



Dominic D Smith
SVP & Company Secretary

QR National Limited
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23 September 2011

Company Announcements Office
Australian Securities Exchange Limited
Riverside Centre, Level 5
123 Eagle Street
BRISBANE QLD 4000

BY ELECTRONIC LODGEMENT

QR National – Notice of Annual General Meeting & Proxy Form

Please find attached a copy of QR National's Notice of Annual General Meeting and Proxy Form which is being sent to all QR National shareholders today.

Copies of the Annual report are also being sent to those shareholders whom have elected to receive a copy.

A copy of the Annual Report was provided to the ASX on Tuesday 6 September, and is available on the Company website www.qrnational.com.au.

Yours faithfully
QR National

A handwritten signature in black ink, appearing to read 'D. Smith', with a horizontal line underneath.

Dominic D Smith
SVP & Company Secretary

Dear Shareholder,

On behalf of the Board of QR National Limited (the Company), I am pleased to invite you to attend the Company's 2011 Annual General Meeting (AGM) to be held on Thursday, 10 November 2011 commencing at 10:00am (Brisbane time), at Exhibition Hall 4, Brisbane Convention and Exhibition Centre, Corner of Merivale and Glenelg Streets, South Bank, Brisbane, Queensland, 4101, Australia.

Enclosed is the Notice of Meeting setting out the business of the AGM. For further details on the resolutions proposed at the AGM, please refer to the Explanatory Notes contained in the Notice of Meeting. I recommend all shareholders read this material carefully before voting on the proposed resolutions.

If you are not able to attend the meeting, I encourage you to appoint a proxy to attend and vote on your behalf. You may appoint a proxy by:

- using the share registry's website at www.investorvote.com.au; or
- completing the enclosed proxy form.

In order to be valid, online proxies and proxy forms must be received by the Company's Share Registry, Computershare, no later than **10:00am (Brisbane time), Tuesday 8 November 2011**.

If you plan to attend the meeting in person, please bring the enclosed proxy form with you to assist us in registering your attendance.

Shareholders are invited to join the Board for light refreshments at the conclusion of the meeting.

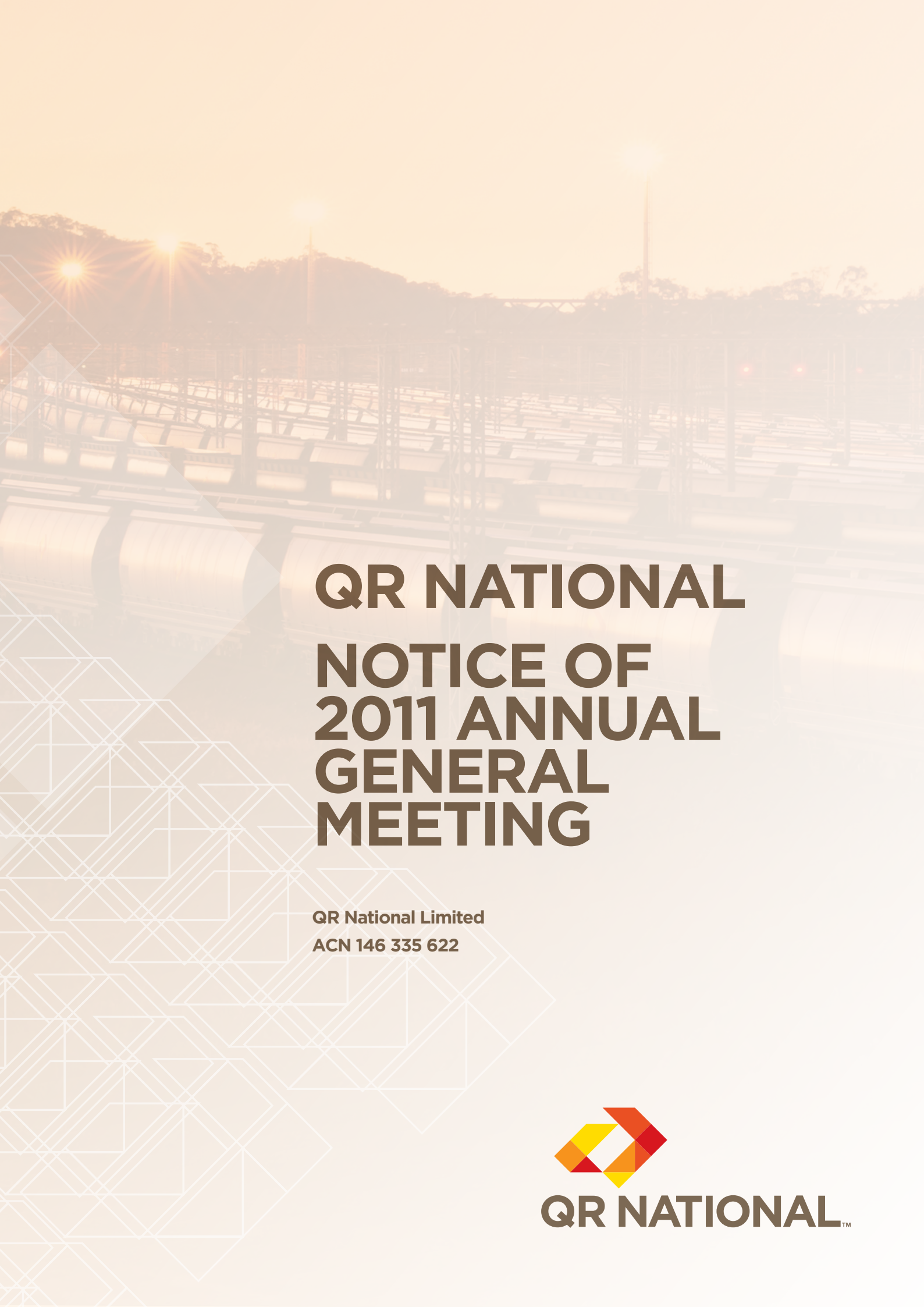
On behalf of all the Directors of the Company, we look forward to seeing you at the meeting.

Yours Sincerely



John B Prescott AC
Chairman & Non-Executive Director
QR National Limited

23 September 2011



QR NATIONAL NOTICE OF 2011 ANNUAL GENERAL MEETING

**QR National Limited
ACN 146 335 622**



NOTICE OF 2011 ANNUAL GENERAL MEETING

QR NATIONAL LIMITED ACN 146 335 622

Notice is given that QR National Limited (the 'Company') will hold its 2011 Annual General Meeting (AGM) at **10:00am (Brisbane time) on Thursday 10 November 2011 at Exhibition Hall 4, Brisbane Convention and Exhibition Centre**, Corner of Merivale and Glenelg Streets, South Bank, Queensland, 4101, Australia, for the purpose of transacting the business set out in this Notice of Meeting.

If you are unable to attend the meeting you are encouraged to complete and return the proxy form accompanying this Notice of Meeting.

You can lodge your completed proxy form with the Company's share registry, Computershare by:

- mailing it to Computershare using the reply paid envelope;
- posting it to GPO Box 242, Melbourne Victoria, 3001, Australia;
- lodging it online at Computershare's website www.investorvote.com.au and logging in using the Control Number found on the front of your accompanying proxy form;
- faxing it to **1800 783 447** (within Australia) or **+61 3 9473 2555** (outside Australia)

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

The completed proxy form must be received by Computershare no later than **10:00am (Brisbane time) on Tuesday 8 November 2011**.

If you appoint a proxy, the Company encourages you to direct your proxy how to vote on each item by marking the appropriate boxes on the proxy form.

BUSINESS

1. FINANCIAL STATEMENTS AND REPORTS

To receive and consider the Financial Statements, Directors Report and independent Auditor's Report of the Company and its controlled entities for the financial year ended 30 June 2011.

2. ELECTION OF DIRECTORS

To consider and, if thought fit, to pass the following as separate ordinary resolutions:

- "That Mr John B Prescott AC, who retires by rotation, and being eligible, be re-elected as a Director of the Company."
- "That Mr John Atkin, who retires by rotation, and being eligible, be re-elected as a Director of the Company."
- "That Mr Peter Kenny, who retires by rotation, and being eligible, be re-elected as a Director of the Company."

3. GRANT OF PERFORMANCE RIGHTS TO MANAGING DIRECTOR & CEO

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

"That approval be given for all purposes including ASX Listing Rule 10.14, for the grant to the Managing Director & CEO, Mr Lance E Hockridge, of up to 494,186 performance rights under the Company's Long Term Incentive Plan on the terms summarised in the Explanatory Notes to this Notice of Meeting."

4. AMENDMENTS TO THE TERMS OF PERFORMANCE RIGHTS GRANTED UNDER THE COMPANY'S INCENTIVE PLANS

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

"That the amendment of the terms of all performance rights granted under the Company's incentive plans in the manner set out in the Explanatory Notes to this Notice of Meeting be approved."

5. APPROVAL OF POTENTIAL TERMINATION BENEFITS TO KEY MANAGEMENT PERSONNEL

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

“That, in accordance with the terms of section 200B and 200E of the *Corporations Act 2001 (Cth)* (**Corporations Act**), approval is given for the provision of benefits under the Company’s Long Term Incentive Plan where all of the following conditions are met:

- (a) the person receiving the benefit is currently or, in future, an employee of the Company or a related body corporate;
- (b) the person holds a managerial or executive office;
- (c) the benefit is paid on the person ceasing to hold a managerial or executive office; and
- (d) the benefit is paid on the terms set out in the Explanatory Memorandum.”

6. AMENDMENT TO THE COMPANY’S CONSTITUTION

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

“That article 11.1 of the Company’s Constitution be amended as set out in the Explanatory Notes to this Notice of Meeting, with effect from the close of the meeting.”

7. REMUNERATION REPORT

To consider and, if thought fit, to pass the following as a non-binding ordinary resolution:

“That the Remuneration Report for the financial year ended 30 June 2011 be adopted.”

Note: This resolution is advisory only and does not bind the Directors or the Company.

Additional Information

The Explanatory Notes set out on pages 5 to 12 provide more information on each of the items of business.

The Explanatory Notes and Voting Notes relating to voting form part of this Notice of Meeting.

In the interests of representing the views of as many shareholders as possible, the Chairman of the meeting intends to call a poll in relation to Item 7.

Voting Exclusion

For all resolutions that are directly or indirectly related to the remuneration of a member of the Key Management Personnel (**KMP**) of the Company (being the resolutions in respect of Items 3, 4, 5 and 7), the Corporations Act restricts KMP and their closely related parties from voting in certain circumstances. “Closely related party” is defined in the Corporations Act and includes a spouse, dependant and certain other close family members, as well as any companies controlled by the KMP.

In addition, a voting restriction applies in respect of Items 3 and 4 under the ASX Listing Rules.

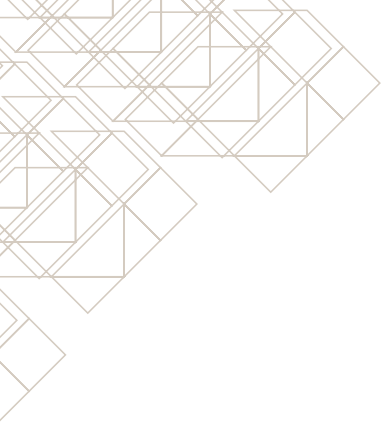
Item 3 (Grant of Performance Rights to the Managing Director & CEO)

With respect to Item 3, the Company will disregard any votes cast on Item 3 by a Director (except one who is ineligible to participate in any employee incentive scheme in relation to the Company) or their associates except where the vote:

- 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
- is cast by the person chairing the meeting as proxy for a person who is entitled to vote, in accordance with a direction on the proxy form to vote as the proxy decides.

The Company is required under the Corporations Act to disregard any votes cast in their capacity as a proxy on the proposed resolution in Item 3 by a member of the Key Management Personnel, or a closely related party of that person, where the appointment as proxy does not specify the way the proxy is to vote on the proposed resolution.

However, this restriction will not apply to the Chairman of the meeting where the appointment expressly authorises the Chairman to exercise the proxy on the proposed resolution in Item 3 even though the resolution is connected directly or indirectly with the remuneration of a member of the Key Management Personnel.



Item 4 (Amendments to Terms of Performance Rights Granted under the Company's Incentive Plans)

With respect to Item 4, the Company will disregard any votes cast on Item 4 by a person who holds a performance right that is the subject of the approval and any of their associates, except where the vote:

- 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
- is cast by the person chairing the meeting as proxy for a person who is entitled to vote, in accordance with a direction on the proxy form to vote as the proxy decides.

The Company is required under the Corporations Act to disregard any votes cast in their capacity as a proxy on the proposed resolution in Item 4 by a member of the Key Management Personnel, or a closely related party of that person, where the appointment as proxy does not specify the way the proxy is to vote on the proposed resolution.

However, this restriction will not apply to the Chairman of the meeting where the appointment expressly authorises the Chairman to exercise the proxy on the proposed resolution in Item 4 even though the resolution is connected directly or indirectly with the remuneration of a member of the Key Management Personnel.

Item 5 (Approval of Potential Termination Benefits to Key Management Personnel)

With respect to Item 5, if any shareholder is an employee (for the purposes of the Company's Long Term Incentive Plan) or an associate of an employee and wishes to preserve the benefit of this Item 5 for that employee, the effect of the Corporations Act is that they should not vote on it, or they will lose that benefit except where the vote is cast by that person as proxy for a person who is entitled to vote, in accordance with the directions on the proxy form.

The Company is required under the Corporations Act to disregard any votes cast in their capacity as a proxy on the proposed resolution in Item 5 by a member of the Key Management Personnel, or a closely related party of that person, where the appointment as proxy does not specify the way the proxy is to vote on the proposed resolution.

However, this restriction will not apply to the Chairman of the meeting where the appointment expressly authorises the Chairman to exercise the proxy on the proposed resolution in Item 5 even though the resolution is connected directly or indirectly with the remuneration of a member of the Key Management Personnel.

Item 7 (Remuneration Report)

The Company is required under the Corporations Act to disregard any votes cast (in any capacity) on the proposed resolution in Item 7 by or on behalf of:

- a member of the Key Management Personnel (details of whose remuneration are included in the Remuneration Report); and
- a closely related party of those persons (such as close family members or a company the person controls).

However this restriction will not prevent such a person casting a vote on the proposed resolution in Item 7 if the person does so as a proxy appointed in writing that specifies how the proxy is to vote on the proposed resolution (and the vote is being cast on behalf of a person who would not themselves be precluded from voting on the resolution).

By order of the Board.

Dominic D Smith
Company Secretary
Brisbane
23 September 2011



EXPLANATORY NOTES

The following Explanatory Notes have been prepared for the information of shareholders in relation to the business to be conducted at the Company's 2011 AGM.

The purpose of these Explanatory Notes is to provide shareholders with information they reasonably require to decide how to vote upon the resolutions. The Board recommends that shareholders read these Explanatory Notes before determining how to vote on a resolution.

ITEM 1: FINANCIAL STATEMENTS AND REPORTS

The Financial Statements, Directors' Report and Auditor's Report for the Company for the year ended 30 June 2011 will be tabled at the meeting.

There is no requirement for shareholders to approve these reports. The Chairman of the meeting will, however, allow a reasonable opportunity for shareholders to ask questions on the reports and management of the Company at the meeting.

Shareholders will also be given a reasonable opportunity to ask a representative of the Company's Auditor, PricewaterhouseCoopers (PwC) questions relevant to the conduct of the audit and the preparation and content of the Auditor's Report.

The Company's 2011 Annual Report is available on the Company's website: www.qrnational.com.au.

ITEM 2: ELECTION OF DIRECTORS

The Company's Constitution requires that an election of Directors must take place each year. The Company's Constitution and the ASX Listing Rules also require that Directors must not hold office for more than 3 years without re-election (**rotation requirements**). As this is the Company's first AGM since listing, to ensure a smooth transition to meeting the rotation requirements in the coming years, the Board has decided that three Directors will retire and stand for re-election this year.

The Board considers that individually and collectively the Company's Directors need to bring a level of skill, knowledge and experience that enables the Board to discharge its responsibilities effectively.

The Board's policy on board composition is to ensure that at all times, and through succession planning, there will be an appropriate mix of skills and experience so as to provide, on an ongoing basis, the necessary breadth and depth of knowledge which is required to meet the Company's responsibilities and objectives.

The Board has adopted a policy on Non-Executive Directors' independence. A copy of the policy which is contained within the Board Charter can be found on the Company's website. The Board is satisfied, after applying the policy, that each Director who is standing for re-election is independent.

The Governance and Nomination Committee oversaw a formal review of the performance of all Directors who held office during the year, including each of the retiring Non-Executive Directors; Mr John B Prescott AC, Mr John Atkin and Mr Peter Kenny. The Committee also reviewed the skills, knowledge and experience represented on the Board. The review processes are described in the Corporate Governance section of the 2011 Annual Report on pages 80 to 87. Based on the reviews by the Committee, the Board recommends to shareholders that Directors standing for re-election be re-elected.

THE BIOGRAPHICAL DETAILS, SKILLS AND EXPERIENCE OF EACH OF THE DIRECTORS STANDING FOR ELECTION ARE SET OUT BELOW AND ON PAGES 46-49 OF THE 2011 ANNUAL REPORT.

2(a): MR JOHN B PRESCOTT AC

Independent Non-Executive Director and Chairman

BCom (Indus Rel), Hon.DSc, Hon.LLD, FAICD, FAIM, FTSE

Age 70, independent Non-Executive Director and Chairman of QR National Limited since 14 September 2010.

Member of the Governance and Nomination Committee, the Remuneration and Succession Committee and the Safety and Environment Committee.

John has substantial experience in the mining, manufacturing, transport and government sectors. He was a long-term executive of The Broken Hill Proprietary Company Limited (now BHP Billiton Limited), including 10 years as an executive Director and seven years as Managing Director and Chief Executive Officer (1991-98). He was also Chairman of ASC (formerly Australian Submarine Corporation Pty Ltd) from 2000-09.

John is a Director of Newmont Mining Corporation, a Global Counsellor of The Conference Board since 2001 and a Member of the Commonwealth Remuneration Tribunal since 2010.

Other directorships and consulting/advisory positions have included Conference Board USA, World Economic Forum, Booz Allen and Hamilton, J.P. Morgan Chase & Co, Proudfoot Consulting, Asia Pacific Advisory Committee of New York Stock Exchange and many other community, business, education and government organisations.

Board Recommendation:

The Board (with Mr John B Prescott AC abstaining), unanimously recommends that shareholders vote in favour of the re-election of Mr John B Prescott AC.

The Chairman of the meeting intends to vote all available proxies in favour of the re-election of Mr John B Prescott.

2(b): MR JOHN ATKIN

Independent Non-Executive Director

BA (Hons), LLB (Hons), MAICD)

Age 54, independent Non-Executive Director of QR National Limited since 14 September 2010.

Chairman of the Governance and Nomination Committee and Director of QR Network Pty Ltd.

John is chief executive of The Trust Company Limited and a director of The Australian Outward Bound Foundation.

John has over 20 years experience in the management of professional service firms, and extensive experience in strategy development and execution. Prior to his current executive appointment in January 2009, he was the managing partner of Blake Dawson, where he led a successful transformation of the firm. Previously he had been a senior partner at Mallesons Stephen Jaques where he specialised in mergers and acquisitions and equity capital markets.

Board Recommendation:

The Board (with Mr John Atkin abstaining), unanimously recommends that shareholders vote in favour of the re-election of Mr John Atkin.

The Chairman of the meeting intends to vote all available proxies in favour of the re-election of Mr John Atkin.

2(c): MR PETER KENNY

Independent Non-Executive Director

Age 67, independent Non-Executive Director of QR National Limited since 14 September 2010.

Director of QR Network Pty Ltd and member of the Safety and Environment Committee.

Peter has extensive experience in the rural sector. He is the Chairman of Biosecurity Qld and a member of the Australian Landcare Council, the National Biosecurity Advisory Council and the Cape York Heritage Committee. He represents Queensland agriculture on the Queensland Premier's Advisory Council on Climate Change.

Peter has owned and managed rural properties in different industries including cattle, dairy, orchards, lucerne and piggeries. His work over many years with AgForce included membership of the state council and state executive.

He was president of AgForce Cattle for four years and then AgForce General President for four years. He was a Councillor and Secretary of the Cattlemen's Union of Australia and its representative on the AgForce Unity Working Group, and a Director of the National Farmers Federation.

Board Recommendation:

The Board (with Mr Peter Kenny abstaining), unanimously recommends that shareholders vote in favour of the re-election of Mr Peter Kenny.

The Chairman of the meeting intends to vote all available proxies in favour of the re-election of Mr Peter Kenny.

ITEM 3: GRANT OF PERFORMANCE RIGHTS TO THE MANAGING DIRECTOR & CEO

In accordance with ASX Listing Rule 10.14, shareholder approval is being sought for the proposed grant of 494,186 performance rights. This is the same value of performance rights that were issued to the Managing Director & CEO at the time of listing. Performance rights to the Company's Managing Director & CEO, Mr Lance E Hockridge, under the Company's Long Term Incentive Plan are on the terms set out below.

Approval is being sought to allow the Company flexibility to either issue new shares or to purchase shares on-market for allocation to Mr Hockridge upon vesting of the performance rights.

Long Term Incentive Plan - terms and conditions

Information on the general operation of the long term incentive plans is set out in the Company's Remuneration Report.

Performance rights will be granted at no cost to Mr Hockridge, and no amount is payable upon vesting of the performance rights.

Performance rights will be granted under, and subject to, the rules of the Company's Long Term Incentive Plan. Performance rights do not carry any dividend or voting rights prior to vesting.

Each performance right entitles Mr Hockridge to one fully paid ordinary share in the capital of the Company, subject to the satisfaction of the performance conditions described below. Shares allocated on vesting of performance rights will rank equally with current shares on issue in the same class.

If the Board determines that the performance conditions are satisfied, the performance rights will be automatically exercised. On vesting and exercise of the performance rights, new shares may be issued or existing shares may be acquired on-market and allocated to Mr Hockridge.

If shareholder approval is obtained, it is intended that the performance rights will be granted shortly after the AGM, but in any event no later than 12 months after the meeting or any adjournment of the meeting.

Performance conditions:

The performance rights to be granted to Mr Hockridge will be subject to two performance hurdles. Performance rights will only vest on the satisfaction of the relevant performance hurdles measured over the three year period following the award (**performance period**) or a re-testing which will occur one year thereafter. Fifty per cent (50%) of the grant will be assessed with reference to total shareholder return (TSR) over the performance period relative to a peer group of companies (i.e. specified companies currently in the ASX 100). Broadly, TSR is the growth in share price plus dividends reinvested.

The level of performance required for each level of vesting and the percentage vesting associated with each level of performance in relation to the first half of the award are set out in Table 1 below.

The other 50% of the grant will require the achievement of the FY2012 profit forecast in the Company's Share Offer Document dated 8 October 2010 (**Offer Document**) and an average increase in earnings per share (EPS) between the end of FY2012 and the end of the performance period (FY2014) of at least 7.5% p.a. This second half of the award will vest in accordance with Table 2 below.

Table 1

| QRN TSR Ranking | % of First Half of the Award |
|----------------------------------|---|
| Below the 50th percentile | 0% vest |
| At the 50th percentile | 50% vest |
| Between 51st and 74th percentile | Between 52% and 98% vest (on a straight line basis) |
| At or above 75th percentile | 100% vest |

Table 2

| EPS Performance outcome | Proportion of this half of the award that will vest |
|--|---|
| FY2012 Offer Document Forecast not achieved | 0% |
| FY2012 Offer Document Forecast achieved and average EPS growth of less than 7.5% | 0% |
| FY2012 Offer Document Forecast achieved and average EPS growth of between 7.5% and 10% | 50% - 100% |
| FY2012 Offer Document Forecast achieved and average EPS growth of 10% or more | 100% |

EXPLANATORY NOTES

(CONTINUED)

Generally, Mr Hockridge must be employed with the Company as at the date of vesting to achieve the proposed award.

Change of control and cessation of employment:

In addition to the circumstances set out above, the Directors also have discretion to determine that early vesting of a performance right will occur if there is a takeover bid, scheme of arrangement or some other change of control transaction of the Company for the purposes of the Plan Rules.

Where Mr Hockridge ceases employment with the Company (other than for cause), the performance rights may, at the Board's discretion, either be retained by Mr Hockridge as unvested equity under the Plan until they either vest or lapse in accordance with their terms or may be received by him as a pro rata vesting on the basis of the Company's performance during the period from the grant to the termination date.

The Board may also, in its discretion, decide to accelerate the vesting of some or all of the performance rights held by Mr Hockridge in specified circumstances including death, total and permanent disablement, or cessation of employment for other reasons (as determined by the Board).

Other information:

In relation to the Company's Long Term Incentive Plan:

- Mr Hockridge is the only Director entitled to participate in the Plan.
- There is no loan scheme operating in relation to the performance rights.
- Mr Hockridge is prohibited from hedging the share price exposure in respect of the performance rights during the performance period applicable to those rights.

- Mr Hockridge holds existing performance rights of **1,333,332** comprising of **666,666** issued under the Long Term Incentive Plan (LTIA) and **666,666** issued under the Deferred Short Term Incentive Plan (STIAD), details of which are provided in the Remuneration Report for the financial year ended 30 June 2011.

The resolution seeks shareholder approval of a share-linked incentive payment to the Managing Director & CEO. If the resolution is not approved, the Board will instead seek to negotiate alternative long term incentives to the value of those proposed to be granted to Mr Hockridge including for example cash payments. Any incentives granted will be subject to performance hurdles.

Voting exclusion statement:

A voting exclusion statement applies to this resolution and has been included in the Notice of Meeting. Please refer to the Voting Notes attached to these Explanatory Notes in relation to important information relating to voting on this Item.

Board Recommendation:

The Board (with Mr Lance E Hockridge abstaining), considers the grant of performance rights to the Managing Director & CEO appropriate in all the circumstances and unanimously recommends that shareholders vote in favour of the grant.

The Chairman of the meeting intends to vote all available proxies in favour of Item 3.

ITEM 4: AMENDMENTS TO THE TERMS OF PERFORMANCE RIGHTS GRANTED UNDER THE COMPANY'S INCENTIVE PLANS.

The purpose of this resolution is to seek shareholder approval for certain amendments to the performance conditions applicable to performance rights which have been granted under the Company's incentive

plans, including those which have been granted to the Managing Director & CEO.

The Board recognises the importance of sensible incentive plans to retain and reward the performance of executives and has determined that the incentive plans put in place last year be adjusted to normalise the adverse impact of the Queensland floods and Cyclone Yasi. The revised incentive plans will also promote enhanced outcomes for shareholders.

Under ASX Listing Rule 6.23.4, the Company is prohibited from changing the terms of existing performance rights which have been granted under the Company's incentive plans unless shareholder approval is obtained in relation to the proposed change.

Background:

The Company has three incentive plans – Long Term Incentive Plan (LTIA), Short Term Incentive Plan (STIA) and the Deferred Short Term Incentive Plan (STIAD) – which are designed to align employees' interests with those of shareholders via a range of financial, safety and transformation targets. Information regarding the general operation of the Company's incentive plans is set out in the Company's Remuneration Report.

The Company established its incentive plans to assist in the attraction, motivation and retention of employees and management and to align employee and management reward with the long term interests of the Company. As outlined in the Remuneration Report and discussed in further detail below, certain awards under the incentive plans are tied to the Company meeting its earnings before interest and tax (EBIT) forecast for FY2011 which was set out in the Offer Document. If the FY2011 Offer Document EBIT forecast is not met, key personnel, including the Managing Director & CEO Mr Lance E Hockridge, will not receive these awards under the incentive plans.



Despite the fact remedial action was taken in January 2011, on 6 May 2011 the Company announced to the market, the FY2011 EBIT forecasts referred to in the Offer Document were unlikely to be achieved as a result of the Queensland floods and Cyclone Yasi. In the absence of any remedial action on the part of the Board, this would have left the Company's executives, including the Managing Director & CEO, in the undesirable position of having no functioning incentive plan in place due to the unachievable pre-flood EBIT targets. In addition, the Company was faced with a new set of goals which have emerged – those relating to flood and cyclone recovery – and the Board wished management to focus on and pursue these goals.

To ensure that an incentive to excel was maintained for the remainder of FY2011, the Board has determined that the following changes be made to the structure of the incentive plans.

1. Adjust the EBIT target for the purposes of the EBIT component of the STIA, STIAD (for the Managing Director & CEO) and the second half of the LTIA to take account of the net effect of the floods and cyclone. This net effect has been assessed by the Company to be \$187m and has been independently reviewed by the Company's auditor, PwC.

2. Reduce the weight of the EBIT component in the STIA and introduce a new "Disaster Recovery" key performance indicator (KPI).
3. Remove the upside previously available in relation to the EBIT component in the STIA so that the maximum that can be earned in relation to EBIT will be the incentive amount "at target" which would be payable for achieving the adjusted target.

The changes to the STIA targets were implemented before the end of FY2011. Shareholder approval is required in relation to the proposed changes to the STIAD and LTIA, as these changes relate to performance conditions applicable to performance rights which have been granted under those plans.

Proposed amendment to performance conditions under the STIAD and LTIA:

The Board has determined that, subject to shareholder approval, the following changes be made to the performance conditions applicable to performance rights which have been granted under the STIAD (for the Managing Director & CEO) and the LTIA (for all executives, including the Managing Director & CEO):

- that the vesting requirement in relation to the first tranche of the Managing Director & CEO's STIAD (currently Offer

Document EBIT forecast) be reduced by \$187m – the assessed and independently reviewed flood impact; and

- that the measure for the "aggregate earnings" vesting requirement in relation to the second component of the LTIA (currently Offer Document EBIT forecast) be reduced by \$187m – the assessed and independently reviewed flood impact.

Further details regarding each of these proposed adjustments are set out in Table 3 and 4.

Number of performance rights affected:

The total number of performance rights which are affected by the proposed change is **2,269,257**.

Director's interests:

Mr Lance E Hockridge is the only Director of the Company who has been issued performance rights. Mr Hockridge holds **1,333,332** performance rights issued under the Company's incentive plans (comprising **666,666** under the STIAD and **666,666** under the LTIA).

Voting exclusion statement:

A voting exclusion statement applies to this resolution and has been included in the Notice of Meeting. Please refer to the Voting Notes attached to these Explanatory Notes in relation to important information relating to voting on this item.

DEFERRED SHORT TERM INCENTIVE

Table 3

| Adjusted STIAD vesting requirements for the Managing Director & CEO | |
|--|---|
| From | To |
| Tranche 1: 100 % vesting in the event that the FY2011 Offer Document EBIT forecast is achieved. No vesting in the event that the FY2011 Offer Document EBIT forecast is not achieved. Half of Tranche 1 will, however, be added to Tranche 2 in this event. | Tranche 1: 100 % vesting in the event that underlying profit of \$273m is achieved in FY2011. No vesting in the event that underlying profit of \$273m is not achieved in FY2011. Half of Tranche 1 will, however, be added to Tranche 2 in this event. |
| Tranche 2: 100 % vesting in the event that the FY2012 Offer Document EBIT forecast (\$578m) is achieved. | No change. |

EXPLANATORY NOTES

(CONTINUED)

LONG TERM INCENTIVE

Table 4

| Adjusted EPS performance condition of the second half of the LTIA for all participants including the Managing Director & CEO | |
|---|--|
| From | To |
| The EPS Performance Condition will be determined by an earnings before interest and tax (EBIT) test and an earnings per share (EPS) growth test. This will require the initial achievement of the aggregate EBIT forecasts in the Offer Document for the periods FY2011 and FY2012. | The EPS Performance Condition will be determined by a profit test and an earnings per share (EPS) growth test. This will require the initial achievement of \$273m underlying profit in FY2011 and \$578m in 2012, in aggregate. |
| If the aggregate EBIT forecasts for FY2011 and FY2012 included in the Offer Document have been achieved and, in FY2013, the EPS growth of at least 7.5% for FY2013. | If the aggregate underlying profit for FY2011 and FY2012 of \$851m has been achieved and, in FY2013, the EPS growth of at least 7.5% for FY2013. |

No other material information:

Other than as set out in this document, and other than information previously disclosed to the shareholders of the Company, there is no other information that is known to the Company's Directors which may reasonably be expected to be material to the making of a decision by the Company's shareholders whether or not to vote in favour of the proposed amendment to the terms of all performance rights granted under the Company's incentive plans.

Board Recommendation:

The Board (with Mr Lance E Hockridge abstaining), considers the amendments to the terms of performance rights granted under the Company's incentive plan appropriate in all the circumstances and unanimously recommends that shareholders vote in favour of Item 4.

The Chairman of the meeting intends to vote all available proxies in favour of Item 4.

ITEM 5: APPROVAL OF POTENTIAL TERMINATION BENEFITS TO KEY MANAGEMENT PERSONNEL

Shareholders are being asked to approve the ability for the Board to be able to exercise certain discretions under the Company's Long Term Incentive Plan in relation to the treatment of unvested performance rights or options that may have been granted under that Plan.

As discussed below, the exercise of these discretions will constitute a "benefit" for the purposes of the Corporations Act's termination benefits provisions and the Board may be prevented from exercising its discretions under the Plan Rules in relation to those persons "who hold a managerial or executive office" (as defined in the Corporations Act), unless shareholder approval is obtained.

Background

Information relating to the general operation of the Company's Long Term Incentive Plan is outlined in the Remuneration Report.

Under the Company's Long Term Incentive Plan, the Board has a discretion to determine where a participant ceases employment with the Company (other than for cause), that performance rights or options held by the participant may either be retained by the participant as unvested equity under the Plan until they either vest or lapse in accordance with their terms, or may be vested on a pro rata basis on the basis of the Company's performance during the period from the grant to the termination date. The Board does not intend to exercise its discretion to vest any performance rights or options in a case that an individual ceases employment as a result of resignation, absent any extenuating circumstances.

The Board does not have the discretion to vest any unvested performance rights and/or options a participant holds if the participant has been dismissed for fraudulent or dishonest behaviour. In those circumstances, the participant's unvested performance rights will lapse.

In addition to the circumstances set out above, the Directors also have discretion to determine that early vesting of a performance right and/or option will occur if there is a takeover bid, scheme of arrangement or some other change of control transaction of the Company for the purposes of the Plan Rules.

Why is shareholder approval needed?

The Corporations Act restricts the benefits which can be given to those persons "who hold a managerial or executive office" (as defined in the Corporations Act) on cessation of their employment with the Company and its related bodies corporate.

Under section 200B of the Corporations Act, a Company may only give a person a "benefit" in connection with their ceasing to hold a managerial or executive office in the Company or a related body corporate if it is approved by shareholders or an exemption applies.

What is the Company seeking approval for?

The Company is seeking shareholder approval for all purposes (including for the purposes of sections 200B and 200E of the Corporations Act) to any “termination benefits” that may be provided to a participant under the Plan Rules, in addition to any other termination benefits that may be provided to that person without the need for shareholder approval under the Corporations Act.

Approval is being sought in respect of any current or future participant who holds:

- a managerial or executive office in the Company or a related body corporate at the time of their leaving or at any time in the three years prior to their leaving; and
- performance rights and/or options under the Plan at the time of their leaving,

but only if those performance rights/options are granted, or if the Board exercises its certain discretions under the Plan Rules, during the period commencing on the day of the 2011 AGM and ending at the close of business on the date of the 2014 AGM (whether or not any restrictions or conditions on those rights/options have ceased to apply during that timeframe). To address any concerns about providing open-ended approvals, the approval being sought is restricted to this period of time. Provided the Board is of the view that the termination benefits as described are still appropriate, the Board may seek a new approval at the Company’s 2014 AGM.

That is, Item 5 is limited so that it only applies in respect of performance rights/ options granted in that period to, or if the board exercises certain discretions under the Plan in that period in favor of, participants who from time to time hold a managerial or executive office (as defined in the Corporations Act).

If shareholder approval is obtained, then if the Board exercises its discretion to vest a pro rata portion of an affected participant’s unvested performance rights/options (or to provide that the participant’s performance rights/options do not lapse but will continue and be tested in the ordinary course), the value of the benefit will be disregarded when calculating the relevant participant’s cap for the purposes of subsection 200F(2)(b) or subsection 200G(1)(c) of the Corporations Act.

Non-Executive Directors are not entitled to participate in the Plan and so this approval will not apply to them. The Company’s Managing Director & CEO, Mr Lance E Hockridge, is eligible to participate in the Plan and so this approval will apply to him.

In determining whether to exercise its discretion in a particular case, the Board will take into account all relevant circumstances. Particular factors which the Board may consider relevant in an individual case may include the participant’s (and Company’s) performance against applicable performance hurdles, as well as the participant’s individual performance and the overall contribution that they have made during their time with the Company. In determining the portion of a grant which will vest, the Board may have regard to such factors as it considers relevant, which, for example, may include the period from the date of grant to the date of cessation, and/ or the performance against any applicable performance conditions.

The Board will remain accountable to shareholders for the exercise of this discretion because any termination benefits paid to executive directors and other Key Management Personnel will be disclosed in the Company’s Remuneration Report.

It can be reasonably anticipated that aspects of the Company’s Long Term Incentive Plan may be amended from time to time in line with market practice and changing governance standards and, where relevant, these changes will be reported in the Company’s Remuneration Report. However, it is intended that this approval will remain valid for Board discretions exercised under the Plan and for grants made between now and the 2014 AGM, provided that at the time the discretion is exercised, the Plan Rules contain discretions for the Board to vest all or a pro rata portion of a participant’s unvested performance rights and/or options, or to allow them to continue on foot on their leaving employment with the Company (other than for cause), and in change of control situations.

Value of the benefits

The value of the termination benefits that the Board may give under the Plan cannot be determined in advance. This is because various matters will or are likely to affect that value. Specifically, the value of a particular benefit under the Plan will depend on a number of factors which may include:

- the Company’s share price at the time of cessation;
- the circumstances in which termination occurs, including the length of service of the employee and the portion of any relevant performance periods that have expired at the time they leave employment;
- the participant’s total fixed remuneration at the time grants are made under the Plan at the time they leave employment; and
- the number of unvested performance rights and/or options that the participant holds at the time they leave employment.

EXPLANATORY NOTES

(CONTINUED)

Voting exclusion statement

A voting exclusion statement applies to this resolution and has been included in the Notice of Meeting. Please refer to the Voting Notes included in this Notice of Meeting in relation to important information relating to voting on this item.

Board Recommendation:

The Board (with Mr Lance E Hockridge abstaining) considers that the approval of potential termination benefits to Key Management Personnel as set out above is appropriate and in the interests of shareholders and accordingly, unanimously recommends that shareholders vote in favour.

The Chairman of the meeting intends to vote all available proxies in favour of Item 5.

ITEM 6: AMENDMENT TO THE COMPANY'S CONSTITUTION

The purpose of this special resolution is to amend articles 11.1 of the Company's Constitution as set out below.

The proposed amendments to article 11.1 of the Constitution reduces the maximum Board size set by the Constitution from 12 to 10, to better reflect what is considered to be the maximum optimum size of the Board.

This resolution is a special resolution and to be successful, must be passed by at least 75% of the votes cast.

Board Recommendation:

The Board considers that the amendment to the Constitution is appropriate and in the interests of shareholders and accordingly, unanimously recommends that shareholders vote in favour.

The Chairman of the meeting intends to vote all available proxies in favour of Item 6.

Details of Amendment to Constitution

It is proposed that article 11.1 of the Company's Constitution be amended as follows:

11.1 Number of Directors

Unless otherwise determined by the Company in general meeting, the number of Directors is to be not less than three nor more than:

- (a) ~~twelve~~ ten; or
- (b) any lesser number than ~~twelve~~ ten determined by the Directors and approved by an ordinary resolution of the Company (but the number must not be less than the number of Directors in office at the time the determination takes effect);

The Directors in office at the time of adoption of this Constitution continue in office subject to this Constitution.

ITEM 7: REMUNERATION REPORT

The Remuneration Report of the Company for the financial year ended 30 June 2011 (**Remuneration Report**) is set out on pages 56 to 79 of the 2011 Annual Report.

The Remuneration Report explains the Board's practices in relation to the objectives and structure of remuneration and provides specified details of the components of Directors and senior executives remuneration, including performance conditions.

The Chairman of the meeting will allow a reasonable opportunity for discussion on the Remuneration Report at the meeting.

Shareholders will be asked to vote on the Remuneration Report. However, in accordance with the Corporations Act, this vote is of an advisory nature only and does not bind the Company or its Directors.

Voting exclusion

A voting exclusion statement applies to this resolution as set out in the Notice of Meeting. Please refer to the Voting Notes attached to these Explanatory Notes in relation to important information relating to voting on this item.

Board Recommendation:

The Board unanimously recommends that shareholders vote in favour of adopting the Remuneration Report.

The Chairman of the meeting intends to vote all available proxies in favour of Item 7.

VOTING NOTES

VOTING ENTITLEMENT

The Board has determined in accordance with the Company's Constitution and the *Corporations Regulations 2001 (Cth)* that a persons' entitlement to vote at the meeting will be taken to be the entitlement for that person as set out in the Register of Members at **8:00pm (Sydney time) on Tuesday 8 November 2011**. Transactions registered after that time will, accordingly, be disregarded in determining which shareholders are entitled to attend and vote at the meeting.

VOTING RESTRICTIONS

Items 3, 4, 5 and 7 are subject to applicable voting restrictions as set out in the Notice of Meeting.

Important information is set out on Page 14 in relation to undirected proxies for Items 3, 4, 5 and 7 which you should read before completing your proxy form.

METHODS OF VOTING

Ordinary shareholders can vote in the following ways:

- By attending the meeting and voting either in person or by attorney or in the case of corporate shareholders by corporate representative.
- By appointing a proxy to vote on their behalf using the proxy form enclosed with this Notice of Meeting or online at Computershare's website:
www.investorvote.com.au

ATTENDING THE MEETING

If you attend the meeting, please bring your personalised proxy form with you. The bar code at the top of the form will help you to register. If you do not bring your form with you, you will still be able to attend the meeting but representatives from Computershare will need to verify your identity. You will be able to register from **9:00am (Brisbane time)** on the day of the meeting.

CORPORATE SHAREHOLDERS

Corporate shareholders who wish to appoint a representative to attend the meeting on their behalf must provide that person with a properly executed letter or other document confirming that they are authorised to act as the Company's representative. The authorisation may be effective either for this meeting only or for all meetings of the Company. Shareholders can download and fill out the 'Appointment of Corporate Representation' form from the Computershare website:

www.au.computershare.com/Investor/FormsCatalogue.asp

VOTING BY PROXY

If you are entitled to attend and vote at the meeting, you can appoint a proxy to attend and vote on your behalf.

A proxy need not be a shareholder of the Company and may be an individual or a body corporate.

A personalised proxy form is enclosed with this Notice of Meeting.

If you are entitled to cast two or more votes, you may appoint two proxies and may specify the proportion or number of votes each proxy is appointed to exercise.

If you do not specify a proportion or number, each proxy may exercise half of the votes. If you require a second proxy form, please contact Computershare Investor Services Pty Limited on **1300 552 270 (within Australia)** or **+61 3 9415 4000 (outside Australia)**.

If you appoint a proxy, the Company encourages you to direct your proxy how to vote on each item by marking the appropriate boxes on the proxy form.

LODGING YOUR PROXY FORM

You can lodge your completed proxy form by:

- mailing it to Computershare using the reply paid envelope;
- posting it to GPO Box 242, Melbourne VIC 3001 Australia;
- lodging it online at Computershare's website **www.investorvote.com.au** and logging in using the Control Number found on the front of your accompanying proxy form;
(note: you will be taken to have signed your proxy form if you lodge it in accordance with the instructions on the website)
- faxing it to **1800 783 447** (within Australia) or **+61 3 9473 2555** (outside Australia);
- Intermediary Online subscribers (Institutions / Custodians) may lodge their proxy instruction online by visiting **www.intermediaryonline.com**

Your completed proxy form (and any necessary supporting documentation) must be lodged online or received by Computershare no later than **10:00am (Brisbane time) on Tuesday 8 November 2011**, being 48 hours before the commencement of the meeting.

VOTING NOTES

(CONTINUED)

If the proxy form is signed by an attorney, the original power of attorney under which the proxy form was signed (or a certified copy) must also be received by Computershare by **10:00am (Brisbane time) on Tuesday 8 November 2011** unless it has been previously provided to Computershare.

If you appoint a proxy, you may still attend the meeting. However, your proxy's rights to speak and vote are suspended while you are present. Accordingly, you will be asked to revoke your proxy if you register at the meeting.

UNDIRECTED AND DIRECTED PROXIES

If you appoint the Chairman of the meeting or the Directors or executives identified as Key Management Personnel as your proxy, you should direct your proxy how to vote in respect of Item 3 (Grant of Performance Rights to the Managing Director & CEO), Item 4 (Amendment to Terms of Performance Rights), Item 5 (Approval of Potential Termination Benefits to KMP) and Item 7 (Remuneration Report) if you want your shares to be voted on these Items.

If you leave your proxy form undirected on Items 3, 4, 5 or 7 no Director or Key Management Personnel (or their closely related parties) will be able to vote your shares on these items. In the case of the Chairman of the meeting, he will be able to vote your proxy on these items if you mark the appropriate box on the proxy form directing him to do so.

Where he is permitted to do so, the Chairman of the meeting will vote all available proxies on, and in favour of, all of the motions.

In accordance with the Company's constitution, the Chairman of the Board, Mr John B Prescott AC, will be Chairman of the meeting. Mr John B Prescott AC intends to vacate the chair in respect of Item 2(a) of the Notice of Meeting, as it relates to his own re-election as a Director of the Company. The Director who takes the chair will be the Chairman for the part of the meeting considering that item of business.

The following persons have been identified as the Company's Key Management Personnel - Lance E Hockridge (Managing Director & CEO), Deborah O'Toole (Executive Vice President and Chief Financial Officer), Greg Pringle (Executive Vice President and Chief Corporate Services Officer), John Stephens (Executive Vice President and Chief Human Resources Officer), Michael Carter (Executive Vice President and Chief Executive Officer, Network Services), Ken Lewsey (Executive Vice President and Chief Executive Officer, Freight), Marcus McAuliffe (Executive Vice President and Chief Executive Officer, Coal Operations), Curtis Davies (Executive Vice President and Chief Executive Officer, Coal Customers and Strategy), Lindsay Cooper (Executive Vice President and Executive General Manager, Operational Excellence).

If you appoint a proxy, the Company encourages you to clearly instruct your proxy how to vote on each Item by marking the appropriate boxes on the proxy form.

POLL

Voting on Item 7 will be determined by a poll at the meeting rather than a show of hands.

The Chairman has the power to call a poll on any item of business.

Shareholders and proxy holders attending the meeting will be provided with poll voting cards. Shareholders not attending the meeting may use the enclosed proxy form.

QUESTIONS FROM SHAREHOLDERS

Discussion will take place on all the items of business set out in this Notice of Meeting, prior to shareholders being asked to vote. Shareholders will have the opportunity to ask questions (including an opportunity to ask questions of the auditor). In addition, Board members and senior executives will be available in the foyer area after the meeting.

RESULTS OF THE MEETING

Voting results will be announced on the ASX as soon as practicable after the meeting and also made available on the Company's website: www.qrnational.com.au.

HOW TO GET TO THE ANNUAL GENERAL MEETING

The Annual General Meeting is to be held at **The Brisbane Convention and Exhibition Centre (BCEC), Exhibition Hall 4, Corner of Merivale and Glenelg Streets, South Bank, Queensland, Australia 4101.**

The BCEC is in the South Bank riverside precinct, and is centrally located in Brisbane and accessible by all modes of transport. If you enter the BCEC through the Glenelg Street entrance, Exhibition Hall 4 is located towards the Melbourne Street end of the Centre.



HOW TO GET TO THE ANNUAL GENERAL MEETING

CAR:

Car parking options are available close to the venue and at BCEC. Direct lift access to Exhibition Hall 4 is via Carpark 2 and 3. A schedule of fees for parking at the venue is available at:

<http://www.bcec.com.au/venue-and-services/car-parking.aspx>

TAXI:

Taxis can take you to the main doors of the BCEC.

TRAIN:

There are two stations within walking distance of the BCEC, South Bank Station and South Brisbane Station. South Bank Station is within a five minute walk of the BCEC and can be accessed from Tribune Street. We have been advised by Queensland Rail that South Brisbane Station will be closed on the day of the AGM and will not be accessible. For further information and train timetables visit www.translink.com.au.

BUS:

South Bank is serviced by two bus stations: The Cultural Centre Busway on Melbourne Street and the South Bank Busway corner of Colchester and Tribune Streets, South Bank.

CITYCAT:

The CityCat terminal is located outside the riverside restaurants on the riverside promenade.

For train, bus and CityCat timetable information
please telephone TransLink on 131 230
or visit www.translink.com.au

ACCESSIBILITY:

Parking is available for people with disabilities in all areas of the BCEC car park which can be accessed by lifts and ramps. Restrooms are located on every level of the BCEC adjacent to all meeting rooms. BCEC has its own designated taxi rank and all stairs have handrails.



**Lodge your vote:****Online:**
www.investorvote.com.au**By Mail:**
Computershare Investor Services Pty Limited
GPO Box 242 Melbourne
Victoria 3001 AustraliaAlternatively you can fax your form to
(within Australia) 1800 783 447
(outside Australia) +61 3 9473 2555For Intermediary Online subscribers only
(custodians) www.intermediaryonline.com**For all enquiries call:**
(within Australia) 1300 552 270
(outside Australia) +61 3 9415 4000000001 000 QRN
MR SAM SAMPLE
FLAT 123
123 SAMPLE STREET
THE SAMPLE HILL
SAMPLE ESTATE
SAMPLEVILLE VIC 3030

Proxy Form



Vote online or view the annual report, 24 hours a day, 7 days a week:

www.investorvote.com.au**Cast your proxy vote****Access the annual report****Review and update your securityholding****Your secure access information is:****Control Number: 999999****SRN/HIN: 1999999999****PLEASE NOTE:** For security reasons it is important that you keep your SRN/HIN confidential. **For your vote to be effective it must be received by 10:00am (Brisbane time) on Tuesday 8 November 2011**

How to Vote on Items of Business

All your securities will be voted in accordance with your directions.

Appointment of Proxy

Voting 100% of your holding: Direct your proxy how to vote by marking one of the boxes opposite each item of business. If you do not mark a box your proxy may vote as they choose. If you mark more than one box on an item your vote will be invalid on that item.**Voting a portion of your holding:** Indicate a portion of your voting rights by inserting the percentage or number of securities you wish to vote in the For, Against or Abstain box or boxes. The sum of the votes cast must not exceed your voting entitlement or 100%.**Appointing a second proxy:** You are entitled to appoint up to two proxies to attend the meeting and vote on a poll. If you appoint two proxies you must specify the percentage of votes or number of securities for each proxy, otherwise each proxy may exercise half of the votes. When appointing a second proxy write both names and the percentage of votes or number of securities for each in Step 1 overleaf.**A proxy need not be a securityholder of the Company.**

Signing Instructions for Postal Forms

Individual: Where the holding is in one name, the securityholder must sign.**Joint Holding:** Where the holding is in more than one name, all of the securityholders should sign.**Power of Attorney:** If you have not already lodged the Power of Attorney with the registry, 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 sign in the appropriate place to indicate the office held. Delete titles as applicable.

Attending the Meeting

Bring this form to assist registration. If a representative of a corporate securityholder or proxy is to attend the meeting you will need to provide the appropriate "Certificate of Appointment of Corporate Representative" prior to admission. A form of the certificate may be obtained from Computershare or online at www.investorcentre.com under the information tab, "Downloadable Forms".**Comments & Questions:** If you have any comments or questions for the company, please write them on a separate sheet of paper and return with this form.**GO ONLINE TO VOTE,
or turn over to complete the form** →

MR SAM SAMPLE
 FLAT 123
 123 SAMPLE STREET
 THE SAMPLE HILL
 SAMPLE ESTATE
 SAMPLEVILLE VIC 3030

Change of address. If incorrect, mark this box and make the correction in the space to the left. Securityholders sponsored by a broker (reference number commences with 'X') should advise your broker of any changes.



I 9999999999

I ND

Proxy Form

Please mark to indicate your directions

STEP 1 Appoint a Proxy to Vote on Your Behalf

XX

I/We being a member/s of QR National Limited hereby appoint

the Chairman of the Meeting **OR**



PLEASE NOTE: Leave this box blank if you have selected the Chairman of the Meeting. Do not insert your own name(s).

or failing the individual or body corporate named, or if no individual or body corporate is named, the Chairman of the Meeting, as my/our proxy to act generally at the meeting on my/our behalf and to vote in accordance with the following directions (or if no directions have been given, as the proxy sees fit) at the Annual General Meeting of QR National Limited to be held at Exhibition Hall 4, Brisbane Convention and Exhibition Centre, Corner of Merivale and Glenelg Streets, South Bank on Thursday 10 November 2011 at 10:00am (Brisbane time) and at any adjournment of that meeting.

Important for Items 3, 4, 5 and 7 - If the Chairman of the Meeting is your proxy or is appointed as your proxy by default

By marking this box, you are directing the Chairman of the Meeting to vote in accordance with his voting intentions on Items 3, 4, 5 and 7 as set out below and in the Notice of Meeting. If you do not mark this box, and you have not directed your proxy how to vote on Items 3, 4, 5 and 7, the Chairman of the Meeting will not cast your votes on Items 3, 4, 5 and 7 and your votes will not be counted in computing the required majority if a poll is called on this Item. If you appoint the Chairman of the Meeting as your proxy you can direct him how to vote by either marking the boxes in step 2 below (for example if you wish to vote against or abstain from voting) or by marking this box (in which case the Chairman of the Meeting will vote in favour of Items 3, 4, 5 and 7).

The Chairman of the Meeting intends to vote all available proxies in favour of Items 3, 4, 5 and 7 of business.

I/We direct the Chairman of the Meeting to vote in accordance with his voting intentions on Items 3, 4, 5 and 7 (except where I/we have indicated a different voting intention below) and acknowledge that the Chairman of the Meeting may exercise my proxy even though Items 3, 4, 5 and 7 are connected directly or indirectly with the remuneration of a member of key management personnel and even if the Chairman of the Meeting has an interest in the outcome of that Item and that votes cast by him, other than as proxy holder, would be disregarded because of that interest.

STEP 2 Items of Business



PLEASE NOTE: If you mark the **Abstain** box for an item, you are directing your proxy not to vote on your behalf on a show of hands or a poll and your votes will not be counted in computing the required majority.

ORDINARY BUSINESS

| | For | Against | Abstain |
|---|--------------------------|--------------------------|--------------------------|
| 2(a) Re-election of Director - Mr John B Prescott AC | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |
| 2(b) Re-election of Director - Mr John Atkin | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |
| 2(c) Re-election of Director - Mr Peter Kenny | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |
| 3 Grant of Performance Rights to Managing Director & CEO | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |
| 4 Amendments to the terms of performance rights granted under the Company's incentive plans | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |
| 5 Approval of Potential Termination Benefits to Key Management Personnel | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |
| 6 Amendment to the Company's Constitution | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |
| 7 Remuneration Report | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |

The Chairman of the Meeting intends to vote all available proxies in favour of each item of business where possible.

SIGN Signature of Securityholder(s) *This section must be completed.*

Individual or Securityholder 1

Sole Director and Sole Company Secretary

Securityholder 2

Director

Securityholder 3

Director/Company Secretary

Contact Name

Contact Daytime Telephone

Date / /

QRN

1 3 2 8 2 4 A

Computershare +