



NOTICE OF ANNUAL GENERAL MEETING

Notice is hereby given that the 2004 Annual General Meeting of Joyce Corporation Ltd will be held at the Parmelia Hilton, Mill Street, Perth on 21 October 2004 commencing at 10.00am.

AGENDA

Ordinary Business

1. Consideration of the 2004 Financial Statements

To receive and consider the Financial Report for the year ended 30 June 2004, the Directors' Report and the Independent Audit Report.

2. Election of Directors

Mr J F Ries retires by rotation in accordance with Rule 9.1(e) of the Company's constitution and, being eligible, offers himself for re-election.

Special Business

3. Termination entitlement to Mr D A Smetana

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

"That for all purposes including Listing Rule 10.19 of the Listing Rules of the Australian Stock Exchange Limited approval be given to the entitlement of Mr D A Smetana to the termination benefit of \$731,000 (which excludes a further amount of \$362,137 which Mr D A Smetana has agreed to forego subject to passage of this resolution) described in the explanatory memorandum and the payment of that termination benefit to Mr D A Smetana."

Voting exclusion

The company will disregard any votes cast on this resolution by:

- Mr D A Smetana and any of his associates; and
- any other officer of the Company or any of its child entities who is entitled to participate in a termination benefit and any of their associates,

unless 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
- 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.

Explanatory memorandum

Shareholders are referred to the explanatory memorandum accompanying this notice of meeting. The explanatory memorandum is intended to be read in conjunction with and forms part of this notice of meeting.

By order of the Board.

A handwritten signature in black ink, appearing to read "E J Dodds". The signature is written in a cursive style with a prominent initial "E" and a long, sweeping underline.

E J Dodds
Secretary



GENERAL NOTES FOR SHAREHOLDERS

The Board has determined that, for the purpose of the meeting, shares in the Company will be taken to be held by the persons who are the registered holders at 10.00am on 21 October 2004. Accordingly, share transfers registered after that time will be disregarded in determining entitlements to attend and vote at the meeting.

Proxies

A Proxy Form is attached to this notice of meeting. A member entitled to attend and vote at the meeting has a right to appoint a proxy. The proxy does not need to be a member. A member that is entitled to cast 2 or more votes may appoint two proxies and may specify the proportion or number of votes each proxy is appointed to exercise. If no proportion or number is specified, each proxy may exercise half of the member's votes. You may appoint the Chairman as your proxy by simply marking the box provided. Please refer to the Proxy Form for the Chairman's intention if you wish to give an undirected proxy.

To be valid a Proxy Form must be received at the registered office of Joyce Corporation Ltd, 68 Forsyth Street, O'Connor, Western Australia, 6163 OR by facsimile: [to (08) 9314 2236], at least 48 hours before the appointed time of the meeting, i.e. forms must be received by 10.00am on 19 October 2004.

Proxy Forms must be signed by the member or the member's duly authorised attorney. In the case of a corporation, the Proxy Form must be executed under the corporation's common seal, or under the hand of its attorney or other person duly authorised by the corporation.

If the Proxy Form is executed under a Power of Attorney or other authority the instrument, or a notarially certified copy thereof, must be deposited at the registered office of Joyce Corporation Ltd at least 48 hours before the appointed time of the meeting.

Corporate Representative

Where a member or a proxy is a body corporate, a duly appointed representative of that body corporate must present a certificate evidencing their appointment. A suitable form of certificate appears below:

CERTIFICATE OF APPOINTMENT OF REPRESENTATIVE

.....(name of body corporate) the Registered Office of which is situated at

..... (address)

HEREBY CERTIFIES that, pursuant to the provisions of the Corporations Act and the body corporate's constitution, the body corporate has

APPOINTED

OR FAILING HIM/HER to act as the body corporate's representative at the Annual General Meeting of members of Joyce Corporation Ltd to be held at 10.00am on 21 October 2004 or at any adjournment thereof.

Dated this day of 2004

The COMMON SEAL of

Was hereunto affixed in the presence of:

Director

Director/Secretary



2004 Annual General Meeting

PROXY FORM

To be valid, this form must be received at the Registered Office of Joyce Corporation Ltd, 68 Forsyth Street, O'Connor, WA, 6163, not later than 10.00am on 19 October 2004.

Forms may be delivered to the above address; posted to PO Box 78, Hamilton Hill WA 6963 or sent by facsimile to (08) 9314 2236

I/We
 (insert name of member as it appears in the Register of Members)
 of

being a member/members of Joyce Corporation Ltd and entitled to attend and vote **hereby appoint**

the Chairman of the Meeting (mark with an 'X') **OR**

Write here the name of the individual or body corporate you are appointing if this individual or body corporate **is someone other than the** Chairman of the meeting. Please note that a

member cannot appoint themselves as their proxy or failing the individual 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 the Company to be held at 10.00am on 21 October 2004 and at any adjournment of that meeting.

IMPORTANT: FOR AGENDA ITEM 3 BELOW

If the Chairman of the meeting is your nominated proxy, or may be appointed by default, and you have not directed your proxy how to vote on item 3 below, please place a mark in this box. By marking this box you acknowledge that the Chairman of the meeting may exercise your proxy even if he 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. If you do not mark this box, and you have not directed your proxy how to vote, the Chairman of the meeting will not cast your votes on item 3 and your votes will not be counted in computing the required majority if a poll is called on this item. The Chairman of the meeting intends to vote undirected proxies in favour of all items including item 3.

	FOR	AGAINST	ABSTAIN
	(Tick as appropriate)		
<i>Ordinary Business</i>			
<i>Election of director (Agenda item 2)</i> Mr J F Ries	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
<i>Special Business</i>			
<i>Termination entitlement to Mr D A Smetana (Agenda item 3 – refer explanatory memorandum)</i>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

SIGN AND DATE HERE

SIGNATURE:

SEAL (for companies)

NAME (printed):
DATE:

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Agenda Item 2

J F Ries Independent Non Executive Director, B. Bus FCPA, FAIBF

Mr Ries joined the Board of Joyce Corporation Ltd on 11 March 2002. Previously, he had a career of 38 years with ANZ Bank, retiring at the end of 1998 as an Executive Director. He is a Director of Members Equity Pty Ltd (a licensed bank) and Chairman of Australian Biotechnology & Healthcare Fund No 3 Limited. Apart from being a director of a number of small private companies, he is also a director of Mercy Health Aged Care Inc., Melbourne.

Explanatory Memorandum
(Agenda Item 3)

Termination entitlement to Mr D A Smetana

Australian Stock Exchange Limited (**ASX**) Listing Rule 10.19 provides that without the approval of ordinary shareholders, an entity must ensure that no officer of the entity or any of its child entities will be, or may be, entitled to termination benefits if the value of those benefits and the termination benefits that are or may become payable to all officers together exceed 5% of the equity interests of the entity as set out in the latest accounts given to ASX under the listing rules.

Mr D A Smetana was employed with Joyce Corporation Ltd under a service agreement dated 31 December 1987 (**Service Agreement**).

In May 2001 Receiver/Managers were appointed to Joyce Corporation Ltd. Mr D A Smetana's employment with the Company was terminated by the Receiver/Managers on 18 July 2001. Immediately prior to termination Mr D A Smetana was the Company's Executive Chairman and had been continuously employed by the Company for over sixteen years. The termination of Mr D A Smetana's employment with the Company gave rise to a termination liability under the terms of the Service Agreement in the amount of \$1,243,137. In light of the financial position of the Company at the time of his termination Mr D A Smetana agreed to defer the payment of the termination benefit in order to assist the cash flow of Joyce Corporation Ltd.

In the June 2001 and subsequent accounts the amount of \$1,243,137 was split into two parts, being a liability owing to Mr Smetana for \$519,150 and the balance as a contingent liability of \$723,987. The entitlement of \$519,150 was based on 5% of shareholders equity at 30 June 2001. The balance of \$723,987 was to become payable as shareholders funds grew.

In July 2004 during the year-end audit the manager from Hall Chadwick (Auditors) had a concern over whether the amount owing to Mr Smetana was a contingent liability and held discussions with the audit partner, Mr Smetana and Freehill's Lawyers.

The outcome of the research into Mr Smetana termination as Executive Chairman in July 2001, was that based on the ASX rule 10.19, the incorrect set of accounts had been used to calculate the entitlement of Mr Smetana. The ruling states that the latest accounts lodged with the ASX are to be used to calculate the 5% of shareholders equity; the accounts lodged with the ASX at the time of the termination were December 2000 showing shareholders equity of \$25,345,000. This meant that the \$723,987 was not a contingent liability and Mr Smetana was now entitled to receive the full termination entitlement of \$1,243,137. This also meant that Joyce Corporation Ltd did not have an adequate accrual in the June 2004 accounts. The alternative was to increase the accrual by \$362,137 or for Mr Smetana to forego this amount.

As Mr D A Smetana was paid a total of \$150,000 of the termination benefit during June and July 2004, a total of \$1,093,137 of the termination benefit under the Service Agreement has yet to be paid. In the interests of good governance and to ensure compliance with the Listing Rules the Company seeks shareholder approval of Mr D A Smetana's entitlement to, and the payment of, the remainder of the termination benefit.

If shareholders approve Mr D A Smetana's entitlement to, and the payment of, \$731,000 Mr D A Smetana has agreed to forego the remaining \$362,137 of the termination benefit calculated in accordance with the Service Agreement.

[The directors other than Mr D A Smetana recommend that shareholders vote in favour of the resolution.]