



NOTICE OF ANNUAL GENERAL MEETING

Notice is given that an Annual General Meeting of the Members of Australian Rural Capital Limited ACN 001 746 710 (**ARC or the Company**) will be held on **Wednesday 30 October 2019** at **12.00pm Brisbane time** at the offices of Broadley Rees Hogan, located at **Level 24, 111 Eagle Street, BRISBANE QLD 4000 (AGM or the Meeting)**.

Shareholders should refer to the accompanying Explanatory Memorandum for further information concerning the business of the Meeting.

ITEM OF BUSINESS

1. Chairman's Address

Report on results and activities during the financial year.

2. Financial Statements and Reports

To receive and consider the Company's audited financial statements and reports for the year ended 30 June 2019.

3. Adoption of Remuneration Report

Resolution 1 - To consider, and if thought fit, to pass the following resolution as an ordinary resolution:

"That the Company adopt the Remuneration Report for the year ended 30 June 2019 in accordance with Section 250R (2) of the Corporations Act."

Notes:

The vote on this resolution is advisory only and does not bind the Directors or the Company.

Voting Exclusion Statement: The Company will disregard any votes cast on this Resolution 1 by or on behalf of a member of the Company's key management personnel (KMP) whose remuneration details are disclosed in the Remuneration Report, or by or on behalf of a closely related party of a member of the KMP, in any capacity unless the vote is cast:

- (a) by a person as proxy for a person who is entitled to vote, in accordance with the directions on the proxy form; or
- (b) by the Chairman of the Meeting as a proxy for a person entitled to vote and the Chairman has received express authority to vote undirected proxies as the Chairman sees fit.

The Chairman will vote all undirected proxies in favour of this resolution.

4. Re-election of Director - Mr Darren Anderson

The ASX Listing Rules and the Constitution of the Company require each Director to be re-elected every three years and also that an election of Directors be held each year.

Mr Darren Anderson was originally appointed a director of the Company on 5 June 2015. He will retire in accordance with clause 17.5 of the Company's Constitution and, being eligible, has offered himself for re-election.

Resolution 2 - To consider, and if thought fit, to pass the following resolution as an ordinary resolution:

“That Mr Darren Anderson, being eligible, be re-elected as a Director of the Company.”

5. Approval to issue ordinary shares to Mr James Jackson

Resolution 3 - To consider and, if thought fit, pass the following resolution as an ordinary resolution:

“That for the purposes of ASX Listing Rule 10.11 and for all other purposes, Shareholders approve and authorise the Company to issue to Mr James Jackson or his nominee fully paid ordinary shares in accordance with the terms summarised in the Explanatory Memorandum attached.

Voting Exclusion Statement: The Company will disregard any votes cast in favour of this Resolution 3 by or on behalf of Mr James Jackson, any other director or any of their Associates, unless the vote is cast:

- (a) by a person as proxy for a person who is entitled to vote, in accordance with the directions on the proxy form; or
- (b) it is cast by the person chairing the Meeting as proxy for a person who is entitled to vote, in accordance with a direction on the proxy form to vote as the proxy decides.

The Chairman will vote all undirected proxies in favour of this resolution.

6. Approval to issue ordinary shares to Mr Darren Anderson

Resolution 4 - To consider and, if thought fit, pass the following resolution as an ordinary resolution:

“That for the purposes of ASX Listing Rule 10.11 and for all other purposes, Shareholders approve and authorise the Company to issue to Mr Darren Anderson or his nominee fully paid ordinary shares in accordance with the terms summarised in the Explanatory Memorandum attached.

Voting Exclusion Statement: The Company will disregard any votes cast in favour of this Resolution 4 by or on behalf of Mr Darren Anderson, any other director or any of their Associates, unless the vote is cast:

- (c) by a person as proxy for a person who is entitled to vote, in accordance with the directions on the proxy form; or

- (d) 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.

The Chairman will vote all undirected proxies in favour of this resolution.

7. Approval to issue ordinary shares to Mr Wayne Massey

Resolution 5 - To consider and, if thought fit, pass the following resolution as an ordinary resolution:

***“That for the purposes of ASX Listing Rule 10.11 and for all other purposes, Shareholders approve and authorise the Company to issue to Mr Wayne Massey or his nominee fully paid ordinary shares in accordance with the terms summarised in the Explanatory Memorandum attached.*”**

Voting Exclusion Statement: The Company will disregard any votes cast in favour of this Resolution 5 by or on behalf of Mr Wayne Massey, any other director or any of their Associates, unless the vote is cast:

- (e) by a person as proxy for a person who is entitled to vote, in accordance with the directions on the proxy form; or
- (f) 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.

The Chairman will vote all undirected proxies in favour of this resolution.

8. Approval of 10% Placement Facility

Resolution 6 - To consider and if thought fit, pass the following resolution as a special resolution:

***“That for the purposes of Listing Rule 7.1A, the Directors are authorised to issue up to 10% of the Company's share capital calculated in accordance with Listing Rule 7.1A and otherwise on the terms and conditions set out in the Explanatory Memorandum.”*”**

Without limitation, Listing Rule 7.1A is relevant to this resolution.

Voting Exclusion Statement: The Company will disregard any votes cast in favour of this Resolution 3 by any person who may participate in the proposed issue of equity securities under this Resolution 3 and any person who will obtain a benefit as a result of the proposed issue, except a benefit solely in the capacity as a Shareholder if Resolution 3 is passed or any of their Associates, unless the vote is cast:

- (g) by a person as proxy for a person who is entitled to vote, in accordance with the directions on the proxy form; or
- (h) 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.

The Chairman will vote all undirected proxies in favour of this resolution.

Note: In accordance with Listing Rule 14.11.1 and the relevant note under that rule concerning Listing Rule 7.1A, as at the date of this Notice of Meeting it is not known who

may participate in the proposed issue (if any). On that basis, no Shareholders are currently excluded.

Other business

To consider any other business that may lawfully be brought forward in accordance with the constitution of the Company or the law.

Other information

An Explanatory Memorandum accompanies and forms part of this notice of Annual General Meeting.

All Shareholders should read the Explanatory Memorandum carefully and in its entirety. Shareholders who are in doubt regarding any part of the business of the Meeting should consult their financial or legal adviser for assistance.

Voting by proxy

Any Shareholder entitled to attend and vote at this meeting is entitled to appoint a proxy to attend and vote instead of that Shareholder.

The proxy does not need to be a Shareholder of the Company.

A Shareholder who is entitled to cast 2 or more votes may appoint 2 proxies and may specify the proportion or number of votes each proxy is appointed to exercise. If no proportion or number is specified, each proxy may exercise half of the Shareholder's votes.

Proxies must be:

- (a) lodged at the Company's share registry, Boardroom Pty Limited; or
- (b) faxed to the fax number specified below

not later than 12.00pm (Brisbane time) on Monday 28 October 2019.

Address (hand deliveries): Boardroom Pty Limited

Level 12, 225 George Street,

Sydney NSW 2000

Address (postal deliveries): C/-Boardroom Pty Limited, GPO Box 3993, Sydney NSW, 2001 Australia

Fax number for lodgement: +61 2 9290 9655

By electronic lodgement: <https://www.votingonline.com.au/arcagm2019>

In accordance with instructions provided on the proxy form you will need your Postcode or Country of Residence (if your registered address is outside of Australia) as well as your Voting Access Code (VAC) to lodge your proxy vote online.

The proxy form has been enclosed with this notice. Please read all instructions carefully before completing the proxy form.

Entitlement to Vote

In accordance with Section 1074E (2)(g)(i) of the Corporations Act and Regulation 7.11.37 of the Corporations Regulations and ASTC Operating Rule 8.3A.1, the Company has determined that for the purposes of the Annual General Meeting all shares will be taken to be held by the persons who, according to records of the Company's share registrar, held them as registered Shareholders at 6.00pm (Brisbane time) on Monday 28 October 2019. Accordingly, share transfers registered after that time will be disregarded in determining entitlements to attend and vote at the Annual General Meeting.

Voting Intentions

Subject to any voting restrictions and exclusions, the Chairman intends to vote in favour of all resolutions on the agenda.

In respect of undirected proxies, subject to any voting restrictions and exclusions, the Chairman intends to vote in favour of all resolutions on the agenda.

Further Information

If you have any queries in relation to the Annual General Meeting, please contact the Company Secretary, Mark Licciardo, on (03) 8689 9997 or markl@mertons.com.au

Dated 2 October 2019

By order of the Board of Directors

A handwritten signature in black ink, appearing to be 'Tamara Barr', with a long horizontal line extending to the right.

Tamara Barr
Company Secretary

EXPLANATORY MEMORANDUM

(This Explanatory Memorandum forms part of the Notice of Meeting)

This Explanatory Memorandum provides further information for members in respect of the resolutions to be considered at the Annual General Meeting of Australian Rural Capital Limited (ARC or Company) to be held at held at 12.00pm Brisbane time on **30 October 2019** at the offices of Broadley Rees Hogan, located at **Level 24, 111 Eagle Street, BRISBANE QLD 4000 (AGM or the Meeting)**.

This Explanatory Memorandum should be read in conjunction with, and forms part of the accompanying Notice of Meeting. The purpose of this Explanatory Memorandum is to provide information to shareholders in deciding whether or not to pass the Resolutions set out in the Notice.

1. Chairman's Address

Report on results and activities during the financial year.

2. Financial Statements and reports

Under Section 317 of the Corporations Act, ARC is required to lay its annual financial report, directors' report and remuneration report before its Shareholders at its Annual General Meeting. The annual financial report is submitted for Shareholders' consideration and discussion at the Annual General Meeting as required. Meeting attendees are invited to direct questions to the Chairman in respect of any aspect of the report they wish to discuss but there will be no formal resolution put to the meeting.

Representatives of ARC's auditor, Bentleys Brisbane (Audit) Pty Ltd, will be present for discussion purposes on matters of relevance to the audit.

Resolution 1 – Adoption of Remuneration Report

Board recommendation and undirected proxies. The Board recommends that shareholders vote in **FAVOUR** of resolution 1. The Chairman of the meeting intends to vote undirected proxies in **FAVOUR** of resolution 1.

Resolution 1 provides Shareholders the opportunity to vote on ARC's Remuneration Report. The Remuneration Report is contained in the Directors' Report. Under Section 250R(2) of the Corporations Act, ARC must put the adoption of its remuneration report to a vote at its Annual General Meeting.

This vote is advisory only and does not bind the Directors or ARC.

The Board will consider the outcome of the vote and comments made by Shareholders on the remuneration report at this meeting when reviewing ARC's remuneration policies. If 25% or more of the votes that are cast are voted against the adoption of the remuneration report at two consecutive annual general meetings shareholders will be required to vote at the second of those annual general meetings on a resolution (a "spill resolution") that another meeting

be held within 90 days at which all of ARC's directors other than the managing director must be offered up for election.

Key management personnel (including Directors) and their closely related parties must not cast a vote on the remuneration report, unless as holders of directed proxies for Shareholders eligible to vote on Resolution 1.

ARC encourages all shareholders to cast their votes on this resolution. The Chairman will vote all undirected proxies in favour of this resolution. If you wish to vote "against" or "abstain" you should mark the relevant box in the attached proxy form.

The Board recommends that Shareholders vote in favour of this advisory Resolution 1.

Resolution 2 – Re-election of Mr Darren Anderson as a Director

Board recommendation and undirected proxies. The Board recommends that shareholders vote in **FAVOUR** of resolution 2. The Chairman of the meeting intends to vote undirected proxies in **FAVOUR** of resolution 2.

Under Clause 17.5 of ARC's constitution, Darren Anderson, retires by rotation. Mr Anderson being eligible, offers himself for re-election by shareholders as a Director of the Company.

Resolution 2 therefore provides for the re-election of Darren Anderson as a Director of ARC in accordance with ARC's constitution.

Darren Anderson has significant legal and commercial experience and expertise gained over a 29 year career to date. He is a partner of Brisbane legal firm Broadley Rees Hogan Lawyers and specialises in providing legal services to the property industry. He has particular expertise in major acquisitions and disposals in residential, industrial and rural property, structured property development, due diligence and property finance arrangements. Darren brings extensive legal knowledge and background particularly in real property transactions, and the structuring of finance and due diligence. He has a good understanding of corporate governance, financial accounting and risk assessment. He holds a Bachelor of Commerce and Bachelor of Laws (Second Class Honours) from the University of Queensland and is admitted as a Solicitor in the Supreme Court of Queensland.

Mr Anderson is not a director of any other listed entities currently or in the last three years.

The Directors (excluding Darren Anderson) unanimously recommend that Shareholders vote in favour of Resolution 2.

Resolutions 3 to 5 – Approval to issue ordinary shares to Directors

Board recommendation and undirected proxies. The Board recommends that shareholders vote in **FAVOUR** of resolutions 3 to 5. The Chairman of the meeting intends to vote undirected proxies in **FAVOUR** of resolutions 3 to 5.

Messrs Jackson, Anderson and Massey (together the Related Parties) all executed Director Agreements pursuant to which each of the Related Parties agreed to provide services to the Company as Directors.

In consideration of the appointments, the Company agreed to pay each of the Related Parties (or an entity nominated by them), the following remuneration for the period 1 July 2019 – 30 June 2020 or the period of their tenure as Director during the 2020 Financial Year:

- a) Mr Jackson:
as executive Director \$150,000 in shares.
- b) Mr Anderson:
as non-executive Director \$25,000 in shares.
- c) Mr Massey:
as non-executive Director \$50,000 in shares.

The Company is seeking shareholder approval for all purposes, including ASX Listing Rules 10.11, for the grant of the relevant fully paid ordinary shares to the Related Parties.

Under ASX Listing Rule 7.1, every listed entity has the ability to issue 15% of its issued capital without shareholder approval in a 12 month period. When an entity issues or agrees to issue securities under ASX Listing Rule 7.1 without shareholder approval, that issue or agreement to issue uses up part of the 15% available under that rule. However, if approval is given under ASX Listing Rule 10.11, approval will not be required under ASX Listing Rule 7.1. This means that the fully paid ordinary shares granted to the Related Parties will not use up part of the 15% available under ASX Listing Rule 7.1.

The fully paid ordinary shares will be issued pari passu to existing securities and will be subject to three trading lock periods that restricts trading on the Australian Stock Exchange for an overall period of one year from the date of issue of the shares. The shares will be issued within one month from the date of the Meeting.

Names of Directors Receiving an Issue of Shares

Issue of shares to Mr James Jackson

The Board, Mr Jackson aside, recommends that Members approve the grant of a total of 375,000 fully paid ordinary shares in the capital of the Company to James Jackson.

Issue of shares to Mr Darren Anderson

The Board, Mr Anderson aside, recommends that Members approve the grant of a total of 62,500 fully paid ordinary shares in the capital of the Company to Darren Anderson.

Issue of shares to Mr Wayne Massey

The Board, Mr Massey aside, recommends that Members approve the grant of a total of 125,000 fully paid ordinary shares in the capital of the Company to Wayne Massey.

Maximum Number of Shares to be Issued to Directors

For the purposes of ASX Listing Rule 10.13.2, the maximum number of shares being issued to Directors under Resolution 3 to 5 is 562,500 Ordinary Shares.

Trading Locks

The shares issued to Messrs Jackson, Anderson and Massey will be subject to three trading lock periods from the date of issue as per the terms of each Director's Agreement. The trading locks will determine that the shares will become tradable quarterly as four equal

parcels. For each Director, the terms of the trading locks under the Director's Agreement will be set out as follows:

- i. One quarter of the issued shares to have no trading lock attached (1st quarter of FY 2020).
- ii. One quarter of the issued shares to have a trading lock attached from the date of issue to 31 December 2019 (2nd quarter of FY 2020)
- iii. One quarter of the issued shares to have a trading lock attached from the date of issue to 31 March 2020 (3rd quarter of FY 2020)
- iv. One quarter of the issued shares to have a trading lock attached from the date of issue to 30 June 2020 (4th quarter of FY 2020)

Issue Price

The proposed grants are in respect of fully paid ordinary shares at a price of \$0.40 per share (being a 4.2% premium to the 6 month VWAP (volume weighted average price) of \$0.3837 for the period 1 March 2019 to 31 August 2019) that are to be issued as the Directors' remuneration, subject to Shareholder approval and priced in line with agreements with Directors.

The issue price is at a 21% premium to the last quoted trade price prior to despatch of this document, being \$0.33 on 23 September 2019.

Intended Use of Funds

No funds will be raised from the issue of shares to Directors in lieu of Director Fees.

Remunerating Directors in this manner reduces the cash cost to the Company and aligns the reward to Directors with those of Shareholders.

The Board recommends that Shareholders vote in favour of Resolutions 3 to 5.

Resolution 6 – Approval of 10% Placement Facility

Board recommendation and undirected proxies. The Board recommends that shareholders vote in **FAVOUR** of resolution 6. The Chairman of the meeting intends to vote undirected proxies in **FAVOUR** of resolution 6.

Placement capacity

Listing Rule 7.1A provides that an eligible entity may seek shareholder approval by special resolution at its annual general meeting to issue equity securities equivalent to an additional 10% of the number of ordinary securities on issue over a period of 12 months after the annual general meeting (**10% Placement**). This is in addition to the existing 15% placement capacity permitted by Listing Rule 7.1.

If Shareholders approve Resolution 6, the number of equity securities the Company may issue under the 10% Placement will be determined in accordance with the formula prescribed in Listing Rule 7.1A.2 (as set out below).

Eligibility Criteria

An eligible entity is one that, as at the date of the relevant Annual General Meeting:

- a) is not included in the S&P/ASX 300 Index; and
- b) has a maximum market capitalisation (excluding restricted securities and securities quoted on a deferred settlement basis) of \$300,000,000.

The Company is an eligible entity as it is not included in the S&P/ASX 300 Index and has a current market capitalisation of less than \$300,000,000.

Any equity securities issued must be in the same class as an existing class of quoted equity securities. The Company currently has two classes of quoted equity securities on issue, being Shares (ASX Code ARC) and Options (ASX Code ARCO).

Calculation for 10% Placement

The number of equity securities that the Company may issue under the approval sought by Resolution 6 will be calculated in accordance with the following formula as set out in Listing Rule 7.1A.2:

$$(A \times D) - E$$

Where:

A = the number of fully paid Shares on issue 12 months before the date of issue or agreement to issue:

plus the number of Shares issued in the 12 months under an exception in Listing Rule 7.2;

plus the number of partly paid Shares that became fully paid in the 12 months;

plus the number of fully paid Shares issued in the 12 months under Listing Rules 7.1 and 7.4; and

less the number of fully paid Shares cancelled in the 12 months.

D = 10%.

E = the number of equity securities issued or agreed to be issued under Listing Rule 7.1A.2 in the 12 months before the date of issue or agreement to issue that are not issued with the approval of the Shareholders under Listing Rule 7.1 or 7.4.

Minimum Issue Price

In accordance with Listing Rule 7.1A.3, equity securities issued by the Company under a 10% Placement can only be issued at a price that is not less than 75% of the VWAP of the equity securities calculated over the 15 trading days on which trades in that class were recorded immediately before:

- a) the date on which the price at which the equity securities are to be issued is agreed; or
- b) if the equity securities are not issued within 5 trading days of the date in paragraph (i) above, the date on which the equity securities are issued.

Dilution to Existing Shareholdings

If Resolution 6 is approved by Shareholders and the Company issues Shares under the 10% Placement, Shareholders should be aware there is a risk of economic and voting dilution that may result from an issue of equity securities under the 10% Placement, including the risk that:

- a) the market price for equity securities in that class may be significantly lower on the issue date than on the date of the Meeting where approval is being sought; and
- b) the equity securities may be issued at a price that is at a discount to the market price for those equity securities on the date of issue.

Any issue of equity securities under the 10% Placement will dilute the interests of Shareholders who do not receive any equity securities under the issue, unless the only equity securities issued under the 10% Placement are options and these options are not exercised.

If Resolution 6 is approved by Shareholders and the Company issues the maximum number of equity securities available under the 10% Placement, the economic and voting dilution of existing Shares would be as shown in the table below, assuming that any options issued under the 10% Placement are exercised.

The table below shows the potential dilution of existing Shareholders calculated in accordance with the formula outlined in Listing Rule 7.1A.2, on the basis of the current market price of the Shares and the current number of Shares on issue as at the date of this Notice of Meeting.

The table also shows the voting dilution impact where the number of Shares on issue (variable A in the formula) changes and the economic dilution where there are changes in the issue price of Shares issued under the 10% Placement ¹.

Variable "A" in Listing Rule 7.1A.2		Dilution		
		\$ 0.165 50% decrease in Issue Price	\$ 0.330 Issue Price	\$ 0.660 100% increase in Issue Price
Current Variable A 12,508,740	10% Voting dilution	1,250,874	1,250,874	1,250,874
	Funds raised	\$ 206,394	\$ 412,788	\$ 825,577
50% increase in current Variable A 18,763,110	10% Voting dilution	1,876,311	1,876,311	1,876,311
	Funds raised	\$ 309,591	\$ 619,183	\$ 1,238,365
100% increase in current Variable A 25,017,480	10% Voting dilution	2,501,748	2,501,748	2,501,748
	Funds raised	\$ 412,788	\$ 825,577	\$ 1,651,154

¹ The table has been prepared on the following assumptions:

- (i) The Company issues the maximum number of shares available under Listing Rule 7.1A;
- (ii) The table shows only the effect of shares issues under Listing Rule 7.1A and does not factor in the Company's ability to issue up to 15% of its issued capital under Listing Rule 7.1;
- (iii) The issue price is \$0.33, being the closing price of the shares on the ASX on 23 September 2019.

The table shows:

- two examples where variable "A" has increased, by 50% and 100%. Variable "A" is based on the number of shares the Company has on issue, adjusted for Listing Rule 7.1A.2 requirements. The number of shares on issue may increase as a result of issues of shares that do not require approval (for example, a pro rata entitlements issue) or future specific placements under Listing Rule 7.1 that are approved at a future Shareholders' meeting; and
- two examples of where the issue price of shares has decreased by 50% and increased by 100% as against the current market price.

Placement Period

If Shareholder approval is granted for Resolution 6, then that approval will expire on the earlier of:

- a) 30 October 2020, being 12 months from the date of the Meeting; or
- b) the date Shareholder approval is granted to a transaction under Listing Rule 11.1.2 (proposed change to nature and scale of activities) or Listing Rule 11.2 (change involving main undertaking).

The approval under Listing Rule 7.1A will cease to be valid in the event that Shareholders subsequently approve a transaction under Listing Rule 11.1.2 or 11.2.

Purpose of Issue under 10% Placement

The purpose for which the 10% Placement may be issued include to raise funds for the Company or for non-cash consideration (details set out below). Funds raised from the 10% placement are intended to be used as follows:

- a) to enable the company to solely or part fund any investment acquisitions in line with the Company's investment policy; or
- b) working capital;

The Company may issue the 10% Placement for non-cash consideration, such as the acquisition of new investments or assets. The Company issues equity securities for non-cash consideration, the Company will release to the market a valuation of the non-cash consideration that demonstrates that the issue price of the equity securities complies with Listing Rule 7.1A.3.

Allocation Policy

The Company's allocation policy is dependent on the prevailing market conditions at the time of any proposed issue under the 10% Placement. The identity of the allottees under the 10% Placement will be determined on a case by case basis having regard to the following factors:

- a) the purpose of the issue;
- b) alternative methods for raising funds available to the Company at that time, including, but not limited to, an entitlement issue or other offer where existing Shareholders may participate;
- c) the effect of the issue of the equity securities on the control of the Company;
- d) the circumstances of the Company, including, but not limited to, the financial position and solvency of the Company;
- e) prevailing market conditions; and
- f) advice from corporate, financial and broking advisers (if applicable).

Previous Approval under Listing Rule 7.1A

The Company obtained shareholder approval under Listing Rule 7.1A at the 2018 AGM held on 18 October 2018.

Information under Listing Rule 7.3A. 6(a): The table below shows the total number of equity securities issued in the past 12 months preceding the date of this Annual General Meeting and the percentages those issues represent of the total number of equity securities on issue at the commencement of the 12 month period.

Equity securities issued in the 12 month period	i. Exercise of 16,650 Listed Options into 16,650 Ordinary Shares at an exercise price of \$0.50 per share to Netwealth Investments Limited
Consideration	For the above issue of Ordinary Shares (i), the Company received a cash consideration of \$8,325 which was put toward working capital
Percentage previous issues represent of total number of equity securities on issue at the commencement of the 12 month period	0.13%

The Board recommends that Shareholders vote in favour of the Approval of 10% of Placement Facility contained in Resolution 6.

Further Information

If you have any queries in relation to the Annual General Meeting, please contact the Company Secretary, Tamara Barr, on (03) 8689 9997 or tamib@mertons.com.au

Glossary

In this Explanatory Memorandum, and the Notice of Meeting:

AGM means Annual General Meeting

ARC means Australian Rural Capital Limited (ABN 52 001 746 710)

ASX means ASX Limited or the financial market known as the Australian Securities Exchange that is operated by ASX limited, as the context requires.

Board means the board of directors of the Company.

Company means Australian Rural Capital Limited (ABN 52 001 746 710)

Constitution means the constitution of the Company.

Corporations Act means Corporations Act 2001 (Cth)

Director means a director of the Company.

Explanatory Memorandum means this explanatory memorandum which forms part of the Notice of Meeting.

Listing Rules means the listing rules of the ASX Limited.

Meeting means the Annual General Meeting of the Company the subject of this Notice of Meeting scheduled to occur on Wednesday 30 October 2019.

Officer means a director of the Company

Shareholder means a holder of a Share.

Share means an ordinary share in the Company

All Correspondence to:

- ✉ **By Mail** Boardroom Pty Limited
GPO Box 3993
Sydney NSW 2001 Australia
- 📠 **By Fax:** +61 2 9290 9655
- 💻 **Online:** www.boardroomlimited.com.au
- ☎ **By Phone:** (within Australia) 1300 737 760
(outside Australia) +61 2 9290 9600

YOUR VOTE IS IMPORTANT

For your vote to be effective it must be recorded **before 12:00pm (Brisbane time) on Monday, 28 October 2019.**

🖥 TO VOTE ONLINE

- STEP 1:** VISIT <https://www.votingonline.com.au/arcagm2019>
- STEP 2:** Enter your Postcode OR Country of Residence (if outside Australia)
- STEP 3:** Enter your Voting Access Code (VAC):

📱 BY SMARTPHONE



Scan QR Code using smartphone
QR Reader App

TO VOTE BY COMPLETING THE PROXY FORM

STEP 1 APPOINTMENT OF PROXY

Indicate who you want to appoint as your Proxy.

If you wish to appoint the Chair of the Meeting as your proxy, mark the box. If you wish to appoint someone other than the Chair of the Meeting as your proxy please write the full name of that individual or body corporate. If you leave this section blank, or your named proxy does not attend the meeting, the Chair of the Meeting will be your proxy. A proxy need not be a security holder of the company. Do not write the name of the issuer company or the registered securityholder in the space.

Appointment of a Second Proxy

You are entitled to appoint up to two proxies to attend the meeting and vote. If you wish to appoint a second proxy, an additional Proxy Form may be obtained by contacting the company's securities registry or you may copy this form.

To appoint a second proxy you must:

- (a) complete two Proxy Forms. On each Proxy Form state the percentage of your voting rights or the number of securities 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.
- (b) return both forms together in the same envelope.

STEP 2 VOTING DIRECTIONS TO YOUR PROXY

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

Proxy which is a Body Corporate

Where a body corporate is appointed as your proxy, the representative of that body corporate attending the meeting must have provided an "Appointment of Corporate Representative" prior to admission. An Appointment of Corporate Representative form can be obtained from the company's securities registry.

STEP 3 SIGN THE FORM

The form **must** be signed as follows:

Individual: This form is to be signed by the securityholder.

Joint Holding: where the holding is in more than one name, all the securityholders should sign.

Power of Attorney: to sign under a Power of Attorney, you must have already lodged it with the registry. Alternatively, attach a certified photocopy of the Power of Attorney to this form when you return it.

Companies: this form must be signed by a Director jointly with either another Director or a Company Secretary. Where the company has a Sole Director who is also the Sole Company Secretary, this form should be signed by that person. **Please indicate the office held by signing in the appropriate place.**

STEP 4 LODGEMENT

Proxy forms (and any Power of Attorney under which it is signed) must be received no later than 48 hours before the commencement of the meeting, therefore by **12:00pm (Brisbane time) on Monday, 28 October 2019.** Any Proxy Form received after that time will not be valid for the scheduled meeting.

Proxy forms may be lodged using the enclosed Reply Paid Envelope or:

- 💻 **Online** <https://www.votingonline.com.au/arcagm2019>
- 📠 **By Fax** + 61 2 9290 9655
- ✉ **By Mail** Boardroom Pty Limited
GPO Box 3993,
Sydney NSW 2001 Australia
- 👤 **In Person** Boardroom Pty Limited
Level 12, 225 George Street,
Sydney NSW 2000 Australia

Attending the Meeting

If you wish to attend the meeting please bring this form with you to assist registration.

Australian Rural Capital Limited

ACN 001 746 710

Your Address

This is your address as it appears on the company's share register. If this is incorrect, please mark the box with an "X" and make the correction in the space to the left. Securityholders sponsored by a broker should advise their broker of any changes. Please note, you cannot change ownership of your securities using this form.

PROXY FORM

STEP 1 APPOINT A PROXY

I/We being a member/s of Australian Rural Capital Limited (Company) and entitled to attend and vote hereby appoint:

the Chair of the Meeting (mark box)

OR if you are NOT appointing the Chair of the Meeting as your proxy, please write the name of the person or body corporate (excluding the registered shareholder) you are appointing as your proxy below

or failing the individual or body corporate named, or if no individual or body corporate is named, the Chair of the Meeting as my/our proxy at the Annual General Meeting of the Company to be held at the offices of Broadley Rees Hogan, Level 24, 111 Eagle Street, Brisbane QLD 4000 on Wednesday, 30 October 2019 at 12:00pm (Brisbane time) and at any adjournment of that meeting, to act 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.

Chair of the Meeting authorised to exercise undirected proxies on remuneration related matters: If I/we have appointed the Chair of the Meeting as my/our proxy or the Chair of the Meeting becomes my/our proxy by default and I/we have not directed my/our proxy how to vote in respect of Resolutions 1, 3-5, I/we expressly authorise the Chair of the Meeting to exercise my/our proxy in respect of these Resolutions even though Resolutions 1, 3-5 are connected with the remuneration of a member of the key management personnel for the Company.

The Chair of the Meeting will vote all undirected proxies in favour of all Items of business (including Resolutions 1, 3-5). If you wish to appoint the Chair of the Meeting as your proxy with a direction to vote against, or to abstain from voting on an item, you must provide a direction by marking the 'Against' or 'Abstain' box opposite that resolution.

STEP 2 VOTING DIRECTIONS

* 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 vote will not be counted in calculating the required majority if a poll is called.

		For	Against	Abstain*
Resolution 1	Adoption of Remuneration Report	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Resolution 2	Re-Election of Director – Mr Darren Anderson	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Resolution 3	Approval to issue ordinary shares to Mr James Jackson	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Resolution 4	Approval to issue ordinary shares to Mr Darren Anderson	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Resolution 5	Approval to issue ordinary shares to Mr Wayne Massey	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Resolution 6	Approval of 10% Placement Facility	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

STEP 3 SIGNATURE OF SHAREHOLDERS

This form must be signed to enable your directions to be implemented.

Individual or Securityholder 1

Sole Director and Sole Company Secretary

Securityholder 2

Director

Securityholder 3

Director / Company Secretary

Contact Name.....

Contact Daytime Telephone.....

Date / / 2019