



**ASSET RESOLUTION LIMITED (“ARL”)
AGM 2015 MINUTES**

Minutes for the Annual General Meeting held on Tuesday 24 November 2015
commencing at 9:30am (EDT) concluding at 11:15am (EDT)

Location: History House, 133 Macquarie Street, Sydney NSW 2000 Australia

Business	
1	<p>Welcome and introduction</p> <p>Chair opened the AGM, he welcomed shareholder and visitors:</p> <p><i>“Good morning, ladies and gentlemen. I am Giles Craig and I am the Chairman of Asset Resolution Limited and I welcome you to the annual general meeting of Asset Resolution Limited.”</i></p>
2	<p>Quorum</p> <p>Under Clause 14.2 of Constitution – two voting members</p> <p>It was noted that a quorum was present, Chair declared the annual general meeting open at 9:35am</p>
3	<p>Introductions</p> <p>It was noted that the Chair introduced:</p> <ul style="list-style-type: none"> • All directors – Giles Craig (Chair); John Sergeant, Fred Woollard (background information provided as set out in Presentation); • Company Secretary – Vicky Allinson (background information provided as set out in Presentation); • Minter Ellison Lawyer – Sheena Jackson • retiring auditor – Tim Follett of PFK; • new auditors – Grant Layland of Grant Thornton. <p>It was noted by the Chair that a copy of the following printed documents were available at this meeting for shareholders:</p> <ul style="list-style-type: none"> • Financial Statement 30 June 2015; • Draft Constitutions; • Prior general meeting Minutes; • AGM Notice. <p>It was noted that this was the shareholders meeting and that the board would be available to answer any questions and a specific time for question had set out at the end of the meeting.</p>



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4	<p>Voting</p> <p>It was noted that each shareholder who registered today would have received a yellow voting card. In respect of the resolutions today, as the Chairman, I will be calling for a poll on all Resolutions and we will undertake the poll after the general business of the meeting. At the appropriate time, I will ask shareholders to indicate their voting intentions on the voting form.</p> <p>The result of the Poll will be released on the ARL website later today.</p>
5	<p>Presentation</p> <p>It was noted that the Chair presented a slide show as set out in Appendix A. The presentation included the following:</p> <ol style="list-style-type: none"> 1. Board Overview 2. FY15 - Year in Review 3. Litigation/Claims 4. Portfolio 5. FY15 - Financial Results 6. Resolutions 7. FY16 - Outlook <p>In addition the following was noted during the meeting:</p> <ol style="list-style-type: none"> 2. FY15 - Year in Review <ul style="list-style-type: none"> • Mr Woollard noted that ARL had been run well by Castlereagh Capital; however costs were very expensive and there was a massive opportunity to cut costs. <p>Mr Charles Hodges as a shareholder and holder 1,556 Powers of Attorney, stated the company has changed significantly and you could not compare apples and oranges. Mr Wollard agreed ARL had changed significantly recently.</p> 6. Resolutions <ul style="list-style-type: none"> • The Chair noted that Mr John Sergeant re-election was a standard resolution under best governance practiced that was not required by the current constitution. • Mr John Sergeant thanked shareholders for voting for him. It was noted that the 1,556 Powers of Attorney has been voted against Mr Sergeant’s appointment. The costs administering the Powers of Attorney was approximately \$10,000. <p>A shareholder asked what those costs comprised of. Mr Sergeant and the Chair stated they include register fees, legal fees and Company Secretarial fees.</p>



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	<p>A shareholder noted that the Link on-line voting stated that the board recommend voting against the resolutions. The Chair apologised and stated this was an administrative error left over from the previous EGM.</p> <ul style="list-style-type: none"> • Mr Sergeant noted that the Power of Attorney held by CH only covered director related resignations therefore the Power of Attorney proxy votes on all other resolutions were shown as an abstain. • In respect of Resolution 4 Share Consolidation, the Chair noted that the proposed ASX listing required a minimum share price of \$0.20 therefore the consolidation proposed on the basis of 200:1. Also mean the future share price will not be in cents. <p>A shareholder asked if it would affect the value of their holding. The Chair noted that the number of shares would reduce by 200 but the price would increase by 200 therefore the value would remain the same as before the consolidation.</p> <ul style="list-style-type: none"> • In respect of Resolution 5 New Constitution, a Shareholder asked if the sections relating to part paid share would result in any liabilities. Sheena Jackson stated that the clause only applied to shareholders with partly paid shares; ARL currently have no part paid shares. • In respect of Resolution 6 on-market buyback, the Chair noted that if approved this resolutions allowed ARL to buy back shares from shareholders; the purchase is not compulsory and will only be done if benefits all ARL shareholders. <p>A Shareholder asked what the market buyback price would be. The Company Secretary stated it would be based on the ASX listed market price at the time of the offer.</p>
6	<p>Shareholder Questions</p> <p>It was noted that a number of question were raised by shareholders:</p> <ol style="list-style-type: none"> a. Mr C Hodges (“CH”) as a shareholder and holder 1,556 Powers of Attorney stated that the ARL should have distributed the final asset sale funds and wound up the company, as the previous board planned to do so. CH stated that no funds would be available in the long term due the cost of keeping the company open. b. A further shareholder asked if a further capital distribution would be made. <p>The Chair answered the questions by stating that the new board planned:</p> <ul style="list-style-type: none"> • to invest the funds rather than distribute the funds with the goal of increasing the ARL share price; • Already significantly reduced overhead including directors fees, relocating Head Office to Adelaide to a lower cost, and reduced audit fees. • to list the company on the ASX and proposed an on-market buyback to provide shareholders with options to sell their shares in the future. <ol style="list-style-type: none"> c. Shareholder asked if Board are taking action against FTI who took 5 blocks of land from ARL.



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	<p>The Chair stated that they would take action if it was a cost effective option for ARL and all its shareholders.</p> <p>d. Shareholder asked what the ASX listing costs would be. The Chair stated these cost had not been finalised and depended on the number of shares and shareholder numbers at the date of listing. Mr John Sergeant stated they would be less than full initial listing costs as only an Information memorandum was required, due to no funds being raised.</p> <p>e. Shareholder asked why not list on the NSX as cheaper. The Chair stated the NSX was not as high profile as ASX.</p> <p>f. Shareholder noted that he had read Mr Fred Woollard’s blog (from the Samuel Terry website) and quoted:</p> <p><i>“A large part of our time and effort during the year, especially in recent months, has been devoted to Asset Resolution Ltd. ARL is an unlisted Australian public company with a complex history. Over the last two years, we acquired 18% of ARL at less than half of its net asset value. As ARL’s publicly stated strategy was to sell all its assets, and return the proceeds to shareholders, this was an unusually attractive situation. After each of our ARL purchases, the company repaid us more than we paid, meaning that our ARL shares effectively cost us less than zero.”</i></p> <p>The shareholder and CH stated they were unhappy that Mr Woollard had purchased the ARL investment for less than zero. CH also noted that Mr Woollard had wanted to buy the Octavia debt. CH again stated ARL should distribute the find asset sale proceeds and wind the company up.</p> <p>The Chair stated that Mr Woollard’s expertise was to identify high quality distressed companies, such as ARL and turn them round. The Hamilton and Samuel Terry have acquired an interest in ARL and are aligned with the interest of all shareholders to increase value.</p> <p>Mr Sergeant noted that approximately 25% of shareholder are unlocatable so their capital distributions will be paid to ASIC.</p> <p>g. A shareholder asked if there is no current market to sell my shares, why not wind up?</p> <p>Mr Woollard noted that if the company was wound up, the Octavia asset would be released at little value as part of a ‘fire sale’.</p> <p>h. CH asked how the company plan to earn \$300,000 per annum to maintain current NTA values?</p> <p>The Chair noted that bank interest, Octavia and new investments with better returns would potentially increase ARLs value.</p> <p>i. Shareholder asked if the ARL will borrow money.</p> <p>Chair noted that there are no current plans to borrow funds, however this option will not be ruled out.</p> <p>j. Shareholder asked if ARL has a representative on the Octavia Committee.</p> <p>The Chair stated Wayne Jenvey was ARL representative on the Octavia Committee.</p>



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	<p>k. Shareholder asked – will you be using the \$12m to take the company forward. Chair stated – yes.</p> <p>l. A Shareholder Bruce Smyth, read out a letter (Appendix B) he had sent to the Chair, he stated: <i>“How, and when, can original investors have early access to the remaining value of their investment, without being subject to the vagaries of the current share market”</i></p> <p>The Chair stated that the aim was to list in 2016, to allow shareholder to leave the company if they wish to. He noted that the shareholder had a terrible time as investors in MFS and we plan to use our expertise to increase value.</p>
7	<p>Close meeting</p> <p>It was noted that all of the business set out in the Notice of Meeting has now been conducted and no other items of business have been raised. Therefore, that now concludes the formal part of the meeting.</p> <p>On behalf of my fellow directors, I would like to thank you for your attendance this morning and the interest shown in the company and your support.</p> <p>The Directors’ will be available after the meeting to answer any questions.</p> <p>The Chair declared the meeting closed at 11:15 am EDT.</p>