

4 January 2016

Company Announcements Office
Australian Stock Exchange
Level 4
20 Bridge Street
Sydney NSW 2000

Via ASX Online

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ANNOUNCEMENT

NOTICE OF EXTRAORDINARY GENERAL MEETING

Attached is a copy of the Notice of Extraordinary General Meeting, Proxy Form and Statement of Material Information sent to shareholders today.

Chris Grundy
Company Secretary

For further information call Chris Grundy, CFO, or Christopher Campbell on +61 2 9224 5555.

Academies Australasia has been operating for 107 years and listed on the Australian Securities Exchange for 38 years. The group comprises 18 separately licensed colleges operating in New South Wales, Victoria, South Australia, Western Australia and Queensland in Australia, and in Singapore. The group offers more than 250 qualifications in a wide range of recognised courses at different levels – Certificates, Diplomas, Advanced Diplomas and Bachelor and Master Degrees. Over the years, Academies Australasia colleges have taught tens of thousands of students from 122 countries, including 6 dependencies.

NOTICE OF EXTRAORDINARY GENERAL MEETING

NOTICE IS HEREBY GIVEN that an EXTRAORDINARY GENERAL MEETING of Academies Australasia Group Limited will be held at Level 6, 505 George Street Sydney at 11.00am on Wednesday 3 February 2016, to consider, and if thought fit, to pass the following resolution as a special resolution:

‘That, under section 260B(2) of the Corporations Act, the Company approves the giving of financial assistance by Transformations – Pathways To Competence & Developing Excellence Pty Ltd ACN 093 116 619 (Pathways Subsidiary) and Newco CLB Training & Development Pty Ltd ACN 142 184 512 (Newco Subsidiary) for the purpose of, or in connection with, the acquisition by:

- a) AKG7 Investment Holdings Pty Limited ACN 602 692 768 (AKG7 Purchaser) of 12 ordinary shares in Pathways Subsidiary; and
- b) AKG5 Investment Holdings Pty Limited ACN 600 637 474 (AKG5 Purchaser) of 7,387,500 ordinary shares in Newco Subsidiary,

details of which are set out in the Statement of Material Information attached to the Notice of General Meeting specifying the intention to propose the resolution.’

Accompanying document:

Statement of Material Information for Members in accordance with Section 260B(4) of the Corporations Act 2001 (Cth) (Corporations Act).

Entitlement to appoint proxies

In accordance with Section 249L(1)(d) of the Corporations Act and the Constitution of the Company, each member is entitled to appoint a proxy.

Attached is a Proxy form. Only registered holders (or their appointed proxy) of ordinary shares are entitled to address the Meeting and vote at the Meeting. Shareholders who are unable to attend and vote are entitled to appoint a proxy to attend and vote in their stead. That person need not be a member of the Company but should be a natural person at least 18 years of age. A shareholder who is entitled to cast two or more votes may appoint two proxies. Where two proxies are appointed, each proxy must be on a separate proxy form

and be appointed to represent a proportion of the Member's voting rights. Proxy forms executed by companies must be in accordance with the Corporations Act.

By Order of the Board
Chris Grundy
Company Secretary

4 January 2016

EXTRAORDINARY GENERAL MEETING ON 3 FEBRUARY 2016

STATEMENT OF MATERIAL INFORMATION

SPECIAL RESOLUTION

Financial Assistance

This Statement is given to the members of the Company for the purposes of Section 260B(4) of the *Corporations Act 2001* (**Corporations Act**).

It contains information known to the Company material to deciding how to vote on the resolution set out in the Notice of General Meeting, to which this Statement is attached.

The matters contemplated by the resolution may involve the giving of financial assistance by the Company's following group of companies:

1. Newco CLB Training & Development Pty Ltd ACN 142 184 512 (**Newco Subsidiary**), in connection with the acquisition by AKG5 Investment Holdings Pty Limited ACN 600 637 474 (**AKG5 Purchaser**) of 7,387,500 ordinary shares (**Newco Shares**) in the Newco Subsidiary; and
2. Transformations – Pathways To Competence & Developing Excellence Pty Ltd ACN 093 116 619 (**Pathways Subsidiary**) in connection with the acquisition by AKG7 Investment Holdings Pty Limited ACN 602 692 768 (**AKG7 Purchaser**) of 12 ordinary shares (**Pathways Shares**) in the Pathways Subsidiary.

Background

Academies Australasia Pty Limited ACN 087 303 544 (**Academies**), a subsidiary of the Company, has utilised financial accommodation (**Facilities Agreement**) made available to it by Australia and New Zealand Banking Group Limited ABN 11 005 357 522 (**Lender**). Academies has provided this financial accommodation to the AKG5 Purchaser and the AKG7 Purchaser (together, **Purchasers**) to assist in the purchase of the Newco Shares and the Pathways Shares (together, **Shares**) respectively of Academies (**Acquisition**). The Company has granted securities to the Lender in support of Academies' borrowings under the Facilities Agreement.

[Notes: (i) AKG5 Purchaser and AKG7 Purchaser are wholly owned by Academies, which is wholly owned by the Company. (ii) AKG5 Purchaser acquired Newco Subsidiary on 2 June 2014. Newco Subsidiary owns CLB Training & Development Pty Ltd which trades as Spectra Training. (iii) AKG7 Purchaser acquired Pathways Subsidiary on 20 November 2014. (iv) Pathways Subsidiary trades as Skills Training Australia.]

Under the Facilities Agreement, the Newco Subsidiary and the Pathways Subsidiary (together, **Subsidiaries**) are, subsequent to the Shares being acquired by the Purchasers, required to provide to the Lender any guarantee and indemnity and security that the Lender requires, in a form acceptable to the Lender (**Securities**).

Section 260 of the Corporations Act permits a company to financially assist a person to acquire shares in the company or a holding company of the company only if:

- (a) the giving of the financial assistance does not materially prejudice:
 - (i) the interests of the company or its shareholders; or
 - (ii) the company's ability to pay its creditors; or
- (b) the assistance is approved by the shareholders under Section 260B of the Corporations Act; or
- (c) the assistance is exempted under Section 260(C) of the Corporations Act.

Particulars of proposed financial assistance

The entry into the Securities by the Subsidiaries may constitute financial assistance within the meaning of Section 260 of the Corporations Act in so far as it assists the Purchasers to acquire the Shares.

The Subsidiaries' obligations under the Securities are significant. These obligations could include (without limitation):

- (a) unconditionally and irrevocably guaranteeing the performance of the obligations (including payment obligations) of the Purchasers (or any applicable subsidiary or related entity of the Purchasers) under the Facilities Agreement from time to time;
- (b) indemnifying the Lender against any liability, loss or cost incurred by them under the Facilities Agreement; and
- (c) giving security interests over its assets to secure its obligations and the obligations of the Purchasers (or any applicable subsidiary or related entity of the Purchasers) under the Facilities Agreement from time to time.

The approval of the members to these actions is sought pursuant to Section 260B(4) of the Corporations Act.

Reasons for the proposal to give financial assistance

In the absence of the Subsidiaries agreeing to grant the financial assistance in the manner contemplated, the Purchasers would not satisfy the conditions subsequent under the Facilities Agreement to raise the required funds to effect the Acquisition.

The Purchasers required finance under the Facilities Agreement to fund the Acquisition and for other business related purposes. The Acquisition was and continues to be in the best

interests of the Subsidiaries as it will benefit from efficiencies and business opportunities as part of the Company's group of companies.

Effects of the financial assistance on the financial position of the Subsidiaries

The giving of the Securities and any other security in connection with the Facilities Agreement, may impact on the ability of the Subsidiaries to borrow money in the future, and it is possible that this could materially prejudice the interests of the Subsidiaries and its shareholders. This is because a lender may be deterred by the existence of the Securities from making finance facilities available to the Subsidiaries. However, representatives of the Subsidiaries have agreed to the arrangements contemplated in the Securities because they believe them to be in the best interest of the Subsidiaries, for the reasons noted above.

The assessment of material prejudice, including the ability of the Subsidiaries to pay its creditors, embraces the whole transaction and so brings into account its immediate consequences in terms of determining whether there is a material prejudice. The assessment of material prejudice has both quantitative and qualitative elements.

The quantitative element involves an assessment of the impact of the Securities on the balance sheet, future profits and future cashflows of the Subsidiaries. If the Purchasers (or any applicable subsidiary or related entity of the Purchasers) fail to perform its obligations under or in connection with the Facilities Agreement, the Lender may decide to make a demand under the Facilities Agreement or the Securities. Accordingly, the Subsidiaries will be liable for the default of the Purchasers (or any applicable subsidiary or related entity of it of the Purchasers) under the Facilities Agreement.

The qualitative aspect requires an assessment of all the interlocking elements of the commercial transaction as a whole to determine where the net balance of financial advantage lies. The directors of the Subsidiaries consider that the Acquisition is to the benefit of the Subsidiaries and promotes the interests of the Subsidiaries because the company will inherit committed shareholders who will be focussed on the performance of the Subsidiaries and its businesses, and for the reasons noted above.

The directors of the Subsidiaries do not currently have any reason to believe that the Purchasers (or any applicable subsidiary or related entity of the Purchasers) are likely to default in its obligations under the Facilities Agreement.

However, if the Lender becomes entitled to enforce any of its rights under the Facilities Agreement because the Purchasers (or any applicable subsidiary or related entity of the Purchasers) default, the enforcement may materially prejudice the interests of the Subsidiaries or its shareholders. On enforcement, among other rights, the Lender may become entitled to procure the sale of the assets of the Subsidiaries. The sale of assets on enforcement may yield a return to the Subsidiaries (and ultimately its shareholders) significantly lower than could have been achieved by the Subsidiaries had those assets been otherwise sold. This may materially prejudice the interests of the Subsidiaries and its shareholders.

Notice to Australian Securities and Investments Commission

Copies of the notice to which this Statement is attached and this Statement were lodged with the Australian Securities and Investments Commission before being sent to the members in accordance with Section 260B(5) of the Corporations Act.

Disclosure

The directors consider that this Statement contains all material information known to the Company that could reasonably be required by a member in deciding how to vote on the proposed resolution, other than information that it would be unreasonable to require the Company to disclose because the Company has previously disclosed the information to its members.

Members' voting entitlement

Holders of all the ordinary shares are entitled to pass the resolution.

By Order of the Board

Chris Grundy
Company Secretary
4 January 2016

EXTRAORDINARY GENERAL MEETING ON 3 FEBRUARY 2016 PROXY FORM

Proxy forms must be lodged at the Registered Office of the Company (Level 6, 505 George Street, Sydney NSW 2000, Australia) or sent by facsimile to the Registered Office of the Company (+61 2 9224 5550) or sent by email to companysecretary@academies.edu.au, not less than 48 hours before 11.00am on Wednesday 3 February 2016.

A. Registered Holder Details

Name: _____

Address: _____

Number of Ordinary Shares held: _____

B. Appointment of Proxy

I/We being the Registered Holder stated above and being entitled to attend and vote, hereby appoint:

☐

The Chairman of the Meeting
(Please tick or mark with a cross in the box, if selecting this option)

OR

| |
|--------|
| (Name) |
|--------|

(Leave this box blank if you have selected the Chairman of the Meeting to vote on your behalf)

or, in his/her absence, the Chairman of the Meeting, as my/our proxy to act generally at the meeting on my/our behalf and to vote in accordance with the following directions (or if no directions have been given, and to the extent permitted by law, as the proxy sees fit) at the Extraordinary General Meeting of the Company, to be held on 3 February 2016 or at any adjournment of that Meeting.

C. Voting Directions

Should you decide to direct your proxy how to vote, please tick or mark with a cross in the appropriate box against each item below. If you do not, your proxy may vote as he/she thinks fit or abstain.

Important Note: If the Chairman of the Meeting is (or becomes) your proxy, you can direct the Chairman of the Meeting to vote for or against or abstain from voting on the resolution by marking the appropriate box. Please note that the Chairman of the Meeting intends to vote

undirected proxies in favour of the resolution. In exceptional circumstances, the Chairman of the Meeting may change his/her voting intention on the resolution, in which case an ASX announcement will be made.

Resolution:

That the Company approves the giving of financial assistance by Transformations – Pathways To Competence & Developing Excellence Pty Ltd ACN 093 116 619 (Pathways Subsidiary) and Newco CLB Training & Development Pty Ltd ACN 142 184 512 (Newco Subsidiary) for the purpose of, or in connection with, the acquisition by:

For Against Abstain

- a) AKG7 Investment Holdings Pty Limited ACN 602 692 768 (AKG7 Purchaser) of 12 ordinary shares in Pathways Subsidiary; and
- b) AKG5 Investment Holdings Pty Limited ACN 600 637 474 (AKG5 Purchaser) of 7,387,500 ordinary shares in Newco Subsidiary.

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D. Signature(s)

This section **MUST** be signed to enable your directions to be implemented.

Where the holding is in **one name**, the holder must sign. Where the holding is in **more than one name** all the holders must sign.

To sign under a **Power of Attorney**, you must have already lodged the Power of Attorney with the Company. If you have not previously lodged the Power of Attorney for notation, please attach a certified photocopy of the Power of Attorney to this form when you submit it.

For **corporations**, a Director must sign jointly with another Director or a Company Secretary. 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 does not have a Company Secretary, a Sole Director can also sign alone.

Please indicate the office held by signing in the appropriate space and crossing out the office that is not applicable.

Signed this _____ day of _____ 2016

Individual or Joint Shareholder(s):

Corporate Shareholders:

Individual / Shareholder 1

Director

Shareholder 2

Director / Company Secretary

Shareholder 3

Sole Director and Sole Company Secretary