



ABN: 55 009 686 435

NOTICE OF MEETING

The 2009 ANNUAL GENERAL MEETING
of Capilano Honey Limited

will be held at the

Springlake Function Centre

1 Springfield Lakes Boulevard, Springfield Lakes Qld 4300

on

Monday, 30 November 2009 at 11.00am





Table of Contents

Schedule of Events	below
Notice of Meeting	1
Explanatory Memorandum.....	2
Annexure A	6
Directions to Venue - Springlake Function Centre	10
Attendance Form.....	11
Proxy Form.....	13



Schedule of Events

9.00am	Annual General Meeting – Capilano Beekeepers Ltd <i>(Note: only Shareholders of CBL are eligible to attend this meeting)</i>
10.30am	Morning Tea
11.00am	Annual General Meeting – Capilano Honey Limited
1.00pm	Lunch – a light lunch will be provided



Notice of Meeting

Notice is hereby given that the thirty-seventh Annual General Meeting of Shareholders of **Capilano Honey Limited** ('CHL') ACN 009 686 435 will be held at the Springlake Function Centre, 1 Springfield Lakes Boulevard, Springfield Lakes Qld 4300 on Monday, 30 November 2009 commencing at 11.00am.

AGENDA

1. Ordinary Business

Financial Statements and Reports

To receive and consider the Company's Financial Statements, Director's Declaration and the Reports of the Directors and the Auditors for the year ended 30 June 2009.

Acknowledge appointment of directors

In accordance with the Company's Constitution, any person elected as a director of Capilano Beekeepers Ltd ('CBL') will be, by virtue of their election, be appointed as a Director of the Company.

RESOLUTION 1 - Remuneration Report included in the Report of the Directors

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

"That the Remuneration Report included in the Report of the Directors be adopted."

The Remuneration Report is included in the 'Report of the Directors' on page 8 of the CHL Annual Report. In accordance with the BSX Listing Rules, any votes cast in relation to this resolution by any director or their associates will be disregarded. However, the Company need not disregard any such vote if:

- a) it is cast by any person referred to above as a 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 a proxy for a person who is entitled to vote, in accordance with a direction on the proxy form to vote as the proxy decides.

2. Special Business

RESOLUTION 2 – Amendments to Constitution

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

"With effect from the conclusion of this meeting, the Company's Constitution be amended in accordance with, and as explained in, Annexure A to this notice of meeting."

RESOLUTION 3 – Renewal of partial takeover rules

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

"That, for the purposes of section 648G of the Corporations Act and for all other purposes, rules 29-35 of the Company's Constitution regarding partial takeovers be renewed for a period of 3 years, effective on the day on which this resolution is passed by Shareholders in general meeting"

In accordance with the Company's Constitution, CBL shall confer 75% of the total number of votes which are entitled to be cast in relation to special resolutions.

Dated this TWENTY-SEVENTH day of OCTOBER 2009

By Order of the Board



CAPILANO HONEY LIMITED
Richard Rivalland
Company Secretary

THIS IS AN IMPORTANT DOCUMENT

If you do not understand this notice or are in any doubt about the action you are required to take, you should consult your legal, financial or other professional adviser immediately.

INSTRUCTIONS

If you are unable to attend the meeting and wish to vote, you are requested to complete the Proxy Form on page 13.

If you are planning to attend the meeting please complete the Attendance Form on page 11.

NOTES

Information about the resolutions appear in the Explanatory Memorandum.

An ordinary resolution is one, which, to be passed, requires at least a simple majority of the votes cast by shareholders entitled to vote on the resolution to vote in favour.

A special resolution is one which, to be passed, requires at least 75% of the votes cast by shareholders entitled to vote on the resolution in favour.

Voting on the resolutions will be by means of a poll in which shareholders are entitled to one vote per share. In accordance with the Company's Constitution, a member who is entitled to attend and cast a vote at the meeting is entitled to appoint a proxy.

A 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.

If you wish to appoint a proxy and are entitled to do so, then complete and return the attached proxy form.

A corporation may elect to appoint a representative, in accordance with the Corporations Act 2001, 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.

Foundation Share

The Company may not pass any ordinary resolution without the affirmative vote of the Foundation Shareholder (CBL). CBL shall also confer 75% of the total number of votes which are entitled to be cast in relation to special resolutions.

The Foundation Share is held by Capilano Beekeepers Ltd.

Explanatory Memorandum

ORDINARY BUSINESS

Financial Statements and Reports

The Corporations Act requires that the report of the Directors, the Auditors' report and the financial report be laid before the Annual General Meeting. 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 Annual General Meeting 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.

Following consideration of reports the Chairman will give Shareholders a reasonable opportunity to ask questions about or comment on the management and audit of the Company. The external Auditors will be available at the meeting to answer questions on the conduct of the Audit and their Independent Auditors' Report. It is preferable that questions be submitted to the company in writing no later than five business days prior to the meeting. A list of questions submitted will be available at the meeting.

Appointment of Directors Acknowledged

In accordance with Rule 101B the Beekeeper Directors of the Foundation Shareholder (CBL) will, by virtue of holding that office, be appointed as Beekeeper Directors of the Company.

RESOLUTION 1 - To adopt the Remuneration Report in the Report of the Directors

A resolution to adopt the Remuneration Report is required by the Corporations Act. The resolution of Shareholders is advisory only and does not bind either the directors or the Company. The Remuneration Report has been prepared in conjunction with RPC Group Pty Ltd, a company specialising in corporate remuneration planning. RPC have concluded that the Company's remuneration policies are fair, reasonable and appropriate for its needs. A reasonable opportunity will be provided for discussion of the Remuneration Report at the meeting.

The directors support the resolution but are excluded from voting on it. They encourage Shareholders to vote in favour of the resolution which will support the policy of seeking to attract the best persons for the Company's needs, and of remunerating them in accordance with industry standards. The CBL Constitution provides that no remuneration can be paid to its directors. However, the directors of CBL will receive their remuneration from their positions as directors of CHL.

Under the Constitution of CHL no ordinary resolution can be passed in a general meeting of CHL without the support of CBL. A resolution to adopt the remuneration report of CHL will be put to the shareholders of CBL at its Annual General Meeting proposed to be held on 30 November 2009 at 11.00am.

SPECIAL BUSINESS

RESOLUTION 2 - Amendments to Constitution

Resolution 2 is a special resolution to amend the Company's Constitution and, in particular, to remove certain capital restrictions.

Background

As Shareholders are aware, the global financial crisis has impacted businesses across the world, and resulted in banks reassessing their levels of exposure.

As previously announced, as a result of a recent review, CHL's bankers, National Australia Bank Limited ("NAB") have notified CHL that, in order for NAB to continue CHL's facility, CHL must reduce its debt by approximately \$10m. The debt reduction timetable is staged, with most of the debt required to be repaid by 31 March 2009.

CHL has determined that, in the current debt environment, it is unlikely that sufficient levels of additional funding can be achieved by further borrowings, and that the debt reduction will need to be achieved by a combination of assets sales, improved use of working capital and a capital raising by way of the issue of new ordinary shares in CHL.

In order to enable all Shareholders in CHL to participate in the capital raising, CHL intends to conduct the capital raising by way of a rights issue where all Shareholders can participate pro rata in the issue.

What are the reasons for this proposal?

CHL needs to be certain that it will raise enough money in the rights issue to pay down the required debt. The directors believe that the existing Shareholders are unlikely to subscribe for the full amount of the rights issue, for the following reasons:

- most rights issues are undersubscribed;
- the Constitution of CHL prohibits any shareholder holding more than 10% of the shares in CHL, which restricts the ability of any shareholder significantly increasing its stake in CHL;
- CHL has canvassed existing Shareholders about their interest in subscribing for more shares in CHL and taken into account the responses received.

As a result, CHL has approached the wider investor market to determine whether, if there is a shortfall in the rights issue, external investors (including those already on the CHL share register) would be interested in taking up the shortfall. The responses from the investor market have indicated that:

- capital is currently in short supply;
- there are many opportunities in the market place competing for investors' money; and
- in order for investors to consider an investment in CHL, the "non-standard" capital restrictions in the CHL Constitution would need to be removed to place CHL on a more commercial footing and allow investors a normal share investment.

Explanatory Memorandum

The “non-standard” capital restrictions contained in the CHL Constitution are:

- the cap on any shareholder (together with its associates) holding more than 10% of the CHL shares – this restricts any investor building a reasonable stake in CHL;
- the special voting rights at shareholders’ meetings attached to the “Foundation Share” held by Capilano Beekeepers Ltd (“CBL”). These rights allow CBL to veto any ordinary resolution (requiring more than 50% approval) and pass any special resolution (requiring 75% approval) at a meeting of shareholders. They mean that an investor cannot exercise the voting rights that ordinarily come with an investment in shares; and
- the special rights given to CBL that ensure that the beekeeper directors of CBL are automatically appointed to, and represent a majority of, the board of CHL. This means that investors are not able to choose their board in a meeting of shareholders in the ordinary way.

These “non-standard” restrictions reflect a level of protection introduced to CHL’s Constitution to preserve the interests of its Supplier Shareholders, rather than the interests of members of CHL as Shareholders. The directors of CHL are conscious of the position of the Supplier Shareholders. However, they believe that it will not be practicable to raise the capital CHL requires without making the changes required to the Constitution.

The proposed changes will free up CHL’s ability to raise capital in the future and use its shares in the same way as other listed companies (eg to acquire other businesses in a “scrip” rather than cash deal).

What are the proposed changes?

There are no proposed changes to the existing honey supply agreements between CHL and its Supplier Shareholders.

Resolution 2 is to approve the amendment of the Constitution of CHL to:

- remove the 10% cap on shareholdings in CHL, allowing Shareholders to build larger stakes in CHL;
- remove the special voting rights attaching to the Foundation Share, leaving the CHL Shareholders, as a group, to decide on matters at a shareholders meeting, and the protection of the interests of all Shareholders to the ordinary corporate law principles; and
- reduce the director appointment right of CBL from a majority of CHL directors to two beekeeper director on the board of CHL. In CHL’s view, this will ensure that CBL will continue to have a voice on the board of CHL, without materially impairing CHL’s ability to complete its capital raising.

Resolution 2 also contains a number of consequential changes flowing from the removal of the restrictions referred to above and other changes proposed to the CHL Constitution to correct some inconsistencies between the Constitution, the Corporations Act and BSX Listing Rules.

Details of all the proposed changes and their effect are set out in the table in Appendix A.

Advantages and disadvantages for members

As discussed above, the main advantage for members of the proposal is the increased ability to raise capital to reduce the NAB debt, preserve ongoing NAB funding and secure the immediate future of CHL (and distribution for Supplier Shareholders). Other advantages for members may include:

- the removal of a significant obstacle to attracting non-beekeeper investment at a time when such investment is required;
- the general freeing up of CHL’s ability to raise capital in the future and use its shares in the same way as other listed companies;
- the potential increase in the value of members’ shares as a result of the potential recapitalisation of the Company and the freeing up of share trading;
- the improved voting rights of individual members;
- the removal of actual or perceived control by Supplier Shareholders. Although the Foundation Share has never been used to drive change, the removal of its voting rights will provide a more equitable platform for voting in proportion to actual shareholding;
- the potential for existing or new members, or a new board, to change the direction of CHL in a way which is beneficial to existing members.

The disadvantages for members may include:

- the potential for existing or new members, or a new board, to change the direction of CHL in a way which is not beneficial to existing members;
- the risk that Supplier Shareholders may elect to cancel honey supply contracts or choose not to supply CHL because of the proposed changes;
- specific disadvantages which apply only to the Supplier Shareholders of CHL, but not in their capacity as CHL Shareholders. The main disadvantage is the indirect loss of their voting power and other powers in relation to CHL, exercised through CBL, as discussed above.

Tax consequences

The directors have sought Australian tax advice on the effect of the proposed restructure on CHL Shareholders. The advice received is that it is very unlikely that there will be any tax effect for the members of CHL arising from the removal of voting rights attached to the Foundation Share.

The information in this section does not constitute tax advice and should not be relied on as such. The tax implications for Shareholders may depend on their own situation and Shareholders should seek independent advice in their jurisdiction in relation to their particular circumstances.

The directors unanimously believe that the proposed changes to CHL’s Constitution are in the best interests of the Company and recommend that Shareholders vote in favour of Resolution 2.

Explanatory Memorandum

If Resolution 2 is passed, CHL intends to identify suitable investor(s) to take up any shortfall on the rights issue and proceed with the rights issue as soon as reasonably practicable after the AGM, in order to meet the deadlines set by the NAB. It is likely that CHL will not be able to announce details of the rights issue, including its final size, the rights issue price, the identity of the shortfall investor(s) and timing, until after the AGM, as it is unlikely that discussions with investor(s) can be finalised until the proposed changes to the Constitution are confirmed.

→ RESOLUTION 3 - Renewal of partial takeover rules

Resolution 3 is a special resolution to renew rules 29 – 36 of the Company's Constitution, which deal with partial takeover approval under section 648D of the Corporations Act (**Partial Takeover Rules**). The renewal will operate for three years, and will then cease to apply unless renewed again by a further special resolution of Shareholders.

If Resolution 3 is passed, then for 21 days after the meeting the holders of 10% of the Company's Shares will have the right to apply to the court to have the resolution set aside. The court may set aside the resolution if the court is satisfied in all the circumstances that it is appropriate to do so.

The information set out below is to provide the statement required by section 648G(5) of the Corporations Act.

As provided in rule 36, the Partial Takeover Rules cease to have effect on the third anniversary of its adoption or last renewal. Since 3 years have passed since the last approval, Resolution 3 seeks to renew rules 29 - 36 in identical form to that previously existing. The advantages and disadvantages of the Partial Takeover Rules for Shareholders and Directors while it was in force previously and while it will be in force (if Resolution 3 is approved) are outlined below. No partial takeover bid has ever been made for the Company so the Directors cannot point to any more specific advantages or disadvantages evident from the operation of these rules.

What is a partial takeover bid?

A partial (or proportional) takeover bid is a takeover offer sent to all Shareholders offering to purchase a specified proportion of each Shareholder's Shares. If a Shareholder accepts, the Shareholder disposes of that specified portion and retains the balance.

What is the effect of the proposed provisions?

For a three year period, the combined effect of the Partial Takeover Rules in the Company's Constitution and the Corporations Act would be as follows. If a bidder makes a partial takeover bid for any class of shares in the Company, the Directors must convene a meeting of the members of that class of shares. The members receiving the bid can then vote on whether or not to approve the partial takeover bid. The takeover bidder and its associates are excluded from this meeting. The Directors must ensure that the resolution can be voted on before a deadline that expires 14 days before the end of the takeover offer period.

If a resolution to approve the bid is rejected before that deadline, the bid cannot proceed and all offers and contracts under the takeover bid must be withdrawn and rescinded. The partial takeover bid can proceed if a resolution approving it is passed before the deadline, or if the resolution is not voted on before the deadline.

What are the reasons for the proposal?

By making a partial bid, a bidder can obtain practical control of the Company by acquiring less than a majority interest, and without giving Shareholders an opportunity to exit by selling their entire holding into the partial bid. Effective control can change without Shareholders receiving an adequate control premium for their holding. It also leaves Shareholders with the balance of their investment as part of a minority holding in the Company.

The Directors believe that the proposed amendment is desirable to give Shareholders the protection from these risks inherent in partial takeover bids, protection that these Corporations Act provisions are intended to provide.

Apart from these general considerations, the Directors are not in a position to point to any special factual matters or principles as a basis for the proposal. Further, to assess the merits of the proposal, Shareholders need to make a judgement as to what events are likely to occur during the three year renewal period for the Partial Takeover Rules.

Advantages and disadvantages for members

Renewing the Partial Takeover Rules will be an advantage to Shareholders because it will enable a majority of Shareholders, excluding the bidder and its associates, to defeat a partial bid. This gives Shareholders a measure of protection if a partial takeover bid is made.

This clause would allow Shareholders to act in a more cohesive manner and may increase their bargaining power in the face of a partial bid. Even Shareholders who have accepted the bid, perhaps because they feel constrained to do so, may oppose the bid at the meeting. Therefore the Partial Takeover Rules may encourage any partial takeover bidder to make its partial offer attractive to a majority of shareholders. The Partial Takeover Rules may also have the effect of not allowing control of the Company to pass without payment of a control premium.

A disadvantage for Shareholders could be that the Partial Takeover Rules, if renewed, could have the effect of discouraging a takeover bid that might be of benefit to shareholders if it were to be made. This could reduce any speculative element in the Company's Share price on BSX. Individual Shareholders may consider that the Partial Takeover Rules would restrict their ability to deal with their shares as they see fit.

The directors recommend you vote in favour of Resolution 3.

Explanatory Memorandum

An extract of rules 29 – 36 of the Constitution is set out below:

APPROVAL OF PARTIAL TAKEOVER BIDS

29. *Registration of a transfer giving effect to a contract resulting from the acceptance of an offer made under a Partial Takeover Scheme is prohibited unless and until a Partial Takeover Resolution is passed.*
30. *A person (other than the Offeror or a person associated with the Offeror) who, as at the end of the day on which the first offer under the Partial Takeover Scheme was made, held shares of the class which are the subject of the Partial Takeover Scheme:*
 - (a) *may vote on a Partial Takeover Resolution; and*
 - (b) *has one vote for each of the shares.*
31. *Where offers have been made under a Partial Takeover Scheme, the directors must ensure that a Partial Takeover Resolution is voted on at a meeting of the persons described in rule 30 before the Relevant Day.*
32. *Subject to the provisions of these rules 53-57, a Partial Takeover Resolution is passed if more than one-half of the votes cast on the resolution are cast in favour of the resolution, and otherwise is taken to have been rejected.*
33. *The provisions of these rules that apply in relation to a general meeting of the Company apply, with any modifications that circumstances require, in relation to a meeting that is convened under this rule as if the meeting was a general meeting of the Company.*
34. *Where a Partial Takeover Resolution is voted on in accordance with this rule before the Relevant Day the Company must, on or before the Relevant Day:*
 - (a) *give to the Offeror; and*
 - (b) *if relevant, serve on the approved stock exchange on which the Company is listed, a notice in writing stating that the Partial Takeover Resolution has been voted on and that it has been passed, or has been rejected, as the case requires.*
35. *If at the end of the day before the Relevant Day no Partial Takeover Resolution has been voted on in accordance with this rule, a resolution to approve the Partial Takeover Scheme will, for the purposes of this rule, be taken to have been passed.*
36. *Rules 29-35 cease to have effect on the third anniversary of the later of the date of adoption or last renewal of these rules.*

Annexure A – Resolution 2: Proposed amendments to Constitution

RULE	AMENDMENT	EFFECT
7	<p>In the definition of 'Beekeeper Director':</p> <ul style="list-style-type: none"> • Delete: <i>"means a person who is a Supplier Shareholder and a party of a Honey Supply Agreement on the first occasion of his election as a director" and.</i> • Insert <i>"means a person who is appointed by the Foundation Shareholder."</i> 	Reflects the change to the structure of the board.
7	<p>In the definition of 'Independent Director':</p> <ul style="list-style-type: none"> • Delete: <i>"appointed in accordance with rule 101C or 105"; and</i> • Insert <i>"other than the Beekeeper Directors and the Managing Director".</i> 	Consequential change reflecting changes to director appointments in rules 101A to 113.
7	<p>Insert: <i>"'Managing Director' means the chief executive officer appointed by the Directors."</i></p>	Reflects the change to the structure of the board.
7	<p>Insert: <i>"'Director' means a director of the Company including Independent Directors, the Managing Director and any Beekeeper Directors;"</i>.</p>	Reflects the change to the structure of the board.
7	<p>In the definition of 'Foundation Shareholder':</p> <ul style="list-style-type: none"> • Delete: <i>"means Capilano Beekeepers Ltd ACN 108 568 672 for so long as it holds the Foundation Share;"</i>; and • Insert: <i>"means:</i> <i>a) Capilano Beekeepers Ltd ACN 108 568 672; or</i> <i>b) any Successor Body,</i> <i>for so long as it holds the Foundation Share;"</i> 	Ensures that the Foundation Share remains in the hands of beekeepers.
7	<p>Insert: <i>"'Successor Body' means a body approved by the directors, established to succeed Capilano Beekeepers Ltd or any successor to Capilano Beekeepers Ltd with similar objects to Capilano Beekeepers Ltd for the purposes of holding the Foundation Share."</i></p>	New definition used in the definition of "Foundation Shareholder" and in the amendment to rule 9C.
9B	<ul style="list-style-type: none"> • Delete: <i>"The Foundation Shareholder shall be entitled to receive notice of and, either by proxy or by representative, to attend, speak and vote at any general meeting of the Company;"</i>; and • Insert <i>"The Foundation Share shall have no voting rights but the Foundation Shareholder shall be entitled to receive notice of and, either by proxy or by representative, to attend, speak but not vote at any general meeting of the Company."</i> 	Removes the voting rights attached to the Foundation Share.
9C	<ul style="list-style-type: none"> • Delete: <i>"The Company may not pass any ordinary resolution without the affirmative vote of the Foundation Shareholder;"</i>; and • Insert: <i>"The directors shall decline the transfer of the Foundation Share except to a Successor Body."</i> 	<p>The deletion enables ordinary shareholders to pass ordinary resolutions without an overriding vote from the Foundation Shareholder.</p> <p>The insertion ensures that the Foundation Share remains in the hands of beekeepers.</p>
9D	<p>Delete</p>	The deletion enables ordinary shareholders to pass special resolutions without an overriding vote from the Foundation Shareholder.

Annexure A – Resolution 2: Proposed amendments to Constitution

RULE	AMENDMENT	EFFECT
10 – 12	Delete	Removes the 10% shareholding threshold enabling investors to acquire more than 10% of the Company's shares. This change also makes the Company more attractive to investors when raising capital because there are no restrictions on shareholding.
13	Delete the word "also".	Minor drafting change.
14 - 28	Delete	Consequential change reflecting removal of 10% shareholding threshold.
29 - 35	To replace the words " <i>Partial Takeover Scheme</i> " with the words " <i>Proportional Takeover Bid</i> " in each place that they appear in the Constitution;"	Inconsistent with Corporations Act
32	Delete " <i>and in particular, rules 10 and</i> ".	Consequential change reflecting removal of 10% shareholding threshold.
39	Delete " <i>and pursuant to the powers of the directors under and for the purposes of rules 10-28 only</i> ".	Consequential change reflecting removal of 10% shareholding threshold.
57(b)	Delete " <i>subject at all times to the rules and in particular to rules 10-28 hereof</i> ".	Consequential change reflecting removal of 10% shareholding threshold.
57(c)	Delete " <i>subject at all times to the rules and in particular to rules 10-28 hereof</i> ".	Consequential change reflecting removal of 10% shareholding threshold.
73	Delete	Removes the requirement to conduct a rights issue before being able to place shares with new investors. Facilitates the Company's ability to raise capital in the future.
74	Delete " <i>Notwithstanding anything to the contrary in Rule 73, the</i> " and insert " <i>The</i> ".	No longer applicable if rule 73 is deleted.
77	Delete: " <i>21 days notice</i> " and Insert " <i>28 days notice</i> "	Inconsistent with Corporations Act
80(b)	Delete " <i>directors</i> " and insert " <i>Independent Directors</i> ".	Consequential change as a result of Independent Directors being the only directors required to rotate.
82	Delete " <i>The Foundation Shareholder, and ten</i> " and insert " <i>Ten</i> ".	Consequential change flowing from removal of Foundation Share's voting rights.
87(b)	After the semicolon insert the word " <i>or</i> ".	Minor grammatical change.
87(c)	Delete " <i>; or</i> " and insert " <i>.</i> ".	Minor grammatical change.
87(d)	Delete	The Foundation Shareholder can no longer demand a poll as a result of removing the voting rights attached to the Foundation Share.

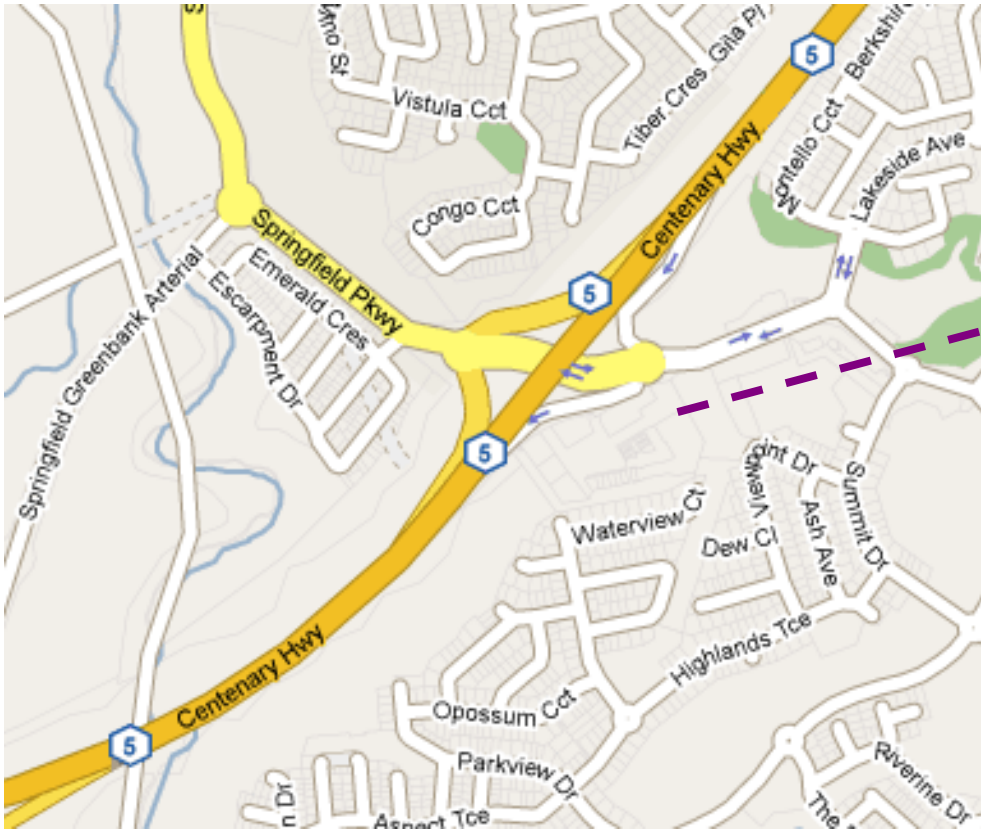
Annexure A – Resolution 2: Proposed amendments to Constitution

RULE	AMENDMENT	EFFECT
91	Delete “rules 25, 26 and” and insert “rule”.	Rules 25 and 26 have been deleted.
99	Delete “No instrument appointing a proxy is, except as provided in this rule, valid after the expiration of 12 months after the date of its execution.”.	Inconsistent with Corporations Act as proxies can be standing and last longer than 12 months. This change should eliminate any confusion between the Constitution and the Corporations Act.
101A	<ul style="list-style-type: none"> • Delete: “rules 101A to 101D shall govern the appointment and removal of directors, and rules 104 to 113 shall not operate”; and • Insert: “the Foundation Shareholder may appoint two Beekeeper Directors to the board of directors of the Company from time to time by written notice to the Company. The Foundation Shareholder may then remove or substitute the Beekeeper Directors appointed under this rule by written notice to the Company.”. 	<p>The deletion is a consequential change reflecting the changes to the appointment and removal of directors.</p> <p>The insertion enables the Foundation Shareholder to appoint, replace or remove one Beekeeper Director from time to time. Beekeeper Directors are no longer subject to rotation.</p>
101B	Delete	Removes the automatic appointment of CBL’s Beekeeper Directors to the board of the Company.
101C	Delete	Consequential change flowing from the Independent Directors no longer being appointed by the board but by the shareholders – see amendments to rule 104.
101D	Delete	The prohibition from Independent Directors being a supplier of honey to the Company or an employee or customer of the Company is removed which broadens the pool of potential directors.
101E	Delete	No longer relevant.
102	<ul style="list-style-type: none"> • Delete: “The number of directors shall not be less than 5 nor more than 8 and shall comprise Beekeeper Directors, Independent Directors and may include a Managing Director. The number of Beekeeper Directors shall exceed the combined number of Independent Directors and Managing Director by at least one. The number of Beekeeper Directors shall be not less than 3 nor more than 5 and the maximum number of Independent Directors shall be 3.”; and • Insert: “The number of directors shall not be less than 3 nor more than 8 and shall comprise the Beekeeper Directors (in accordance with Rule 101A), Independent Directors and may include a Managing Director.”. 	Brings the minimum number of directors in line with the Corporations Act and reflects the change to the structure of directors.
104	Delete “Beekeeper” and insert “Independent”.	Independent Directors will now be elected by shareholders of the Company. With the removal of the voting rights attached to the Foundation Share, the votes of ordinary shareholders will ultimately decide which directors are elected.
105	Delete	Reflects the change to the structure of the board.

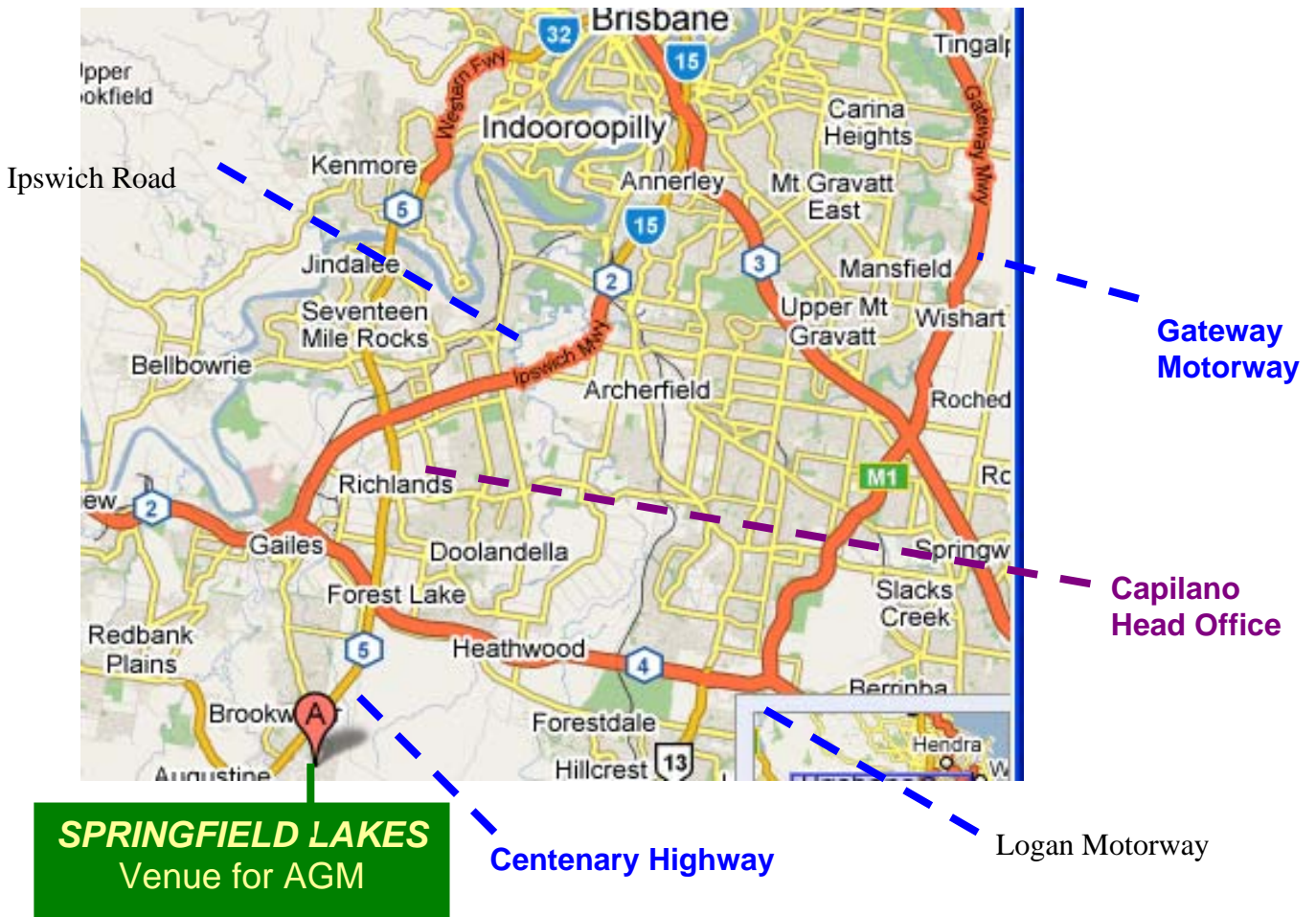
Annexure A – Resolution 2: Proposed amendments to Constitution

RULE	AMENDMENT	EFFECT
106	Delete	The prohibition from Independent Directors being a supplier of honey to the Company or an employee or customer of the Company is removed which broadens the pool of potential directors.
107	Delete	Deleted because Independent Directors are now subject to retirement by rotation.
108	Delete references to " <i>Beekeeper</i> " and replace with " <i>Independent</i> ";	Reflects the change to the structure of the board.
109	Delete " <i>Beekeeper</i> " and insert " <i>Independent</i> ".	Reflects the change to the structure of the board.
110	Delete	Reflects the change to the structure of the board.
111	Delete: " <i>Beekeeper</i> " and insert " <i>Independent</i> ". Delete: " <i>90 days</i> " and insert " <i>30 business days</i> ".	Reflects the change to the structure of the board and compliance with BSX Listing Rules
112	Delete " <i>a Beekeeper</i> " and insert " <i>an Independent</i> ".	Reflects the change to the structure of the board.
113	Delete " <i>a Beekeeper</i> " and insert " <i>an Independent</i> ".	Reflects the change to the structure of the board.
133	Delete "3" and insert "2".	Reflects the change to the structure of the board.
139A	Delete " <i>and an Independent Director may only appoint an alternate who is a non beekeeper</i> ".	Reflects the change to the structure of the board.
140	<ul style="list-style-type: none"> • Delete "<i>3, at least 2 of whom must be Beekeeper Directors</i>"; and • Insert "<i>2 directors, at least 1 of whom must be a Beekeeper Director (if any)</i>". 	Reflects the change to the structure of the board.

Directions to AGM Venue - Springlake Function Centre



The **Springlake Function Centre** is located at the back of the Springlake Hotel, which is adjacent to the McDonalds.



SPRINGFIELD LAKES
Venue for AGM

Centenary Highway

Logan Motorway

Gateway Motorway

Capilano Head Office

Ipswich Road



Attendance Form

Office Use Only: Slip no ... No. of shares

CAPILANO HONEY LIMITED

ACN 009 686 435

Office Use Only: Slip no No. of shares

Office Use Only: Slip no No. of shares

Shareholder No/s:

Name

Address

I/we propose to attend the following meetings to be held on Monday, 30 November 2009:

9.00am Annual General Meeting
CAPILANO BEEKEEPERS LTD
Registration from 8.00am

CBL Shareholders only

11.00am Annual General Meeting
CAPILANO HONEY LIMITED
Registration from 10.00am

1.00pm Light Lunch

Please list names of those attending:

If you plan to attend the AGM please complete and return this form by 20 November 2009 either by fax on (07) 3712 8287 or post to Capilano Honey Limited, PO Box 531, Inala Q 4077



Proxy Form

CAPILANO HONEY LIMITED

ACN 009 686 435

Office Use Only: Slip no ... No. of shares

Office Use Only: Slip no ... No. of shares

Office Use Only: Slip no ... No. of shares

Shareholder Number:

I/We, (the undersigned)
(please print full name)

of
(please print full address)

being a member/s of Capilano Honey Limited HEREBY APPOINT (refer to "Instructions for appointment of Proxy" detailed below)
(please print full name)

of
(please print full address)

or failing him/her, the Chairman of the Meeting, as my proxy to attend and exercise of my votes (refer note 1) on my behalf at the Annual General Meeting of the Company to be held on 30 November 2009 at 11.00am and at any adjournment thereof.

Instructions for voting on Resolution:

- To vote FOR put an "X" in the FOR column.
- To vote AGAINST put an "X" in the AGAINST column.
- To give your proxy discretion to vote For or Against the Resolution as they see fit, put an "X" in the AT DISCRETION column
- To ABSTAIN from voting put an "X" in the ABSTAIN column - this will have the same effect as if no vote was recorded at all and will be disregarded completely in calculating votes FOR or AGAINST.

	For	Against	At discretion (refer Note 2)	Abstain
Resolution 1: To adopt the Remuneration Report included in the Report of the Directors	<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>
Resolution 2: That the Company's Constitution be amended as outlined in Annexure A	<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>
Resolution 3: That Rules 29 to 35 of the Constitution regarding partial takeovers be renewed for a further period of three years from 30 November 2009.	<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>

Signature of shareholder/s

Date:

Note 1: If only one proxy is appointed, please insert the word "ALL" in the space before "of my votes". If the space is not completed, all of your votes will be conferred on your proxy. If you desire to appoint two proxies to exercise differing proportions of your votes, a further form may be obtained from the Company Secretary.

Note 2: If you appoint a director or leave the proxy open (thereby appointing the Chairman) and mark 'at discretion', you acknowledge that the Chairman / Director may exercise your proxy even if he has an interest in the outcome of the resolution. Votes cast by him other than as proxy holder will be disregarded because of that interest.

Note 3: For this proxy form to be valid, it must be received at the Registered Office of the company not less than forty-eight (48) hours before the start of the Annual General Meeting (see Rule 98). **Accordingly, all proxy forms must be received at 399 Archerfield Road, Richlands Q 4077 (PO Box 531, Inala Q 4077) or by facsimile (07) 3712 8287 no later than 11.00am on Thursday, 26 November 2009.**

Please find on reverse of this page
Instructions for Appointment of Proxy and Explanatory Notes – Proxy Forms.

Proxy Form

INSTRUCTIONS FOR APPOINTMENT OF PROXY

(Please read this information and explanatory notes before completing this form)

1. A shareholder entitled to attend and vote at the Annual General Meeting is entitled to appoint not more than two proxies to attend and vote for them. A proxy need not be a shareholder of the company.
2. Proxies can be directed on how to vote by inserting an "X" in the appropriate box against each resolution, otherwise the proxies will vote as they see fit, or abstain from voting.
3. The proxy form must be signed personally by the shareholder or their attorney. If a proxy is given by a corporation it must be executed in accordance with the corporation's constitution.
4. In the case of a partnership, all partners must sign the proxy form unless the company has written advice to the contrary.
5. If the proxy is signed under power of attorney then the signatory declares that they have no notice of revocation of the power of attorney. A certified copy of the relevant power of attorney authorising that person to sign must be enclosed with this proxy form.
6. Shareholder/s' signatures do not require witnessing.

EXPLANATORY NOTES - PROXY FORMS

Please note that a Proxy Form gives any shareholder unable to attend the Annual General Meeting the opportunity to record their vote on any matter which becomes the subject of a poll at the Annual General Meeting. (For an explanation of the meaning of the word "poll", please refer to the explanatory note below.)

Rules 87 and 91 of the company's Constitution, reproduced below for information, outline the circumstances and manner in which a poll is conducted.

Rule 87

"A POLL MAY BE DEMANDED BY:

- (a) the chairman;
- (b) at least 5 shareholders present entitled to vote on the resolution;
- (c) by a member or members present with at least 5% of the votes that may be cast on the resolution on a poll; or
- (d) the Foundation Shareholder."

Rule 91

"Subject to these rules and in particular rules 25, 26 and 72 and subject to any rights or restrictions for the time being attached to any class or classes of shares, at meetings of members or classes of members each member entitled to vote may vote in person or by proxy or by attorney or a representative of a member that is a corporation and, subject to the act on a show of hands every person present who is a member or a representative of a member that is a corporation shall have one vote, and on a poll every member present in person or by proxy or by attorney or a representative of a member that is a corporation shall have one vote for each share held."

It should be noted that a proxy can only be used in those instances where a poll is demanded in accordance with the Rules; in all other circumstances resolutions are decided on a show of hands of the shareholders present at the meeting.

However, as has customarily been the case at previous General Meetings and to afford all shareholders the opportunity to have their vote recorded, the Chairman will, in accordance with Rule 87(a) above, declare at the commencement of the Annual General Meeting, that all resolutions shall be the subject of a poll.

If you are unable to attend the Annual General Meeting, but wish to exercise your right to vote, please complete and return the Proxy Form to reach us by 11.00am on 26 November 2009. If you wish to do so, please assist the person you nominate as your proxy by directing them to vote in the manner in which you require. You can do this by placing an "X" in the appropriate FOR, AGAINST, AT DISCRETION or ABSTAIN space on the Proxy Form.

The person you appoint as your proxy need not be a shareholder of the company, but **MUST** be a person who will be attending the meeting. If any further explanation of this very important matter is required, please do not hesitate to contact me in writing or by phone.



R Rivalland
Company Secretary.

[Note: A "poll" is the situation which occurs when the votes of all shareholders present at a meeting, either personally or by proxy, are counted, and each share held by a shareholder is given one vote. For example if shareholder "A" holds 5,000 shares and he is present at the meeting, and shareholder "B" who holds 6,000 shares is not present, but has appointed person "C" as his proxy, shareholder "B" has 6,000 'votes' compared to shareholder "A"'s 5,000. Appointing a proxy is therefore of **paramount importance**, as it gives all shareholders the opportunity to exercise their democratic right to vote, and the votes are recorded in direct proportion to the number of shares they hold. {In the above example, if "A" and "B" were the only shareholders voting, "B", though the proxy he has given to "C", could defeat "A" on any issue if he so directed his proxy.}]