



Armidale Investment
CORPORATION

ACN 100 854 788

Shareholder Booklet

Extraordinary General Meeting

A Notice of Meeting is included with this Booklet. A proxy form for the Meeting accompanies this Booklet.

Your vote is important in determining whether the transactions proposed in the Resolutions proceed. This is an important document and requires your urgent attention.

If you are in any doubt as to how to deal with this Booklet, please consult your legal, financial, taxation or other professional adviser immediately.

If you have recently sold all of your Shares, please disregard all enclosed documents.



Important Notices

General

You should read this Booklet in its entirety before making a decision on how to vote on the Resolutions to be considered at the Meeting. The notice convening the Meeting is contained in this Booklet. A proxy form for the Meeting is enclosed.

Defined terms

Capitalised terms in this Booklet are defined either in the Glossary in Section 4 of this Booklet or where the relevant term is first used.

References to **dollars** or **\$** are references to the lawful currency of Australia. Any discrepancies between the totals and the sum of all the individual components in the tables contained in this Booklet are due to rounding.

Purpose of this Booklet

The purpose of this Booklet is to:

- explain the terms and effect of the Resolutions to Shareholders; and
- provide such information as is prescribed by the Listing Rules.

Responsibility for information in this Booklet

The Company is responsible for the contents of this Booklet, other than, to the maximum extent permitted by law, the information below for which other persons are stated to be responsible.

Investment decisions

This Booklet does not take into account the investment objectives, financial situation, tax position and requirements of any particular person. This Booklet should not be relied on as the sole basis for any investment decision in relation to Shares. Independent financial and taxation advice should be sought before making any decision to invest in the Company or in relation to the Resolutions. It is important that you read the entire Explanatory Memorandum before making any voting or investment decision. In particular, it is important that Shareholders consider the possible disadvantages of the Resolutions.

Shareholders should carefully consider these factors in light of their particular investment objectives, financial situation, tax position and requirements. If Shareholders are in any doubt on these matters, they should consult their legal, financial, taxation or other professional adviser before deciding how to vote on the Resolutions. Past performance is no indication of future performance.

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Important dates and times

Date of this Booklet	22 nd August 2016
Last time and date by which the proxy form for the Meeting can be lodged	10:00 am (Sydney time) on Saturday, 24 th September 2016
Time and date for determining eligibility to vote at the Meeting	7:00 pm (Sydney time) on Saturday, 24 th September 2016
Meeting* to vote on the Resolutions	10:00 am (Sydney time) on Monday, 26 th September 2016

* The Meeting will be held at the Intercontinental Hotel Sydney (Albert Room), 117 Macquarie Street, Sydney NSW 2000.

Letter from the Chairman

Dear Shareholder,

The Board of Armidale Investment Corporation Limited (**AIK** or the **Company**) presents the material included in this Booklet for your consideration.

Background

Consistent with AIK's strategy of investment in Asset Finance Broking, AIK has agreed, subject to the satisfaction of certain conditions precedent, to purchase:

- 80% of the issued capital of Consolidated Finance Group Pty Ltd (**CFG**);
- 50% of the issued capital of Linx Finance Australia Pty Ltd (**Linx**); and
- 50% of the issued capital of QLD Pacific Finance Pty Ltd (**QPF**).

The purchase price for each of the proposed acquisitions is based on an enterprise value at a multiple of 8 times normalised EBITDA.

The proposed purchase of these entities will help transform the Company. The Company expects to achieve the following benefits:

1. An increased portion of Group earnings being derived from Asset Finance Broking. The strong cashflows and growth profile of the broking operations is expected to provide the Group with additional funding resources for the operating lease portfolio;
2. When combined with the earlier acquisition of a majority shareholding in Platform Finance & Leasing Group Pty Ltd (**PFLG**), the Group will be the largest Asset Finance Broking group in Australia;
3. It will act as an aggregator for over 100 brokers and represent almost \$3 billion per annum of asset finance;
4. Revenue synergies through improved broker volume based incentives;
5. Providing a further channel to market resulting in increased referrals of operating lease opportunities to TL Rentals Pty Limited (**TL Rentals**), as has been the case for PFLG; and
6. Increased opportunities for further Asset Finance Broker investment, either directly or through PFLG, Linx and QPF.

The acquisition of PFLG and the proposed acquisitions of CFG, Linx and QPF will strategically position the AIK Group as the largest Asset Finance Broking aggregator. This is expected to allow us to provide improved services to our aggregation group members and place us in the position to be the logical acquirer of Asset Finance Brokers (providing those aggregation group members with a succession plan). The acquisition of PFLG and the proposed acquisitions of CFG, Linx and QPF have been or will be at a premium to likely future acquisitions, in reflection of the strategic value of building scale in a disaggregated industry.

The strength of our management team at AIK, the Hal Group and PFLG will be enhanced through the addition of the experienced and successful management teams at CFG, Linx and QPF.

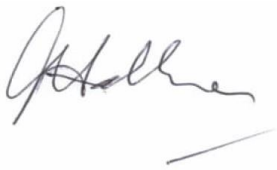
The Company proposes to fund part of the purchase price for the proposed acquisitions by undertaking a placement of up to 175,000,000 Shares at an issue price of 11 cents per Share and a 1 for 5 entitlement offer to Shareholders at an issue price of 11 cents per Share.

Directors' recommendation

The Directors recommend that Shareholders vote in favour of Resolutions 1 to 4, the Directors (other than Stephen White) recommend that Shareholders vote in favour of Resolution 5 and the Directors (other than Bruce Hatchman) recommend that Shareholders vote in favour of Resolution 6.

The Board presents this Booklet to invite Shareholders to vote on the Resolutions. You should carefully consider the contents of this Booklet before reaching your decision on how to vote on the Resolutions.

Yours sincerely

A handwritten signature in dark ink, appearing to read 'B. Hatchman', with a horizontal line drawn underneath it.

Bruce Hatchman
Chairman

Part A: Notice of Meeting

Armida Investment Corporation Limited
(ACN 100 854 788)

Notice of Meeting for the Meeting of Shareholders

To be held at 10:00 am (Sydney time) on Monday, 26th September 2016

IMPORTANT INFORMATION

This is an important document that should be read in its entirety.

This Notice of Meeting is accompanied by an Explanatory Memorandum. The Explanatory Memorandum has been prepared to assist Shareholders in determining whether or not to vote in favour of the Resolutions set out in this Notice of Meeting.

The Explanatory Memorandum should be read in conjunction with this Notice of Meeting.

You are encouraged to attend the Meeting, but if you cannot, you are requested to complete and return the enclosed proxy form without delay:

By post to:

Armida Investment Corporation Limited
C/-Link Market Services Limited
Locked Bag A14
Sydney South NSW 1235

By hand delivery to:

Link Market Services Limited
Level 12
680 George Street
Sydney NSW 2000

Link Market Services Limited
1A Homebush Bay Drive
Rhodes NSW 2138

By facsimile to:

+61 2 9287 0309

Items of business

The business of the Meeting is to consider the following proposed resolutions.

1. Issue of Shares to CFG Vendors

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

“That, the issue of up to 45,263,645 Shares with an issue price of 11.11 cents per Share to the CFG Vendors on the terms and conditions set out in the Explanatory Memorandum, be approved.”

Without limitation, Listing Rule 7.1 is relevant to this Resolution.

2. Issue of Shares to QPF Vendors

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

“That, the issue of up to 66,702,632 Shares with an issue price of 11.11 cents per Share to the QPF Vendors on the terms and conditions set out in the Explanatory Memorandum, be approved.”

Without limitation, Listing Rule 7.1 is relevant to this Resolution.

3. Issue of Shares to Linx Vendors

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

“That, the issue of up to 43,296,173 Shares with an issue price of 11.11 cents per Share to the Linx Vendors on the terms and conditions set out in the Explanatory Memorandum, be approved.”

Without limitation, Listing Rule 7.1 is relevant to this Resolution.

4. Placement of Shares to Sophisticated Investors

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

“That, the issue of up to 175,000,000 Shares to sophisticated investors at an issue price of 11 cents per Share and otherwise as described in the Explanatory Memorandum be approved.”

Without limitation, Listing Rule 7.1 is relevant to this Resolution.

5. Issue of Shares to a Director, Mr Stephen White

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

“That, the issue of up to 1,300,000 Shares to Mr Stephen White at an issue price of 11 cents per Share and otherwise as described in the Explanatory Memorandum be approved.”

Without limitation, Listing Rule 10.11 is relevant to this Resolution.

6. Issue of Shares to a Director, Mr Bruce Hatchman

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

“That, the issue of up to 500,000 Shares to Buff Holdings, a related party of Mr Bruce Hatchman at an issue price of 11 cents per Share and otherwise as described in the Explanatory Memorandum be approved.”

Without limitation, Listing Rule 10.11 is relevant to this Resolution.

Important notes

Undirected proxies

The Chairman will vote all undirected proxies in favour of the Resolutions. If you wish to vote “against” or “abstain” you should mark the relevant boxes in the attached proxy form.

Explanatory Memorandum

Shareholders are referred to the Explanatory Memorandum accompanying and forming part of this Notice of Meeting.

Entitlement to vote

The Directors have decided that for the purpose of determining entitlements to attend and vote at the Meeting, Shares will be taken to be held by the persons who are the registered holders at 7.00 pm (Sydney time) on Saturday, 24th September 2016. Accordingly, Share transfers registered after that time will be disregarded in determining entitlements to attend and vote at the Meeting.

How to vote

Shareholders entitled to vote at the Meeting may vote:

- by attending the Meeting and voting in person; or
- by appointing an attorney to attend the Meeting and vote on their behalf or, in the case of corporate shareholders or proxies, a corporate representative to attend the Meeting and vote on its behalf; or
- by appointing a proxy to attend and vote on their behalf, using the proxy form accompanying this Notice. A proxy may be an individual or a body corporate.

Voting in person (or by attorney)

Shareholders or their proxies, attorneys or representatives (including representatives of corporate proxies) wishing to vote in person should attend the Meeting and bring a form of personal identification (such as their driver's licence).

To vote by attorney at this Meeting, the original or a certified copy of the power of attorney or other authority (if any) under which the instrument is signed must be received by the Company before 10:00 am (Sydney time) on Saturday, 24th September 2016 any of the following ways:

- By post to the Company:

Armidale Investment Corporation Limited
C/-Link Market Services Limited
Locked Bag A14
Sydney South NSW 1235
 - By hand delivery to the Company at:

Link Market Services Limited
Level 12
680 George Street
Sydney NSW 2000

Link Market Services Limited
1A Homebush Bay Drive
Rhodes NSW 2138
-

- By fax to the Company on:

+61 2 9287 0309

To vote in person, you or your proxy, attorney, representative or corporate proxy representative must attend the Meeting to be held at the Intercontinental Hotel Sydney (Albert Room), 117 Macquarie Street, Sydney NSW 2000 on Monday, 26th September 2016 commencing at 10:00 am (Sydney time).

A vote cast in accordance with the appointment of a proxy or power of attorney is valid even if before the vote was cast the appointor:

- died;
- became mentally incapacitated;
- revoked the proxy or power; or
- transferred the Shares in respect of which the vote was cast,

unless the Company received written notification of the death, mental incapacity, revocation or transfer before the Meeting or adjourned meeting.

Voting by proxy

Shareholders wishing to vote by proxy at this Meeting must:

- complete and sign or validly authenticate the proxy form, which is enclosed with this Booklet; and
- deliver the signed and completed proxy form to the Company by 10:00 am (Sydney time) on Saturday, 24th September 2016 in accordance with the instructions below.
- A person appointed as a proxy may be an individual or a body corporate.

Submitting proxy votes

Shareholders wishing to submit proxy votes for the Meeting must return the enclosed proxy form to the Company in any of the following ways:

- By post to the Company:

Armidale Investment Corporation Limited
C/-Link Market Services Limited
Locked Bag A14
Sydney South NSW 1235
- By hand delivery to the Company at:

Link Market Services Limited
Level 12
680 George Street
Sydney NSW 2000

Link Market Services Limited
1A Homebush Bay Drive
Rhodes NSW 2138
- By fax to the Company on:

+61 2 9287 0309

Note: proxies may not be returned by email.

By order of the Board

A handwritten signature in black ink, appearing to read 'D Franks', with a long horizontal flourish extending to the right.

David Franks
Company Secretary
22nd August 2016

Part B: Explanatory Memorandum

This Explanatory Memorandum contains information relating to the Resolutions.

1. Overview of Impact on AIK, Acquisitions and Funding

As was advised to the market, AIK entered into binding contracts to acquire three companies. The conditions precedent for each of these contracts includes:

- the approval of the issue of Shares to the CFG Vendors, the Linx Vendors and the QPF Vendors;
- AIK raising sufficient funds to pay the cash consideration under the contracts including by way of the issue of Shares under the proposed placement of up to 175,000,000 Shares at an issue price of 11 cents per Share (**Placement**); and
- the ACCC confirming in writing that it has no objection to the proposed acquisitions.

AIK currently intends to fund part of the cash consideration by obtaining a bank funding facility for up to \$15 million in conjunction with the Placement and a 1 for 5 entitlement offer to Shareholders at an issue price of 11 cents per Share (**Entitlement Offer**).

Consistent with AIK's strategy of investment in Asset Finance Broking, the acquisitions are for:

- 80% of the issued capital of Consolidated Finance Group Pty Ltd (**CFG**);
- 50% of the issued capital of Linx Finance Australia Pty Ltd (**Linx**); and
- 50% of the issued capital of QLD Pacific Finance Pty Ltd (**QPF**).

Each of the proposed acquisitions are not conditional on the others completing and the Company may complete all or some of the acquisitions.

CFG is one of Australia's largest asset finance aggregator, accounting for approximately \$1.8 billion of equipment finance in the 2016 financial year. Its members are independent asset finance brokers. CFG provides access to finance sources, enhanced commissions and other income and operational and finance support for its member brokers.

The Company plans to aggregate the Platinum Finance and Leasing Group Pty Ltd (**PFLG**) aggregation volumes of approximately \$1 billion with the CFG volumes of approximately \$1.8 billion to create Australia's most significant asset finance broker group. Through providing additional volume and services to financial institutions, AIK expects to be more relevant to financial institutions and achieve synergies, some of which will be applied to further develop a common IT system for members. This is expected to allow the Company to improve its service offering under the distinct CFG and PFLG member offerings. In addition, the strength of the combined group places the Company in the position to be the logical acquirer of asset finance brokers, thereby providing aggregation group members with a succession plan.

Linx and QPF are the two largest members of CFG (by volume of finance business written).

The owners of Linx are the major shareholders of CFG. Linx (established in 1999) has its headquarters in Melbourne and offers equipment finance, insurance and mortgage solutions to business and individuals throughout Australia.

QPF (established in 1977) has its headquarters in Brisbane and has offices in Queensland and Western Australia. QPF offers equipment finance, vendor finance facilities, and finance products for large equipment, commercial and residential property throughout Australia.

The combined businesses have recurring, sustainable revenue streams that are driven by the customer retention rate and continued growth in member base (in the aggregation operations) and client base

(broker operations). Each business has achieved historical growth in revenue and profit through leveraging their brands, relationship and lender access.

When considered with PFLG, the Group will employ a mix of commission and salary structured sales personnel with offices in Victoria, New South Wales, Queensland and Western Australia. The strength of the management teams in the Linx, QPF and PFLG broking operations are expected to assist the Company with future broker acquisitions.

Both Linx and QPF are undertaking minor restructures that will be completed before the proposed acquisitions are completed.

Purchase Price Summary

	CFG	Linx	QPF	TOTAL
	(\$'000)	(\$'000)	(\$'000)	(\$'000)
FY2016 Revenue	14,002	6,647	15,492	36,142
FY2016 EBITDA	1,819	1,324	3,389	6,532
Net Owner Drawings	-	1,510	685	2,195
Normalisations	145	173	557	876
FY2016 Normalised EBITDA	1,964	3,006	4,632	9,602
Enterprise Value (8x Multiple)	15,715	24,051	37,053	76,819
<i>Acquisition Percentage</i>	80%	50%	50%	N/A
Acquisition Price	12,572	12,026	18,527	43,124
- Cash (60%)	7,543	7,215	11,116	25,874
- AIK Shares (40%)	5,029	4,810	7,411	17,250

The purchase of these entities is expected to help make AIK's business more stable and profitable.

Increased earnings from asset finance broking

The strong cashflows and growth profile of the broking operations are expected to provide additional funding resources for the Company's operating lease portfolio.

Largest Australian asset finance group

When combined with the earlier majority stake taken in PFLG, the Group will be the largest asset finance broking group in Australia, acting as an aggregator for over 100 brokers and representing almost \$3 billion per annum of asset finance.

The increased scale is expected to provide an opportunity to improve AIK's service offering to existing members, allowing it to consolidate its existing membership and grow membership revenue and EBITDA whilst also enhancing the profitability of AIK's owned brokers.

Further operating lease channel to market

The market release on 26 June 2016, announced an increase in the Hal Group valuation by \$14.4 million. A significant reason for this increase was the increases in operating lease origination. We expect operating leases sourced from PFLG, Linx, QPF and CFG to provide increased volumes to support organic growth in the value of the lease portfolio.

Opportunities for asset finance broker accumulation

The acquisition of shares in PFLG and the proposed acquisition of shares in CFG, Linx and QPF have been, or are expected to be, priced at a premium to any future acquisitions that AIK may make. AIK is prepared to pay at the high end of the value range to reflect the strategic value it expects to achieve by building scale in a disaggregated industry.

AIK intends to, consistent with previously advised strategic objectives, continue to evaluate additional acquisitions opportunities. The timing and target of any such opportunities will be considered on a “case by case” basis. As such, AIK may be considered to be a “patient purchaser” of future asset finance broker businesses. The board expects opportunities to arise both within the CFG membership group and more broadly.

Sources & Application of Funds

The following sources and application of funds is illustrative; based on the placement of \$11 million of Shares and the maximum of \$19.3 million of Shares under the Placement and the Entitlement Offer:

	<u>At \$11m Placement</u>		<u>At \$19.3m Placement</u> <u>(maximum)</u>	
	Cash \$'000	Shares No.'000	Cash \$'000	Shares No.'000
Sources of funds				
Vendor Shares		155,262		155,262
Entitlement Offer ¹	12,493	113,569	12,493	113,569
Placement	11,000	100,000	19,250	175,000
Bank facility ²	15,000		0	
Total	<u>38,493</u>	<u>368,831</u>	<u>31,743</u>	<u>443,831</u>
Application of funds				
CFG cash consideration	7,543		7,543	
QPF cash consideration	11,116		11,116	
Linx cash consideration	7,215		7,215	

¹ Further information on the proposed Entitlement Offer is set out in section 3 of this Booklet. Shareholders are expected to be provided with a separate offer document for the Entitlement Offer

² This scenario is provided to illustrate that with this raising, the cash consideration is available without the banking facility of \$15 million. Should both the maximum raising and the bank facility be available, the surplus funds would be \$19.8 million.

Broker fees	665	995
Surplus ¹	11,954	4,874
Total	<u>38,493</u>	<u>31,743</u>

2. Acquisition Resolutions and Details

The Resolutions below are not inter-conditional.

2.1. Resolution 1 – Issue of Shares to CFG Vendors

On 19th August 2016, the Company announced that it had entered into a binding transaction document for the acquisition of 80% of the issued capital of CFG (**CFG Acquisition**). If Resolution 1 is approved, the CFG Acquisition is expected to be completed on or about the date that is five days after the date that the transaction documentation for the CFG Acquisition is unconditional.

The Company proposes to issue up to 45,263,645 Shares at an issue price of 11.11 cents per Share to the vendors of the shares in CFG (**CFG Vendors**) as partial consideration for the acquisition of those shares. The Shares will be issued in two tranches, 85% of the Shares (38,474,098 Shares) will be issued on completion of the CFG Acquisition and the remaining Shares (up to 6,789,547 Shares) will be issued following settlement of the completion accounts. The number of Shares that the Company is seeking approval for under Resolution 1 for the second tranche (6,789,547 Shares) is the current expected number of Shares to be issued following settlement of the completion accounts, however this number may increase or decrease. If the number of Shares increases, the Company will issue any additional Shares to the CFG Vendors (over and above 6,789,547 Shares) under its 15% placement capacity.

The information set out below is required to be provided to Shareholders pursuant to Listing Rule 7.3 in relation to Resolution 1:

- (a) If approved and the transaction documentation is unconditional, the Company will issue up to 45,263,645 Shares to the CFG Vendors.
- (b) Shares to be issued to the CFG Vendors will be issued at an issue price of 11.11 cents per Share.
- (c) The Shares to be issued will be fully paid ordinary shares in the Company and will have the same terms as, and rank equally with, all other Shares on issue from the date of issue.
- (d) The Shares will be issued in two tranches, 85% of the Shares (38,474,098 Shares) will be issued on completion of the CFG Acquisition (the date that is five days after the transaction documentation is unconditional) and the remaining Shares (up to 6,789,547 Shares) will be issued following settlement of the completion accounts and in any event, no later than 3 months after the date of the Meeting (or such later date as permitted by any ASX waiver or modification of the ASX listing rules).
- (e) No funds will be raised by the issue of Shares to the CFG Vendors.

On completion of the CFG Acquisition, the Company will also enter into a shareholders' agreement with the CFG Vendors. The shareholders' agreement will provide each CFG Vendor with a put option to

¹ Surplus funds will be applied to growth in the operating lease portfolio until such time as further Asset Finance Broker acquisitions are completed.

require the Company to purchase its CFG shares by notice to the Company between 1 July 2018 and 30 July 2018.

If a CFG Vendor exercises this option, the Company must purchase the CFG shares held by that CFG Vendor at a price based on the CFG business being valued at 8 times normalised EBITDA for the financial year ending 30 June 2018 (less outstanding debt). The CFG Vendor may also defer the sale of its CFG shares for 12 months by notice in writing to the Company. If the CFG Vendor exercises this right of deferral, the purchase price will be based on the normalised EBITDA for the following financial year (less outstanding debt).

The Company will have a call option to purchase the shares of the CFG Vendors on similar terms as the put option (at the same price and time frames described above). The shareholders' agreement will also include normal commercial terms in relation to decision making, information flow and exit provisions (including appropriate drag along and tag along rights).

Board recommendation

The Directors unanimously recommend that Shareholders vote in favour of this Resolution.

Voting exclusion

The Company will disregard any votes cast on Resolution 1 by:

- any person who may participate in the proposed issue of Shares and a person who might obtain a benefit, except a benefit solely in the capacity of a holder of Shares, if Resolution 1 is passed; and
- an Associate of that person (or those persons).

However, the Company need not disregard a vote if it is cast as a proxy for a person who is entitled to vote on the Resolution:

- in accordance with their directions of how to vote on the proxy form; or
- by the Chairman of the Meeting pursuant to an express authorisation set out in the proxy form.

2.2. Resolution 2 – Issue of Shares to QPF Vendors

On 19th August 2016 the Company announced that it had entered into a binding transaction document for the acquisition of 50% of the issued capital of QPF (**QPF Acquisition**). If Resolution 2 is approved, the QPF Acquisition is expected to be completed on or about the date that is five days after the date the transaction documentation for the QPF Acquisition is unconditional.

The Company proposes to issue up to 66,702,632 Shares at an issue price of 11.11 cents per Share to the vendors of the shares in QPF (**QPF Vendors**) as partial consideration for the acquisition of those shares. The Shares will be issued in two tranches, 85% of the Shares (56,697,237 Shares) will be issued on completion of the QPF Acquisition and the remaining Shares (up to 10,005,395 Shares) will be issued following settlement of the completion accounts.

The number of Shares that the Company is seeking approval for under Resolution 2 for the second tranche (10,005,395 Shares) is the current expected number of Shares to be issued following settlement of the completion accounts, however this number may increase or decrease. If the number of Shares increases, the Company will issue any additional Shares to the QPF Vendors (over and above 10,005,395 Shares) under its 15% placement capacity.

The information set out below is required to be provided to Shareholders pursuant to Listing Rule 7.3 in relation to Resolution 2:

- (a) If approved and the transaction documentation is unconditional, the Company will issue up to 66,702,632 Shares to the QPF Vendors.

- (b) Shares to be issued to the QPF Vendors will be issued at an issue price of 11.11 cents per Share.
- (c) The Shares to be issued will be fully paid ordinary shares in the Company and will have the same terms as, and rank equally with, all other Shares on issue from the date of issue.
- (d) The Shares will be issued in two tranches, 85% of the Shares (56,697,237 Shares) will be issued on completion of the QPF Acquisition (the date that is five days after the date that the transaction documentation is unconditional) and the remaining Shares (up to 10,005,395 Shares) will be issued following settlement of the completion accounts and in any event, no later than 3 months after the date of the Meeting (or such later date as permitted by any ASX waiver or modification of the ASX listing rules).
- (e) No funds will be raised by the issue of Shares to the QPF Vendors.

On completion of the QPF Acquisition, the Company will also enter into a shareholders' agreement with the QPF Vendors. The shareholders' agreement will provide each QPF Vendor with a put option to require the Company to purchase 5% of its QPF shares by notice to the Company between 1 July 2018 and 30 July 2018.

If a QPF Vendor exercises this option, the Company must purchase the QPF shares held by that QPF Vendor at a price based on the QPF business being valued at 8 times normalised EBITDA for the financial year ending 30 June 2018 (less outstanding debt). The QPF Vendor may also defer the sale of its QPF shares for 12 months by notice in writing to the Company. If the QPF Vendor exercises this right of deferral, the purchase price will be based on the normalised EBITDA for the following financial year (less outstanding debt).

The Company will have a call option to purchase the shares of the QPF Vendors on similar terms as the put option (at the same price and time frames described above). Equivalent rights for both the QPF Vendors and the Company will arise in the period between 1 July 2020 and 30 July 2020 and the period between 1 July 2022 and 30 July 2022.

The shareholders' agreement will also include normal commercial terms in relation to decision making, information flow and exit provisions (including appropriate drag along and tag along rights).

Board recommendation

The Directors unanimously recommend that Shareholders vote in favour of this Resolution.

Voting exclusion

The Company will disregard any votes cast on Resolution 2 by:

- any person who may participate in the proposed issue of Shares and a person who might obtain a benefit, except a benefit solely in the capacity of a holder of Shares, if Resolution 2 is passed; and
- an Associate of that person (or those persons).

However, the Company need not disregard a vote if it is cast as a proxy for a person who is entitled to vote on the Resolution:

- in accordance with their directions of how to vote on the proxy form; or
- by the Chairman of the Meeting pursuant to an express authorisation set out in the proxy form.

2.3. Resolution 3 – Issue of Shares to Linx Vendors

On 19th August 2016, the Company announced that it had entered into a binding transaction document for the acquisition of 50% of the issued capital of Linx (**Linx Acquisition**). If Resolution 3 is approved,

the Linx Acquisition is expected to be completed on or about the date that is five days after the date that the transaction documentation is unconditional.

The Company proposes to issue up to 43,296,173 Shares at an issue price of 11.11 per Share to the vendors of the shares in Linx (**Linx Vendors**) as partial consideration for the acquisition of those shares. The Shares will be issued in two tranches, 85% of the Shares (36,801,747 Shares) will be issued on completion of the Linx Acquisition and the remaining Shares (up to 6,494,426 Shares) will be issued following settlement of the completion accounts.

The number of Shares that the Company is seeking approval for under Resolution 3 for the second tranche (6,494,426 Shares) is the current expected number of Shares to be issued following settlement of the completion accounts, however this number may increase or decrease. If the number of Shares increases, the Company will issue any additional Shares to the QPF Vendors (over and above 6,494,426 Shares) under its 15% placement capacity.

The information set out below is required to be provided to Shareholders pursuant to Listing Rule 7.3 in relation to Resolution 3:

- (a) If approved and the transaction documentation is unconditional, the Company will issue up to 43,296,173 Shares to the Linx Vendors.
- (b) Shares to be issued to the Linx Vendors will be issued at an issue price of 11.11 cents per Share.
- (c) The Shares to be issued will be fully paid ordinary shares in the Company and will have the same terms as, and rank equally with, all other Shares on issue from the date of issue.
- (d) The Shares will be issued in two tranches, 85% of the Shares (36,801,747 Shares) will be issued on completion of the Linx Acquisition (the date that is five days after the date that the transaction documentation is unconditional) and the remaining Shares (up to 6,494,426 Shares) will be issued following settlement of the completion accounts and in any event, no later than 3 months after the date of the Meeting (or such later date as permitted by any ASX waiver or modification of the ASX listing rules).
- (e) No funds will be raised by the issue of Shares to the Linx Vendors.

On completion of the Linx Acquisition, the Company will also enter into a shareholders' agreement with the Linx Vendors. The shareholders' agreement will provide each Linx Vendor with a put option to require the Company to purchase 5% of its Linx shares by notice to the Company between 1 July 2018 and 30 July 2018.

If a Linx Vendor exercises this option, the Company must purchase the Linx shares held by that Linx Vendor at a price based on the Linx business being valued at 8 times normalised EBITDA for the financial year ending 30 June 2018 (less outstanding debt). The Linx Vendor may also defer the sale of its Linx shares for 12 months by notice in writing to the Company. If the Linx Vendor exercises this right of deferral, the purchase price will be based on the normalised EBITDA for the following financial year (less outstanding debt).

The Company will have a call option to purchase the shares of the Linx Vendors on similar terms as the put option (at the same price and time frames described above). Equivalent rights for both the Linx Vendors and the Company will arise in the period between 1 July 2020 and 30 July 2020 and the period between 1 July 2022 and 30 July 2022.

The shareholders' agreement will also include normal commercial terms in relation to decision making, information flow and exit provisions (including appropriate drag along and tag along rights).

Board recommendation

The Directors unanimously recommend that Shareholders vote in favour of this Resolution.

Voting exclusion

The Company will disregard any votes cast on Resolution 3 by:

- any person who may participate in the proposed issue of Shares and a person who might obtain a benefit, except a benefit solely in the capacity of a holder of Shares, if Resolution 3 is passed; and
- an Associate of that person (or those persons).

However, the Company need not disregard a vote if it is cast as a proxy for a person who is entitled to vote on the Resolution:

- in accordance with their directions of how to vote on the proxy form; or
- by the Chairman of the Meeting pursuant to an express authorisation set out in the proxy form.

3. Placement Resolutions and Details

Resolution 4 – Placement of Shares to sophisticated investors

On 19th August 2016 the Company announced that it had entered into binding transaction documents for the CFG Acquisition, the QPF Acquisition and the Linx Acquisition (**Acquisitions**). If approved by Shareholders, each of these Acquisitions is expected to be completed on or about the date that is five days after the date that the transaction documentation is unconditional.

To fund part of the cash component of the purchase price of the Acquisitions, the Company proposes to issue up to 175,000,000 Shares at an issue price of 11 cents per Share (**Placement**). The Shares are intended to be issued to sophisticated investors identified by the lead manager and book runner the Company has appointed to the Placement, Blue Ocean.

It is currently expected that the Placement will be undertaken in conjunction with the Entitlement Offer. Further details of the Entitlement Offer are expected to be notified to Shareholders separately by way of an offer document.

The information set out below is provided to Shareholders pursuant to Listing Rule 7.3 in relation to Resolution 4:

- (a) If approved, the Company proposes to issue up to 175,000,000 Shares to the investors identified by Blue Ocean.
 - (b) Shares to be issued to the investors will be issued at an issue price of 11 cents per Share.
 - (c) The Shares to be issued will be fully paid ordinary shares in the Company and will have the same terms as, and rank equally with, all other Shares on issue from the date of issue.
 - (d) The Company proposes that Shares will be issued on or about 26 September 2016 and in any event, no later than 3 months after the date of the Meeting (or such later date as permitted by any ASX waiver or modification of the ASX listing rules).
 - (e) The funds raised will be used to partially fund the cash component of the purchase price of the Acquisitions.
-

Board recommendation

The Directors unanimously recommend that Shareholders vote in favour of this Resolution.

Voting exclusion

The Company will disregard any votes cast on Resolution 4 by:

- any person who may participate in the proposed issue of Shares and a person who might obtain a benefit, except a benefit solely in the capacity of a holder of Shares, if Resolution 4 is passed; and
- an Associate of that person (or those persons).

However, the Company need not disregard a vote if it is cast as a proxy for a person who is entitled to vote on the Resolution:

- in accordance with their directions of how to vote on the proxy form; or
- by the Chairman of the Meeting pursuant to an express authorisation set out in the proxy form.

Resolution 5 – Issue of Shares to a Director, Mr Stephen White

Mr Stephen White currently intends to subscribe for up to 1,300,000 additional Shares under the Placement, the shortfall of the Entitlement Offer or a combination of both the Placement and the shortfall (in addition to subscribing for his full entitlement under the Entitlement Offer).

In order for Mr Stephen White to subscribe for up to 1,300,000 additional Shares, Shareholder approval is required under Listing Rule 10.11.

The information set out below is required to be provided to Shareholders pursuant to Listing Rule 10.13 in relation to Resolution 5:

- (a) If approved, the Shares will be issued by the Company to Mr Stephen White.
- (b) The maximum number of Shares to be issued to Mr Stephen White is 1,300,000 Shares.
- (c) The Shares to be issued will be issued no later than one month after the date of the Meeting (or such later date to the extent permitted by any ASX waiver or modification of the Listing Rules).
- (d) The Shares will be issued at 11 cents (being the offer price under both the Placement and the Entitlement Offer).
- (e) The Shares issued will rank equally with, and will be on the same terms as, the existing Shares on issue.
- (f) The funds will be used to partially fund the cash component of the purchase price of the Acquisitions.

Board recommendation

The Directors (other than Stephen White) unanimously recommend that Shareholders vote in favour of this Resolution.

Voting exclusion

The Company will disregard any votes cast on Resolution 5 by:

- Mr Stephen White; and

- an Associate of Mr Stephen White.

However, the Company need not disregard a vote if it is cast as a proxy for a person who is entitled to vote on the Resolution:

- in accordance with their directions of how to vote on the proxy form; or
- by the Chairman of the Meeting pursuant to an express authorisation set out in the proxy form.

Resolution 6 – Issue of Shares to a Director, Mr Bruce Hatchman

Buff Holdings Pty Ltd (ACN 093 881 915) as trustee for The Bruce and Eve Hatchman Superannuation Fund (**Buff Holdings**), a related party of Mr Bruce Hatchman, would like to participate in the Placement. Buff Holdings currently intends to subscribe for up to 500,000 Shares.

In order for Buff Holdings to participate in the Placement, Shareholder approval is required under Listing Rule 10.11.

The information set out below is required to be provided to Shareholders pursuant to Listing Rule 10.13 in relation to Resolution 6:

- (a) If approved, the Shares will be issued by the Company to Buff Holdings, a related party of Mr Bruce Hatchman.
- (b) The maximum number of Shares to be issued to Buff Holdings, a related party of Mr Bruce Hatchman, is 500,000 Shares.
- (c) The Shares to be issued will be issued no later than one month after the date of the Meeting (or such later date to the extent permitted by any ASX waiver or modification of the Listing Rules).
- (d) The Shares will be issued at the offer price under the Placement, being 11 cents.
- (e) The Shares issued will rank equally with, and will be on the same terms as, the existing Shares on issue.
- (f) The funds will be used to partially fund the cash component of the purchase price of the Acquisitions.

Board recommendation

The Directors (other than Bruce Hatchman) unanimously recommend that Shareholders vote in favour of this Resolution.

Voting exclusion

The Company will disregard any votes cast on Resolution 6 by:

- Buff Holdings; and
- an Associate of Buff Holdings (including Mr Bruce Hatchman).

However, the Company need not disregard a vote if it is cast as a proxy for a person who is entitled to vote on the Resolution:

- in accordance with their directions of how to vote on the proxy form; or
 - by the Chairman of the Meeting pursuant to an express authorisation set out in the proxy form.
-

4. Glossary

The following terms used in this Booklet (including the Notice of Meeting included with this Booklet) have the meanings given to them below, unless the context otherwise requires.

ACCC	Australian Competition & Consumer Commission.
AIK	Armidale Investment Corporation Limited (ACN 100 854 788)
ASIC	Australian Securities & Investments Commission
Associate	has the meaning given to that term by section 12 of the Corporations Act
ASX	ASX Limited (ACN 008 624 691) or, as the context requires, the financial market conducted by it
Blue Ocean	Blue Ocean Equities Pty Limited (ACN 151 186 935), (AFSL 412765)
Booklet	this Booklet comprising the Notice of Meeting and the Explanatory Memorandum
Buff Holdings	Buff Holdings Pty Ltd (ACN 093 881 915) as trustee for The Bruce and Eve Hatchman Superannuation Fund
CFG	Consolidated Finance Group Pty Ltd (ACN 124 319 857)
Chairman	the chair of the Meeting
Company	Armidale Investment Corporation Limited (ACN 100 854 788)
Constitution	the constitution of the Company
Corporations Act	<i>Corporations Act 2001</i> (Cth)
Director	a director of the Company
Entitlement Offer	the proposed 1 for 5 entitlement offer to Shareholders at an issue price of 11 cents per Share
Explanatory Memorandum	this explanatory memorandum
Group	the Company and each Related Body Corporate of the Company
Linx	Linx Finance Australia Pty Ltd (ACN 086 431 629)
Listing Rules	the listing rules of ASX
Meeting	the meeting of Shareholders being convened by the Directors pursuant to the Notice of Meeting
Notice of Meeting	the notice of meeting set out in this Booklet
PFLG	Platform Finance & Leasing Group Pty Ltd (ACN 609 245 981)
Placement	the issue of up to 175,000,000 Shares at an issue price of 11 cents per Share to investors identified by Blue Ocean
QPF	Qld Pacific Finance Pty Ltd (ACN 083 028 684)
Registry	Link Market Services Limited (ACN 083 214 537)
Related Body Corporate	has the meaning given in the Corporations Act
Resolutions	the resolutions set out in the Notice of Meeting

Section	a section of the Explanatory Memorandum
Share	a fully paid ordinary share in the capital of the Company
Shareholder	a registered holder of Shares



Armidale Investment

CORPORATION

ABN 58 100 854 788

LODGE YOUR VOTE



ONLINE

www.linkmarketservices.com.au



BY MAIL

Armidale Investment Corporation 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 Armidale Investment Corporation Limited 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

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 Extraordinary General Meeting of the Company to be held at **10:00am on Monday, 26 September 2016 at Intercontinental Hotel (Albert Room), 117 Macquarie Street, Sydney, NSW, 2000** (the **Meeting**) and at any postponement or adjournment of the Meeting.

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 ☒

Resolutions

1 Issue of shares to CFG vendors

For Against Abstain*

☐ ☐ ☐

2 Issue of shares to QPF vendors

☐ ☐ ☐

3 Issue of shares to Linx vendors

☐ ☐ ☐

4 Placement of shares to sophisticated investors

☐ ☐ ☐

5 Issue of shares to a director, Mr Stephen White

For Against Abstain*

☐ ☐ ☐

6 Issue of shares to a director, Mr Bruce Hatchman

☐ ☐ ☐

* 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).

AIK PRX1601A



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.

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.

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 Saturday, 24 September 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

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 MOBILE DEVICE

Our voting website is designed specifically for voting online. You can now lodge your proxy by scanning the QR code adjacent or enter the voting link www.linkmarketservices.com.au into your mobile device. Log in using the Holder Identifier and postcode for your shareholding.

QR Code



To scan the code you will need a QR code reader application which can be downloaded for free on your mobile device.



BY MAIL

Armidale Investment Corporation 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 EXTRAORDINARY GENERAL MEETING, PLEASE BRING THIS FORM WITH YOU.
THIS WILL ASSIST IN REGISTERING YOUR ATTENDANCE.**