



Collection House Limited

Shareholder Communication Guidelines

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Approved by the Board
on 26/06/08**

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1. INTRODUCTION – COLLECTION HOUSE COMMITMENT

Collection House is committed to providing shareholders with full and timely information about its business activities.

The purpose of this policy is to promote effective communication and encourage and improve the flow of information about Collection House, its business and any proposals affecting it.

This Shareholder Communication Guidelines has been endorsed by the Board of Collection House.

The Guidelines may change over time to ensure best practice.

2. COMMUNICATION WITH SHAREHOLDERS – GUIDING PRINCIPLES

Collection House acknowledges and respects the rights of its shareholders and recognises the importance of facilitating the effective exercise of those rights. Collection House is committed to empowering its shareholders by:

- communicating openly and effectively with them;
- providing ready access to balanced and easily understandable information about Collection House and the business activities; and
- facilitating effective participation in Annual General Meetings.

3. ELECTRONIC COMMUNICATION

Not only is Collection House empowering its shareholders through use of its website to complement the official release of material information to the Market as detailed in the Continuous Disclosure Policy, but Collection House intends, at its discretion, to use electronic means of communication to:

- place the full text of Notices of Meeting and Explanatory Material on the website;
- place press releases, annual reports, results announcements, presentations, other company announcements and financial data relating to the past 3 years onto the website; and
- provide investors with the choice of receiving investor information updates, notices and other material via e-mail on a regular basis.

4. GUIDELINES FOR SHAREHOLDER COMMUNICATION

Collection House recognises the importance of clear and succinct Notices of Meeting or other notices or communications with its shareholders (Notice) to ensure effective communication and encourage participation at the meetings by shareholders.

In drafting its Notices, Collection House complies with the following guidelines:

- (a) the Notices shall be honest, accurate and not misleading;

- (b) the Notices shall clearly state and, where necessary explain the nature of, the business of the meeting or the purpose of the communication;
- (c) where resolutions are mandated, explanatory notes on each resolution shall be provided;
- (d) at least 28 days notice of a shareholder's meeting shall be given. The meeting will then be held during normal business hours at a place convenient for the greatest number of shareholders;
- (e) the appointment of proxies shall be able to be lodged electronically by shareholders with the use of protected passwords for authentication purposes;
- (f) the drafting methods adopted for the Notice shall use plain English, avoid unnecessary repetition, employ a structure that is uniform, succinct, easily legible and involves a sequential treatment of resolutions;
- (g) clear guidance shall be provided in Notices containing resolutions for the election of directors, including separate consideration of each candidate in a distinct resolution and ensuring that Notices for election or removal fairly and equitably represent the view of each candidate;
- (h) clear guidance shall be provided in Notices containing resolutions for the removal of directors, including separate consideration of the removal of each candidate in a distinct resolution;
- (i) Notices shall provide clear guidance on directors' recommendations on resolutions, including the classification (non-executive, executive, independent) of a director subscribing to a particular view and the presentation of a balance of views on the merits of the proposal;
- (j) Notices shall provide clear guidance on shareholders' conflicts of interest to the extent that they are known to Collection House and clear details regarding which shareholders will be excluded from voting. Any conflicts of interests of directors, associates, senior management shall be outlined; and
- (k) Notices shall be sent to shareholders electronically, if requested.

5. EXTERNAL AUDITOR TO ATTEND AGM TO ANSWER SHAREHOLDER QUESTIONS

As part of empowering its shareholders, Collection House will require its external auditor to attend the Annual General Meeting and be available to answer any shareholder questions about the conduct of the audit and the preparation and content of the Auditor's Report.

At each Annual General Meeting, the Chairperson will allow a reasonable opportunity for members to ask questions of the auditor or their representatives.

Collection House not only regards this process as promoting and encouraging participation of shareholders in the meeting and providing balanced and understandable information, but believes it also strengthens the role of the auditor and the auditor's accountability to shareholders.