

GARRATT'S LIMITED

ACN 000 003 725

Telephone: +61 2 9224 5555 Facsimile: +61 2 9224 5550

14 November 2005

Company Announcements Office
Australian Stock Exchange
Level 4
20 Bridge Street
Sydney NSW 2000

Via ASX Online

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ANNOUNCEMENT

DOCUMENTS SENT TO SECURITY HOLDERS

In accordance with ASX Listing Rule 3.17, we attach a copy of a letter, Remuneration Report and Proxy Form sent to Shareholders today.

Ian Bloodworth
Company Secretary

GARRATT'S LIMITED

ACN 000 003 725

Telephone: +61 2 9224 5555 Facsimile: +61 2 9224 5550

11 November 2005

To All Shareholders

Dear Shareholder

Adoption of Remuneration Report

On 20 October 2005 all shareholders were sent a copy of the Annual Report for the year ended 30 June 2005 and the Notice of the Annual General Meeting to be held at Academies Australasia, Level 4, Imperial Arcade, 83 Castlereagh Street, Sydney on Monday 28 November 2005 at 11.30am.

The Corporations Act now requires that a resolution to adopt a remuneration report be put to the vote at the Annual General Meeting. The vote on the resolution is advisory only and does not bind the directors or the Company. Nevertheless, the Board will consider the discussion on this resolution and the outcome of the vote.

Attached is the Remuneration Report that will be considered under Item 5 of the Agenda (*'To transact any other business which may be brought forward in accordance with the Corporations Act'*).

The Remuneration Report is a compilation of relevant extracts from the Annual Report. It does not contain anything that is not already in the Annual Report.

Also attached is a proxy form which is identical to that sent to shareholders on 20 October 2005 except that it now includes a section for voting direction in respect to the Remuneration Report resolution. Proxy forms must be lodged at the Registered Office of the Company (Suite 1401, Level 14, 33 Bligh Street, Sydney NSW 2000, Australia) or sent by facsimile to the Registered Office of the Company (+61 2 9224 5550), not less than 48 hours before 11.30am on 28 November 2005.

Yours sincerely

Christopher Campbell
Group Managing Director

GARRATT'S LIMITED

REMUNERATION REPORT

[For consideration at the Annual General Meeting on 28 November 2005 under Item 5 of the Agenda ('To transact any other business which may be brought forward in accordance with the Corporations Act')]

1. Remuneration Policies

The Remuneration Committee reviews and makes recommendations to the Board on remuneration packages and policies applicable to the Managing Director, senior executives and directors themselves. This role also includes responsibility for share option schemes, incentive performance packages, superannuation entitlements, retirement and termination entitlements, fringe benefit policies and professional indemnity and liability insurance policies. Remuneration levels are competitively set to attract the most qualified and experienced directors and senior executives. During the year all the Directors were members of the Remuneration Committee. *(Paragraph 'e' of page 22 of Annual Report)*

The remuneration policy of the Company in respect of directors and senior executives is to ensure certainty of exposure of the Company to employees by agreeing a fixed salary for each director and senior executive. There are no bonus or performance related components to remuneration. *(From page 7 of Annual Report)*

There are no options over unissued capital and the Company does not have an employee share option plan. *(From page 7 of Annual Report)*

2. Directors' and Executives' Remuneration

a. **Directors and Specified Executives**

The names of each person holding the position of director of Garratt's Limited at any time during the financial year were Christopher Elmore Campbell (Group Managing Director – Executive), Neville Thomas Cleary (Chairman – Non-Executive), Chiang Meng Heng (Director – Non-executive) and Petah Anne Fitzsimmons (Alternate) (Group Company Secretary – Executive – Resigned 27 August 2004). The names of each person holding the position of specified executive at any time during the financial year were Ivan James Mikkelsen (General Manager – Fasteners), Ian David Bloodworth (Group Finance Manager and Group Company Secretary) and David John Wheeler (Group Academic Principal). *(Paragraph 'a' of page 20 of Annual Report)*

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b. Parent Entity Directors' Remuneration

	Salary and Fees	Superan- uation Contrib- utions	Allowance	Non- cash Benefits	Total
	\$	\$	\$	\$	\$
2005					
Christopher Elmore Campbell	235,000	21,150	-	-	256,150
Neville Thomas Cleary	35,000	3,150	-	-	38,150
Chiang Meng Heng	20,000	1,800	-	-	21,800
Petah Anne Fitzsimmons (Alternate) ^a	17,607	3,169	1,135	-	21,911
	307,607	29,269	1,135	-	338,011

^a Resigned 27 August 2004

2004

Christopher Elmore Campbell	235,000	65,000	-	-	300,000
Petah Anne Fitzsimmons (Alternate)	66,667	7,080	12,000	-	85,747
Neville Thomas Cleary	12,462	1,122	-	22,538	36,122
Chiang Meng Heng	20,000	1,800	-	-	21,800
	334,129	75,002	12,000	22,538	443,669

(Paragraph 'b' of page 21 of Annual Report)

c. Specified Executives' Remuneration

	Salary and Fees	Superan- uation Contrib- utions	Allowance	Non- cash Benefits	Total
	\$	\$	\$	\$	\$
2005					
Ivan James Mikkelsen	183,486	16,514	14,114	-	214,114
Ian David Bloodworth	110,033	9,903	-	-	119,936
David John Wheeler	55,828	15,001	29,171	-	100,000
	349,347	41,418	43,285	-	434,050
2004					
Ivan James Mikkelsen	183,486	16,514	14,114	-	214,114
Ian David Bloodworth	97,221	8,750	-	-	105,971
David John Wheeler	55,827	15,000	29,173	-	100,000
	336,534	40,264	43,287	-	420,085

There are no other employees who meet the definition of specified executive in AASB 1046.

(Paragraph 'c' of page 21 of Annual Report)

GARRATT'S LIMITED

d. Employment Contracts

	ECONOMIC ENTITY		PARENT ENTITY	
	2005	2004	2005	2004
	\$	\$	\$	\$
Payable to Executive Directors under service agreements on termination in certain circumstances:	160,551	596,330	22,936	275,229

(Note 29 on page 34 of Annual Report)

- e. Of the above officers and directors both Mr Campbell and Mr Mikkelsen are employed under formal contracts. Mr Campbell is employed on a monthly basis and Mr Mikkelsen's contract will lapse on 30 March 2006. *(From page 7 of Annual Report)*
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GARRATT'S LIMITED

ABN 93 000 003 725

PROXY FORM

Proxy forms must be lodged at the Registered Office of the Company (Suite 1401, Level 14, 33 Bligh Street, Sydney NSW 2000, Australia) or sent by facsimile to the Registered Office of the Company (+61 2 9224 5550), not less than 48 hours before the timing of the Meeting.

A. Registered Holder Details

Name:

Address:

Number of Ordinary Shares held:

B. Appointment of Proxy

I/We being the Registered Holder stated above and being entitled to attend and vote, hereby appoint:

..... or, in his/her absence, the Chairman of the Meeting, as my/our proxy to vote in accordance with the following directions (or if no directions have been given, as the proxy sees fit) on my/our behalf at the Annual General Meeting of the Company, to be held on 28 November 2005 or at any adjournment of that Meeting.

C. Voting Directions

Should you decide to direct your proxy how to vote, please tick the appropriate box against each item below. If you do not, your proxy may vote as he/she thinks fit or abstain. If the Chairman is the appointed proxy, and the proxy is undirected, he will vote in favour of each resolution.

Resolutions:	For	Against	Abstain
1. To re-elect Mr. Neville Thomas Cleary as a Director.	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
2. To issue 14,000,000 convertible notes to Eng Kim Low.	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
3. To issue 2,324,000 convertible notes to Jilcy Pty Ltd ATF Jilcy Superannuation Fund and 476,000 convertible notes to Bankura Pty Ltd ATF Campbell Family Trust.	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
4. To adopt the Remuneration Report. (non binding advisory only)	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

D. Important for Items 2 and 3 above

If you do not wish to direct your proxy how to vote, please tick this box.
By ticking this box, you acknowledge that the Chairman may exercise your proxy even if he has an interest in the outcome of the resolutions and votes cast by him other than as proxy holder will be disregarded because of that interest.

The Chairman of the Meeting intends to vote undirected proxies in favour of Items 2 and 3.

E. Signature(s)

This section MUST be signed to enable your directions to be implemented. Where the holding is in more than one name all the holders must sign. For corporations, a Director can sign jointly with another Director or a Company Secretary. A sole Director who is also sole Company Secretary can sign. A sole Director of a proprietary company without a Company Secretary can also sign. Please indicate the office held by signing in the appropriate space and crossing out the office that is not applicable.

Signed this day of 2005

Individual or Joint Shareholder(s):

Corporate Shareholders:

.....
Individual / Shareholder 1

.....
Director / Sole Director and Sole Company Secretary

.....
Shareholder 2

.....
Director / Company Secretary
