



*Wallace Absolute
Return Limited*

WALLACE ABSOLUTE RETURN LIMITED
ABN 58 100 854 788

TO BE RENAMED
ARMIDALE INVESTMENT CORPORATION LIMITED
(Subject to approval)

NOTICE OF ANNUAL GENERAL MEETING

TIME: 2.30pm (AEDT)

DATE: 25 November 2011

PLACE: History House – Royal Australian Historical Society
Auditorium
133 Macquarie Street
SYDNEY NSW 2000

This Notice of Meeting should be read in its entirety. If Shareholders are in doubt as to how they should vote, they should seek advice from their professional advisers prior to voting.

Should you wish to discuss the matters in this Notice of Meeting please do not hesitate to contact Gabriel Radzynski, Chairman on +0467 483 005 or David Franks, Joint Company Secretary on (+612) 9299 9690

Wallace Absolute Return Limited

Level 11, 139 Macquarie Street Sydney 2000 NSW

PO Box R1436 Royal Exchange NSW 1225

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TIME AND PLACE OF MEETING AND HOW TO VOTE

VENUE

The Annual General Meeting of the Shareholders of Wallace Absolute Return Limited which this Notice of Meeting relates to will be held at 2.30pm (AEDT), 25 November 2011 at:

History House – Royal Australian Historical Society
Auditorium
133 Macquarie Street
SYDNEY NSW 2000

YOUR VOTE IS IMPORTANT

The business of the Annual General Meeting affects your shareholding and your vote is important.

VOTING IN PERSON

To vote in person, attend the Annual General Meeting on the date and at the place set out above.

VOTING BY PROXY

To vote by proxy, please complete and sign the proxy form enclosed with this Notice of Meeting as soon as possible and:

- (a) send or deliver the proxy form to Wallace Absolute Return Limited, c/- Link Market Services Limited, Locked Bag A14, Sydney South, New South Wales 1235; or
- (b) send the proxy form by facsimile to the Company on facsimile number +612 9287 0309.

so that it is received not later than 2.30pm (AEDT), 23 November 2011.

Proxy forms received later than this time will be invalid.

NOTICE OF ANNUAL GENERAL MEETING

Notice is given that the Annual General Meeting of Shareholders of Wallace Absolute Return Limited will be held at History House – Royal Australian Historical Society, Auditorium, 133 Macquarie Street, SYDNEY NSW 2000 at 2.30pm (AEDT) on 25 November 2011.

The Explanatory Statement to this Notice of Meeting provides additional information on matters to be considered at the Annual General Meeting. The Explanatory Statement and the proxy form are part of this Notice of Meeting.

The Directors have determined pursuant to Regulation 7.11.37 of the Corporations Regulations 2001 (Cth) that the persons eligible to vote at the General Meeting are those who are registered Shareholders of the Company on 23 November 2011 at 7.00pm (AEDT).

Terms and abbreviations used in this Notice of Meeting and Explanatory Statement are defined in the Glossary.

AGENDA

BUSINESS

Financial Statements

To receive and consider the Financial Statements and the Reports of the Directors and of Auditors for the financial year ended 30 June 2011.

RESOLUTION 1 – ADOPTION OF DIRECTORS REMUNERATION REPORT

To consider and, if thought fit, to pass, with or without amendment, the following resolution as a **non-binding ordinary resolution**:

“That, for the purposes of Section 250R(2) of the Corporations Act and for all other purposes, approval is given to the adoption of the Remuneration Report as contained in the Company’s financial report for the year ended 30 June 2011.”

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

RESOLUTION 2 – RE-ELECTION OF GABRIEL RADZYMSKI

To consider and, if thought fit, to pass, with or without amendment, the following resolution as an **ordinary resolution**:

“That, Mr Gabriel Radzynski, being a Director of the Company who retires by rotation pursuant to Article 6.4 of the Company’s Constitution, and being eligible, be re-elected as a Director of the Company.”

RESOLUTION 3 – RE-ELECTION OF MARK SMITH

To consider and, if thought fit, to pass, with or without amendment, the following resolution as an **ordinary resolution**:

"That, Mr Mark Smith, being a Director of the Company who retires by rotation pursuant to Article 6.4 of the Company's Constitution, and being eligible, be re-elected as a Director of the Company."

RESOLUTION 4 – CHANGE OF COMPANY NAME

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

"That, with effect from the date that ASIC alters the details of the Company's registration in accordance with section 157 of the Corporations Act and for all other purposes, the name of the Company be changed to "Armidale Investment Corporation Limited".

DATED: 14 OCTOBER 2011

BY ORDER OF THE BOARD



**MR DAVID FRANKS
JOINT COMPANY SECRETARY**

Voting Exclusion Statement:

The Company will disregard any vote cast on resolutions by excluded shareholders detailed in the table below. However, the Company need not disregard a vote if:

- it is cast by a person as proxy for a person who is entitled to vote, in accordance with the directions on the proxy form; or
- it is cast by a 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.

Resolution	Shareholders excluded from voting
Resolution 1 – Adoption of Directors Remuneration Report	Key Management Personnel (including Directors) details of whose remuneration are included in the remuneration report and any of their Associates

EXPLANATORY STATEMENT

This Explanatory Memorandum sets out further information regarding the proposed resolutions to be considered by Shareholders of Wallace Absolute Return Limited (Company) at the 2011 Annual General Meeting (AGM) to be held, commencing 2.30pm (AEDT) on 25 November 2011, at History House – Royal Australian Historical Society, Auditorium, 133 Macquarie Street, SYDNEY NSW 2000. The Directors recommend that Shareholders read this Explanatory Statement before determining whether or not to support the Resolutions.

CORPORATIONS ACT PROVISIONS

S250R (4) of the Corporations Act

There are new rules on the voting by Chairpersons of undirected proxies in relation to resolutions on the remuneration report of listed companies. These new rules are in s250R of the *Corporations Act 2001* (Corporations Act), and were introduced with the enactment of the *Corporations Amendment (Improving Accountability on Director and Executive Remuneration) Act 2011*.

The Australian Government proposes to change the law during 2011 to clarify that Chairpersons are permitted to vote undirected proxies in relation to remuneration reports, if shareholders provide express authorisation for the chairperson to vote such undirected proxies.

In the interim, unless the shareholder indicates otherwise by ticking either the ‘for’ or ‘against’ box on the proxy form, the shareholder will be directing the Chairman of the meeting to vote in accordance the Chairman’s voting intentions if the shareholder has also ticked the ‘Box’ in Step 1 on the Proxy Form under the heading “Important for Resolution 1”.

It is the intention of the Chairman of the meeting to vote in favour of all the Resolutions contained in this Notice of Meeting and particular emphasis is given to *Resolution 1 - Adoption of Remuneration Report*, which contains the remuneration details of the Chairman.

Shareholders also have the ability to:

- **Appoint the chairman as proxy with a direction to cast the votes contrary to the Chairman’s stated voting intention; or**
- **To abstain from voting on that resolution.**

FINANCIAL REPORT AND REPORTS OF THE DIRECTORS AND AUDITORS

The Company’s Financial Report for the year ended 30 June 2011 is set out in the Company’s 2011 Annual Report. In accordance with the Corporations Act, Shareholders will be given a reasonable opportunity at the Annual General Meeting to ask questions and make comments on the Financial Report and on the business and management of the Company.

During the discussion of this item, the Company’s auditor will be present and will answer qualifying questions.

Written questions for the auditor

If you would like to submit a written question to the Company's auditor, please post your question to the Company Secretary or fax it to (612) 9299 9629. Written questions must relate to the content of the auditor's report to be considered at the Annual General Meeting or the conduct of the audit. A list of qualifying questions will be made available at the Annual General Meeting.

Please note that all questions must be received at least five Business Days before the Annual General Meeting, that is by no later than 2.30pm (AEDT) on 18 November 2011.

RESOLUTIONS 1 - ADOPTION OF DIRECTORS REMUNERATION REPORT

The Remuneration Report is set out in the Annual Report. The Remuneration Report sets out the Company's remuneration arrangements for the Directors and senior management of the Company.

The Corporations Act requires that a resolution to adopt the Remuneration Report be put to the vote of the Company. However, Shareholders should note that the vote on Resolution 1 is advisory only and not binding on the Company or its Directors.

It is the intention of the Chairman to vote in favour of Resolution 1, unless the shareholder indicates otherwise by ticking either the 'for' or 'against' box on the proxy form, the shareholder will be directing the Chairman of the meeting to vote in favour of Resolution 1 if the shareholder has also ticked the 'Box' in Step 1 on the Proxy Form under the heading "Important for Resolution 1".

Shareholders also have the ability to:

- **Appoint the chairman as proxy with a direction to cast the votes contrary to the chairman's stated voting intention; or**
- **To abstain from voting on that resolution.**

Voting Exclusion Statement

The Company will disregard any votes cast on Resolution 1 by Key Management Personnel (including Directors) details of whose remuneration are included in the remuneration report and any of their Associates.

However, the Company will not disregard a vote if:

- It is cast by a person as proxy for a person who is entitled to vote, in accordance with the directions on the Proxy Form; or
- It is cast by the person chairing the Meeting as proxy for a person who is entitled to vote, in accordance with a direction on the Proxy Form to vote as the proxy decides.

RESOLUTION 2 – RE-ELECTION OF GABRIEL RADZYMINSKI

Mr Gabriel Radzynski was appointed as a director of the Company on 21 September 2010.

Article 6.4 of the Constitution requires one third of the Company's Directors to retire at each annual general meeting. It also provides that a Director who retires under Article 6.4 is eligible for re-election. Gabriel Radzynski retires by rotation and now seeks re-election in accordance with Article 6.4 of the Constitution.

Mr Radzynski is Managing Director of Sandon Capital Pty Limited, a boutique investment management and advisory firm. He has advised a number of shareholders in listed companies on engaging with boards and management and is portfolio manager of the Sandon Capital Activist Fund. Prior to establishing Sandon Capital he was Head of Private Capital at Centric Wealth Ltd. He has more than 10 years of investment experience, including managing investments across a number of asset classes.

The Directors (other than Gabriel Radzynski) recommend that you vote in favour of Resolution 2.

RESOLUTION 3 – RE-ELECTION OF MARK SMITH

Mr Mark Smith was appointed as a director of the Company on 21 September 2010.

Article 6.4 of the Constitution requires one third of the Company's Directors to retire at each annual general meeting. It also provides that a Director who retires under Article 6.4 is eligible for re-election. Mark Smith retires by rotation and now seeks re-election in accordance with Article 6.4 of the Constitution.

Mr Smith lives in Armidale in country New South Wales. He has been a long term investor for many years. He has also established a number of successful small businesses in the New England region of New South Wales. Mark is also a part time owner-builder, farmer and apiarist.

The Directors (other than Mark Smith) recommend that you vote in favour of Resolution 3.

RESOLUTION 4 – CHANGE OF COMPANY NAME

The Directors of the Company have determined to change the Company's name to "Armidale Investment Corporation Limited" and Resolution 4 seeks Shareholder approval for that change in accordance with section 157 of the Corporations Act.

Resolution 4 is a special resolution and requires that change of name takes effect from when ASIC alters the details of the Company's registration.

GLOSSARY

Annual General Meeting means the meeting convened by the Notice.

AEDT means Australian Eastern Daylight Time, Sydney, New South Wales

ASIC means the Australian Securities and Investments Commission.

ASX means Australian Stock Exchange Limited.

ASX Listing Rules or **Listing Rules** means the Listing Rules of ASX.

Board means the current board of directors of the Company.

Company and **Wallace Absolute Return** means Wallace Absolute Return Limited (ABN 58 100 854 788).

Constitution means the Company's constitution.

Corporations Act means the Corporations Act 2001 (Cth).

Directors mean the current directors of the Company.

Explanatory Statement means the explanatory statement to the Memorandum.

Notice means the notice of meeting which forms part of this Memorandum.

Official List means the official list of ASX.

Proxy Form means the proxy form that accompanies and forms part of the Documents.

Resolutions means the resolutions set out in the Notice, or any one of them, as the context requires.

Shareholder means a holder of a Share.



Wallace Absolute
Return Limited

ABN 58 100 854 788

LODGE YOUR VOTE



ONLINE >

www.linkmarketservices.com.au



By mail:

Wallace Absolute Return Limited
C/- Link Market Services Limited
Locked Bag A14
Sydney South NSW 1235 Australia



By fax: +61 2 9287 0309



All enquiries to: Telephone: (02) 8280 7111



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SHAREHOLDER VOTING FORM

I/We being a member(s) of Wallace Absolute Return Limited and entitled to attend and vote hereby appoint:

STEP 1

APPOINT A PROXY

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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 (excluding the registered Shareholder) you are appointing as your proxy

or failing the person/body corporate named, or if no person/body corporate is named, the Chairman of the Meeting, as my/our proxy and to vote for me/us on my/our behalf at the Annual General Meeting of the Company to be held at 2:30pm on Friday, 25 November 2011, at History House - Royal Australian Historical Society Auditorium, 133 Macquarie Street, SYDNEY NSW 2000 and at any adjournment or postponement of the meeting.

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 **X**

Important for Resolution 1 - If the Chairman of the Meeting is your proxy or is appointed as your proxy by default

By marking this box, you are directing the Chairman of the Meeting to vote in accordance with his voting intentions on Resolution 1 as set out below and in the Notice of Meeting. If you do not mark this box, and you have not directed your proxy how to vote on Resolution 1, the Chairman of the Meeting will not cast your votes on Resolution 1 and your votes will not be counted in computing the required majority if a poll is called on this item. If you appoint the Chairman of the Meeting as your proxy you can direct him how to vote by either marking the boxes on any or all of the items in Step 2 below (for example if you wish to vote 'for', 'against' or 'abstain' from voting) or by marking this box (in which case the Chairman of the Meeting will vote in favour of Resolution 1).

The Chairman of the Meeting intends to vote all available proxies in favour of Resolution 1.

☐

I/we direct the Chairman of the Meeting to vote in accordance with his voting intentions on Resolution 1 (except where I/we have indicated a different voting intention below) and acknowledge that the Chairman of the Meeting may exercise my proxy even though Resolution 1 is connected directly or indirectly with the remuneration of a member of the key management personnel and even if the Chairman of the Meeting has an interest in the outcome of that item and that votes cast by him, other than as proxy holder, would be disregarded because of that interest.

STEP 2

VOTING DIRECTIONS

Resolution 1

Directors Remuneration Report

☐☐☐

Resolution 3

Re-Election of Mark Smith

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Resolution 2

Re-Election of Gabriel Radzyminski

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Resolution 4

Change of Company Name

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i * 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.

The Chairman of the Meeting intends to vote all available proxies in favour of all resolutions.

STEP 3

SIGNATURE OF SHAREHOLDERS - THIS MUST BE COMPLETED

Shareholder 1 (Individual)

Sole Director and Sole Company Secretary

Joint Shareholder 2 (Individual)

Director/Company Secretary (Delete one)

Joint Shareholder 3 (Individual)

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).

WAB PRX101



HOW TO COMPLETE THIS 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 securities using this form.**

Appointment of a Proxy

If you wish to appoint the Chairman of the Meeting as your proxy, mark the box in Step 1. If the person you wish to appoint as your proxy is someone other than the Chairman of the Meeting please write the name of that person in Step 1. If you leave this section blank, or your named proxy does not attend the meeting, the Chairman of the Meeting will be your proxy. A proxy need not be a Shareholder of the company. A proxy may be an individual or a body corporate.

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 securities 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 securities 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 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.

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.

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 **2:30pm on Wednesday, 23 November 2011**, 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 mail:

Wallace Absolute Return 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, Level 12, 680 George Street, Sydney NSW 2000.

**If you would like to attend and vote at the Annual General Meeting, please bring this form with you.
This will assist in registering your attendance.**