

The effect that the vesting of the Performance Rights will have on the interests of Mr Keir relative to other Shareholders' interests is set out in the following table. The table assumes no further issues of shares in, or reconstruction of the capital of, the Company during the time between issue and vesting of the Performance Rights.

Shares	Number/percentage
The total number of shares on issue in the capital of the Company	158,730,556
Shares currently held by Mr Keir	17,500
% of shares currently held by Mr Keir	0.011%
Shares to be issued on vesting of Performance Rights	604,578
Shares to be issued on exercise of existing options	787,750

EXPLANATORY NOTES

Continued

The total number of shares on issue in the capital of the Company following the exercise of all existing options and Performance Rights held by Mr Keir (assuming no other options were exercised and that Shareholders approve this issue of Performance Rights)	160,122,884
Shares that will be held following the exercise of all existing options and Performance Rights held by Mr Keir (assuming that Shareholders approve this issue of Performance Rights)	1,409,828
% of Shares that would be held assuming no other options were exercised	0.88%

Directors' Recommendation

The Directors (with Mr David Keir abstaining) recommend that you vote in favour of this resolution.

2.3 Resolution 7: Ratification and approval of previous issue of Performance Rights

The purpose of Resolution 7 is for Shareholders to approve and ratify, under ASX Listing Rule 7.4, the issue of securities by the Company during the 12 months before the date of the meeting which count toward the Company's 15% limit under ASX Listing Rule 7.1.

ASX Listing Rule 7.1 provides that (subject to certain exceptions, none of which are relevant here) prior approval of Shareholders is required for an issue of securities if the securities will, when aggregated with the securities issued by the entity during the previous 12 months, exceed 15% of the number of the securities at the commencement of that 12 month period.

The allotment and issue of securities detailed below did not exceed the 15% threshold. However, ASX Listing Rule 7.4 provides that where an entity ratifies an issue of securities, the issue will be treated as having been made with approval for the purpose of ASX Listing Rule 7.1, thereby replenishing that entity's 15% capacity and enabling it to issue further securities up to that limit.

Resolution 7 relates to the issue of Performance Rights to various employees and senior managers on 16 September 2013 under the LTIP.

Resolution 7 proposes the ratification and approval of the issue of the Performance Rights detailed below for the purpose of satisfying the requirements of Listing Rule 7.4.

Issue date	16 September 2013
Number of securities	971,980 Performance Rights
Issue price	Nil
Terms of issue	Governed by the terms of the LTIP
Allottees	Various employees and senior managers of the Company
Use of funds raised	Not applicable

Directors' Recommendation

The Directors unanimously recommend that you vote in favour of this resolution.

DEFINITIONS

AGM	Annual General Meeting.
Annual Report	means the annual report of the Company for the financial year ending 30 June 2013.
ASIC	Australian Securities and Investments Commission.
ASX	ASX Limited and the exchange operated by it, being the Australian Securities Exchange.
Auditors	means Ernst & Young.
Board	means the Board of Directors of Devine.
Company or Devine	Devine Limited ACN 010 769 365.
Constitution	means the existing constitution of the Company.
Corporations Act	<i>Corporations Act 2001</i> (Cth).
Director	one or more Directors of the Company.
Explanatory Notes	means the explanatory notes attached to this Notice of Meeting.
Key Management Personnel	means those persons having authority and responsibility for planning, directing and controlling the activities of Devine, directly or indirectly, including any Director (whether executive or otherwise).
Listing Rules	the listing rules of ASX.
LTIP	means the Company's new long term incentive plan which is the subject of Shareholder approval under resolution 5 of this Notice of Meeting.
Notice of Meeting	means the notice of meeting and includes the Explanatory Notes.
Performance Right	means a performance right granted by the Company under the LTIP.
Remuneration Report	means the section of the Directors' report for the 2013 financial year that is included under section 300A (1) of the Corporations Act.
SET	means the Company's senior executive team, which includes the Managing Director and CEO.
Shareholder	a registered shareholder of Devine who is entitled to vote at the AGM.
Shares	means the existing fully paid ordinary shares in the Company.



Devine
GROUP

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