



# Notice of annual general meeting and explanatory statement

Asset Resolution Limited ACN 159 827 871

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Date: 26 November 2016  
Time: 10:00am AEDT  
Place: History House, 133 Macquarie Street,  
Sydney NSW 2000

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# Letter to Shareholders

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Dear Asset Resolution Limited Shareholder,

I am pleased to enclose the 2016 Annual Report and Notice of Annual General Meeting (**AGM**) for Asset Resolution Limited (**ARL**).

## ***Listing on the NSX***

As discussed at last year's AGM, the Board set out clear objectives, and has been busy in working towards them. The Company has lodged its application with the National Stock Exchange of Australia (**NSX**), and the Board expects that it will be admitted to the Official List of the NSX shortly, subject to the final determination of the NSX Listing Committee. The Company will continue to work closely with the NSX to ensure its successful listing on the NSX.

Listing ARL's Shares also provides your Company with the ability to manage its share capital more effectively, as noted below.

## ***Buy-backs***

The Notice of Meeting includes two resolutions to permit ARL to buy back shares. We only intend to buy back shares if we can do so on terms that boost ARL's underlying net asset value per share, while making it easier for those wishing to sell their Shares to do so.

The Board is seeking approval of a buy-back which will allow the Company to buy back Shares (should it elect to do so) by expressly authorising the buy-back of up to 981,088 ordinary Shares on market and up to 981,088 ordinary Shares off market, over the 12 months following the 2016 Annual General Meeting. Approval of the on market and off market buy-back and/or any share issues (within NSX limits) is included to give the Company flexibility to achieve the most efficient ongoing capital management and to optimise value for Shareholders.

In addition, The Board also intends to complete an unmarketable parcels buy back. However, Shareholder approval is not required and therefore there is no separate resolution.

## ***Constitution***

We are also proposing to replace the existing Constitution with a new one that is compliant with the NSX's Listing Rules. The Notice of Meeting contains information on the differences between the existing Constitution and the proposed new Constitution.

## ***Re-Election of Director***

The Notice of Meeting also includes a vote on the re-election of a director, Mr Giles Craig. As you may recall, the Board, with Shareholder approval, introduced into the Company's constitution a requirement that directors periodically retire by rotation and submit themselves for re-election.

***Change in Directors' remuneration***

The Directors plan to reduce their remuneration from \$60,000 to \$50,000 per Director. At this AGM, the Board is seeking approval to be paid their directors' fees in Shares, thereby preserving the Company's cash. The price per Share to be issued to each of the Non-Executive Directors is \$2.00; being the recent share sale price.

***Investments***

The Board has been busy looking at potential new investments for the Company, but is not yet in a position to make a substantial investment.

Our annual meeting is in Sydney at 10:00am on the Saturday 26 November 2016. I hope to see you then.

Yours sincerely,



**Giles Craig**  
Chairman

# Notice of annual general meeting

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The annual general meeting of Shareholders of Asset Resolution Limited ACN 159 287 871 (**ARL**) will be held at History House, 133 Macquarie Street, Sydney NSW 2000 at 10:00am AEDT on Saturday, 26 November 2016. Attached to and forming part of this Notice of Meeting is an Explanatory Statement that provides Shareholders with background information and further details in understanding the reasons for and effect of the Resolutions if approved.

If you are unable to attend the Meeting, you are requested to complete the Proxy Form enclosed with this Notice. For further information regarding voting and proxies, please refer to page 8 of this Notice of Meeting.

A number of defined terms are used in the Notice of Meeting. These terms are contained in the Explanatory Statement and the Proxy Form.

## Business

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### A. Financial statements and reports

To receive and consider:

- (a) the audited financial statements;
- (b) the directors' report; and
- (c) the auditor's report

of ARL for the year ended 30 June 2016.

These statements and reports are placed before the Shareholders for discussion and Shareholders will be given the opportunity to ask questions and make comments on these statements and reports; no voting is required on this matter.

### B. Ordinary Resolutions

#### **Resolution 1**

#### **Election of director – Mr Giles Cameron Craig for re-election on rotation**

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

*“That Mr Giles Cameron Craig, a director electing to retire by rotation, being eligible, is re-elected as a director of ARL.”*

There are no voting exclusions in relation to this Resolution.

## **Resolution 2**

### **Approve on-market buy-back of Shares**

To consider and, if thought fit, to pass the following ordinary Resolution:

*“That, subject to ARL being listed on the NSX, for the purposes of section 257C of the Corporations Act 2001 (Cth) and for all other purposes, Shareholders authorise and approve the on-market buy-back of between 470,544 and up to 981,088 fully paid ordinary Shares in the Company (representing approximately 10% to 20% of the Company’s issued Shares as at 17 October 2016) in the 12 month period following the approval of this Resolution, pursuant to an on-market buy-back conducted in accordance with the requirements of the Listing Rules and the Corporations Act (being over the 10/12 limit (as defined in section 257B(4)) and on the terms as described in the Explanatory Statement to this Notice of Meeting.”*

There are no voting exclusions in relation to this Resolution.

## **Resolution 3**

### **Approve off-market buy-back of Shares**

To consider and, if thought fit, to pass the following ordinary Resolution:

*“That, subject to ARL being listed on the NSX, for the purposes of section 257C(1) of the Corporations Act 2001 (Cth) and for all other purposes, Shareholders authorise and approve the off-market acquisition of between 470,544 and up to 981,088 fully paid ordinary Shares in the Company (being approximately 10% to 20% of the Company’s issued Shares as at 17 October 2016) at a price to be calculated at a premium of 7.5% to the 30 day volume weighted average practice (VWAP) per Share in the 12 month period following the approval of this Resolution, pursuant to an off-market buy-back conducted in accordance with the requirements of the Listing Rules and the Corporations Act and on the terms as described in the Explanatory Statement to this Notice of Meeting.”*

There are no voting exclusions in relation to this Resolution.

## **C. Special Resolutions**

## **Resolution 4**

### **Approval of Non-Executive Share Plan**

To consider and if thought fit to pass, with or without amendment, the following as a special Resolution:

*“For the purposes of NSX Listing Rule 6.44 and for all other purposes, Shareholders approve the establishment and implementation of the Non-Executive Share Plan and the issue of securities under the Non-Executive Share Plan, in the form to be tabled by the Chairman at the meeting, in accordance with the requirements of the Corporations Act and the NSX Listing Rules (if applicable) and on the terms as described in the Explanatory Statement to this Notice of Meeting.”*

## **Resolution 5**

### **Approve Share issue to Giles Craig under the Non-Executive Share Plan in lieu of director's fees for year ended 30 November 2017**

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

*“That, conditional on the approval of Resolution 4, and for all purposes, including the requirements of NSX Listing Rules 6.25 and 6.44 (if applicable), approval is given for the Board to allot and issue up to 25,000 Shares to Giles Craig (being a Non-Executive Director of the Company) and/or their nominees under the Non-Executive Share Plan on the terms and conditions set out in the Explanatory Statement.”*

## **Resolution 6**

### **Approve Share issue to Frederick Woollard under the Non-Executive Share Plan in lieu of director's fees for year ended 30 November 2017**

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

*“That, conditional on the approval of Resolution 4, and for all purposes, including the requirements of NSX Listing Rules 6.25 and 6.44 (if applicable), approval is given for the Board to allot and issue up to 25,000 Shares to Frederick Woollard (being a Non-Executive Director of the Company) and/or their nominees under the Non-Executive Share Plan on the terms and conditions set out in the Explanatory Statement.”*

## **Resolution 7**

### **Approve Share issue to John Sergeant under the Non-Executive Share Plan in lieu of director's fees for year ended 30 November 2017**

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

*“That, conditional on the approval of Resolution 4, and for all purposes, including the requirements of NSX Listing Rules 6.25 and 6.44 (if applicable), approval is given for the Board to allot and issue up to 25,000 Shares to John Sergeant (being a Non-Executive Director of the Company) and/or their nominees under the Non-Executive Share Plan on the terms and conditions set out in the Explanatory Statement.”*

## **Voting Exclusion Statement for Resolutions 4-7**

The Company will disregard any votes cast on special Resolutions 4-7 by a member of the Board of the Company and associates of those persons.

The Company will in accordance with NSX Listing Rules disregard any votes cast in respect of these Resolutions by the directors and any associates of those persons.

However, the Company need not disregard a vote if:

- it 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
- it 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.
- A person appointed as proxy must not vote on Resolutions 4-7 on the basis of that appointment if:
  - that person is either a member of the Key Management Personnel or a Closely Related Party of such a member;
  - the appointment does not specify how the proxy is to vote on the proposed Resolution; and
  - unless the person appointed is the Chair of the meeting and the appointment expressly authorised the Chair to exercise the proxy even if the proposed Resolution is connected directly or indirectly with the remuneration of the Key Management Personnel of the Company.

## **Resolution 8**

### **Adoption of new Constitution**

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

*“That the document entitled Constitution of ARL tabled at the Meeting and signed by the Chairperson of the Meeting for the purposes of identification is adopted as the new Constitution of ARL in substitution for its current Constitution, with effect from 9.00am (AEDT) on the day immediately after the date on which this Resolution is passed.”*

There are no voting exclusions in relation to this special Resolution.

### **D. Other business**

To transact any other business which may legally be brought before the meeting.

### **By order of the Board**

Date 18 October 2016

Signed   
Name Victoria Marie Allinson  
Company Secretary

# Voting and proxies

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## Voting

For the purpose of determining a person's entitlement to vote at the meeting, a person will be recognised as a member and the holder of Shares if that person is registered as a holder of those Shares at 10:00am (Sydney time) on Thursday 24 November 2016.

## Proxies

A Shareholder who is entitled to attend and vote at the meeting may appoint up to two proxies to attend and vote on behalf of that Shareholder. If you require an additional proxy form, please contact Link Market Service on **1300 554 474** or email [registrars@linkmarketservices.com.au](mailto:registrars@linkmarketservices.com.au), or alternatively call Vicky Allinson at 08 8423 0170.

If a Shareholder appoints two proxies, the appointment of the proxies may specify the proportion or the number of that Shareholder's votes that each proxy may exercise. If the appointment does not so specify, each proxy may exercise half of the votes. Fractions of votes will be disregarded.

Where a Shareholder appoints more than one proxy, neither proxy is entitled to vote on a show of hands.

A proxy need not be a Shareholder of ARL.

To be effective, ARL must receive the completed proxy form and, if the form is signed by the Shareholder's attorney, the authority under which the proxy form is signed (or a certified copy of the authority) by no later than 10:00am AEDT on 24 November 2016 at:

### **Proxies may be lodged with ARL:**

On-line at:

**[www.linkmarketservices.com.au](http://www.linkmarketservices.com.au)**

by mail, to Asset Resolution Limited, using the enclosed reply envelope to:

***C/- Link Market Services Limited, Locked Bag A14, Sydney South NSW 1235 Australia.***

by facsimile:

***+61 2 9287 0309***

Proxies given by corporate Shareholders must be executed in accordance with their constitutions, or signed by a duly authorised officer or attorney.

A proxy may decide whether to vote on any motion, except where the proxy is required by law or the Constitution to vote, or abstain from voting, in their capacity as proxy. If a proxy is directed how to vote on an item of business, the proxy may vote on that item only in accordance with the direction. If a proxy is not directed how to vote on an item of business, the proxy may vote as he or she thinks fit.

If a Shareholder appoints the chairperson of the meeting as the Shareholder's proxy and does not specify how the chairperson is to vote on an item of business, the chairperson will vote, as proxy for that Shareholder, in favour of that item on a poll.

# Explanatory statement

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## Financial statements and reports

The *Corporations Act 2001* (Cth) requires the financial report (which includes the financial statements and directors' declaration), the directors' report and auditor's report to be laid before the annual general meeting. There is no requirement either in the *Corporations Act 2001* (Cth) or ARL's constitution for Shareholders to approve the financial report, the directors' report or the auditor's report. Shareholders will be given a reasonable opportunity at the meeting to ask questions and make comments on these reports.

The Company's financial report is available from the Company's website [www.arlimited.com.au](http://www.arlimited.com.au).

## Resolution 1: Re-election of director

ARL's current constitution requires that, at each annual general meeting, one-third of the directors must retire from office. The following director, being the director who offers himself for re-election (as all directors have been in office since September 2015), retires by rotation and is eligible for re-election. Accordingly, he seeks re-appointment as a director.

Giles Craig has indicated that he will retire from office and seek re-election as a Non-Executive Director of the Company at the AGM. Mr Craig's work history and experience is outlined below.

**Giles Craig BSc Econ (Hons), FCA  
Non-Executive Director, Chairman**

Board member since September 2015.

Mr Craig is an Executive Director of Hamilton Securities Limited, an NSX listed Investment Company and is a member of the compliance committee of RateSetter Australia RE, a peer to peer lender.

He was previously Managing Director of Cameron Stockbrokers Limited, a Sydney based private client stockbroker. Prior to that, he was Head of Private Clients at AMP Capital, Head of Distribution at Henderson Private Capital and worked in Corporate Finance at Merrill Lynch and Mergers and Acquisitions at Morgan Stanley.

He qualified with Ernst & Whinney as a Chartered Accountant in 1986.

### Directors' Recommendation

The Board (other than Mr Giles Craig) unanimously recommends that Shareholders vote in favour of this Resolution. Each Board member intends to vote in favour of the ordinary Resolution in respect of the Shares held by them.

The Chairperson of the Meeting will be casting undirected proxies in favour of this Resolution.

## Resolution 2: Approve on-market buy-back of Shares

### Capital Management Programme

The Company's continuing focus is to manage its capital so as to achieve the most efficient capital structure and optimise value for Shareholders.

This Resolution, which is proposed pursuant to the requirements of s257C(1) of the Corporations Act, proposes that Shareholders approve the Company's flexibility to buy back on market between 470,544 and up to 981,088 Shares on market (representing approximately 10% to 20% of Company's Shares on issue as at 17 October 2016 (**Proposed On-Market Buy-Back**)).

If approved, the Proposed On-Market Buy-Back will allow the Company to buy back Shares (should it wish to do so) by expressly authorising the buy-back of up to 981,088 ordinary Shares on market over the 12 months following the 2016 Annual General Meeting, without the need to convene a further general meeting of Shareholders, subject to the Company being listed on the NSX.

No final decision has been made as to whether or not to commence the buy-back or, if the Proposed On-Market Buy-Back is commenced, on the actual number of Shares to be bought back. The Board will, in the event it commences the Proposed On-Market Buy-Back, only do so after the Company has listed on the NSX and will comply with all requirements of the Corporations Act and the Listing Rules. There is no certainty that, even if this Resolution is passed, any Shares will be bought back.

This Resolution is being put forward to provide the Board with the flexibility to buy-back up to 981,088 Shares if it decides that doing so is in the best interests of the Company.

The Company therefore believes that such additional flexibility in being able to acquire Shares on-market will support its goals of achieving the most efficient capital structure possible, optimising value for Shareholders where the Shares are trading below their NTA<sup>1</sup> value, and to facilitate a more active market in the Company's Shares, enabling those current Shareholders who wish to dispose of their Shares on-market a greater opportunity to do so at a fair price.

### Reason for Shareholder approval

Section 257C(1) of the Corporations Act requires that the terms of an on-market buy-back agreement in relation to the Proposed On-Market Buy-Back be approved by an ordinary Resolution passed at a general meeting, if the number of votes attaching to voting Shares proposed to be bought back (together with all other voting Shares bought back over the previous 12 months) would exceed 10% of the smallest number of votes attaching to voting shares which were on issue at any time in that previous 12 months (the '10/12 Limit').

If Resolution 2 is passed, the Company will be able to buy back up to 981,088 Shares, being approximately up to 20% of the Company's issued Shares as at 17th of October 2016, within the next 12 months.

If this Resolution is not approved, the Company's ability to acquire a further 10% of the Shares will refresh from November 2017 (subject to the 10/12 limit) in accordance with the Corporations Act.

### Terms of the buy-back

The Proposed On-Market Buy-Back allows the Company to buy back Shares over time, depending on market conditions and prices. Any such on-market buy backs would occur in accordance with the Corporations Act and the Listing Rules. Any purchases would occur on-market in the ordinary course of trading in the Company's Shares, and the Shares bought back would then be cancelled.

The last traded price for the Company's Shares was \$2.00, as at 28 September 2016.

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<sup>1</sup> NTA stands for Net Tangible Asset value, or the underlying asset value of the shares.

## As at 17<sup>th</sup> October 2016

### Capital structure

	Number of Shares
Totals: Shareholders	4,905,441
Totals: Top 10 Shareholders	1,608,420
Totals: Top 10 Shareholders % of Shares on issue	32.79%

### Range Total Holders

Range: Number of Shares held	Number of Shareholders
1 – 1,000	9,092
1,001, - 5,000	504
5,001 – 10,000	24
10,001 – 100,000	19
More than 100,001	3
Total	9,642

### Total Directors' shareholding

	Number of Shares
Totals: Shares on issue at the date of this Notice	4,905,441
Totals: Directors' shareholding	1,256,421
Totals: Non-director shareholding	3,649,020
Totals: Director Shareholders % of Shares on issue	25.61%
Totals: Non-director Shareholders % of Shares on issue	74.39%

The Directors and their associates do not intend to participate in the Proposed On-Market Buy-Back.

In the event that the Company does buy-back Shares under the Proposed On-Market Buy-Back, the proportionate interest of remaining Shareholders will increase. The table below shows the per cent holding of total Shares on issue that would be held by the current Directors and associates if 981,088 (approximately 20% of the Company's Shares) are bought back.

### Total Directors' shareholding after buy-back

	Number of Shares
Totals: Shares on issue after off-market buy-back	3,924,353
Totals: Directors' shareholding	1,256,421
Totals: Non-director shareholding	2,668,462
Totals: Director Shareholders % of Shares on issue	32.02%
Totals: Non-director Shareholders % of Shares on issue	67.98%

## Directors and associates interest in ordinary securities

	Number of Shares held	% of total Shares	Options
Samuel Terry Asset Management Pty Ltd ATF the Samuel Terry Absolute Return Fund ( <b>STAR</b> )	515,000	10.50%	-
JP Morgan Nominees Australia Limited	389,957	7.95%	-
Woollard Super Fund	185	0.004%	-
Hamilton Securities Ltd ( <b>Hamilton</b> )	309,129	6.30%	
<b>Total owned by Frederick Woollard and associates</b>	<b>1,214,271</b>	<b>24.75%</b>	-
Hamilton Securities Ltd ( <b>Hamilton</b> )	309,129	6.30%	
North Shore Custodians ATF The Craig Family Trust	20,000	0.41%	
<b>Total owned by Giles Craig and associates</b>	<b>329,129</b>	<b>6.71%</b>	
Phalaenopsis Pty Ltd ATF Sergeant Family Trust	20,000	0.41%	
John Sergeant	2,125	0.04%	
<b>Total owned by John Sergeant and associates</b>	<b>22,150</b>	<b>0.45%</b>	
<b>Total Directors' interest <sup>(1)</sup></b>	<b>1,256,421</b>	<b>25.61%</b>	-

<sup>(1)</sup> Includes Shares held by directors and associates but does not duplicate the Hamilton holding, as these are the same Shares.

## Details of substantial Shareholders

The following is a list of substantial Shareholders of the Company and their associates:

Name of substantial Shareholder	Number of Shares held	% of total Shares	Associate of substantial Shareholder
Samuel Terry Asset Management Pty Ltd ATF the Samuel Terry Absolute Return Fund ( <b>STAR</b> )	515,000	10.50%	Frederick Woollard & Nigel Burgess
JP Morgan Nominees Australia Limited	389,957	7.95%	Frederick Woollard & Nigel Burgess
Nigel Burgess and his family trust	70,945	1.45%	Nigel Burgess
Woollard Super Fund	185	0.004%	Frederick Woollard
<b>Total owned by STAR and associates</b>	<b>976,087</b>	<b>19.90%</b>	
Hamilton Securities Ltd ( <b>Hamilton</b> )	309,129	6.30%	Frederick Woollard & Giles Craig
North Shore Custodians ATF The Craig Family Trust	20,000	0.41%	Giles Craig
Woollard Super Fund	185	0.004%	Fred Woollard
<b>Total owned by Hamilton and associates</b>	<b>329,314</b>	<b>6.71%</b>	



In the event that the Company does buy-back Shares under the Proposed On-Market Buy-Back, the proportionate interest of remaining Shareholders will increase. The table below shows the per cent holding of total Shares on issue that would be held by the current substantial Shareholders if 981,088 (approximately 20% of the Company's Shares) are bought back.

The following is a list of substantial Shareholders of the Company and their associates:

<b>Name of substantial Shareholder</b>	<b>Number Shares held</b>	<b>% of Total Post Buy-Back Shares<sup>(1)</sup></b>
<b>Total owned by STAR and associates</b>	<b>976,087</b>	<b>24.87%</b>
<b>Total owned by Hamilton and associates</b>	<b>329,314</b>	<b>8.39%</b>

<sup>(1)</sup> Shares on issue after Proposed On-Market Buy-Back approximately **3,924,353**.

### **Effect on the Company**

#### ***Source of funds and Financial Impact***

If approved, the Proposed On-Market Buy-Back will involve a reduction in the number of the Company's ordinary Shares on issue and a corresponding reduction in its share capital.

While the Company is seeking approval to buy-back up to 981,088 Shares on-market over the 12 months following the 2016 Annual General Meeting and in accordance with the Listing Rules, the actual number of Shares to be bought back will be assessed by the Board on an ongoing basis, having regard to, among other things, the Company's net debt, capital surplus and cash flows, as well as broader market conditions and alternative investment opportunities.

The Company will not buy-back Shares if to do so would materially prejudice its ability to pay its creditors, prevent the Company from discharging its indebtedness or from conducting and growing its business. The Board will only buy-back Shares on the basis that the Company will remain well capitalised following the completion of the purchase and to do so will not adversely impact the financial position of the Company.

The purchase of any Shares under the Proposed On-Market Buy-Back would be funded from existing cash reserves or via current debt facilities if within the debt capacity of the Company. In determining whether the Company will use one or a range of funding sources, the Company will have regard to a variety of factors including relative interest expenses, potential alternatives for use of cash resources and the availability and cost of debt. If the Board determines to acquire Shares under the Proposed On-Market Buy-Back, the precise impact of the Proposed On-Market Buy-Back will not be known until completed and this will depend on the volume and price paid for the Shares at the relevant time.

#### ***Impact on earnings per Share***

If the Company acquires Shares under the Proposed On-Market Buy-Back, the Company's issued share capital will reduce. As a result of the reduction in the number of Shares on issue, the Proposed On-Market Buy-Back is likely to be accretive to earnings per Share.

#### ***Impact on net tangible assets per Share***

Depending on the number of Shares bought back and the price at which they are bought back, the Proposed On-Market Buy-Back is likely to result in an increase to net tangible assets ('NTA') per Share.

#### ***Effect on dividends***

Usage of the Company's cash reserves to fund the Proposed On-Market Buy-Back will reduce the ability of the Company to pay dividends to Shareholders. However, the Board considers that the Proposed On-

Market Buy-Back provides greater benefits overall to Shareholders given it is accretive to NTA and overall earnings per Share.

### ***Advantages and disadvantages of the Proposed On-Market Buy-Back***

The advantages of the Proposed On-Market Buy-Back include:

- efficient means of returning capital to Shareholders to attain a more efficient capital structure and reduce its cost of capital;
- optimising value for Shareholders where the Shares are trading below their NTA value;
- by reducing the number of securities on issue, the Proposed On-Market Buy-Back is likely to be accretive to NTA per Share and overall earnings per Share;
- facilitating a more active market in the Company's Shares; and
- the Company has the flexibility to adjust the volume of Shares bought back (subject to a maximum of 981,088 Shares) and can stop buying back shares on-market at any time.

The disadvantages of the Proposed On-Market Buy-Back include:

- the Proposed On-Market Buy-Back will reduce the Company's available cash to acquire new assets or pay dividends to Shareholders;
- the Proposed On-Market Buy-Back will reduce the Company's overall net tangible assets; and
- after the Proposed On-Market Buy-Back is completed, there will be a reduction in the number of Shares on issue which may decrease liquidity of the Company's Shares traded on the NSX or an alternative exchange.

As required by the Corporations Act, the Company has set out in this Explanatory Statement all information known to the Company that is material to the decision on how to vote on Resolution 2 in respect of the Proposed On-Market Buy-Back. In addition to this Explanatory Statement, further information regarding the Company can be obtained from its website at [www.arlimited.com.au](http://www.arlimited.com.au).

Copies of the Company's audited Annual Report for the financial year ended 30 June 2016 and a covering letter can be found on the Company's website at [www.arlimited.com.au](http://www.arlimited.com.au).

As at the date of this Explanatory Statement and so far as is known by the Board of the Company, there are no material changes to the financial position of the Company since the date of that full year report and financial statements.

### **Directors' Recommendation**

The Board unanimously recommends that Shareholders vote in favour of Resolution 2. Each Board member intends to vote in favour of the ordinary Resolution in respect of the Shares held by them.

The Chairperson intends to vote all available proxies in favour of Resolution 2.

## **Resolution 3: Approve off-market buy-back of Shares**

### **Capital Management Programme**

The Company's continuing focus is to manage its capital so as to achieve the most efficient capital structure and optimise value for Shareholders.

This Resolution, which is proposed pursuant to the requirements of s257C(1) of the Corporations Act, proposes that Shareholders approve the Company's flexibility to buy back off market (**Proposed Off-Market Buy-Back**) between 470,544 and up to 981,088 Shares (representing approximately 10% to 20% of Company's Shares on issue as at 17 October 2016 under an equal access buy back.

If approved, the Proposed Off-Market Buy-Back will allow the Company to buy back Shares (should it wish to do so) by expressly authorising the buy-back of up to 981,088 ordinary Shares over the 12 months following the 2016 Annual General Meeting, without the need to convene a further general meeting of Shareholders, if the Company becomes listed on the NSX or an alternative exchange.

No final decision has been made as to whether or not to commence the buy-back or, if the Proposed Off-Market Buy-Back is commenced, on the actual number of Shares to be bought-back. The Board will, in the event they commence the Proposed Off-Market Buy-Back, only do so after the Company has listed on the NSX (or an alternative exchange) and will comply with all requirements of the Corporations Act and the Listing Rules. There is no certainty that, even if this Resolution is passed, any Shares will be bought back.

This Resolution is being put forward to provide the Board with the flexibility to buy-back up to 981,088 Shares if it decides that doing so is in the best interests of the Company.

The Company therefore believes that such additional flexibility in being able to acquire Shares under the Proposed Off-Market Buy-Back will support its goals of achieving the most efficient capital structure possible, optimising value for Shareholders where the Shares are trading below their NTA<sup>2</sup> value, and to facilitate a more active market in the Company's Shares, enabling those current Shareholders who wish to dispose of their Shares off-market a greater opportunity to do so at a fair price.

### **Equal access buy back**

Under Section 257B of the Corporation Act an equal access scheme is prescribed as:

- an offer under the scheme must relate to ordinary shares
- offers must be made to every person who holds ordinary shares to buy back the same percentage of their ordinary shares
- all of these persons must have a reasonable opportunity to accept offers made to them;
- buy back agreements must not be entered until until a specific time for acceptance of offers has closed; and
- the term of the offers must be the same.

The Proposed Off-Market Buy-Back proposed by the Company is an equal access scheme for the purposes of the Corporations Act.

### **Reason for Shareholder approval**

Section 257C(1) of the Corporations Act requires that the terms of an Off-Market Buy-Back agreement in relation to the Proposed Off-Market Buy-Back be approved by an ordinary Resolution passed at a general meeting, if the number of votes attaching to voting Shares proposed to be bought back (together with all other voting Shares bought back over the previous 12 months) would exceed 10% of the smallest number of votes attaching to voting shares which were on issue at any time in that previous 12 months (the '10/12 Limit').

If Resolution 3 is passed, the Company will be able to buy-back up to 981,088 Shares, being approximately 20% of the Company's issued Shares as at the 10<sup>th</sup> of October 2016, within the next 12 months.

If this Resolution is not approved, the Company's ability to acquire a further 10% of the Shares will refresh from November 2017 (subject to the 10/12 limit) in accordance with the Corporations Act.

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<sup>2</sup> NTA stands for Net Tangible Asset value, or the underlying asset value of the shares.

## Terms of the buy-back

If the Proposed Off-Market Buy-Back proceeds the Company will invite Shareholders to sell some or all of their Shares back to the Company at the Buy Back price. Participation in the buy-back is voluntary. All Shares bought back will be cancelled. The personalised Buy-Back Invitation will also include the terms of the relevant buy-back, being:

- **Eligibility to Participate:** The Company makes the Proposed Off-Market Buy-Back offer to all Shareholders holding ordinary Shares in the Company.
- **Price:** the buy-back price will be calculated at a premium of 7.5% to the 30 day volume weighted average practice (VWAP) per Share.
- **Equal access:** the Company will purchase the same percentage of each participant's ordinary Shares. Each Shareholder who accepts the Proposed Off-Market Buy-Back offer does so in relation to 100% of their ordinary Shares in the Company.
- **Maximum Number of Shares:** the maximum number of Shares in the Company to be purchased under the Proposed Off-Market Buy-Back will be 981,088 Shares, being approximately 20% of the Company's issued Shares.
- **Period of Offer:** the Proposed Off-Market Buy-Back program will end 12 months from the date of the AGM, being 25 November 2017.
- **Timetable:**
  - Record date, being the date on which the relevant buy-back Shares are determined;
  - Buy back period, being the opening and closing date;
  - Announcement of buy-back results; and
  - Shares cancellation and cash considered paid to Shareholder.
- **Last Traded Price:** The last traded price for the Company's Shares was \$2.00, as at 28 September 2016.

## As at 17<sup>th</sup> October 2016

### Capital structure

	Number of Shares
Totals: Shareholders	4,905,441
Totals: Top 10 Shareholders	1,608,420
Totals: Top 10 Shareholders % of Shares on issue	32.79%

### Range Total Holders

Range: Number of Shares held	Number of Shareholders
1 – 1,000	9,092
1,001, - 5,000	504
5,001 – 10,000	24
10,001 – 100,000	19
More than 100,001	3
Total	9,642

### Total Directors' shareholding

	Number of Shares
Totals: Shares on issue at the date of this Notice	4,905,441
Totals: Directors' shareholding	1,256,421
Totals: Non-director shareholding	3,649,020
Totals: Director Shareholders % of Shares on issue	25.61%
Totals: Non-director Shareholders % of Shares on issue	74.39%

The Directors and their associates do not intend to participate in the buy-back.

In the event that the Company does buy-back Shares under the Proposed On-Market Buy-Back, the proportionate interest of remaining Shareholders will increase. The table below shows the per cent holding of total Shares on issue that would be held by the current Directors and associates if 981,088 (approximately 20% of the Company's Shares) are bought back.

### Total Directors' shareholding after buy-back

	Number of Shares
Totals: Shares on issue after off-market buy-back	<b>3,924,353</b>
Totals: Directors' shareholding	1,256,421
Totals: Non-director shareholding	2,668,462
Totals: Director Shareholders % of Shares on issue	32.02%
Totals: Non-director Shareholders % of Shares on issue	67.98%

### Directors and associates interest in ordinary securities

	Number of Shares held	% of total Shares	Options
Samuel Terry Asset Management Pty Ltd ATF the Samuel Terry Absolute Return Fund ( <b>STAR</b> )	515,000	10.50%	-
JP Morgan Nominees Australia Limited	389,957	7.95%	-
Woollard Super Fund	185	0.004%	-
Hamilton Securities Ltd ( <b>Hamilton</b> )	309,129	6.30%	
<b>Total owned by Frederick Woollard and associates</b>	<b>1,214,271</b>	<b>24.75%</b>	-
Hamilton Securities Ltd ( <b>Hamilton</b> )	309,129	6.30%	
North Shore Custodians ATF The Craig Family Trust	20,000	0.41%	
<b>Total owned by Giles Craig and associates</b>	<b>329,129</b>	<b>6.71%</b>	
Phalaenopsis Pty Ltd ATF Sergeant Family Trust	20,000	0.41%	
John Sergeant	2,125	0.04%	
<b>Total owned by John Sergeant and associates</b>	<b>22,150</b>	<b>0.45%</b>	
<b>Total Directors' interest <sup>(1)</sup></b>	<b>1,256,421</b>	<b>25.61%</b>	-

(2) Includes Shares held by directors and associates but does not duplicate the Hamilton holding, as these are the same Shares.

## Details of substantial Shareholders

The following is a list of substantial Shareholders of the Company and their associates:

Name of substantial Shareholder	Number of Shares held	% of total Shares	Associate of substantial Shareholder
Samuel Terry Asset Management Pty Ltd ATF the Samuel Terry Absolute Return Fund (STAR)	515,000	10.50%	Frederick Woollard & Nigel Burgess
JP Morgan Nominees Australia Limited	389,957	7.95%	Frederick Woollard & Nigel Burgess
Nigel Burgess and his family trust	70,945	1.45%	Nigel Burgess
Woollard Super Fund	185	0.004%	Frederick Woollard
<b>Total owned by STAR and associates</b>	<b>976,087</b>	<b>19.90%</b>	
Hamilton Securities Ltd ( <b>Hamilton</b> )	309,129	6.30%	Frederick Woollard & Giles Craig
North Shore Custodians ATF The Craig Family Trust	20,000	0.41%	Giles Craig
Woollard Super Fund	185	0.004%	Fred Woollard
<b>Total owned by Hamilton and associates</b>	<b>329,314</b>	<b>6.71%</b>	

In the event that the Company does buy-back Shares under the Proposed Off-Market Buy-Back, the proportionate interest of remaining Shareholders will increase. The table below shows the per cent holding of total Shares on issue that would be held by the current substantial Shareholders if 981,088 (approximately 20% of the Company's Shares) are bought back.

The following is a list of substantial Shareholders of the Company and their associates:

Name of substantial Shareholder	Number Shares held	% of Total Post Buy-Back Shares <sup>(1)</sup>	% of Total Post Buy-Back Shares <sup>(2)</sup>
<b>Total owned by STAR and associates</b>	<b>976,087</b>	<b>24.87%</b>	<b>31.09%</b>
<b>Total owned by Hamilton and associates</b>	<b>329,314</b>	<b>8.39%</b>	<b>10.49%</b>

(1) Shares on issue after Proposed Off-Market Buy-Back approximately **3,924,353**.

(2) Shares on issue after Proposed Off-Market Buy-Back and Proposed On-Market Buy-Back approximately 3,139,482, assuming the full 20% is taken up under each buy-back.

## Effect on the Company

### Source of Funds and Financial Impact

If approved, the Proposed Off-Market Buy-Back will involve a reduction in the number of the Company's ordinary Shares on issue and a corresponding reduction in its Share capital.

While the Company is seeking approval to buy-back up to 981,088 Shares on-market over the 12 months following the 2016 Annual General Meeting and in accordance with the Listing Rules, the actual number of Shares to be bought back will be assessed by the Board on an ongoing basis, having regard to, among other things, the Company's net debt, capital surplus and cash flows, as well as broader market conditions and alternative investment opportunities.

The Company will not buy-back Shares if to do so would materially prejudice its ability to pay its creditors, prevent the Company from discharging its indebtedness or from conducting and growing its business. The Board will only buy-back Shares on the basis that the Company will remain well capitalised following the completion of the purchase and to do so will not adversely impact the financial position of the Company.

The purchase of any Shares under the Proposed Off-Market Buy-Back would be funded from existing cash reserves or via current debt facilities if within the debt capacity of the Company. In determining whether the Company will use one or a range of funding sources, the Company will have regard to a variety of factors including relative interest expenses, potential alternatives for use of cash resources and the availability and cost of debt. If the Board determines to acquire Shares under the Proposed Off-Market Buy-Back, the precise impact of the Proposed Off-Market Buy-Back will not be known until completed and this will depend on the volume and price paid for the Shares at the relevant time.

#### ***Impact on earnings per Share***

If the Company acquires Shares under the Proposed Off-Market Buy-Back, the Company's issued Share capital will reduce. As a result of the reduction in the number of Shares on issue, the Proposed Off-Market Buy-Back is likely to be accretive to earnings per Share.

#### ***Impact on net tangible assets per Share***

Depending on the number of Shares bought back and the price at which they are bought back, the Proposed Off-Market Buy-Back is likely to result in an increase to net tangible assets ('NTA') per Share.

#### ***Effect on dividends***

Usage of the Company's cash reserves to fund the Proposed Off-Market Buy-Back will reduce the ability of the Company to pay dividends to Shareholders. However, the Board considers that the Proposed Off-Market Buy-Back provides greater benefits overall to Shareholders given it is accretive to NTA and overall earnings per Share.

#### ***Advantages and disadvantages of the Proposed Off-Market Buy-Back***

The advantages of the Proposed Off-Market Buy-Back include:

- efficient means of returning capital to Shareholders to attain a more efficient capital structure and reduce its cost of capital;
- optimising value for Shareholders where the Shares are trading below their NTA value;
- Buy-back price will be offered at a premium to VWAP 30 day NSX trading price;
- Participating Shareholders will not have to pay any brokerage fees;
- by reducing the number of securities on issue, the Proposed Off-Market Buy-Back is likely to be accretive to NTA per Share and overall earnings per Share;
- facilitating a more active market in the Company's Shares;
- participation is optional and Shareholders have the flexibility to determine their participation to suit their own circumstances; and
- the Company has the flexibility to adjust the volume of Shares bought back (subject to a maximum of 981,088 Shares) and can limit number of Shares bought off-market at any time.

The disadvantages of the Proposed Off-Market Buy-Back include:

- the Proposed Off-Market Buy-Back will reduce the Company's available cash to acquire new assets or pay dividends to Shareholders;
- the Proposed Off-Market Buy-Back will reduce the Company's overall net tangible assets; and
- after the Proposed Off-Market Buy-Back is completed, there will be a reduction in the number of Shares on issue which may decrease liquidity of the Company's Shares traded on the NSX or an alternative exchange.

As required by the Corporations Act, the Company has set out in this Explanatory Statement all information known to the Company that is material to the decision on how to vote on Resolution 3 in respect of the



Proposed Off-Market Buy-Back. In addition to this Explanatory Statement, further information regarding the Company can be obtained from its website at [www.arlimited.com.au](http://www.arlimited.com.au).

Copies of the Company's audited Annual Report for the financial year ended 30 June 2016 and a covering letter can be found on the Company's website at [www.arlimited.com.au](http://www.arlimited.com.au).

As at the date of this Explanatory Statement and so far as is known by the Board of the Company, there are no material changes to the financial position of the Company since the date of that full year report and financial statements.

Shareholder should consult with their own taxation advisor in connection with the Proposed Off-Market Buy-Back in order to assess the impact on their own personal circumstances.

### **Directors' Recommendation**

The Board unanimously recommends that Shareholders vote in favour of Resolution 3. Each Board member intends to vote in favour of the ordinary Resolution in respect of the Shares held by them.

The Chairperson intends to vote all available proxies in favour of Resolution 3.

## **Special Resolution 4: Approval of Executive and Employee Share Plan**

NSX Listing Rule 6.25 prohibits the Company issuing equity securities which, in aggregate, exceed 15% of the fully paid ordinary Share capital of the Company in any 12 month period.

NSX Listing Rule 6.25 exception 2(iv) provides that NSX Listing Rule 6.25 does not apply to the issue of securities by the Company under a Non-Executive Director Share Scheme if the scheme was established before the entity listed and a summary of the terms were included in the prospectus, or if the scheme has been approved by Shareholders within three years from the date of issue of the relevant securities.

This Resolution 4 seeks Shareholder approval for three years so that securities issued pursuant to the Non-Executive Share Plan ("NED SP") are not included within the 15% of issued Shares that can be issued without Shareholder approval.

In accordance with NSX Listing Rule 6.25 exception 2(iv), a summary of the key terms of the NED SP and the number of securities issued under the plan is set out below.

### **Overview of the NED SP**

The objective of the NED SP is to create an initiative for creating a stronger link between Non-Executive Director performance and reward and increasing Shareholder value through the provision of the plan, called the "ARL Non-Executive Director Share Scheme".

Eligible participants in the NED SP are those Non-Executive Directors who are invited by the Company to participate in the plan.

Subject to the NED SP, each Non-Executive Director shall participate in the plan.

Terms of offer under the NED SP are subject to the plan rules and the terms of the specific offer from time to time.

Shares issued under the NED SP will rank equally with all other existing Shares in all respects including voting rights and entitlement to participate in dividends and in future rights and bonus issues.

A Non-Executive Director must not dispose of any Shares acquired under the NED SP before the end of the restriction period which are subject to the plan rules and the terms of the specific offer from time to time.

On cessation of being an eligible participant:

- (a) there are restriction conditions in relation to plan Shares or the eligible participant ceases to be an eligible Non-Executive Director then the Non-Executive Director forfeits its right, entitlement and interest in and to the plan Shares and the Company must either buy back and cancel or sell the plan Shares in accordance with the plan rules; or
- (b) in the case of the death of the Non-Executive Director or as a result of a bona fide retirement (subject to conditions under the plan rules), bona fide redundancy or a total and permanent disability and there are unfulfilled restriction conditions the Board may elect to waive any of the restriction conditions and in its absolute discretion extend a loan in accordance with the plan rules.

Subject to the NSX Listing Rules, the rules of the NED SP may be amended by resolution of the Board.

The NED SP shall be administered by the Board who has the power to:

- (a) determine appropriate procedures for administration of the plan consistent with its terms;
- (b) resolve conclusively all questions of fact or interpretation in connection with the plan;
- (c) delegate the exercise of any of its powers or discretions arising under the plan to any one or more persons for such period and on such conditions as the Board may determine; and
- (d) suspend or terminate the plan by giving written advice to eligible Non-Executive Directors.

***What if this Resolution is not passed?***

If Resolution 4 **is not** passed, then Special Resolutions 5 to 7 will **not** be put to Shareholders and directors' fees will continue to be paid in cash.

***Recommendation***

The Directors being interested parties, make no recommendations in respect of Resolution 4.

The Chair intends to vote all available proxies in favour of Resolution 4.

## **Special Resolutions 5 to 7: Approval of Issue of Shares to Directors under the Non-Executive Share Scheme**

Subject to Shareholders approving Resolution 4; under NSX Listing Rules the Company must seek Shareholder approval to grant securities to directors under a Non-Executive Director Share Scheme. The Company seeks to issue ordinary Shares in the Company to the non-executive directors, Giles Craig, Frederick Woollard and John Sergeant in lieu of their annual non-executive directors fees for the period ended 30 June 2016 (as set out in the table below), in accordance with the Board's determination that 100% of the Non-Executive Directors' annual directors' fees be paid under the "ARL Non-Executive Director Share Scheme" (the "**NED SP**").

The proposed issues are in accordance with the ND Scheme which is to be put to Shareholder at this meeting, refer to Resolution 4 for further details. Resolutions 5 to 7 are subject to Shareholders approving Resolution 5 at this meeting, held on 26 November 2016.

For the period covered by this Resolution (being the 12 months from the date of the Resolution being approved by members) the number of Shares issued in relation to any half year would be calculated by dividing the value of remuneration foregone by the nominal issue price of the Shares. Shares issued under the NED SP would be subject to a restriction that they may not be disposed of before the earlier of:

- the 12 month anniversary of the date of their acquisition; and
- the date that the Non-Executive Director ceases to be a director of the Company; and

- if a person's voting power (as defined in the Corporations Act in the Company increases from less than 50% to more than 50% because of a takeover bid, the time when the person's voting power so increases.

Resolutions 5 to 7 seek approval of Shareholders to permit the Company to issue up to 75,000 Shares in aggregate to the new Non-Executive Directors, to replace each of the Non-Executive Directors annual directors fees for the financial year from 1 December 2016 to 30 November 2017, to be calculated in accordance with the formula set out in clause 2 below.

At the date of the Notice, the total annual directors' fees payable to each new Non-Executive Director and /or their nominees for the year ended 30 November 2017, which will be paid by way of the issue of Shares in the Company under the NED SP as set out in the table below:

<b>Director</b>	<b>Directors fees to be paid in Shares</b>	<b>Shares</b>
Giles Craig	\$50,000 pa	25,000
Frederick Woollard	\$50,000 pa	25,000
John Sergeant	\$50,000 pa	25,000
<b>Total</b>	<b>\$150,000 pa</b>	<b>75,000</b>

The following information must be provided to Shareholders in respect of Special Resolutions 5 to 7:

1. the maximum number of Shares to be issued to each Non-Executive Director under the NED SP is 25,000 totalling 75,000 Shares in the case of each of Giles, Craig, Frederick Woollard and John Sergeant or their respective nominees.
2. The price per Share to be issued to each of the Non-Executive Directors is \$2.00 per Share based on recent Share sales price.
3. No Shares have already been issued to Giles, Craig, Frederick Woollard or John Sergeant under the NED SP for the financial year ending 2016 in lieu of annual directors' fees.
4. All Non-Executive Directors are entitled to participate in the NED SP. Giles, Craig, Frederick Woollard and John Sergeant are the persons entitled to participate in the NED SP.
5. A voting exclusion statement is included in the Notice of Meeting.
6. No loan for an acquisition of Shares will be granted under the NED SP.
7. The Company may issue Shares under the NED SP no later than 12 months after the upcoming meeting to be held on the 26 of November 2016.

### ***Recommendation***

The Directors being interested parties, make no recommendations in respect of special Resolutions 5 to 7.

The Chair intends to vote all available proxies in favour of Resolutions 5 to 7.

## **Special Resolution 8: Adoption of new Constitution**

The Company's existing constitution was originally adopted at the prior AGM based on the Company listing on the ASX. The Company now plans to list on the NSX and, accordingly, the Company's constitution required an update prior to the proposed Listing on the NSX.

The changes required to the Constitution have been broadened to provide flexibility to the Company to ensure that the Company is in a position to comply with the Listing Rules of the NSX and other approved exchanges, as may be determined from time to time.

It is usual for a listed company, in its constitution, to refer to the need to comply with the rules of the securities exchange on which its shares are traded. The securities exchange in question will usually require that this be the case. The changes to ARL's constitution are designed to ensure that it has provisions that

will be acceptable to the NSX or, indeed, to any exchange on which the Company's Shares may be listed in future

All other provisions of the Constitution remain unchanged, as provided to Shareholders at the 2015 Annual General Meeting.

This summary is not exhaustive and does not constitute a definitive statement of the differences between the current constitution and proposed new constitution.

### **Directors' Recommendation**

The Board recommends that Shareholders review the proposed new constitution in its entirety. A copy of the proposed new constitution can be obtained prior to the meeting from the Company's website ([www.arlimited.com.au](http://www.arlimited.com.au)) or by contacting Victoria Allinson on +61 8 8423 0170 or email [vicky.allinson@arlimited.com.au](mailto:vicky.allinson@arlimited.com.au). A copy of the new constitution will also be available for inspection at the AGM.

The Directors of the Company unanimously recommend to all Shareholders that they vote in favour of this special Resolution 8.

# Glossary

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In this Explanatory Memorandum, the following terms have the following meaning unless the context otherwise requires:

"**Annual Report**" means the 2016 annual report of the Company, a copy of which was lodged with ASIC.

"**ASIC**" means the Australian Securities and Investments Commission.

"**ASX**" means ASX Limited ACN 008 624 691 or the securities exchange operated by ASX Limited (as the context requires);

"**Board**" means the Board of Directors from time to time.

"**Closely Related Party**" of a member of the Key Management Personnel means:

- (a) a spouse or child of the member;
- (b) a child of the member's spouse;
- (c) a dependant of the member or of the member's spouse;
- (d) anyone else who is one of the member's family and may be expected to influence the member or be influenced by the member, in the member's dealings with the Company; or
- (e) a company that the member controls.

"**Company**" means Asset Resolution Limited ACN 159 827 871.

"**Constitution**" means the constitution of the Company from time to time.

"**Corporations Act**" means the *Corporations Act 2001* (Cth).

"**Directors**" means the Directors of the Company from time to time and "**Director**" means any one of them.

"**Equity Securities**" has the meaning given to that term in the Listing Rules.

"**Explanatory Statement**" means this explanatory statement.

"**Key Management Personnel**" means those persons having authority and responsibility for planning, directing and controlling the activities of the Company directly or indirectly, including any Director (whether executive or otherwise).

"**Listing Rules**" means the listing rules of NSX or an alternative exchange and any other rules of NSX which are applicable while the Company is admitted to the official list of NSX, each as amended or replaced from time to time, except to the extent of any express written waiver by NSX.

"**Meeting**" has the meaning given in the introductory paragraph of the Notice.

"**Net Asset Value**" means the value of the Company's assets less the value of the Company's liabilities.

"**Net Tangible Asset Value**" means the value of the Company's tangible assets less the value of the Company's liabilities.

"**NSX**" means National Stock Exchange of Australia Limited ACN 330 894 691.

"**Notice**" means this notice of Meeting.

"**Proxy Form**" means the Proxy Form attached to the Notice.

"**Related party**" has the meaning given to that term in Section 228 of the Corporations Act.

"**Resolution**" means a resolution contained in this Notice.

"**Share**" means a fully paid ordinary share in the capital of the Company.

"**Shareholder**" means a holder of Shares in the Company.

"**Trading Day**" means a day determined by ASX or an alternative exchange to be a trading day in accordance with the Listing Rules.

"**VWAP**" means Volume Weighted Average Price of the Company's Listed Shares trading under the ASX code that will be provided upon successful ASX or alternative exchange listing.



# Questions from Shareholders

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For meeting of the Company to be held at the History House, 133 Macquarie Street, Sydney NSW 2000 on Saturday 26 November 2016 at 10:00am AEDT.

Name of Shareholder: \_\_\_\_\_

## *Questions*

Please mark the box next to the question if it is directed to the auditor.

1. \_\_\_\_\_  
\_\_\_\_\_
2. \_\_\_\_\_  
\_\_\_\_\_
3. \_\_\_\_\_  
\_\_\_\_\_

## *Lodging this Form*

Please submit this form to the Company no later than no later than 10:00am (AEDT) on 24 November 2016 to either:

- By fax**            +61 8 8223 1685
- By email**        vicky.allinson@arlimited.com.au
- By post**          79 Angas Street  
Adelaide SA 5000

## Additional information

The map below shows the venue for the meeting and its nearest transport routes.

### Will you be attending?

To assist our planning, please let us know whether you will be attending the AGM by

Email: [vicky.allinson@arlimited.com.au](mailto:vicky.allinson@arlimited.com.au)

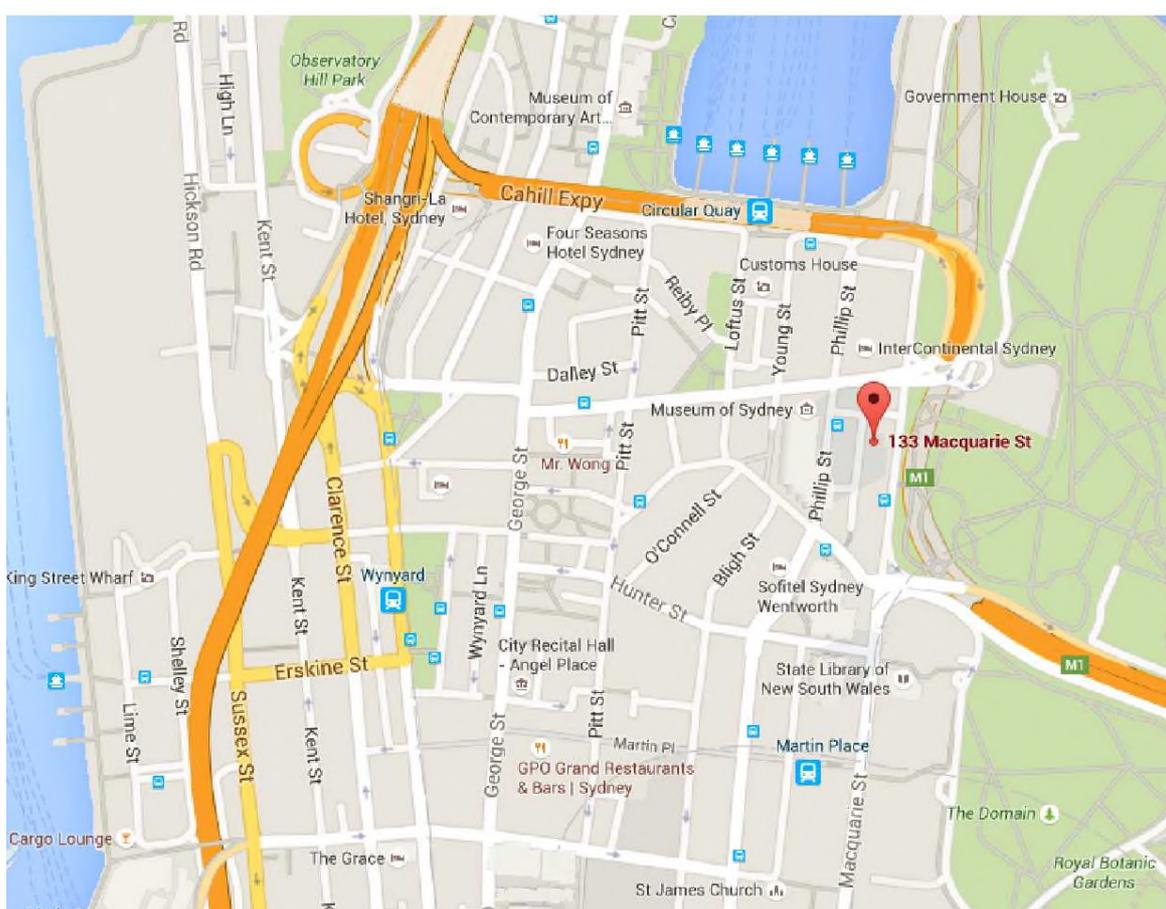
Telephone: 08 8423 0170

**By Car** - there are several thousand car spaces at parking stations within 10 minutes' walk of the venue.

**By Train** - Alight at Circular Quay, Wynyard or Martin Place stations.

**By Bus** – Alight at the stop nearest Bridge Street

**By Ferry** – Disembark at Circular Quay





## LODGE YOUR VOTE

**ONLINE**  
www.linkmarketservices.com.au

**BY MAIL**  
Asset Resolution Limited  
C/- Link Market Services Limited  
Locked Bag A14  
Sydney South NSW 1235 Australia

**BY FAX**  
+61 2 9287 0309

**BY HAND**  
Link Market Services Limited  
1A Homebush Bay Drive, Rhodes NSW 2138; or  
Level 12, 680 George Street, Sydney NSW 2000

**ALL ENQUIRIES TO**  
Telephone: +61 1300 554 474



X99999999999

## PROXY FORM

I/We being a member(s) of Asset Resolution Limited (ABN 99 159 827 871) and entitled to attend and vote hereby appoint:

### APPOINT A PROXY

the Chairman of the Meeting (mark box)

OR if you are **NOT** appointing the Chairman of the Meeting as your proxy, please write the name of the person or body corporate you are appointing as your proxy

STEP 1

or failing the person or body corporate named, or if no person or body corporate is named, the Chairman of the Meeting, as my/our proxy to act on my/our behalf (including to vote in accordance with the following directions or, if no directions have been given and to the extent permitted by the law, as the proxy sees fit) at the Annual General Meeting of the Company to be held at **10:00am on Saturday, 26 November 2016 at History House, 133 Macquarie Street, Sydney NSW 2000 (the Meeting)** and at any postponement or adjournment of the Meeting.

**Important for Special Resolutions 4, 5, 6 and 7:** If the Chairman of the Meeting is your proxy, either by appointment or by default, and you have not indicated your voting intention below, you expressly authorise the Chairman of the Meeting to exercise the proxy in respect of Resolutions 4, 5, 6 and 7, even though the Resolutions are connected directly or indirectly with the remuneration of a member of the Company's Key Management Personnel (KMP).

**The Chairman of the Meeting intends to vote undirected proxies in favour of each item of business.**

### VOTING DIRECTIONS

Proxies will only be valid and accepted by the Company if they are signed and received no later than 48 hours before the Meeting.

Please read the voting instructions overleaf before marking any boxes with an

STEP 2

#### Ordinary Resolutions

1 Re-election of Mr Giles Cameron Craig as a director

For Against Abstain\*

<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
--------------------------	--------------------------	--------------------------

5 Approve Share issue in lieu of fees to Giles Craig under the Non-Executive Share Plan

For Against Abstain\*

<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
--------------------------	--------------------------	--------------------------

2 Approve on-market buy-back of Shares

<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
--------------------------	--------------------------	--------------------------

6 Approve Share issue in lieu of fees to Frederick Woollard under the Non-Executive Share Plan

<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
--------------------------	--------------------------	--------------------------

3 Approve off-market buy-back of Shares

<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
--------------------------	--------------------------	--------------------------

7 Approve Share issue in lieu of fees to John Sergeant under the Non-Executive Share Plan

<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
--------------------------	--------------------------	--------------------------

#### Special Resolutions

4 Approval of Non-Executive Share Plan

<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
--------------------------	--------------------------	--------------------------

8 Adoption of new Constitution

<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
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\* If you mark the Abstain box for a particular Item, you are directing your proxy not to vote on your behalf on a show of hands or on a poll and your votes will not be counted in computing the required majority on a poll.

### SIGNATURE OF SHAREHOLDERS – THIS MUST BE COMPLETED

Shareholder 1 (Individual)

Joint Shareholder 2 (Individual)

Joint Shareholder 3 (Individual)




Sole Director and Sole Company Secretary

Director/Company Secretary (Delete one)

Director

This form should be signed by the shareholder. If a joint holding, either shareholder may sign. If signed by the shareholder's attorney, the power of attorney must have been previously noted by the registry or a certified copy attached to this form. If executed by a company, the form must be executed in accordance with the company's constitution and the *Corporations Act 2001* (Cth).

STEP 3

ARL PRX1601C



## HOW TO COMPLETE THIS SHAREHOLDER PROXY FORM

### YOUR NAME AND ADDRESS

This is your name and address as it appears on the Company's share register. If this information is incorrect, please make the correction on the form. Shareholders sponsored by a broker should advise their broker of any changes. **Please note: you cannot change ownership of your shares using this form.**

### APPOINTMENT OF PROXY

If you wish to appoint the Chairman of the Meeting as your proxy, mark the box in Step 1. If you wish to appoint someone other than the Chairman of the Meeting as your proxy, please write the name of that individual or body corporate in Step 1. A proxy need not be a shareholder of the Company.

### DEFAULT TO CHAIRMAN OF THE MEETING

Any directed proxies that are not voted on a poll at the Meeting will default to the Chairman of the Meeting, who is required to vote those proxies as directed. Any undirected proxies that default to the Chairman of the Meeting will be voted according to the instructions set out in this Proxy Form, including where the Resolutions are connected directly or indirectly with the remuneration of KMP.

### VOTES ON ITEMS OF BUSINESS – PROXY APPOINTMENT

You may direct your proxy how to vote by placing a mark in one of the boxes opposite each item of business. All your shares will be voted in accordance with such a direction unless you indicate only a portion of voting rights are to be voted on any item by inserting the percentage or number of shares you wish to vote in the appropriate box or boxes. If you do not mark any of the boxes on the items of business, your proxy may vote as he or she chooses. If you mark more than one box on an item your vote on that item will be invalid.

### APPOINTMENT OF A SECOND PROXY

You are entitled to appoint up to two persons as proxies to attend the Meeting and vote on a poll. If you wish to appoint a second proxy, an additional Proxy Form may be obtained by telephoning the Company's share registry or you may copy this form and return them both together.

To appoint a second proxy you must:

- (a) on each of the first Proxy Form and the second Proxy Form state the percentage of your voting rights or number of shares applicable to that form. If the appointments do not specify the percentage or number of votes that each proxy may exercise, each proxy may exercise half your votes. Fractions of votes will be disregarded; and
- (b) return both forms together.

### SIGNING INSTRUCTIONS

You must sign this form as follows in the spaces provided:

**Individual:** where the holding is in one name, the holder must sign.

**Joint Holding:** where the holding is in more than one name, either shareholder may sign.

**Power of Attorney:** to sign under Power of Attorney, you must lodge the Power of Attorney with the registry. If you have not previously lodged this document for notation, 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 indicate the office held by signing in the appropriate place.

### CORPORATE REPRESENTATIVES

If a representative of the corporation is to attend the Meeting the appropriate "Certificate of Appointment of Corporate Representative" should be produced prior to admission in accordance with the Notice of Meeting. A form of the certificate may be obtained from the Company's share registry or online at [www.linkmarketservices.com.au](http://www.linkmarketservices.com.au).

### LODGEMENT OF A PROXY FORM

This Proxy Form (and any Power of Attorney under which it is signed) must be received at an address given below by **10:00am on Thursday, 24 November 2016**, being not later than 48 hours before the commencement of the Meeting. Any Proxy Form received after that time will not be valid for the scheduled Meeting.

Proxy Forms may be lodged using the reply paid envelope or:



#### ONLINE

[www.linkmarketservices.com.au](http://www.linkmarketservices.com.au)

Login to the Link website using the holding details as shown on the Proxy Form. Select 'Voting' and follow the prompts to lodge your vote. To use the online lodgement facility, shareholders will need their "Holder Identifier" (Securityholder Reference Number (SRN) or Holder Identification Number (HIN) as shown on the front of the Proxy Form).



#### BY MAIL

Asset Resolution Limited  
C/- Link Market Services Limited  
Locked Bag A14  
Sydney South NSW 1235  
Australia



#### BY FAX

+61 2 9287 0309



#### BY HAND

delivering it to Link Market Services Limited\*  
1A Homebush Bay Drive  
Rhodes NSW 2138  
or  
Level 12  
680 George Street  
Sydney NSW 2000

\* During business hours (Monday to Friday, 9:00am–5:00pm)

**IF YOU WOULD LIKE TO ATTEND AND VOTE AT THE ANNUAL GENERAL MEETING, PLEASE BRING THIS FORM WITH YOU.  
THIS WILL ASSIST IN REGISTERING YOUR ATTENDANCE.**