

# Information Memorandum

Print Mail Logistics Limited  
ACN 103 116 856

For the issue of up to 10 million Partly Paid 2012  
Convertible Preference Shares

**IMPORTANT INFORMATION**

*This Information Memorandum is an important document and should be read in its entirety before deciding to invest. If you do not understand it, you should consult your professional advisor.*

# Corporate Directory

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Company		Corporate Advisors	
Print Mail Logistics Limited ACN 103 116 856 Ground Floor 30 Davey Street HOBART TAS 7000 www.pml.com.au		Wellington Capital Limited ACN 114 248 458 GPO Box 694 BRISBANE QLD 4001 www.wellcap.com.au	
Directors		Share Registry	
Robert Cameron Nigel Elias John Woods		Armstrong Registry Services Limited ACN 139 056 643 GPO Box 897 BRISBANE QLD 4001	
Company Secretaries			
Ian Hopkins Adrian Pereira			

## IMPORTANT NOTICE

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This Information Memorandum has been prepared by Print Mail Logistics Limited ACN 103 116 856 and is dated 4 April 2012.

The purpose of this Information Memorandum is to provide prospective investors with information to assist them in considering whether to invest in Print Mail Logistics Limited. Prospective investors should not treat the contents of this Information Memorandum as advice relating to legal, taxation or investment matters and should consult their own advisers in this regard.

The Offer is available to Australian residents in each state and territory of Australia. The distribution of this Information Memorandum in jurisdictions outside Australia may be restricted by law. Prospective investors should seek advice on and observe any restrictions. This Information Memorandum is not an Offer in any place where, or to any person to whom, it would not be lawful to make the Offer.

Print Mail Logistics Limited makes no representation or warranty as to the accuracy, reliability or completeness of this document or information relating to the Company or the Partly Paid 2012 Convertible Preference Shares being offered to prospective investors or their advisers. Print Mail Logistics Limited, its directors, employees, associates and related entities, agents, advisers and consultants have no liability (including liability to any person by reason of negligence or negligent misstatement) for any statements, opinions, information or matters (expressed or implied) arising out of, contained in or derived from, or for any omissions from, the information provided to prospective investors or their advisers, except liability under statute that cannot be excluded.

Print Mail Logistics Limited does not give financial product advice nor is it licensed to do so. No person is authorised to give any information or to make any representation in connection with the Offer which is not contained in this Information Memorandum.

The information in this Information Memorandum has been prepared without taking into account your investment objectives, financial situation or particular needs. It is important that prospective investors read this Information Memorandum in full before deciding whether to invest and consider the risk factors in section 4 of this Information Memorandum.

This Information Memorandum includes certain statements that reflect various assumptions, which may or may not prove to be correct. Any projections presented in this document are illustrative only and should not be taken as a certain indication of possible future returns. Print Mail Logistics Limited may at its absolute discretion but without being under any obligation to do so, update, amend or supplement this Information Memorandum or any other information provided to the recipient. Print Mail Logistics Limited, its associates or directors do not guarantee the performance or success of the Company, the repayment of capital or any particular rate of return on either capital or income.

Unless otherwise indicated, the assets depicted in photographs in this Information Memorandum are not assets of Print Mail Logistics Limited.

**THIS DOCUMENT IS IMPORTANT AND SHOULD BE READ IN ITS ENTIRETY.**

# Letter to investors

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4 April 2012

Dear Investor

## **INVESTMENT IN PRINT MAIL LOGISTICS LIMITED**

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On behalf of the Board, it gives me great pleasure to offer you this opportunity to invest in Print Mail Logistics Limited.

Through this Information Memorandum, the Company is inviting Investors to subscribe for up to 10 million Partly Paid 2012 Convertible Preference Shares at an Offer Price of A\$0.20 per Partly Paid 2012 Convertible Preference Share, seeking to raise a maximum of A\$2,000,000. A\$0.10 of the Offer Price is to be paid at the time of application, with the remaining A\$0.10 to be paid on 30 days' notice of a call being made by the Directors no earlier than 1 May 2013 and no later than 1 May 2016.

A coupon of 10% per annum is payable on the Partly Paid 2012 Convertible Preference Shares (pro-rated to the amount paid up on the Partly Paid 2012 Convertible Preference Shares).

The coupon payable on the Partly Paid 2012 Convertible Preference Shares is cumulative, and will be paid on 30 June 2016. The Partly Paid 2012 Convertible Preference Shares can only be transferred with the express consent of the Company.

The initial A\$1 million raised will be used by the Company to repay existing debt facilities.

The further A\$1 million which will be received by the Company upon the making of the call, will be used by the Company to expand the Company's business or rationalise the Company's premises, as required at the time.

It is intended that the Partly Paid 2012 Convertible Preference Shares will convert to Ordinary Shares in Print Mail Logistics Limited on 30 June 2016. This will increase the issued capital in Print Mail Logistics Limited. An application for admission of those additional Ordinary Shares to the official list of NSX will be made at the time of conversion.

This Information Memorandum is provided to assist you in making an investment decision. Please take the time to read the document in its entirety.

I look forward to welcoming you as a holder of Partly Paid 2012 Convertible Preference Shares in the Company.

Yours sincerely



John Woods  
**Chairman**  
**Print Mail Logistics Limited**

# Key Features

<b>The Offer</b>	The offer of up to 10 million Partly Paid 2012 Convertible Preference Shares in Print Mail Logistics Limited. A\$0.10 of the Offer Price is to be paid at the time of application, with the remaining A\$0.10 to be paid on 30 days' notice of a call being made by the Directors no earlier than 1 May 2013 and no later than 1 May 2016.
<b>Minimum Amount to be Raised</b>	The minimum amount to be raised under this Offer is \$1 million through the issue of a minimum of 5 million Partly Paid 2012 Convertible Preference Shares.
<b>Coupons</b>	<p>The Coupon Entitlement per Partly Paid 2012 Convertible Preference Share will be calculated as follows:</p> $CE = \text{no. of Partly Paid 2012 Convertible Preference Shares} \times \left[ \frac{\text{Coupon Rate} \times \text{A\$0.10} \times \frac{N1}{365}}{1} + \frac{\text{Coupon Rate} \times \text{A\$0.20} \times \frac{N2}{365}}{1} \right]$ <p>where:</p> <p><b>CE</b> = Coupon Entitlement</p> <p><b>Coupon Rate</b> = 10 per cent per annum;</p> <p><b>N1</b> is the number of days that the Partly Paid 2012 Convertible Preference Shares are on issue partly paid.</p> <p><b>N2</b> is the number of days that the Partly Paid 2012 Convertible Preference Shares are on issue fully paid, before they convert to Ordinary Shares.</p>
<b>The Investment</b>	<p>The investment is an investment in Print Mail Logistics Limited, a Hobart based company which provides printing and mailing services to clients throughout Australia.</p> <p>The Ordinary Shares in Print Mail Logistics Limited are currently listed on the National Stock Exchange of Australia (NSX).</p> <p>The initial A\$1 million raised by this Offer will be utilised by the Company to retire existing debt facilities. The further A\$1 million which will be received by the Company upon the making of a call, will be used by the Company to expand the Company's business or rationalise the Company's premises as required at the time.</p>
<b>The Directors</b>	<p>The Company is managed by a board of Directors with significant combined experience in a number of key areas:</p> <ul style="list-style-type: none"> <li>▪ devising and achieving appropriate growth strategies for the Company;</li> <li>▪ implementing thorough due diligence on business opportunities;</li> <li>▪ assessing and managing risk with a view to ensuring an appropriate balance between risk and return; and</li> <li>▪ raising capital and securing debt facilities as required.</li> </ul>

## Key Offer Highlights

By investing in Print Mail Logistics Limited through the purchase of Partly Paid 2012 Convertible Preference Shares, you have the opportunity to benefit:

- from a 10% per annum (pro-rated to the amount paid up on the Partly Paid 2012 Convertible Preference Shares held) deferred coupon, with the coupon payable on the Partly Paid 2012 Convertible Preference Shares on 30 June 2016; and
- by becoming a holder of Ordinary Shares in the Company on 30 June 2016, as a result of the conversion of the Partly Paid 2012 Convertible Preference Shares to Ordinary Shares. Application will be made to admit those Ordinary Shares to the official list of the NSX.

The Offer Price per Partly Paid 2012 Convertible Preference Share is A\$0.20.

	Minimum	Maximum
Partly Paid 2012 Convertible Preference Shares offered under this Information Memorandum	5 million	10 million
Amount to be raised under the Offer*	A\$1 million	A\$2 million

\*The Directors reserve the right to accept oversubscriptions.

Refer to section 3 for further details.

### Important Dates

	Date
Offer opens	4 April 2012
Offer closes*	29 June 2012

\*The Directors reserve the right to vary the closing date at any time.

## Summary of Terms of Partly Paid 2012 Convertible Preference Shares

Summarised Terms of Partly Paid 2012 Convertible Preference Shares	
<b>Issue price</b>	The issue price of the Partly Paid 2012 Convertible Preference Shares will be A\$0.20. A\$0.10 of this issue price is to be paid at the time of application with the remaining A\$0.10 to be paid on 30 days' notice of a call being made by the Directors no earlier than 1 May 2013 and no later than 1 May 2016.
<b>Conversion</b>	The Partly Paid 2012 Convertible Preference Shares will convert to Ordinary Shares in the Company on 30 June 2016. At that time the Company will make application for the additional Ordinary Shares to be admitted to the official list of the NSX.
<b>Coupon payment date</b>	While Partly Paid 2012 Convertible Preference Shares remain on issue, the coupon will be paid on 30 June 2016.

<b>Coupons</b>	<p>The Coupon Entitlement per Partly Paid 2012 Convertible Preference Share will be calculated as follows:</p> $CE = \text{no. of Partly Paid 2012 Convertible Preference Shares} \times \left[ \frac{\text{Coupon Rate} \times \text{A\$0.10} \times \underline{N1}}{365} + \frac{\text{Coupon Rate} \times \text{A\$0.20} \times \underline{N2}}{365} \right]$ <p>where:</p> <p><b>CE</b> = Coupon Entitlement</p> <p><b>Coupon Rate</b> = 10 per cent per annum;</p> <p><b>N1</b> is the number of days that the Partly Paid 2012 Convertible Preference Shares are on issue partly paid.</p> <p><b>N2</b> is the number of days that the Partly Paid 2012 Convertible Preference Shares are on issue fully paid, before they convert to Ordinary Shares.</p>
<b>Meetings and voting</b>	<p>Holders of Partly Paid 2012 Convertible Preference Shares are entitled to receive notices, reports and audited accounts of the Company and to attend meetings.</p> <p>Partly Paid 2012 Convertible Preference Shareholders only carry a right to vote at a general meeting of the Company in the following circumstances:</p> <ul style="list-style-type: none"> <li>(a) when coupons on Partly Paid 2012 Convertible Preference Shares are in arrears; or</li> <li>(b) when the resolution being voted on at the general meeting is for the winding up of the Company; or</li> <li>(c) when a resolution being voted on affects the rights attaching to the Partly Paid 2012 Convertible Preference Shares.</li> </ul>
<b>Preference</b>	<p>Partly Paid 2012 Convertible Preference Shares rank in preference to Ordinary Shares in the Company while they remain on issue as Partly Paid 2012 Convertible Preference Shares in relation to both payment of coupons and return of capital in the event of winding up of the Company.</p>
<b>Restriction on transfer</b>	<p>Partly Paid 2012 Convertible Preference Shares can only be transferred with the express consent of the Company.</p>

# Glossary

<b>AEST</b>	Australian Eastern Standard Time
<b>Applicant</b>	a person or entity who submits an Application Form
<b>Application Form</b>	an application form attached to this Information Memorandum
<b>Application Money</b>	the money received by the Company pursuant to the Offer, being A\$0.10 multiplied by the number of Partly Paid 2012 Convertible Preference Shares applied for
<b>ASIC</b>	Australian Securities and Investments Commission
<b>Board</b>	the board of directors of the Company
<b>Closing Date</b>	the date on which the Offer closes, being 29 June 2012, or another date nominated by the Company
<b>Company or Print Mail Logistics Limited or Print Mail Logistics</b>	Print Mail Logistics Limited ACN 103 116 856
<b>Corporations Act</b>	<i>Corporations Act 2001</i> (Cth)
<b>Directors</b>	the directors of the Company
<b>EBIT</b>	earnings before interest and income tax
<b>EBITDA</b>	earnings before interest, income tax, depreciation and amortisation
<b>GST</b>	Goods and Services Tax
<b>GST Act</b>	the <i>A New Tax System (Goods and Services Tax) Act 1999</i> (Cth)
<b>Information Memorandum</b>	this Information Memorandum
<b>Investor(s)</b>	a person or entity who invests in the Partly Paid 2012 Convertible Preference Shares in the Company
<b>Issuer</b>	Print Mail Logistics Limited
<b>Listing Rules</b>	listing rules of NSX
<b>NPAT</b>	net profit after tax
<b>NSX</b>	the National Stock Exchange of Australia Limited
<b>Offer</b>	the offer of Partly Paid 2012 Convertible Preference Shares under this Information Memorandum
<b>Offer Price</b>	A\$0.20 per Partly Paid 2012 Convertible Preference Share
<b>Ordinary Shareholders</b>	holders of Ordinary Shares in Print Mail Logistics Limited
<b>Ordinary Shares</b>	fully paid ordinary shares in Print Mail Logistics Limited
<b>Partly Paid 2012 Convertible Preference Shareholders</b>	holders of Partly Paid 2012 Convertible Preference Shares in Print Mail Logistics Limited
<b>Partly Paid 2012 Convertible Preference Shares</b>	Partly Paid 2012 Convertible Preference Shares in Print Mail Logistics Limited
<b>Personnel</b>	employees and professional services contractors of Print Mail Logistics Limited
<b>Underwriter</b>	Wellington Capital Limited ACN 114 248 458
<b>Underwriting Agreement</b>	the underwriting agreement between the Company and the Underwriter dated 8 February 2012
<b>Us or we</b>	the Company
<b>You</b>	the Investors under this Information Memorandum

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# 1. Investment Overview

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## 1.1 Business Overview

Print Mail Logistics Limited is a company that provides business communication services of the highest quality, including the following:

- pre-press electronic data management;
- digital transaction printing;
- digital promotional printing;
- offset printing; and
- mail insertion and distribution.

The Company prides itself on its ability to remain at the forefront of all technological changes and improvements affecting its business. This commitment has enabled the Company to continue providing its clients with the highest level of service.

The Company has a focus on providing services to medium to large corporate entities and government departments. The Company's existing capabilities enable it to service clients in Tasmania, Victoria, New South Wales, Queensland, Northern Territory and Norfolk Island.

The Ordinary Shares in the Company have been listed on the National Stock Exchange of Australia (NSX) since 2009.

The Company employs approximately 35 staff across its Head Office, printing and mailing divisions to deliver versatile and cost effective business and communication solutions.

## 1.2 Directors

The Directors of Print Mail Logistics Limited are:

### **Mr John Woods – Chairman (Non-Executive)**

Mr Woods is a Non-Executive Director and Chairman of the Company, having been appointed to the Board of Directors in June 2009.

Mr Woods is a Fellow of the Institute of Chartered Accountants in Australia and has held the position of Chairman of the Institute's State Council in Tasmania and Chairman of the State Membership Committee. He served as a National Councillor from 1982 to 1986 and has been a member of the National Membership Committee, the National Disciplinary Committee, the National Education Committee and a member of the National Examination Committee.

Prior to his retirement as a Chartered Accountant in public practice, Mr Woods was a registered Company Liquidator, an Official Liquidator, a registered Tax Agent and a Company Auditor. He currently sits on the Tasmanian Regional Liaison Committee of the Australian Securities and Investments Commission (ASIC) and is a past member of the Tasmanian Auditors and Liquidators Disciplinary Board.

Mr Woods' special responsibilities include that of Chairman of the Audit and Risk Management Committee, Chairman of the Nominations Committee and Chairman of the Remuneration Committee.

Mr Woods holds a beneficial interest in 57,000 Ordinary Shares in the Company.

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### **Mr Nigel Elias – Director (Executive)**

Mr Elias has extensive national and international experience as a company director and Chief Executive Officer of organisations including the GenaWare Group and Australian Card Services. Other roles have included positions with the Bank of Montreal, the Mercantile Bank of Canada, Canadian Commercial and Industrial Bank, Citicorp Australia and CIBC Australia.

Mr Elias has been duly admitted to the degree of Bachelor of Arts (University of Lancaster, UK) and Master of Business Administration (Columbia University, USA).

Mr Elias is Managing Director of the Company having been appointed Chief Executive Officer and Director of the Company in June 2004.

Mr Elias is responsible for all aspects of the Company's activities.

Mr Elias holds a beneficial interest in 3,155,720 Ordinary Shares in the Company.

### **Mr Robert Cameron – Director (Non-executive)**

Mr Cameron was appointed a Director of the Company on 1 April 2010 having served as a Director of the Company in prior financial years.

Mr Cameron is a Fellow of the Institute of Chartered Accountants and a former director of Asia Pacific Infrastructure Limited ACN 010 966 793.

Mr Cameron holds a beneficial interest in 504,000 Ordinary Shares in the Company.

## **1.3 Capital Structure**

The following table demonstrates the current structure of the Company, if between A\$1 million and A\$2 million is raised under the Offer.

	<b>If A\$1 million is raised</b>	<b>If A\$2 million is raised</b>
Fully paid Ordinary Shares on issue as at 4 April 2012	27,375,000	27,375,000
Partly Paid 2012 Convertible Preference Shares on issue following the Offer	5,000,000	10,000,000

Since the Ordinary Shares in the Company were listed on the NSX, they have been thinly traded. The table below analyses the trading in the Ordinary Shares since they were listed on the NSX in November 2009.

<b>Total number of individual trades</b>	<b>Total number of shares traded</b>	<b>High trade price</b>	<b>Low trade price</b>	<b>Volume weighted average trade price</b>
16	196,000	36 cents	15 cents	31.03 cents

The issued capital in Print Mail Logistics currently comprises 27,375,000 Ordinary Shares. There are currently no options on issue. The issue of up to 10 million Partly Paid 2012 Convertible Preference Shares will, upon conversion to Ordinary Shares have the effect of diluting the value of the Ordinary Shares currently on issue.

Number of Ordinary Shares on issue in the Company as at 4 April 2012	Number of Ordinary Shares on issue following conversion of the Partly Paid 2012 Convertible Preference Shares to Ordinary Shares	% increase in the number of Ordinary Shares on issue in the Company following conversion of the Partly Paid 2012 Convertible Preference Shares to Ordinary Shares
27,375,000	37,375,000*	36.5%*

\*This assumes that 10 million Partly Paid 2012 Convertible Preference Shares are issued and that no Ordinary Shares in the Company are issued or redeemed between now and conversion of the Partly Paid 2012 Convertible Preference Shares.

Despite the dilutory effect of the proposed issue, the underlying cost of capital to the Company remains unchanged. The initial A\$1 million of funds raised from the issue of the Partly Paid 2012 Convertible Preference Shares will be used to repay existing Company debt facilities and to partly reduce the need for further bank debt in the future. The further A\$1 million which will be received by the Company upon the making of a call, will be used by the Company to expand the Company's business or rationalise the Company's premises as required at the time. The interest payable on the existing debt facilities is 10% per annum. The coupon payable on the Partly Paid 2012 Convertible Preference Shares is 10% per annum (pro-rated to the amount paid up on the Partly Paid 2012 Convertible Preference Shares held). The payment of this coupon will be deferred until the conversion date being 30 June 2016.

## 1.4 Risk Factors

An investment in the Company is subject to both general and specific risks that could affect its future performance. Some of the risks are described in Section 4 of this Information Memorandum. Before deciding to invest in the Company, prospective Investors should read the entire Information Memorandum and, in particular, should consider the risk factors in Section 4.

## 1.5 Application of Funds to be Raised by this Issue

Funds to be raised	Subscription	
	If A\$1 million is raised	If A\$2 million is raised
Repayment of existing debt facilities	A\$890,000	A\$890,000
Expansion of business/rationalisation of premises	-	A\$1,000,000
Issue expenses	A\$110,000	A\$110,000
<b>TOTAL</b>	<b>A\$1,000,000</b>	<b>A\$2,000,000</b>

## **2. PRINT MAIL LOGISTICS LIMITED – THE BUSINESS**

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### **2.1 The History of the Business**

Print Mail Logistics Limited is a company which provides printing and mailing services. Nella Australia Pty Ltd ACN 103 116 856 ('Nella') was incorporated on 10 December 2002. On 14 March 2003, Nella purchased a business known as Mail All – a major Tasmanian mail house. On 31 May 2004, following the resolution of complex legal issues Nella acquired the Hobart based printing and mailing division of Information Solutions Works Pty Ltd. On 1 July 2004 the name of the Company was changed from Nella Australia Pty Ltd to Print Mail Logistics Pty Ltd and on 20 August 2004 the constitution of the Company was amended to that of an unlisted public company following which the Company assumed its current name of Print Mail Logistics Limited.

In 2009 there were 15.1 million Ordinary Shares on issue in the Company. Subsequent to a capital raising under a prospectus, the Ordinary Shares in the Company were listed on NSX on 19 November 2009. At the commencement of listing there were 25,993,034 listed Ordinary Shares on issue in the Company. There are currently 27,375,000 listed Ordinary Shares on issue in the Company.

### **2.2 Financial Performance and Track Record**

Refer to Section 5 of the Information Memorandum for detailed information on the Company's financial performance.

Investors should contact the Company at the address set out in the corporate directory if they wish to obtain a copy of the most recent financial report or any half yearly report and any continuous disclosure notices given by the Company.

### **2.3 Future Strategy**

The Company intends to continue capitalising on its investments in people, equipment and performance to date and by doing so, continue to provide its existing clients with a high level of service and quality solutions that they have come to expect.

In addition to providing outstanding service to existing clients, it is the Company's intention to continue expanding its operations both within Australia as well as overseas.

The Company's future strategy will be underpinned by a commitment to delivery of high quality services and a commitment to remaining abreast of all technological developments which occur in the industry.

### **2.4 People**

The Company recognises that the industry in which it operates is one in which the Company must be capable of attracting and retaining persons with specific skills and abilities.

The Company is committed to providing its employees with a working environment in which they feel both recognised and rewarded. In doing so, the Company considers that it is best place to both attract and retain staff of the highest quality.

The Company's commitment to the attraction and retention of high quality staff directly impacts on the services provided to its clients.

## **2.5 Commitment to the environment**

The Company recognises that the business in which it operates can be environmentally sensitive.

The Company is committed to ensuring that the manner in which it conducts its business is consistent with environmentally sound practices.

### 3. Details of the Offer

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#### 3.1 The Offer

Print Mail Logistics Limited is offering Investors the opportunity to subscribe for up to 10 million Partly Paid 2012 Convertible Preference Shares in the Company to raise up to A\$2 million.

#### 3.2 How to apply for Partly Paid 2012 Convertible Preference Shares

Applications may only be made on the Application Form attached to or accompanying this Information Memorandum. Detailed instructions on how to complete the Application Form are set out on the reverse of the Application Form.

The Offer Price is A\$0.20 per Partly Paid 2012 Convertible Preference Share. A\$0.10 of the Offer Price is to be paid at the time of application with the remaining A\$0.10 to be paid on 30 days' notice of a call being made by the Directors no earlier than 1 May 2013 and no later than 1 May 2016. Applications must be for a minimum of 250,000 Partly Paid 2012 Convertible Preference Shares (A\$50,000 total, being A\$25,000 on application and A\$25,000 on the making of a call by the Directors).

In order to apply for Partly Paid 2012 Convertible Preference Shares, Applicants must complete a paper copy of the Application Form and either fax or deliver it, with payment in Australian currency, by the Closing Date to:

**Post:**

Armstrong Registry Services Limited – PML Share Offer  
GPO Box 897  
BRISBANE QLD 4001

**Delivery:**

Print Mail Logistics Limited  
Ground Floor  
30 Davey Street  
HOBART TAS 7000

**Facsimile**

Armstrong Registry Services Limited  
Facsimile No: +61 7 3231 0099

Cheques must be made payable to 'Armstrong Registry Services Limited – PML Share Offer' and should be crossed and marked 'Not Negotiable'.

Alternatively, Applicants may provide funds for the Partly Paid 2012 Convertible Preference Shares for which they are subscribing by transferring funds by way of Electronic Funds Transfer ('EFT') and posting or faxing the Application Form to Armstrong Registry Services Limited at the address and facsimile number provided above and set out on the Application Form. The details for EFT are as follows:

Account Name:	Armstrong Registry Services Limited – PML Share Offer
Reference:	PML – <i>'Your Surname'</i>
Bank Branch:	NAB, Level 13, 100 Creek Street, Brisbane, Queensland
BSB:	084 004
Account Number:	13 037 8757
Swift Code:	NATAA003304B

Applicants should note that Partly Paid 2012 Convertible Preference Shares will not be issued until cleared funds are receipted into the Armstrong Registry Services Limited – PML Share Offer account and an Application Form has been received.

Valid Application Forms and Application Moneys are deemed to be received and accepted in Australia.

Applicants with questions on how to complete the Application Form, or who require additional copies of the Information Memorandum, should contact the Company on +61 3 6220 8444.

### **3.3 Foreign Selling Restrictions**

No action has been taken to register or qualify the Partly Paid 2012 Convertible Preference Shares or the Offer in any jurisdiction outside Australia, or otherwise to permit a public offering of the Partly Paid 2012 Convertible Preference Shares outside Australia.

The Information Memorandum does not constitute an offer or invitation in any jurisdiction where, or to any person to whom, such an offer or invitation would be unlawful. The distribution of this Information Memorandum in jurisdictions outside Australia may be restricted by law and persons who come into possession of this Information Memorandum should seek advice on and observe any such restrictions. Any failure to comply with such restrictions may constitute a violation of applicable securities laws.

Each Applicant warrants and represents that:

- (a) the Applicant is an Australian citizen or resident in Australia, is located in Australia at the time of the Application and is not acting for the account or benefit of any person in the United States of America or any other foreign person; and
- (b) the Applicant will not offer the Partly Paid 2012 Convertible Preference Shares in the United States of America or in any other jurisdiction outside Australia or to a United States of America person, except in transactions exempt from registration under the US Securities Act 1933 as amended, and in compliance with all applicable laws in the jurisdiction in which the Partly Paid 2012 Convertible Preference Shares are offered and sold.

### **3.4 Minimum Investment**

Investors must invest a minimum of A\$50,000. Only 20 Applicants will be permitted to acquire the Partly Paid 2012 Convertible Preference Shares.

### **3.5 Acceptance by Print Mail Logistics Limited**

All applications are subject to acceptance by the Directors on behalf of Print Mail Logistics Limited.

The Directors reserve the right to withdraw the Offer at any time until the allotment of the Partly Paid 2012 Convertible Preference Shares. The Directors reserve the right to accept an application for less than the minimum subscription, decline an application, to allot Partly Paid 2012 Convertible Preference Shares in full, or to allot a lesser number of Partly Paid 2012 Convertible Preference Shares than those for which application has been made. If the Offer is withdrawn, or to the extent that applications are unsuccessful, Print Mail Logistics Limited will refund the Application Money without interest within 21 days of the withdrawal of, or the closing of, the Offer.

### **3.6 Allotment of Partly Paid 2012 Convertible Preference Shares**

Allotment of the Partly Paid 2012 Convertible Preference Shares will proceed as soon as possible after closure of the Offer.

### **3.7 Underwriting**

The issue is subject to an Underwriting Agreement with Wellington Capital Limited. A summary of the Underwriting Agreement is set out in section 6.4.

### **3.8 Rights Attaching to Partly Paid 2012 Convertible Preference Shares**

The Partly Paid 2012 Convertible Preference Shares will rank equally between themselves in all respects. The rights attaching to the Partly Paid 2012 Convertible Preference Shares are detailed in the Partly Paid 2012 Convertible Preference Shares – Terms of Issue which appears at Schedule 1 to this Information Memorandum.

### **3.9 Coupon**

Partly Paid 2012 Convertible Preference Shareholders have an entitlement to a cumulative coupon of 10% per annum, pro-rated to the amount paid up on the Partly Paid 2012 Convertible Preference Shares held. This cumulative coupon will be paid on the date of conversion, being 30 June 2016.

### **3.10 NSX Quotation and Holding Statements**

Within seven days after the Partly Paid 2012 Convertible Preference Shares convert to Ordinary Shares in the Company, Print Mail Logistics Limited will apply to NSX for admission of those additional Ordinary Shares to be quoted on the official list of NSX. There is no guarantee that NSX will grant admission for those additional Ordinary Shares.

In the event NSX does grant admission for the additional Ordinary Shares, to the official list of NSX, a holding statement will be issued to the holders of the newly listed Ordinary Shares. Each holder of the newly listed Ordinary Shares is responsible for confirming their own holding before trading in those Ordinary Shares.

### **3.11 Minimum to be Raised**

The minimum to be raised under this Information Memorandum is \$1 million through the issue of 5 million Partly Paid 2012 Convertible Preference Shares. In the event that the minimum amount to be raised is not raised by the Offer Closing Date, the Directors may, at their discretion, resolve to extend the Closing Date.

In the event that the minimum is not raised by the Closing Date for the extended closing date), all Application Money received will be returned to Applicants without interest within 21 days.



## **4. Risk Factors**

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### **4.1 Factors Influencing Success and Risk**

#### **Introduction**

This section identifies the areas that the Board believes to be the major risks associated with an investment in the Company.

The Company is subject to risk factors, both specific to its business activities, and risks of a general nature. Individually, or in combination, these might affect the future operating performance of the Company and the value of an investment in the Company. There can be no guarantee that the Company's future financial results will be consistent with its historical financial results. An investment in the Company should be considered in light of relevant risks, both general and specific. Each of the risks set out below could, if it eventuates, have a material adverse impact on the Company's operating performance and profits and the value of the Partly Paid 2012 Convertible Preference Shares.

Before deciding to invest in the Company, potential Investors should:

- (a) read the entire Information Memorandum;
- (b) review the risk factors in sections 4.2 and 4.3 in light of their personal circumstances; and
- (c) seek professional advice from their accountant, stockbroker, lawyer or other professional adviser before deciding whether to invest.

### **4.2 General Investment Risks**

#### **Share market investments**

The Partly Paid 2012 Convertible Preference Shares will convert to Ordinary Shares on 30 June 2016. At that time the Company will make an application for admission of the additional Ordinary Shares to the official list of the NSX. It is important to recognise that, once the Partly Paid 2012 Convertible Preference Shares are converted to Ordinary Shares and quoted on the NSX, the market price might rise or fall and the Ordinary Shares may trade at prices below or above the Offer Price.

Factors affecting the price at which the Ordinary Shares are traded on NSX could include domestic and international economic conditions. In addition, the prices of many listed entities' securities are affected by factors that might be unrelated to the operating performance of the relevant company. Such fluctuations might affect the price of the Ordinary Shares. There is also the risk that the NSX does not accept the application by the Company for admission of the additional Ordinary Shares to the official list.

#### **Liquidity**

There is no market in which to sell your Partly Paid 2012 Convertible Preference Shares. Upon conversion of the Partly Paid 2012 Convertible Preference Shares to Ordinary Shares in the Company there may not be a liquid market for those Ordinary Shares.

Shareholders who wish to sell the Ordinary Shares issued to them as a result of the conversion of the Partly Paid 2012 Convertible Preference Shares may be unable to do so at an acceptable price, or at all, if insufficient liquidity exists in the market for Ordinary Shares in Print Mail Logistics.

#### **General economic conditions**

The Company's operating and financial performance is influenced by a variety of general economic and business conditions including the level of inflation, interest rates and

government fiscal, monetary and regulatory policies. Prolonged deterioration in general economic conditions, including an increase in interest rates, could be expected to have a corresponding adverse impact on the Company's operating and financial performance.

### **Legal and taxation Risks**

Adverse consequences to investments can occur because of amendments to statutes and regulations affecting them. In particular the taxation treatment of dividends is subject to tax law current at the date of this Information Memorandum. The current law may be changed during the term of the investment or new decisions or determinations may alter the way the law is generally interpreted. Any such changes or decisions may adversely affect the Company and its Ordinary Shareholders and Partly Paid 2012 Convertible Preference Shareholders.

A change to the current taxation regime may affect the Company, its Ordinary Shareholders and its Partly Paid 2012 Convertible Preference Shareholders.

Tax liabilities are the responsibility of individual Partly Paid 2012 Convertible Preference Shareholders and the Company is not responsible either for taxation or penalties incurred by Partly Paid 2012 Convertible Preference Shareholders or Ordinary Shareholders. Prospective Investors should consult their own tax advisers to ascertain the tax implications of their investment.

## **4.3 Specific Investment Risks**

### **Dependence upon key personnel**

The Company depends on the talent and experience of its Personnel as a primary asset. In the event that any of its key Personnel were to leave the Company, this may have a negative impact on the Company. It may be difficult to replace them, or to do so in a timely manner or at comparable expense. Additionally, if any key Personnel of the Company were to leave to work for a competitor, this may adversely impact the Company.

In summary, the Company's ability to attract and retain Personnel will have a direct correlation upon its ability to deliver its project commitments and achieve future revenues. Additionally, increases in recruitment, wages and contractor costs may adversely impact upon the financial performance of the Company.

### **Technology and information systems**

The industry in which the Company operates relies on technology and sophisticated information systems.

The Company's ability to continue providing its clients with the highest level of products and services is dependent on its ability to remain abreast of the technological developments occurring in the industry.

### **Growth**

If the Company expands in the future, there is a risk that the Company may be unable to manage its future growth successfully. The ability to hire and retain skilled Personnel may be a significant obstacle to growth.

### **Intellectual property**

The Company's ability to leverage its innovation and expertise depends upon its ability to protect its intellectual property and any improvements to it. Such intellectual property may not be capable of being legally protected, it may be the subject of unauthorised disclosure or unlawful infringement, or the Company may incur substantial costs in asserting or defending its intellectual property rights.

### **Environmental claims**

The Company provides a number of services including large scale printing and document production services.

Within the scope of its operations, the Company uses a large amount of paper and printing consumables and generates some degree of emissions.

The Company recognises that the business in which it operates can be environmentally sensitive and is doing all it can to minimise and reduce any such impact on the environment.

## 5. Financial Information

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### 5.1 Overview

This section contains a summary of the historical and forecast financial information for the Company.

The historical financial information of the Company in this Information Memorandum is presented on an actual historical basis. The actual historical financial information comprises:

- the summary NPAT of the Company for the years ended 30 June 2010 and 2011, as set out in table 5.3(a);
- the summary EBITDA and EBIT of the Company for the years ended 30 June 2010 and 2011, as set out in table 5.3(b);
- the summary Cash Flow Statement of the Company for the years ended 30 June 2010 and 2011, as set out in table 5.4(a); and
- the summary Balance Sheet of the Company as at 31 December 2011, as set out in section 5.5.

### 5.2 Basis of Preparation of Historical Financial Performance

The financial information included in this Information Memorandum has been prepared in accordance with the recognition and measurement principles prescribed in current interpretations of the Australian Equivalents to International Financial Reporting Standards ("AIFRS"), the Corporations Act and the Company's accounting policies.

The financial information is presented in an abbreviated form.

The actual historical financial information included in this Information Memorandum has been extracted from financial information included in the financial statements of the Company for the financial years ended 30 June 2010 and 2011 which have been subject to audit.

### 5.3 Historical Financial Performance

Table 5.3(a) presents a summary of the NPAT of the Company for the years ended 30 June 2010 and 2011.

**Table 5.3(a) Summary of NPAT**

	30 June 2010	30 June 2011
	A\$	A\$
Revenue	7,751,256	7,506,473
Expenses	(7,712,404)	(7,915,215)
Net profit/(loss) before tax	38,852	(408,732)
Income tax (expense)/benefit	53,354	73,645
<b>Net profit after tax</b>	<b>92,206</b>	<b>(335,087)</b>

Table 5.3(b) presents a summary of the EBITDA and EBIT of the Company for the years ended 30 June 2010 and 2011.

**Table 5.3(b) Summary of EBITDA and EBIT**

	30 June 2010	30 June 2011
	A\$	A\$
<b>EBITDA</b>	1,027,628	728,556
<b>EBIT</b>	252,968	(123,330)

## 5.4 Historical Cash Flow Statement

Table 5.4(a) presents a summary of the Cash Flow Statement of the Company for the years ended 30 June 2010 and 2011.

**Table 5.4(a) Summary of Cash Flow Statement**

	30 June 2010	30 June 2011
	A\$	A\$
Net Cash Flows from/(Used In) Operating Activities	214,908	233,992
Net Cash Flows From/(Used in) Investing Activities	(2,102,861)	(212,845)
Net Cash Flows From/(Used In) Financing Activities	1,878,309	(49,839)
<b>Net Increase/(Decrease) In Cash Held</b>	<b>(113,372)</b>	<b>(142,064)</b>

## 5.5 Actual Consolidated Balance Sheet as at 31 December 2011

Balance Sheet	31 December 2011
<b>CURRENT ASSETS</b>	<b>A\$</b>
Cash and cash equivalents	338
Trade and other receivables	458,520
Inventories	122,632
Other current assets	116,211
<b>TOTAL CURRENT ASSETS</b>	<b>697,701</b>
<b>NON-CURRENT ASSETS</b>	
Deferred tax asset	545,987
Investments in associates	856,747
Property, plant and equipment	2,073,931
<b>TOTAL NON-CURRENT ASSETS</b>	<b>3,476,665</b>
<b>TOTAL ASSETS</b>	<b>4,174,366</b>

<b>CURRENT LIABILITES</b>	
Trade and other payables	699,405
Short term borrowings	145,909
Short term provisions	85,170
Current portion of long term borrowings	497,128
<b>TOTAL CURRENT LIABILITIES</b>	<b>1,427,612</b>

<b>NON-CURRENT LIABILITIES</b>	
Long terms borrowings	1,173,309
Deferred tax liability	6,100
Long term provisions	129,265
<b>TOTAL NON-CURRENT LIABILITIES</b>	<b>1,308,674</b>
<b>TOTAL LIABILITIES</b>	<b>2,736,286</b>
<b>NET ASSETS/(LIABILITIES)</b>	<b>1,438,080</b>

<b>EQUITY</b>	
Issued capital	7,935,894
Retained earnings	(6,497,814)
<b>TOTAL EQUITY</b>	<b>1,438,080</b>

## 5.6 Pro-forma Consolidated Balance Sheet as at 29 June 2012

Balance sheet as at 29 June 2012	If A\$1 million is raised under the Offer	If A\$2 million is raised under the Offer
<b>CURRENT ASSETS</b>	<b>A\$</b>	<b>A\$</b>
Cash and cash equivalents	338	338
Trade and other receivables	458,520	458,520
Inventories	122,632	122,632
Other current assets	116,211	116,211
<b>TOTAL CURRENT ASSETS</b>	<b>697,701</b>	<b>697,701</b>
<b>NON-CURRENT ASSETS</b>		
Deferred tax asset	545,987	545,987
Investments in associates	856,747	856,747
Property, plant and equipment	2,073,931	2,073,931
<b>TOTAL NON-CURRENT ASSETS</b>	<b>3,476,665</b>	<b>3,476,665</b>
<b>TOTAL ASSETS</b>	<b>4,174,366</b>	<b>4,174,366</b>
<b>CURRENT LIABILITES</b>		

Trade and other payables	699,405	699,405
Short term borrowings	0	0
Short term provisions	85,170	85,170
Current portion of long term borrowings	374,709	374,709
<b>TOTAL CURRENT LIABILITIES</b>	<b>1,159,284</b>	<b>1,159,284</b>
<b>NON-CURRENT LIABILITIES</b>		
Long terms borrowings	1,051,637	551,637
Deferred tax liability	6,100	6,100
Long term provisions	129,265	129,265
<b>TOTAL NON-CURRENT LIABILITIES</b>	<b>1,187,002</b>	<b>687,002</b>
<b>TOTAL LIABILITIES</b>	<b>2,346,286</b>	<b>1,846,286</b>
<b>NET ASSETS/(LIABILITIES)</b>	<b>1,828,080</b>	<b>2,328,080</b>
<b>EQUITY</b>		
Issued capital	8,325,894	8,825,894
Retained earnings	(6,497,814)	(6,497,814)
<b>TOTAL EQUITY</b>	<b>1,828,080</b>	<b>2,328,080</b>

**Note:** In the opinion of the Directors, the pro-forma Balance Sheet has been prepared in accordance with the measurement requirements, but not all the disclosure requirements of applicable Accounting Standards and other mandatory reporting requirements (Urgent Issues Group Consensus Views) in Australia.

## Key Assumptions

The pro-forma consolidated Balance Sheet as at 29 June 2012 has been prepared on the basis of the assumptions set out below and must be read in conjunction with those assumptions and the risk factors in section 4. The Directors of Print Mail Logistics believe that the pro-forma Balance Sheet is reasonable and is based on best estimate assumptions. Although due care and attention has been taken in preparing the pro-forma Balance Sheet, many factors which affect the pro-forma Balance Sheet are outside the control of the Company or are not capable of being foreseen or accurately predicted. As such, actual results may differ from the pro-forma Balance Sheet.

The pro-forma consolidated Balance Sheet as at 29 June 2012 assumes:

## General Assumptions

1. There will be no material changes in the political or economic conditions currently prevailing in Australia.
2. There will be no significant changes to the current income tax legislation that will significantly impact on the pro-forma Balance Sheet.
3. There will be no changes in legal, statutory or regulatory requirements (other than those already foreshadowed) that could materially affect the Company.
4. The Company is not currently, and does not expect to become, a party to any material dispute or litigation not referred to in this Information Memorandum.
5. There are no material changes in the current competitive environment in which the company operates nor are there any material changes in the strategies of any major competitor.

## Specific Assumptions

1. No material changes will occur in operating costs (as projected by the Board) during the period to 29 June 2012.
2. The conversion rate applied to the £124,000 loan, which forms part of long term borrowings, is as it was on 31 December 2011, being £1 equals A\$1.4787.
3. If A\$1,000,000 is raised:
  - A\$500,000 is received upon close of the Offer;
  - transaction costs of A\$110,000 are paid;
  - short term borrowings are reduced from A\$145,909 to Nil;
  - the current portion of long term borrowings is reduced by A\$122,419 from A\$497,128 to A\$374,709; and
  - long term borrowings are reduced by A\$121,672 – representing part payment of the £124,000 loan.
4. If A\$2,000,000 is raised:
  - A\$1,000,000 is received upon close of the Offer;
  - transaction costs of A\$110,000 are paid;
  - short term borrowings are reduced from A\$145,909 to Nil;
  - the current portion of long term borrowings is reduced by A\$122,419 from A\$497,128 to A\$374,709; and
  - long term borrowings are reduced by A\$621,672 and includes full repayment of the £124,000 loan, being A\$183,364.



## **6. Material Agreements**

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### **6.1 Key Documents**

The Board considers that certain agreements relating to the Company are significant to the Offer, the operations of the Company or may be relevant to Investors. A description of material agreements or arrangements, together with a summary of the more important details of each of these agreements is set out below.

### **6.2 Constitution**

The following is a summary of the major provisions of the Company's constitution.

#### **Shares**

Shares in the capital of the Company can be issued with preferred, deferred or other special rights, obligations or restrictions in relation to dividends, voting, return of share capital, payment of calls or other matters, as determined by the Board from time to time. All unissued shares are under the control of the Board, which may grant options on the shares, issue option certificates, allot or dispose of the shares on the terms and conditions and for consideration it thinks fit. This power is subject to contract or any contrary rules in the constitution.

The constitution permits the issue of preference shares on terms determined by the Board and in particular, the issue of Partly Paid 2012 Convertible Preference Shares on the terms set out in Schedule 1 to this Information Memorandum.

#### **Alteration of rights**

The rights and restrictions attaching to any class of shares (unless provided by the terms of issue of the shares of that class), can only be varied with the consent in writing of members with at least three-quarters of the votes in that class, or with the sanction of a special resolution passed at a separate meeting of the holders of shares of that class.

#### **Calls**

The Board may from time to time call upon shareholders for unpaid monies on their shares. If such a call is made, shareholders are liable to pay the amount of each call in the manner and at the time and place specified by the Board. Such calls may be payable by instalments. When a resolution of the Board authorising the call is passed, the call will be deemed to have been made. It may be revoked or postponed at the discretion of the Board.

#### **Forfeiture and lien**

The Company is empowered to forfeit shares in relation to any part of allotment monies, calls, instalments, interest and expenses which remain unpaid following any notice sent to a shareholder. Such forfeiture must occur in accordance with the constitution, the Corporations Act and the Listing Rules.

The Company has a first lien or charge for unpaid calls, instalments and related interest and any amount it is legally required to pay in relation to a shareholder's shares. The lien or charge extends to all dividends declared in respect of the shares provided that, if the Company registers a transfer of any shares subject to this lien or charge without giving the transferee notice of the claim it may have at that time, the shares are freed and discharged from the Company's lien or charge in respect to that claim.

#### **Share transfers**

Shares may be transferred in any manner required or permitted by the Listing Rules or the ASTC Settlement Rules and by any instrument in writing in any usual or common form or in any other form that the Board approves. The Board may only refuse to register a transfer of

securities whilst it is not admitted to the Official List of ASX or NSX, otherwise the Board may only refuse to register a transfer of securities of the Company as permitted by the Listing Rules or the ASTC Settlement Rules.

Transfers of Partly Paid 2012 Convertible Preference Shares can only be effected with the consent of the Company.

### **Directors need not issue share certificates**

Whilst the Company is admitted to the Official List of ASX or NSX and subject to the requirements of the Listing Rules, the ASTC Settlement Rules and the Corporations Act, the Company need not issue share certificates.

### **Meeting procedure**

ASX or NSX (as applicable) and each shareholder and director of the Company is entitled to receive notice of and attend any general meeting of the Company. Two shareholders must be present to constitute a quorum for a general meeting and no business may be transacted at any meeting except the election of a Chairman and an adjournment, unless the quorum required is present at the start of the business. The Company is obliged to convene and hold an annual general meeting.

### **Voting rights**

Each shareholder has the right to receive notices of, and to attend, general meetings of the Company.

Subject to restrictions on voting from time to time affecting any class of shares in the Company, and any restrictions imposed by the Corporations Act, the shares in the Company carry the right to cast one vote on a show of hands and, on a poll, one vote for each fully paid share held, and for each partly paid share held, a vote having the same proportionate value as the proportion to which the shares have been paid up. Voting may be in person or by proxy, attorney or representative.

In the case of an equality of votes, the Chairman, both on a show of hands and a poll, has no casting vote in addition to the vote or votes to which the Chairman may be entitled as a Shareholder or as a proxy, attorney or duly appointed representative of a Shareholder.

### **Remuneration of Directors**

Directors are to be paid out of Company funds as remuneration for their services, such sum as accrues on a daily basis as the Company in general meeting determines to be divided among them as agreed, or failing agreement, equally.

Directors' remuneration for their services as Directors is by a fixed sum and not a commission on a percentage of profits or operating revenue. It may not be increased except at a general meeting in which particulars of the proposed increase have been provided in the notice convening the meeting to shareholders. There is provision for Directors who devote special attention to the business of the Company or who perform services which are regarded as being outside the scope of their ordinary duties as Directors, or who at the request of the Board engage in any journey on Company business, to be paid extra remuneration determined by the Board. Directors are also entitled to their reasonable travel, accommodation and other expenses incurred in attending Company or Board meetings, or meetings of any committee engaged in the Company's business.

Any Director may be paid a retirement benefit as determined by the Board, consistent with the Corporations Act and the Listing Rules.

A Director is disallowed from voting on any contract or arrangement in which he or she has directly or indirectly any material interest, if it will be contrary to the Corporations Act. If such a Director does vote, his or her vote will not be counted, nor will his or her attendance be counted in the quorum present at the meeting. Either or both of these prohibitions may be relaxed or suspended to any extent by ordinary resolution passed at a general meeting if permitted by the Corporations Act.

## **Election of Directors**

There must be a minimum of three Directors and a maximum of ten Directors (not including alternate directors), which the Board may from time to time determine provided it may not reduce the number below the number of directors in office at the time of the reduction.

At every annual general meeting, subject to the constitution, one third of the Directors (other than the managing director) must retire from office, and may offer themselves for re-election. If their number is not a multiple of three, then the number nearest to, but not less than one third will retire. A Director, other than the managing director, must retire from office at the conclusion of the third annual general meeting after which he or she was elected or re-elected.

With respect to the retirement of Directors, the Director or Directors longest in office since last being elected must retire. If a number of Directors were elected on the same day, the directors to retire shall, in default of agreement between them, be determined by a ballot.

## **Dividend**

If the Board determines that a dividend is payable, it will be paid on all shares proportionate to the total amount for the time being paid on each share. Such dividend payment is subject to the rights and restrictions on the holders of shares created or raised under any special dividend arrangements.

The Board may establish and maintain one or more dividend plans, to which shareholders may elect to take up some or all their shares subject to the rules of the plan.

Subject to the Listing Rules, the Board has the power to capitalise and distribute the whole or part of the undivided profits of the Company or standing to the credit of any reserve or other account and which is available for distribution. Such capitalisation and distribution must be in the same proportions which the shareholders would be entitled to receive if distributed by way of dividend or in accordance with the terms of issue of any shares or terms of any plan for the issue of securities for the benefit of officers or employees.

The Board has the power to decide whether to pay shareholders an interim dividend on account of the next forthcoming dividend. Any distribution may be paid otherwise than in cash as specified in the constitution.

Subject to the rights of, or any restrictions on, the holders of shares created or raised under any special arrangement as to dividend, the Directors may declare a dividend in accordance with the Corporations Act and may authorise the payment or crediting by the Company to, or at the direction of, the members of such a dividend.

## **Partial takeover bids**

The Company may prohibit registration of transfers purporting to accept partial takeover bids unless and until a resolution of the Company has been passed approving the offers in accordance with the provisions of the constitution.

## **Indemnities and insurance**

The Company must indemnify current and past Directors, secretaries and executive officers of the Company against any liability incurred by them by virtue of their holding office as, and acting in the capacity of, Director, secretary or executive officer, other than a liability owed to the Company or a related body corporate of the Company or a pecuniary penalty order or compensation order or where the liability does not arise out of conduct in good faith. Indemnities also apply to employees in circumstances designated under the constitution.

## **Insurance**

The Company may pay insurance premiums for officers and employees in certain designated circumstances but not where the liability arises out of wilful breach of duty to the Company or an improper use of position or inside information, as prohibited by the Corporations Act.

## 6.3 Partly Paid 2012 Convertible Preference Shares – Summary of Terms

Summarised Terms of Partly Paid 2012 Convertible Preference Shares	
<b>Issue price</b>	The issue price of the Partly Paid 2012 Convertible Preference Shares will be A\$0.20. A\$0.10 of the issue price is to be paid at the time of application with the remaining A\$0.10 to be paid on 30 days' notice of a call being made by the Directors no earlier than 1 May 2013 and no later than 1 May 2016.
<b>Coupon payment date</b>	While Partly Paid 2012 Convertible Preference Shares remain on issue, the coupon will be paid on 30 June 2016.
<b>Coupons</b>	<p>The Coupon Entitlement per Partly Paid 2012 Convertible Preference Share will be calculated as follows:</p> $CE = \text{no. of Partly Paid 2012 Convertible Preference Shares} \times \left[ \frac{\text{Coupon Rate} \times \text{A\$0.10} \times \text{N1}}{365} + \frac{\text{Coupon Rate} \times \text{A\$0.20} \times \text{N2}}{365} \right]$ <p>where:</p> <p><b>CE</b> = Coupon Entitlement</p> <p><b>Coupon Rate</b> = 10 per cent per annum;</p> <p><b>N1</b> is the number of days that the Partly Paid 2012 Convertible Preference Shares are on issue partly paid.</p> <p><b>N2</b> is the number of days that the Partly Paid 2012 Convertible Preference Shares are on issue fully paid, before they convert to Ordinary Shares.</p>
<b>Conversion</b>	The Partly Paid 2012 Convertible Preference Shares will convert to Ordinary Shares in the Company on 30 June 2016. At that time the Company will make application for the additional Ordinary Shares to be admitted to the NSX official list.
<b>Meetings and voting</b>	<p>Holders of Partly Paid 2012 Convertible Preference Shares are entitled to receive notices, reports and audited accounts of the Company and to attend meetings.</p> <p>Partly Paid 2012 Convertible Preference Shareholders only carry a right to vote at a general meeting of the Company in the following circumstances:</p> <ul style="list-style-type: none"> <li>(a) when coupon payments on Partly Paid 2012 Convertible Preference Shares are in arrears; or</li> <li>(b) when the resolution being voted on at the general meeting is for the winding up of the Company; or</li> <li>(c) when a resolution being voted on affects the rights attaching to the Partly Paid 2012 Convertible Preference Shares.</li> </ul>
<b>Preference</b>	Partly Paid 2012 Convertible Preference Shares rank in preference to Ordinary Shares in the Company while they remain on issue as Partly Paid 2012 Convertible Preference Shares in relation to both payment of coupons and return of capital in the event of winding up of the Company.
<b>Restriction on transfer</b>	Partly Paid 2012 Convertible Preference Shares can only be transferred with the express consent of the Company.

## 6.4 Underwriting Agreement

The Company has entered into an Underwriting Agreement with the Underwriter dated 8 February 2012.

Pursuant to the terms of the Underwriting Agreement, the Underwriter has agreed to underwrite the whole of the Offer subject to the Information Memorandum being finalised in a form and substance acceptable to the Underwriter.

The Company must pay to the Underwriter an underwriting fee of A\$50,000 (exclusive of GST).

The Company provides standard representations and warranties for an agreement of this nature and a breach of any of the representations or warranties is a termination under the Underwriting Agreement. The Company is also providing indemnities to the Underwriter which are customary for an agreement of this nature.

The Underwriter may terminate the Underwriting Agreement if any of the following events occur:

- (a) **(S&P/ASX 200 Industrial Index fall)**: the S&P/ASX 200 Industrial Index published by ASX at the close of business on any 2 consecutive days after the date of the Underwriting Agreement is 10% or more below its level as at the close of business on the business day immediately before the date of the Underwriting Agreement;
- (b) **(Bond indices fall)**: the UBS Composite (All Maturities) Bond Index closes on two consecutive business days at a level that is 2.0% or more below its closing level on the last market close prior to the date of the Underwriting Agreement;
- (c) **(restriction on issue of securities)**: the Company is prevented from issuing the securities within the time required by the Listing Rules, by NSX, any statute, regulation or order of a court of competent jurisdiction or by any governmental or semi-governmental agency or authority;
- (d) **(deficiencies in Information Memorandum)**:
  - (i) the Information Memorandum does not comply with the applicable provisions of the Listing Rules (subject to any waivers) or any other applicable laws or regulations; or
  - (ii) there is a statement in the Information Memorandum that is misleading or deceptive or likely to mislead or deceive, or there is an omission from the Information Memorandum or if any statement in the Information Memorandum becomes misleading or deceptive or likely to mislead or deceive or if the issue of the Information Memorandum becomes misleading or deceptive or likely to mislead or deceive;
- (e) **(New circumstance or Supplementary Information Memorandum)**: a new circumstance arises or the Underwriter forms the view on reasonable grounds that a Supplementary Information Memorandum should be lodged with the NSX and the Company fails to lodge a Supplementary Information Memorandum in such form and content and within such time as the Underwriter may reasonably require;
- (f) **(ASIC investigation)**: ASIC commences, or announces its intention to commence an investigation or hearing under Part 3 of the Australian Securities and Investments Commission Act 2001 (Cth) in relation to the issue, the Information Memorandum or any Supplementary Information Memorandum;
- (g) **(return of Applications)**: any person gives a notice in relation to the Information Memorandum with the effect that any valid application must be returned to the relevant Applicant;

- (h) **(withdrawal of consent to Information Memorandum)**: any person (other than the Underwriter) who has previously consented to the inclusion of its, his or her name in the Information Memorandum or to be named in the Information Memorandum, withdraws that consent;
- (i) **(Prescribed Occurrence)**: a prescribed occurrence occurs in relation to any group company, other than as disclosed in the Information Memorandum or in accordance with clause 7.2 or clause 7.3 of the Underwriting Agreement;
- (j) **(Event of Insolvency)**: an event of insolvency occurs in respect of any group company;
- (k) **(litigation)**: litigation, arbitration, administrative or industrial proceedings are after the date of the Underwriting Agreement commenced or threatened against any group company;
- (l) **(indictable offence)** a Director or key employee of any group company is charged with an indictable offence;
- (m) **(Board and senior management composition)**: there is a change in the composition of the Board of Directors or a change in the senior management of the Company before completion of the Offer or the issue without the prior written consent of the Underwriter;
- (n) **(contravention of constitution or law)**: a contravention by the Company of any provision of its Constitution, the Corporations Act or any other applicable legislation or any rules or any requirement of ASIC or NSX;
- (o) **(adverse change)**: any adverse change or any development including a prospective adverse change after the date of the Underwriting Agreement in the assets, liabilities, financial position, trading results, profits, forecasts, losses, prospects, business or operations of any group company;
- (p) **(Authorisation)**: any authorisation required to be obtained by the Company which is material to anything referred to in this Information Memorandum is repealed, revoked, terminated or expires, or is modified or amended in a manner unacceptable to the Underwriter or is breached in a material respect;
- (q) **(contracts)**: after the date of this agreement, any material contract to which the Company is a party (including those referred to in this Information Memorandum) is, without the prior written consent of the Underwriter, breached by the Company; terminated (whether by breach or otherwise); altered or amended in any way; or found to be void or voidable;
- (r) **(disposal)**: the Company disposes or agrees to dispose of a significant part of its business or property or acquires major assets or enters into major expenditure commitments other than in accordance with this Information Memorandum;
- (s) **(Force Majeure Event)**: a force majeure event that delays an event set out in the timetable lasting in excess of 1 week occurs;
- (t) **(default)**: default by the Company under the Underwriting Agreement or any representation or warranty given by the Company in the Underwriting Agreement is or becomes untrue or incorrect;
- (u) **(misleading information)**: any information supplied at any time by the Company or any person on its behalf to the Underwriter in respect of any aspect of the Offer or

the issue or the affairs of any group company is or becomes misleading or deceptive or likely to mislead or deceive;

- (v) **(general suspension)**: there is a suspension or material limitation in trading in securities generally on NSX, the New York Stock Exchange or the London Stock Exchange; or a general moratorium on commercial banking activities in Australia, the United States or the United Kingdom is declared by the relevant authorities, or there is a material disruption in commercial banking or securities settlement or clearance services in any of those places;
- (w) **(change in law or policy)**: any of the following occurs which does or is likely to prohibit, restrict or regulate the Offer, capital issues or stock markets: the introduction of legislation into the parliament of the Commonwealth of Australia or of any State or Territory of Australia; the public announcement of prospective legislation or policy by the Federal Government or the Government of any State or Territory; or the adoption by ASIC or its delegates or the Reserve Bank of Australia of any regulations or policy, other than any law, regulation or policy which has been announced before the date of the Underwriting Agreement;
- (x) **(outbreak of hostilities)**: there is an outbreak or major escalation of hostilities involving any one or more of Australia, New Zealand, the United States, the United Kingdom, any member of the European Union, Indonesia, China or Japan or the declaration by any of these countries of a national emergency or war, or a major terrorist attack is perpetrated on any of those countries or any diplomatic, military, commercial or political establishment of any of those countries elsewhere in the world or there is a substantial adverse change in the scale, nature or expected duration of the hostilities involving the Iraqi conflict ongoing at the date of the Underwriting Agreement;
- (y) **(Certificate)**: any statement in the certificate becomes incorrect prior to 5.00 pm on the shortfall settlement date; or
- (z) **(change in conditions)**: there occurs any material change in financial, economic or political conditions in Australia, the United States or the United Kingdom or in securities trading or capital market conditions generally in Australia.

In order for the Underwriter to terminate the agreement on the basis of one or more of the basis outlined above at (a) through to (z), the Underwriter must, acting reasonably, be of the opinion that the event has or is likely to have a Material Adverse Effect (as defined in the Underwriting Agreement) or give rise to a liability of the Underwriter under the Corporations Act.

The Company must, not later than one business day after the date on which it receives an Application or Applications under clause 6.1 of the Underwriting Agreement, allot the Shortfall Securities (as defined in the Underwriting Agreement) in accordance with that Application or Applications to the extent that it has received cleared funds.

## 6.5 Finance Facilities

As at the date of issue of this Information Memorandum, the Company is the borrower pursuant to the following finance facilities:

Finance Provider	Facility Type	Amount	Security	Interest Rate	Maturity Date
Australia and New Zealand Banking Group Limited	Term Loan	A\$1,081,154	Fixed and Floating Charge	9.71% pa	1 September 2015
Australia and New Zealand Banking Group Limited	Overdraft facility	A\$250,000*	Fixed and Floating Charge	9.91% pa	31 August 2012
Private Provider	Term Loan	£124,000	Unsecured	9.00% pa	31 March 2013

\*This facility has a limit of A\$250,000. The amount owing under this facility changes regularly and may in fact be an amount less than A\$250,000 as at 4 April 2012.

## 6.6 Leases

As at the date of issue of this Information Memorandum, the Company is lessee pursuant to the following leases:

Leased Property	Lease Expiry Date	Fee Payable (excl GST)
Ground Floor 30 Davey Street Hobart, Tasmania	18 July 2012 (with an option to extend for 1 year until 18 July 2013)	A\$63,860.00 per annum
Part of basement and second floor Hobart Council Centre Hobart, Tasmania	30 June 2013	A\$108,570.00 per annum
28 Patriarch Drive Huntingfield, Tasmania	1 June 2013	A\$69,312.00 per annum
An office at Level 22 307 Queen Street Brisbane, Queensland	30 June 2012	A\$7,000.00 per annum

## 6.7 Documents Available for Inspection

Copies of the following documents are available for inspection during normal office hours at the registered office of the Company for 13 months after the date of this Information Memorandum:

- (a) the Company's constitution;
- (b) the Partly Paid 2012 Convertible Preference Shares – Terms of Issue;
- (c) Underwriting Agreement; and



(d) the consents to the issue of this Information Memorandum.

## **7. Important Information**

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This Information Memorandum relates solely to an Offer by Print Mail Logistics Limited to subscribe for Partly Paid 2012 Convertible Preference Shares in the Company.

### **7.1 Investors To Make Independent Investment Decision**

This Information Memorandum is not, and should not be construed as, a recommendation to any person to apply for Partly Paid 2012 Convertible Preference Shares in Print Mail Logistics Limited. This Information Memorandum does not purport to contain all the information a party may require to make an informed decision as to whether to invest or otherwise.

Any person contemplating investing in Print Mail Logistics Limited should make their own independent investigation of the terms of the investment, projections, values, assumptions and estimates after taking all appropriate advice from qualified professional persons and base any investment decision on their investigations and advice.

### **7.2 Projections**

All financial information in this Information Memorandum is for illustrative purposes only, using sources as described and is based on best estimate assumptions. Actual results may be materially affected by changes in economic and other circumstances. Any reliance placed upon the accuracy of financial information and other information provided, and the appropriateness of assumptions and qualifications used, is a matter for any prospective investor's own commercial judgement. No representation or warranty is made that any projections, values, past performance, assumptions or estimates contained in this Information Memorandum should or will be achieved. All figures are expressed in Australian dollars.

### **7.3 Information Memorandum Date**

This Information Memorandum should be read and construed with any amendment or supplement distributed by Print Mail Logistics Limited from time to time and with any other documents incorporated by reference into this Information Memorandum.

The information contained in this Information Memorandum and any documents referred to have been prepared up to or as at the date to which the relevant document relates. The delivery of this Information Memorandum does not imply, nor should it be relied upon as a representation or warranty that there has been no change since the date of this Information Memorandum.

### **7.4 Authorised Material**

This Information Memorandum contains information furnished from various sources and has not all been independently verified in full. This Information Memorandum does not knowingly contain any untrue statement of a material fact, nor does it knowingly omit to state a material fact which would make the statements herein misleading or deceptive in light of the circumstances under which they were made.

No person has been authorised by Print Mail Logistics Limited to give any information nor to make any representation not contained in, or not consistent with, this Information Memorandum, or any other document entered into in relation to the Offer, or any information supplied or approved by Print Mail Logistics Limited in connection with the Offer and not notified by Print Mail Logistics Limited to have been withdrawn, or to be incorrect or out of date. If such information or representation is given or made, it should not be relied upon as having been authorised.

## **7.5 Responsibility For Information**

Only Print Mail Logistics Limited is authorised to give any information with respect to the proposed investment. Any information given by other parties other than the information contained in this Information Memorandum must not be relied upon for making a decision to participate in the Offer.

Print Mail Logistics Limited accepts responsibility for the contents of this Information Memorandum. However, no representation or warranty is made as to the accuracy or completeness of the information contained in this Information Memorandum, except to the extent that liability under any applicable law cannot be excluded.

## **8. Additional Information**

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### **8.1 Consents And Disclaimers**

Print Mail Logistics Limited has given and has not withdrawn its written consent to be named in this Information Memorandum in the form and context in which it is named.

Wellington Capital Limited has given and has not withdrawn its written consent to be named in this Information Memorandum in the form and context in which it is named.

Armstrong Registry Services Limited has given and has not withdrawn its written consent to be named in this Information Memorandum in the form and context in which it is named.

### **8.2 Interests Of Experts And Advisors**

Wellington Capital Limited is corporate adviser to the Company for the Offer as well as Underwriter of the Offer, in respect of which it will receive the following fees from Print Mail Logistics:

- A\$50,000 underwriting fee; and
- A\$30,000 corporate advisory fee.

Wellington Capital Limited holds 500,000 Ordinary Shares in the Company.

Armstrong Registry Services Limited is the Company's registry services provider. Armstrong Registry Services Limited provides such services on standard commercial terms and conditions.

Armstrong Registry Services Limited holds 2,720,000 Ordinary Shares in the Company.

Other than set out above or elsewhere in this Information Memorandum, or previously disclosed by Print Mail Logistics Limited, no person named in this Information Memorandum as performing a function in a professional, advisory or other capacity in connection with the preparation or distribution of this Information Memorandum holds at the date of this Information Memorandum, nor has held in the two years before the date of this Information Memorandum, an interest in the Offer.

Nor has anyone paid or agreed to pay, or given or agreed to give, any benefit to such persons in connection with the promotion of the Offer.

### **8.3 Interests of Directors**

#### **Shareholdings in the Company**

Other than set out below or elsewhere in this Information Memorandum, no Director of Print Mail Logistics Limited holds, at the date of this Information Memorandum, or has held in the last two years before the date of this Information Memorandum, an interest in the Offer, other than in their capacity as an Ordinary Shareholder.

At the date of this Information Memorandum, except as set out below, no one has paid or agreed to pay any amount, and no one has given or agreed to give any benefit, to any Director or proposed Director of Print Mail Logistics Limited:

- to induce that person to become, or qualify as, a Director of Print Mail Logistics Limited; or
- for services provided by that person in connection with the promotion of the Offer.

Director Shareholders*	Number of Ordinary Shares currently held in the Company
Nigel Elias	3,155,720
Robert Cameron	504,000
John Woods	57,000
<b>Total</b>	<b>3,716,720</b>

\* Directors and Associated Entities

## 8.4 Reporting and disclosure obligation

Print Mail Logistics Limited is a disclosing entity for the purposes of the Corporations Act and is therefore subject to regular reporting and disclosure obligations under the Corporations Act and Listing Rules. These obligations require Print Mail Logistics Limited to notify the NSX of information about specific events and matters as they arise for the purpose of making the information available to the market. Print Mail Logistics Limited has an obligation to notify NSX immediately on any information concerning the Company of which it becomes aware, which a reasonable person would expect to have a material effect on the price or value of its activities. It is also required to prepare and lodge with ASIC financial reports prescribed by the Corporations Act. Copies of documents lodged in relation to Print Mail Logistics Limited may be obtained from, or inspected at, ASIC or the Company.

## 8.5 Privacy

Print Mail Logistics Limited collects personal information from investors for the purposes of maintaining an Ordinary Shareholder and a Partly Paid 2012 Convertible Preference Shareholder register and administering Investors' interests in the Company. Without this information, Print Mail Logistics Limited cannot provide this service. Protecting the privacy of Investors is a key part of Print Mail Logistics Limited's normal operations.

Print Mail Logistics Limited does not disclose personal information to any outside third party organisation, unless it is contracted to Print Mail Logistics Limited to provide administrative services or activities on Print Mail Logistics Limited's behalf. In this case, Print Mail Logistics Limited ensures that the third party is bound by the same privacy rules which Print Mail Logistics Limited itself follows.

## 8.6 Expenses of the Offer

All expenses associated with the Offer are payable by Print Mail Logistics Limited, including accounting fees, legal fees, printing costs and other miscellaneous expenses. Those expenses are estimated as follows:

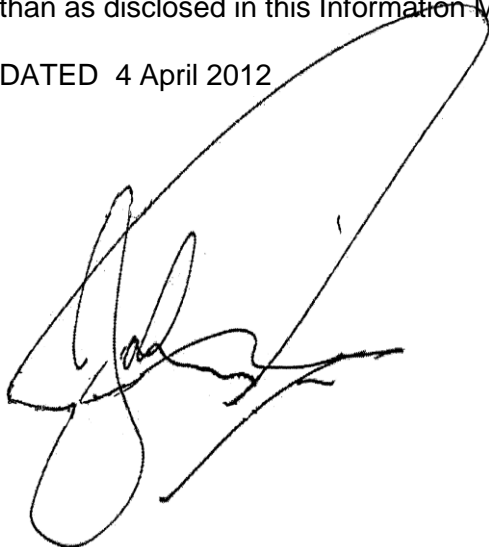
	A\$
Corporate advisory fees	30,000
Underwriting fee	50,000
Legal fees	15,000
Printing and mailing	8,000
Contingency	7,000
<b>TOTAL</b>	<b>110,000</b>

## 9. Directors' statement

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The Directors report that, after due inquiry by them, they have not become aware of any circumstances which in their opinion have materially affected the assets and liabilities, financial position and performance, profits and losses and prospects of Print Mail Logistics Limited other than as disclosed in this Information Memorandum.

DATED 4 April 2012

A large, stylized handwritten signature in black ink, likely belonging to John Woods, the Chairman of the Directors.

John Woods  
Chairman of the Directors  
Print Mail Logistics Limited

## Schedule 1

### Terms of issue of Partly Paid 2012 Convertible Preference Shares

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# 1 INTERPRETATION AND DEFINITIONS

## 1.1 Definitions

In these Terms of Issue:

**'Auditor'** means a person appointed by the Issuer who is qualified and registered to examine the financial records of the Issuer;

**'Business Day'** means a day (excluding a Saturday, Sunday or public holiday) in Hobart, Tasmania on which banks are open for business;

**'Change in Control Event'** means:

- (a) a takeover bid is made to acquire all or some of the Ordinary Shares and the offer under the takeover bid is, or becomes, unconditional and:
  - (i) the bidder has a relevant interest in 50% or more of the issued share capital of the Issuer; or
  - (ii) the Directors unanimously recommend acceptance of the offer under the takeover bid; or
- (b) a court approves a scheme of arrangement which, when implemented, will result in a person having a relevant interest in 50% or more of the issued share capital of the Issuer; or
- (c) the Issuer breaches any of its obligations to any provider of debt to the Issuer and the breach continues for 45 days;

**'Change in Law Event'** means:

- (a) the Directors resolve (having obtained an opinion from a reputable legal counsel) that there is more than an insubstantial risk that the Issuer will be exposed to additional costs or the imposition of additional requirements which the Directors determine at their sole discretion to be unacceptable, as a result of the occurrence of any of the following on or after the Issue Date:
  - (i) the introduction, enactment, amendment, change, repeal, replacement or revocation of any law or regulation affecting securities or any amendment or change, or the announcement (including on a prospective basis) of any of the foregoing by a Governmental Agency; or
  - (ii) pronouncement, action or decision of a Governmental Agency interpreting or applying any such law or regulation; or
- (b) the Directors resolve (having obtained an opinion from a reputable legal counsel or other tax adviser) that there is more than an insubstantial risk that the Issuer would be exposed to more than a de minimis increase in its costs in relation to the Partly Paid 2012 Convertible Preference Shares as a result of, but not limited to, increased taxes, duties or other governmental charges or civil liabilities as a result of:
  - (i) any amendment to, clarification of, or change (including any announced prospective change), in the laws or treaties or any regulations or accounting standards or accounting principles in Australia or any political subdivision or taxing authority of Australia affecting taxation;
  - (ii) judicial decision, official administrative pronouncement, published or private ruling, regulatory procedure, notice or announcement (including any notice or announcement of intent to adopt such procedures or regulations) (**'Administrative Action'**); or
  - (iii) any amendment to, clarification of, or change in, the pronouncement that provides for a position with respect to an Administrative Action that differs from the current generally accepted position, in each case, by any legislative body, court, governmental authority or regulatory body, irrespective of the manner in which such amendment, clarification, change or Administrative Action is made known, which amendment, clarification, change or Administrative Action is effective or such pronouncement or decision is announced on or after the Issue Date;



**'Constitution'** means the constitution of the Issuer;

**'Corporations Act'** means *Corporations Act 2001* (Cth);

**'Conversion'** means conversion of the Partly Paid 2012 Convertible Preference Shares into Ordinary Shares in accordance with clause 4, and **'Convert'** will have a corresponding meaning;

**'Coupon'** has the meaning given in paragraph 3.1;

**'Coupon Entitlement'** has the meaning given in paragraph 3.1;

**'Coupon Payment Date'** means 30 June 2016;

**'Coupon Rate'** has the meaning given in paragraph 3.1;

**'Director'** means a director of the Issuer;

**'Governmental Agency'** means a government or a governmental, semi-government, administrative, fiscal or judicial body, department, commission, authority tribunal, agency or entity;

**'Holder'** means a person whose name is for the time being registered in the Register as the holder of Partly Paid 2012 Convertible Preference Shares;

**'Issue Date'** means the date on which the Partly Paid 2012 Convertible Preference Shares are issued;

**'Issue Price'** has the meaning given in paragraph 2.2;

**'Issuer'** means Print Mail Logistics Limited ACN 103 116 865;

**'Maturity Date'** means 30 June 2016;

**'Maturity Date Conversion Rate'** means one Ordinary Share in the Issuer for every one Partly Paid 2012 Convertible Preference Share;

**'Ordinary Share'** means an ordinary fully paid share in the capital of the Issuer;

**'Ordinary Shareholder'** means a holder of an Ordinary Share;

**'Partly Paid 2012 Convertible Preference Share'** means a A\$0.20 Partly Paid 2012 Convertible Preference Share in the capital of the Issuer for which A\$0.10 is to be paid on application and a further A\$0.10 is to be paid on 30 days' notice of a call being made by the Directors no earlier than 1 May 2013 and no later than 1 May 2016;

**'Partly Paid 2012 Convertible Preference Share Certificate'** means a certificate or holding statement for the Partly Paid 2012 Convertible Preference Shares issued by the Issuer;

**'Partly Paid 2012 Convertible Preference Shareholder'** means a holder of a Partly Paid 2012 Convertible Preference Share;

**'Record Date'** means, for a Coupon, 5.00pm on 29 June 2016;

**'Register'** means the register of Partly Paid 2012 Convertible Preference Shares maintained by the Issuer;

**'Special Resolution'** means a resolution passed by a majority of Holders of at least 75% of the votes validly cast by Holders present at a meeting of Holders in person or by proxy and entitled to vote on the resolution. Partly Paid 2012 Convertible Preference Shares issued by the Issuer confer limited voting entitlements;

**'Terms of Issue'** means these terms of issue for Partly Paid 2012 Convertible Preference Shares;

**'Winding Up'** means the appointment of a liquidator or provisional liquidator of the Issuer (and where the appointment is made by a court, by a court of competent jurisdiction in Australia), and **'Wind Up'** and **'Wound Up'** have the same meaning.

## 1.2 Interpretation

- (a) Unless otherwise specified, the Directors may exercise all powers of the Issuer under these Terms of Issue as are not, by the Corporations Act or by the Constitution, required to be exercised by the Issuer in general meeting.
- (b) Notices may be given by the Issuer to a Holder in the manner prescribed by the Constitution for the giving of notices to members of the Issuer and the relevant provisions of the Constitution apply with all necessary modification to notices to Holders.

- (c) If a calculation is required under these Terms of Issue, unless the contrary intention is expressed, the calculation will be rounded to four decimal places. For the purposes of making any payment in respect of a Holder's aggregate holding of Partly Paid 2012 Convertible Preference Shares, any fraction of a cent will be disregarded. For the purposes of issuing Ordinary Shares in respect of a Holder's aggregate holding of Partly Paid 2012 Convertible Preference Shares, any fraction of an Ordinary Share will be disregarded.
- (d) Calculations, elections and determinations made by the Issuer under these Terms of Issue are final and binding on Holders in the absence of manifest error.
- (e) A reference to A\$ or cents in these Terms of Issue is a reference to Australian currency. A reference to time in these Terms of Issue is a reference to Brisbane, Australia time.
- (f) The terms 'scheme of arrangement', and 'takeover bid' when used in these Terms of Issue have the meaning given in the Corporations Act.
- (g) A reference to a statute, ordinance, code or other law includes regulations and other instruments under it and consolidations, amendments, re-enactments or replacements of any of them.
- (h) If an event under these Terms of Issue must occur on a stipulated day which is not a Business Day, then the stipulated day will be taken to be the next Business Day.

## **2 DESCRIPTION**

### **2.1 Form**

- (a) These Terms of Issue set out the general terms and conditions of Partly Paid 2012 Convertible Preference Shares to be issued by the Issuer, which pay a cumulative Coupon.
- (b) A Holder by its subscription for, or subsequent purchase or receipt of, Partly Paid 2012 Convertible Preference Shares is taken to have agreed to be bound by these Terms of Issue and must comply with all of its obligations under these Terms of Issue.

### **2.2 Issue Price**

The Issue Price of the Partly Paid 2012 Convertible Preference Share will be A\$0.20. A\$0.10 of this Issue Price must be paid on application with the remaining A\$0.10 to be paid on 30 days' notice of a call being made by the Directors no earlier than 1 May 2013 and no later than 1 May 2016. The Issuer has the right to accept or reject any application in its sole discretion.

## **3 COUPONS**

### **3.1 Coupons**

Subject to paragraph 3.3, the Issuer must pay a preferential coupon to Partly Paid 2012 Convertible Preference Shareholders on the Coupon Payment Date. If the Coupon Payment Date occurs on a day that is not a Business Day, then the payment of the Coupon will be made on the next Business Day.

The Coupon Entitlement per Partly Paid 2012 Convertible Preference Share will be calculated as follows:

$$CE = \text{no. of Partly Paid 2012 Convertible Preference Shares} \times \left[ \frac{(\text{Coupon Rate} \times \text{A\$0.10} \times \underline{N1})}{365} + \frac{(\text{Coupon Rate} \times \text{A\$0.20} \times \underline{N2})}{365} \right]$$

where:

**CE** = Coupon Entitlement;

**Coupon Rate** = 10 per cent per annum;

**N1** is the number of days that the Partly Paid 2012 Convertible Preference Shares are on issue partly paid.

**N2** is the number of days that the Partly Paid 2012 Convertible Preference Shares are on issue fully paid, before they convert to Ordinary Shares.

### **3.2 Coupon Payment Date**

While Partly Paid 2012 Convertible Preference Shares remain on issue, the Coupon Payment Date is the Conversion Date.

### **3.3 Payment of Coupon**

The payment of a Coupon is subject to:

- (a) the Directors declaring the Coupon to be payable or otherwise resolving to pay the Coupon; and
- (b) there being funds legally available for the payment of Coupons.

### **3.4 Record Dates**

A Coupon is only payable to those persons registered as holders of Partly Paid 2012 Convertible Preference Shares at the date on which the books of the Issuer close for Holders in respect of each relevant Coupon.

## **4 CONVERSION BY THE ISSUER**

### **4.1 Conversion on the Maturity Date**

The Issuer must Convert the Partly Paid 2012 Convertible Preference Shares into Ordinary Shares on the Maturity Date at the Maturity Date Conversion Rate.

## **5 GENERAL RIGHTS AND OBLIGATIONS**

### **5.1 Ranking**

Partly Paid 2012 Convertible Preference Shares rank equally amongst themselves in all respects.

### **5.2 Preferential Coupon**

Until Conversion, the Partly Paid 2012 Convertible Preference Shares rank in priority to Ordinary Shares for the payment of Coupons.

### **5.3 Return of Capital**

Until Conversion, if there is a return of capital on a winding-up of the Issuer, Partly Paid 2012 Convertible Preference Shareholders will be entitled to receive out of the assets of the Issuer available for distribution to holders of shares, in respect of each Partly Paid 2012 Convertible Preference Shares held, a cash payment equal to the sum of:

- (a) the amount of any Coupon Entitlement (including any Deferred Coupon) which has not been satisfied in full including any Coupon Entitlement which has accrued for the period from and including the date of the preceding Coupon Payment Date to the date of commencement of the winding-up; and
- (b) the Issue Price,

before any return of capital is made to holders of Ordinary Shares or any other class of shares ranking behind the Partly Paid 2012 Convertible Preference Shares.

### **5.4 Shortfall on Winding Up**

If, upon a return of capital, there are insufficient funds to pay in full the amounts referred to in paragraph 5.3 and the amounts payable in respect of any other shares in the Issuer ranking as to such distribution equally with the Partly Paid 2012 Convertible Preference Shares on a winding-up of the Issuer, the Partly Paid 2012 Convertible Preference Shareholders and the holders of any such other shares will share in any distribution of assets of the Issuer in proportion to the amounts to which they respectively are entitled.

### **5.5 Participation in Surplus Assets**

The Partly Paid 2012 Convertible Preference Shares do not confer on their Holders the right to participate in the surplus assets of the Issuer on a winding-up beyond the rights set out in paragraphs 5.3 and 5.4.

## **5.6 Notices**

Holders of Partly Paid 2012 Convertible Preference Shares are entitled to the same rights as Ordinary Shareholders to receive notices, reports and audited accounts and to attend meetings.

## **5.7 Voting rights**

Holders may attend general meetings of the Issuer but Partly Paid 2012 Convertible Preference Shares only carry a right to vote at a general meeting of the Issuer in the following circumstances:

- (a) when Coupons on Partly Paid 2012 Convertible Preference Shares are in arrears; or
- (b) when the resolution being voted on at the general meeting is for the winding up of the Issuer; or
- (c) when a resolution being voted on affects the rights attaching to the Partly Paid 2012 Convertible Preference Shares.

# **6 CALLS**

## **6.1 Directors' powers regarding calls**

- (a) The Directors will at a time chosen by them, no earlier than 1 May 2013 and no later than 1 May 2016, make a single call on the members to pay the unpaid A\$0.10 per Partly Paid 2012 Convertible Preference Share.
- (b) The call is taken to have been made when the resolution of the Directors authorising the call is passed.

## **6.2 Notice of calls**

- (a) The Directors must send members notice of a call at least 30 days before the amount called is due, specifying the time and place of payment.
- (b) The call is valid even if a member for any reason does not receive notice of the call.

## **6.3 Payment of calls**

Each member must pay to the Issuer by the time and at the place specified the amount called on the member's Partly Paid 2012 Convertible Preference Shares.

## **6.4 Interest and other costs on unpaid calls**

If an amount called on a Partly Paid 2012 Convertible Preference Share is not paid in full by the time specified for payment, the person who owes the amount must pay:

- (a) interest on the unpaid part of the amount from the date payment is due to the date payment is made, at a rate determined under paragraph 11; and
- (b) any costs, expenses or damages the Issuer incurs due to the failure to pay or late payment.

## **6.5 Directors' power to revoke or waive a call**

- (a) The Directors may revoke the call or extend the time for payment.
- (b) The Directors may, to the extent the law permits, waive or compromise all or part of any payment due to the Issuer under the terms of issue of a Partly Paid 2012 Convertible Preference Share or under this paragraph 6.

## **6.6 Proceedings to recover calls**

- (a) In a proceeding to recover the call, or an amount payable due to the failure to pay or late payment of the call, proof that:
  - (i) the name of the defendant is entered in the Register as the holder or one of the holders of the Partly Paid 2012 Convertible Preference Share on which the call is claimed;
  - (ii) the resolution making the call is recorded in the minute book; and
  - (iii) notice of the call was given to the defendant,is conclusive evidence of the obligation to pay the call and it is not necessary to prove the appointment of the Directors who made the call or any other matter.

- (b) In paragraph 6.6(a), defendant includes a person against whom the Issuer alleges a set-off or counterclaim, and a proceeding to recover a call or an amount is to be interpreted accordingly.

#### **6.7 Payments in advance of calls**

- (a) The Directors may accept from a member the whole or a part of the amount unpaid on a Partly Paid 2012 Convertible Preference Share even though no part of that amount has been called.
- (b) The Directors may authorise payment by the Issuer of interest on an amount accepted under paragraph 6.7(a), until the amount becomes payable, at a rate agreed between the Directors and the member paying the amount.
- (c) The Directors may repay to a member any amount accepted under paragraph 6.7(a).

### **7 FORFEITURE AND INDEMNITY**

#### **7.1 Failure to pay a call**

If a member fails to pay the whole of the call by the time specified for payment, the Directors may serve a notice on that member:

- (a) requiring payment of the unpaid part of the call, together with any interest that has accrued and all costs, expenses or damages that the Issuer has incurred due to the failure to pay;
- (b) naming a further time (at least 14 days after the date of the notice) by which, and a place at which, the amount payable under paragraph 7.1(a) must be paid; and
- (c) stating that if the whole of the amount payable under paragraph 7.1(a) is not paid by the time and at the place named, the Partly Paid 2012 Convertible Preference Shares on which the call was made will be liable to be forfeited.

#### **7.2 Failure to comply with paragraph 7.1 notice**

- (a) If a member does not comply with a notice served under paragraph 7.1, the Directors may by resolution forfeit any Partly Paid 2012 Convertible Preference Share concerning which the notice was given at any time after the day named in the notice and before the payment required by the notice is made.
- (b) A forfeiture under paragraph 7.2(a) includes all coupons, interest and other amounts payable by the Issuer on the forfeited Partly Paid 2012 Convertible Preference Share and not actually paid before the forfeiture.

#### **7.3 Notice of forfeiture of a Partly Paid 2012 Convertible Preference Share**

- (a) Where a Partly Paid 2012 Convertible Preference Share has been forfeited:
  - (i) notice of the resolution must be given to the member in whose name the Partly Paid 2012 Convertible Preference Share stood immediately before the forfeiture; and
  - (ii) an entry of the forfeiture, with the date, must be made in the Register.
- (b) Failure to give the notice or to make the entry required under paragraph 7.3(a) does not invalidate the forfeiture.

#### **7.4 Sale or reissue of forfeited Partly Paid 2012 Convertible Preference Shares**

A forfeited Partly Paid 2012 Convertible Preference Share becomes the property of the Issuer and the Directors may sell, reissue or otherwise dispose of the Partly Paid 2012 Convertible Preference Share as they think fit and, in the case of reissue or other disposal, with or without crediting as paid up any amount paid on the Partly Paid 2012 Convertible Preference Share by any former holder.

#### **7.5 Loss of member rights on forfeited Partly Paid 2012 Convertible Preference Shares**

- (a) A person whose Partly Paid 2012 Convertible Preference Shares have been forfeited ceases to be a member as to the forfeited Partly Paid 2012 Convertible Preference Shares, but must, if the Directors decide, pay to the Issuer:
  - (i) all calls, instalments, interest, costs, expenses and damages owing on the Partly Paid 2012 Convertible Preference Shares at the time of the forfeiture; and

- (ii) interest on the unpaid part of the amount payable under paragraph 7.5(a)(i), from the date of the forfeiture to the date of payment, at a rate determined under paragraph 11.
- (b) The forfeiture of a Partly Paid 2012 Convertible Preference Share extinguishes all interest in, and all claims and demands against the Issuer relating to, the forfeited Partly Paid 2012 Convertible Preference Share and, subject to paragraph 10.3(c), all other rights attached to the Partly Paid 2012 Convertible Preference Share.

## **7.6 Exemption, waiver and cancellation of forfeiture**

The Directors may:

- (a) exempt a Partly Paid 2012 Convertible Preference Share from all or part of this paragraph 7;
- (b) waive or compromise all or part of any payment due to the Issuer under this paragraph 7; and
- (c) before a forfeited Partly Paid 2012 Convertible Preference Share has been sold, reissued or otherwise disposed of, cancel the forfeiture on the conditions they decide.

## **7.7 Members' indemnity**

- (a) If the Issuer becomes liable for any reason under a law to make a payment:
  - (i) in respect of Partly Paid 2012 Convertible Preference Shares held solely or jointly by a member;
  - (ii) in respect of a transfer or transmission of Partly Paid 2012 Convertible Preference Shares by a member;
  - (iii) in respect of Coupons, bonuses or other amounts due or payable or which may become due and payable to a member; or
  - (iv) in any other way for, on account of or relating to a member,
 paragraph 7.7(b) applies, in addition to any right or remedy the Issuer may otherwise have.
- (b) The member or, if the member is dead, the member's legal personal representative must:
  - (i) fully indemnify the Issuer against that liability;
  - (ii) on demand reimburse the Issuer for any payment made; and
  - (iii) pay interest on the unpaid part of the amount payable to the Issuer under paragraph 7.7(b)(ii), from the date of demand until the date the Issuer is reimbursed in full for that payment, at a rate determined under paragraph 11.
- (c) The Directors may:
  - (i) exempt a Partly Paid 2012 Convertible Preference Share from all or part of this paragraph 7.7; and
  - (ii) waive or compromise all or part of any payment due to the Issuer under this paragraph 7.7.

# **8 ISSUER SECURITY INTEREST**

## **8.1 Security interest**

The partly paid portion of the Partly Paid 2012 Convertible Preference Share, for as long as it remains partly paid, will constitute a security interest securing the payment of the uncalled part of the Partly Paid 2012 Convertible Preference Share.

## **8.2 Parties to security interest**

For the purpose of the security interest referred to under paragraph 8.1, the Issuer is the secured party and the Partly Paid 2012 Convertible Preference Shareholder is the grantor.

## **8.3 Registration of security interest**

Upon issue of the Partly Paid 2012 Convertible Preference Shares the Issuer may effect registration of its security interest on any relevant national personal property securities register.

#### **8.4 Removal from personal property securities register**

Upon the Partly Paid 2012 Convertible Preference Share becoming fully paid or converted, the Issuer will take steps to remove its security interest from any personal property securities register, in recognition of the extinguishment of its interest.

### **9 SURRENDER OF PARTLY PAID 2012 CONVERTIBLE PREFERENCE SHARES**

- (a) The Directors may accept a surrender of a Partly Paid 2012 Convertible Preference Share by way of compromise of a claim.
- (b) Any Partly Paid 2012 Convertible Preference Share so surrendered may be sold, reissued or otherwise disposed in the same manner as a forfeited Partly Paid 2012 Convertible Preference Share.

### **10 SALE, REISSUE OR OTHER DISPOSAL OF PARTLY PAID 2012 CONVERTIBLE PREFERENCE SHARES BY THE ISSUER**

#### **10.1 Reference to sale of a Partly Paid 2012 Convertible Preference Share by the Issuer**

A reference in this paragraph 10 to a sale of a Partly Paid 2012 Convertible Preference Share by the Issuer is a reference to any sale, reissue or other disposal of a Partly Paid 2012 Convertible Preference Share under paragraph 7.4.

#### **10.2 Directors' powers upon sale of a Partly Paid 2012 Convertible Preference Share**

When the Issuer sells a Partly Paid 2012 Convertible Preference Share, the Directors may:

- (a) receive the purchase money or consideration given for the Partly Paid 2012 Convertible Preference Share;
- (b) effect a transfer of the Partly Paid 2012 Convertible Preference Share or execute or appoint a person to execute, on behalf of the former holder, a transfer of the Partly Paid 2012 Convertible Preference Share; and
- (c) register as the holder of the Partly Paid 2012 Convertible Preference Share the person to whom the Partly Paid 2012 Convertible Preference Share is sold.

#### **10.3 Transferee's rights regarding Partly Paid 2012 Convertible Preference Share**

- (a) A person to whom the Issuer sells Partly Paid 2012 Convertible Preference Shares need not take any steps to investigate the regularity or validity of the sale, or to see how the purchase money or consideration on the sale is applied. That person's title to the Partly Paid 2012 Convertible Preference Shares is not affected by any irregularity by the Issuer in relation to the sale. A sale of the Partly Paid 2012 Convertible Preference Share by the Issuer is valid even if a transmission event occurs to the member before the sale.
- (b) The only remedy of a person who suffers a loss because of a sale of a Partly Paid 2012 Convertible Preference Share by the Issuer is a claim for damages against the Issuer.
- (c) On completion of a sale, reissue or other disposal of a Partly Paid 2012 Convertible Preference Share under paragraph 7.4, the rights which attach to the Partly Paid 2012 Convertible Preference Share which were extinguished under paragraph 7.5(b) revive.

#### **10.4 Application of proceeds of sale, reissue or disposal**

- (a) The proceeds of a sale of Partly Paid 2012 Convertible Preference Shares by the Issuer must be applied in paying:
  - (i) first, the expenses of the sale; and
  - (ii) secondly, all amounts payable (whether presently or not) by the former holder to the Issuer,

and any balance must be paid to the former holder on the former holder delivering to the Issuer proof of title to the Partly Paid 2012 Convertible Preference Shares acceptable to the Directors.

- (b) Until the proceeds of a sale of a Partly Paid 2012 Convertible Preference Share sold by the Issuer are claimed or otherwise disposed of according to law, the directors may invest or use the proceeds in any other way for the benefit of the Issuer.
- (c) The Issuer is not required to pay interest on money payable to a former holder under this paragraph 10.

#### **10.5 Proof of due forfeiture, sale, reissue or disposal**

A written statement by a Director or secretary of the Issuer that a Partly Paid 2012 Convertible Preference Share in the Issuer has been:

- (a) duly forfeited under paragraph 7.2(a); or
- (b) duly sold, reissued or otherwise disposed of under paragraph 7.4,

on a date stated in the statement is conclusive evidence of the facts stated as against all persons claiming to be entitled to the Partly Paid 2012 Convertible Preference Share, and of the right of the Issuer to forfeit, sell, reissue or otherwise dispose of the Partly Paid 2012 Convertible Preference Share.

### **11 INTEREST PAYABLE BY MEMBER**

- (a) For the purposes of paragraphs 6.4(a), 7.5(a)(ii) and 7.7(b)(iii), the rate of interest payable to the Issuer is 15%.
- (b) Interest accrues daily and may be capitalised monthly or at such other intervals the Directors decide.

### **12 TRANSFER**

#### **12.1 Transfer**

Partly Paid 2012 Convertible Preference Shares can only be transferred with the express consent of the Issuer.

#### **12.2 Effect of transfer on security interest**

In the event that the Partly Paid 2012 Convertible Preference Shares are partly paid at the time of transfer and the Issuer's security interest is registered on a national personal property securities register, the Issuer will take the required steps to update the registration of its security interest on the relevant national personal property securities register by lodging the required documentation.

### **13 PARTLY PAID 2012 CONVERTIBLE PREFERENCE SHARE CERTIFICATES AND REGISTER**

#### **13.1 Partly Paid 2012 Convertible Preference Share Certificates on issue, conversion and repayment**

Upon issue of a Partly Paid 2012 Convertible Preference Share, the Issuer must issue to the Holder a Partly Paid 2012 Convertible Preference Share Certificate for the number of Partly Paid 2012 Convertible Preference Shares issued to it.

#### **13.2 Maintenance of Register**

The Issuer must prepare and maintain a Register, containing all usual and proper information relating to the Partly Paid 2012 Convertible Preference Shares including, without limitation:

- (a) the name and address of each Holder;
- (b) the number and Issue Price of Partly Paid 2012 Convertible Preference Shares held by each Holder;
- (c) whether Partly Paid 2012 Convertible Preference Shares held by a Holder have been Converted;
- (d) the date of issue or Conversion of each Partly Paid 2012 Convertible Preference Share;
- (e) if a Partly Paid 2012 Convertible Preference Share held by the Holder has been Converted, the number of Ordinary Shares issued pursuant to the Conversion; and
- (f) the number of each Partly Paid 2012 Convertible Preference Share Certificate.



### **13.3 Effect of inscription**

Each inscription in the Register is sufficient and conclusive evidence to all persons and for all purposes that the person whose name is so inscribed is the registered Holder of the Partly Paid 2012 Convertible Preference Share, except in the case of manifest error.

### **13.4 Inspection**

The Issuer must make the Register available for inspection by Holders during normal business hours and as required by the Corporations Act. The Issuer must, when reasonably requested to do so, provide an extract of the Register to a Holder. The Issuer must ensure that the extract is certified by a secretary or Director of the Issuer as being true, correct and up-to-date.

### **13.5 Replacement**

If any Partly Paid 2012 Convertible Preference Share Certificate:

- (a) becomes worn out or defaced, the Issuer must upon the Partly Paid 2012 Convertible Preference Share Certificate being provided to the Issuer and upon request by the Holder who holds the Partly Paid 2012 Convertible Preference Shares represented by the Partly Paid 2012 Convertible Preference Share Certificate cancel the Partly Paid 2012 Convertible Preference Share Certificate and issue a replacement Partly Paid 2012 Convertible Preference Share Certificate to the Holder; and
- (b) is lost or destroyed, the Issuer must upon request by the Holder who holds the Partly Paid 2012 Convertible Preference Shares represented by the Partly Paid 2012 Convertible Preference Share Certificate cancel the Partly Paid 2012 Convertible Preference Share Certificate and issue a replacement Partly Paid 2012 Convertible Preference Share Certificate to the Holder.

## **14 AMENDMENTS TO THESE TERMS OF ISSUE**

### **14.1 Alteration without consent**

Subject to complying with all applicable laws the Issuer may, by an instrument in writing and without the authority, assent or approval of Holders, alter these Terms of Issue if such alteration is, in the opinion of an independent law firm appointed by the Issuer:

- (a) of a formal, minor or technical nature;
- (b) made to correct a manifest error; or
- (c) is not likely (taken as a whole and in conjunction with all other alterations, if any, to be made contemporaneously with that alteration) to be prejudicial to the interests of the Holders.

Any alteration to these Terms of Issue made in accordance with this paragraph 14.1 must be notified in writing to all Holders at their address in the Register within 5 Business Days after the alteration has taken effect. Such notification must include an explanation of the reason for the alteration.

### **14.2 Alteration by Special Resolution**

Without limiting paragraph 14.1, the Issuer may by an instrument in writing alter these Terms of Issue if the alteration has been approved by Holders by a Special Resolution.

### **14.3 Alteration**

In this part 14 'alter' includes modify, cancel, amend or add to.

This Application Form is important. If you are in doubt as to how to deal with it please contact your professional adviser without delay. You should read the entire Information Memorandum carefully before completing this form. To meet the requirements of the Corporations Act, this Application Form must not be distributed unless included in, or accompanied by, the Information Memorandum.

<p><b>A</b> I/We apply for Number of Partly Paid 2012 Convertible Preference Shares in Print Mail Logistics Limited at A\$0.20 per Share, partly paid</p> <div style="border: 1px solid black; height: 20px; width: 100%; margin-top: 10px;"></div>	<p><b>B</b> I/We lodge Application Money Minimum of A\$25,000, being half of the Issue Price</p> <div style="border: 1px solid black; height: 20px; width: 100%; margin-top: 10px; display: flex; align-items: center;"> <span style="margin-right: 10px;">A\$</span> <div style="flex-grow: 1; border-bottom: 1px solid black; position: relative;"> <div style="position: absolute; right: 0; top: -5px; height: 10px; width: 10px; border: 1px solid black;"></div> </div> </div>
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[illegible]

D

Postal Address – Include State and Postcode

Unit

Street Number

Street Name or PO Box/Other Information

City/Suburb/Town

State

Postcode

E	CHESS details (if applicable)
HIN	

F	Contact Details	
	Contact Name	
		Telephone Number – Business Hours/After Hours
		(    )

Drawer	Cheque Number	BSB Number	Account Number	Amount of Cheque
<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>	A\$ <input type="text"/>

<div style="background-color: #f0f0f0; padding: 5px; border: 1px solid #ccc;"> <div style="border: 1px solid #ccc; padding: 5px; min-height: 20px;"></div> </div>	Tax File Number (TFN) TFN/Exemption No.	I do not wish to quote a TFN or a TFN Exemption (Please tick if applicable)	<input type="checkbox"/>
	If you are exempt from providing a TFN, please state the reason for the exemption or your exemption number. Reason for exemption:		

☒ you are an Investor of the kind such that an offer of securities to you does not need disclosure under the Corporations Act. You will advise Print Mail Logistics Limited if you would not be an Investor to whom an offer or issue of securities does not need disclosure under the Corporations Act;

☒ you will be bound by the provisions of the Information Memorandum dated 4 April 2012;

☒ if signed under power of attorney, the attorney declares that they have not received notice of revocation of that power;

☒ the Offer of Partly Paid 2012 Convertible Preference Shares by Print Mail Logistics Limited and the acceptance of the Offer occurred in Australia; and

☒ you have read the Information Memorandum dated 4 April 2012. You have not relied in any way on any statement made by Print Mail Logistics Limited or any of its servants, agents, employees or representatives in relation to this investment.

**See back of form for completion guidelines**

# How to complete this Application Form

Please complete all relevant sections of the Application Form using **BLOCK LETTERS in black ink**. Note that photocopies will not be accepted. These instructions are cross-referenced to each section of the Application Form.

## **A** Partly Paid 2012 Convertible Preference Shares Applied for

Enter the number of Print Mail Logistics Limited Partly Paid 2012 Convertible Preference Shares you wish to apply for. The application must be for a minimum of 250,000 Partly Paid 2012 Convertible Preference Shares.

## **B** Application Monies

Enter the amount of Application Monies. To calculate the amount, multiply the number of Partly Paid 2012 Convertible Preference Shares applied for by A\$0.10 per Partly Paid 2012 Convertible Preference Share.

## **C** Applicant Name(s)

Enter the full name you wish to appear on the statement of Shareholding. This must be either your own name or the name of a Company. Up to 3 joint Applicants may register. You should refer to the table below for the correct forms of registrable title. Applicants using an incorrect form of registration may be rejected.

## **D** Postal Address

Enter your postal address for all correspondence. All communications to Investors from the Company will be mailed to the person and address as shown. For joint Applicants, only one address can be entered.

## **E** CHESS

If you are sponsored in CHESS by a stockbroker or other CHESS participant, you may enter the CHESS HIN if you would like the allocation to be directed to your HIN once the Partly Paid 2012 Convertible Preference Shares convert to Ordinary Shares.

**Note:** Your registration details provided must match your CHESS account exactly.

## **F** Contact Details

Enter your contact details. These are not compulsory but will assist us if we need to contact you.

## **G** Payment

Make your cheque payable to 'Armstrong Registry Services Limited – PML Share Offer' in Australian currency and cross it 'Not Negotiable'. Your cheque must be drawn on an Australian bank. Complete the cheque details in the boxes provided. The total amount must agree with the amount shown in box B. **Pin (do not staple) your cheque(s) to the Application Form. Cash will not be accepted.**

**Cheques will be processed on the day of receipt and as such, sufficient cleared funds must be held in your account as cheques returned unpaid may not be re-presented and may result in your application being rejected.** or

Electronic Funds Transfer (EFT): Funds may be transferred electronically directly to Armstrong Registry Services Limited.

The details for EFT are as follows:

Account: Armstrong Registry Services Limited – PML Share Offer

Reference: PML – *your surname*

Bank: NAB, Level 13, 100 Creek Street, Brisbane, Queensland

BSB: 084 004 Account Number: 13 037 8757

Swift Code: NATAAU3304B

Partly Paid 2012 Convertible Preference Shares will not be issued until cleared funds are receipted into the Armstrong Registry Services Limited – PML Share Offer account.

**Receipts for payment will not be forwarded.**

## **H** Tax File Number (TFN)

You may provide us with your TFN or exemption. In the event that you choose not to provide your TFN, tax may be deducted at the highest marginal rate plus the Medicare levy from coupons.

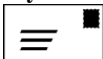
If you are exempt from quoting a TFN, please state the reason for the exemption or your exemption number. Collection of your TFN is authorised and its use and disclosure are regulated by tax laws and the Privacy Act.

**Before completing the Application Form the Applicant(s) should read the Information Memorandum to which this application relates. By lodging the Application Form, the Applicant agrees that this Application for Partly Paid 2012 Convertible Preference Shares in Print Mail Logistics Limited is upon and, subject to the terms of the Information Memorandum and the Constitution of Print Mail Logistics Limited, and agrees to take any number of Partly Paid 2012 Convertible Preference Shares that may be allotted to the Applicant(s) pursuant to the Information Memorandum and declares that all details and statements made are complete and accurate. It is not necessary to sign the Application Form.**

### Lodgement of Application Form

Return the Application Form to:

#### By Mail



Armstrong Registry Services Limited – PML  
Share Offer  
GPO Box 897  
BRISBANE QLD 4001

OR

#### In Person



Print Mail Logistics Limited  
Ground Floor  
30 Davey Street  
HOBART TAS 7000

OR

#### By Facsimile:

Armstrong Registry  
Services Limited  
Facsimile No:  
+61 7 3231 0099

**If you have any enquiries concerning your Application, please contact Print Mail Logistics Limited on +61 3 6220 8444.**

### Correct forms of registrable title(s)

Note that ONLY legal entities are allowed to hold securities. Applications must be made in the name(s) of natural persons, companies or other legal entities in accordance with the Corporations Act. At least one full given name and surname is required for each natural person. The name of the beneficial owner or any other registrable name may be included by way of an account designation if completed exactly as described in the examples of correct forms of the registrable title(s) below.

Type of Investor	Correct Form of Registration	Incorrect Form of Registration
Individual - Use given name(s) in full, not initials	Mr John Alfred Smith	JA Smith
Joint - Use given name(s) in full, not initials	Mr John Alfred Smith & Mrs Janet Marie Smith	John Alfred & Janet Marie Smith
Company - Use Company title, not abbreviations	ABC Pty Ltd	ABC PL ABC Co
Trusts - Use trustee(s) personal name(s) - Do not use the name of the trust	Ms Penny Smith <Penny Smith Family A/C>	Penny Smith Family Trust
Deceased Estates - Use executor(s) personal name(s) - Do not use the name of the deceased	Mr Michael Smith <Est John Smith A/C>	Estate of the Late John Smith
Minor (a person under the age of 18) - Use the name of a responsible adult with an appropriate designation - Do not use the name of the minor	Mr John Alfred Smith <Peter Smith A/C>	Peter Smith
Partnerships - Use partners personal name(s) - Do not use the name of the partnership	Mr John Smith & Mr Michael Smith <John Smith & Son A/C>	John Smith & Son
Clubs/Unincorporated Bodies/Business Name - Use office bearer(s) personal name(s) - Do not use the name of the club etc	Mrs Janet Smith <ABC Tennis Association A/C>	ABC Tennis Association
Superannuation Funds - Use the name of the trustee of the fund - Do not use the name of the fund	John Smith Pty Ltd <Super Fund A/C>	John Smith Pty Ltd Superannuation Fund