

18 November 2021

Dear Sir/Madam

Addendum to Notice of 2021 Annual General Meeting

AF Legal Group Ltd (ASX: AFL) (Company or AFL) gives notice to its shareholders that, in relation to the Notice of Annual General Meeting (AGM) dated 29 October 2021 (Notice of AGM), in respect of the proposed AGM detailed below, the Directors have determined to issue an addendum to the Notice of AGM (Addendum).

Time and date of AGM:

Monday 29 November 2021, commencing at 3:00PM (AEDT) as a virtual meeting.

Location of AGM:

Virtual meeting held by Automic Share Registry

Reason for the Addendum to Notice of AGM

Defined terms in the Notice of AGM have the same meaning in the Addendum.

The Addendum has resulted following feedback and discussions from shareholders in relation to the Performance Rights to be issued to the Directors of the Company. Further to said discussions, the Board has determined to reduce the quantity of Performance Rights to be issued to the Directors, from 3,890,000 to 2,000,000 Performance Rights, and provide greater clarity as to when the Performance Rights vest in respect to EBITDA performance.

The changes outlined above are achieved by amending Resolutions 7, 8, 9, and 10 and the Explanatory Statement in the Notice of AGM. For ease of reference these changes can be viewed as marked up on pages 3 - 13 of the Addendum.

Where to find the Addendum to Notice of AGM

In accordance with the *Treasury Laws Amendment (2021 Measures No.1) Act 2021* which came into force on 14 August 2021, the Company will not be dispatching physical copies of the Notice of Meeting or Addendum to Shareholders. Instead, copies of the Notice of Meeting and Addendum are available to Shareholders electronically and can be viewed and downloaded online at the following link: <https://www.australianfamilylawyers.com.au/about-us/investor-announcements>. Alternatively, the Notice of Meeting and Addendum are also available on the Company's ASX market announcements page (ASX: AFL).

Voting by proxy

Shareholders who have already submitted a proxy form for Resolutions 7, 8, 9 or 10 are not required to resubmit a proxy form as a result of the amendments to the Notice of AGM, unless that shareholder wishes to lodge a revised proxy form.

Any shareholder wishing to lodge a revised proxy form may obtain another proxy form by contacting the Company Secretary on +61 2 8072 1400, or Automic Share Registry on meetings@automicgroup.com.au or +1300 288 664 (callers within Australia) or +61 2 9698 5414 (callers outside of Australia). All proxy forms received to date by the Company will be treated as valid unless a revised proxy form is received.

Your Proxy instruction must be received no later than 48 hours before the commencement of the Meeting. Proxy Forms received later than this time will be invalid.

Yours faithfully



Grant Dearlove
Executive Chairman

For Further information, please contact:

Grant Dearlove – Executive Chairman
investorrelations@aflegal.com.au

Maggie Niewidok – Company Secretary
+61 2 8072 1400

Automic Registry Services

Ph: 1300 288 664 (callers within Australia) or +61 2 9698 5414 (callers outside of Australia)

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AF Legal Group Ltd

Addendum to Notice of 2021 Annual General Meeting

Explanatory Statement | Proxy Form

Monday, 29 November 2021

3:00PM AEDT

Address

The AGM will be conducted as a virtual meeting, accessible online.

This Addendum to Notice of 2021 Annual General Meeting should be read together with the Notice of Annual General Meeting (as lodged with the ASX on 29 October 2021). Both documents should be read in their entirety. If Shareholders are in doubt as to how they should vote, they should seek advice from their professional advisers prior to voting.

Addendum to Notice of Annual General Meeting

AF Legal Group Ltd (**ASX: AFL**) (**Company** or **AFL**) gives notice to its shareholders that, in relation to the Notice of Annual General Meeting (**AGM**) dated 29 October 2021 (**Notice of AGM**), in respect of the proposed AGM detailed below, the Directors have determined to issue an addendum to the Notice of AGM (**Addendum**).

Time and date of AGM:

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Location of AGM:

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Defined terms in the Notice of AGM have the same meaning in the Addendum.

The Addendum has resulted following feedback and discussions from shareholders in relation to the Performance Rights to be issued to the Directors of the Company. Further to said discussions, the Board has determined to reduce the total quantity of Performance Rights to be issued to the Directors, from 3,890,000 to 2,000,000 Performance Rights, and to also provide greater clarity as to when the Performance Rights vest in respect to EBITDA performance.

The changes outlined above are achieved by amending Resolutions 7, 8, 9, and 10 and the Explanatory Statement in the Notice of AGM. These changes can be viewed as marked up on pages 3 - 13 below.

Voting by Proxy

Shareholders who have already submitted a proxy form for Resolutions 7, 8, 9 or 10 are not required to resubmit a proxy form as a result of the amendments to the Notice of AGM, unless that shareholder wishes to lodge a revised proxy form.

Any shareholder wishing to lodge a revised proxy form may obtain another proxy form by contacting the Company Secretary on +61 2 8072 1400, of the Automic Share Registry on meetings@automicgroup.com.au or +1300 288 664 (callers within Australia) or +61 2 9698 5414 (callers outside of Australia). All proxy forms received to date by the Company will be treated as valid unless a revised proxy form is received.

Your Proxy instruction must be received no later than 48 hours before the commencement of the Meeting. Proxy Forms received later than this time will be invalid.

Resolutions

Issue of Performance Rights to Related Parties

7. **Resolution 7** – Approval of Issue of Performance Rights to Grant Dearlove, Director of the Company

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

"That, for the purposes of ASX Listing Rule 10.11 and for all other purposes, the Shareholders of the Company approve the issue and allotment of ~~1,950,000~~ 1,010,000 Performance Rights to Grant Dearlove, Director of the Company (or his nominee), and otherwise on the terms and conditions set out in the Explanatory Statement which accompanies and forms part of this Notice of Meeting."

Voting Exclusion Statement: The Company will disregard any votes cast in favour of Resolution 7 by or on behalf of:

- (a) a person who is to expected to receive the securities as a result of the proposed issue;
- (b) a person who will obtain a material benefit as a result of the issue of the securities (except a benefit solely by reason of being a holder of ordinary securities in the Company); or
- (c) an Associate of that person or those persons described in (a) or (b).

However, this does not apply to a vote cast in favour of Resolution 7 by:

- (i) a person as proxy or attorney for a person who is entitled to vote on the Resolution, in accordance with direction given to the proxy or attorney to vote on the Resolution in that way; or
- (ii) the Chair of the Meeting as proxy or attorney for a person who is entitled to vote on the Resolution, in accordance with a direction given to the Chair to vote on the Resolution as the Chair decides; or
- (iii) a holder acting solely in a nominee, trustee, custodial or other fiduciary capacity on behalf of a beneficiary provided the following conditions are met:
 - the beneficiary provides written confirmation to the holder that the beneficiary is not excluded from voting, and is not an associate of a person excluded from voting, on the Resolution; and
 - the holder vote on the Resolution in accordance with directions given by the beneficiary to the holder to vote in that way.

Voting Prohibition Statement: In accordance with section 250BD of the Corporations Act, a person appointed as a proxy must not vote, on the basis of that appointment, on Resolution 7 if:

- (a) the proxy is either:
 - (i) a member of the Company's Key Management Personnel; or
 - (ii) a closely related party of a member of the Company's Key Management Personnel; and
- (b) the appointment does not specify the way the proxy is to vote on the resolution.

However, the above prohibition does not apply if:

- (a) the proxy is the Chair of the Meeting; and
- (b) the appointment expressly authorises the Chair to exercise the proxy even if the Resolution is connected directly or indirectly with remuneration of a member of the Company's Key Management Personnel.

8. **Resolution 8** – Approval of Issue of Performance Rights to Glen Dobbie, Director of the Company

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

“That, for the purposes of ASX Listing Rule 10.11 and for all other purposes, the Shareholders of the Company approve the issue and allotment of ~~1,600,000~~ 820,000 Performance Rights to Glen Dobbie, Director of the Company (or his nominee), and otherwise on the terms and conditions set out in the Explanatory Statement which accompanies and forms part of this Notice of Meeting.”

Voting Exclusion Statement: The Company will disregard any votes cast in favour of Resolution 8 by or on behalf of:

- (a) a person who is to expected to receive the securities as a result of the proposed issue;
- (b) a person who will obtain a material benefit as a result of the issue of the securities (except a benefit solely by reason of being a holder of ordinary securities in the Company); or
- (c) an Associate of that person or those persons described in (a) or (b).

However, this does not apply to a vote cast in favour of Resolution 8 by:

- (i) a person as proxy or attorney for a person who is entitled to vote on the Resolution, in accordance with direction given to the proxy or attorney to vote on the Resolution in that way; or
- (ii) the Chair of the Meeting as proxy or attorney for a person who is entitled to vote on the Resolution, in accordance with a direction given to the Chair to vote on the Resolution as the Chair decides; or
- (iii) a holder acting solely in a nominee, trustee, custodial or other fiduciary capacity on behalf of a beneficiary provided the following conditions are met:
 - the beneficiary provides written confirmation to the holder that the beneficiary is not excluded from voting, and is not an associate of a person excluded from voting, on the Resolution; and
 - the holder vote on the Resolution in accordance with directions given by the beneficiary to the holder to vote in that way.

Voting Prohibition Statement: In accordance with section 250BD of the Corporations Act, a person appointed as a proxy must not vote, on the basis of that appointment, on Resolution 8 if:

- (a) the proxy is either:
 - (i) a member of the Company's Key Management Personnel; or
 - (ii) a closely related party of a member of the Company's Key Management Personnel; and
- (b) the appointment does not specify the way the proxy is to vote on the resolution.

However, the above prohibition does not apply if:

- (a) the proxy is the Chair of the Meeting; and
- (b) the appointment expressly authorises the Chair to exercise the proxy even if the Resolution is connected directly or indirectly with remuneration of a member of the Company's Key Management Personnel.

9. **Resolution 9** – Approval of Issue of Performance Rights to Kevin Lynch, Director of the Company

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

“That, for the purposes of ASX Listing Rule 10.11 and for all other purposes, the Shareholders of the Company approve the issue and allotment of ~~200,000~~ 100,000 Performance Rights to Kevin Lynch, Director of the Company (or his nominee), and otherwise on the terms and conditions set out in the Explanatory Statement which accompanies and forms part of this Notice of Meeting.”

Voting Exclusion Statement: The Company will disregard any votes cast in favour of Resolution 9 by or on behalf of:

- (a) a person who is to expected to receive the securities as a result of the proposed issue;
- (b) a person who will obtain a material benefit as a result of the issue of the securities (except a benefit solely by reason of being a holder of ordinary securities in the Company); or
- (c) an Associate of that person or those persons described in (a) or (b).

However, this does not apply to a vote cast in favour of Resolution 9 by:

- (i) a person as proxy or attorney for a person who is entitled to vote on the Resolution, in accordance with direction given to the proxy or attorney to vote on the Resolution in that way; or
- (ii) the Chair of the Meeting as proxy or attorney for a person who is entitled to vote on the Resolution, in accordance with a direction given to the Chair to vote on the Resolution as the Chair decides; or
- (iii) a holder acting solely in a nominee, trustee, custodial or other fiduciary capacity on behalf of a beneficiary provided the following conditions are met:
 - the beneficiary provides written confirmation to the holder that the beneficiary is not excluded from voting, and is not an associate of a person excluded from voting, on the Resolution; and
 - the holder vote on the Resolution in accordance with directions given by the beneficiary to the holder to vote in that way.

Voting Prohibition Statement: In accordance with section 250BD of the Corporations Act, a person appointed as a proxy must not vote, on the basis of that appointment, on Resolution 9 if:

- (a) the proxy is either:
 - (i) a member of the Company's Key Management Personnel; or
 - (ii) a closely related party of a member of the Company's Key Management Personnel; and
- (b) the appointment does not specify the way the proxy is to vote on the resolution.

However, the above prohibition does not apply if:

- (a) the proxy is the Chair of the Meeting; and
- (b) the appointment expressly authorises the Chair to exercise the proxy even if the Resolution is connected directly or indirectly with remuneration of a member of the Company's Key Management Personnel.

10. **Resolution 10** – Approval of Issue of Performance Rights to Dr Sarah Kelly, Director of the Company

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

"That, for the purposes of ASX Listing Rule 10.11 and for all other purposes, the Shareholders of the Company approve the issue and allotment of ~~140,000~~ 70,000 Performance Rights to Dr Sarah Kelly, Director of the Company (or her nominee), and otherwise on the terms and conditions set out in the Explanatory Statement which accompanies and forms part of this Notice of Meeting."

Voting Exclusion Statement: The Company will disregard any votes cast in favour of Resolution 10 by or on behalf of:

- (a) a person who is to expected to receive the securities as a result of the proposed issue;
- (b) a person who will obtain a material benefit as a result of the issue of the securities (except a benefit solely by reason of being a holder of ordinary securities in the Company); or
- (c) an Associate of that person or those persons described in (a) or (b).

However, this does not apply to a vote cast in favour of Resolution 10 by:

- (i) a person as proxy or attorney for a person who is entitled to vote on the Resolution, in accordance with direction given to the proxy or attorney to vote on the Resolution in that way; or
- (ii) the Chair of the Meeting as proxy or attorney for a person who is entitled to vote on the Resolution, in accordance with a direction given to the Chair to vote on the Resolution as the Chair decides; or
- (iii) a holder acting solely in a nominee, trustee, custodial or other fiduciary capacity on behalf of a beneficiary provided the following conditions are met:
 - the beneficiary provides written confirmation to the holder that the beneficiary is not excluded from voting, and is not an associate of a person excluded from voting, on the Resolution; and
 - the holder vote on the Resolution in accordance with directions given by the beneficiary to the holder to vote in that way.

Voting Prohibition Statement: In accordance with section 250BD of the Corporations Act, a person appointed as a proxy must not vote, on the basis of that appointment, on Resolution 10 if:

- (a) the proxy is either:
 - (i) a member of the Company's Key Management Personnel; or
 - (ii) a closely related party of a member of the Company's Key Management Personnel; and
- (b) the appointment does not specify the way the proxy is to vote on the resolution.

However, the above prohibition does not apply if:

- (a) the proxy is the Chair of the Meeting; and
- (b) the appointment expressly authorises the Chair to exercise the proxy even if the Resolution is connected directly or indirectly with remuneration of a member of the Company's Key Management Personnel.

BY ORDER OF THE BOARD

Maggie Niewidok
Company Secretary

18 November 2021

Explanatory Statement

This Explanatory Statement and accompanying Annexure A in the Notice of AGM are amended per the marked up changes below.

Resolutions 7 - 10 – Issue of Performance Rights to Related Parties

Resolutions 7, 8, 9 and 10 seek Shareholder approval to issue and allot ~~3,890,000~~ 2,000,000 Performance Rights to Directors of the Company (or their nominees) to preserve cash resources and to incentivise them in their role as Directors of the Company.

The milestone dates and full terms of Performance Rights are set out in Annexure A.

Accordingly, Shareholder approval is being sought to issue and allot:

- (a) ~~1,950,000~~ 1,010,000 Performance Rights to Grant Dearlove (**Resolution 7**);
- (b) ~~1,600,000~~ 820,000 Performance Rights to Glen Dobbie (**Resolution 8**);
- (c) ~~200,000~~ 100,000 Performance Rights to Kevin Lynch (**Resolution 9**); and
- (d) ~~140,000~~ 70,000 Performance Rights to Dr Sarah Kelly (**Resolution 10**).

Listing Rule 10.11

ASX Listing Rule 10.11 provides that unless one of the exceptions in Listing Rule 10.12 applies, the Company, as a listed company, must not issue equity securities to persons in a position of influence without Shareholder approval.

A person in a position of influence for the purposes of Listing Rule 10.11 includes:

- (a) a related party;
- (b) a person who is, or was at any time in the 6 months before the issue of agreement, a substantial (30%+) holder in the Company;
- (c) a person who is, or was at any time in the 6 months before the issue or agreement, a substantial (10%+) holder in the Company and who has nominated a director to the board of the Company pursuant to a relevant agreement which gives them a right or expectation to do so;
- (d) an Associate of a person referred to in (a) to (c) above; and
- (e) a person whose relationship with the Company or a person referred to in (a) to (d) above is such that, in the ASX's opinion, the issue or agreement should be approved by Shareholders.

As each Grant Dearlove, Glen Dobbie, Kevin Lynch and Dr Sarah Kelly are Directors of the Company, each of them is a person in a position of influence for the purposes of Listing Rule 10.11. The proposed issue does not fall within any of the exceptions in Listing Rule 10.12, and therefore requires the approval of the Company's Shareholders under Listing Rule 10.11.

To this end, Resolutions 7, 8, 9 and 10 seek the required Shareholder approval to issue the Performance Rights to Grant Dearlove, Glen Dobbie, Kevin Lynch and Dr Sarah Kelly under and for the purposes of Listing Rule 10.11.

If approval is obtained under Listing Rule 10.11, in accordance with Listing Rule 7.2 (exception 14), separate approval is not required under Listing Rule 7.1.

If Resolutions 7, 8, 9 and 10 are passed, the Company will be able to proceed with the proposed issue of Performance Rights.

If Resolutions 7, 8, 9 and 10 are not passed, the Company will not be able to proceed with the proposed issue and this may impact the Company's ability to retain its Directors as the Performance Rights form an integral part of the Company's remuneration and retention strategy.

Chapter 2E of the Corporations Act

Chapter 2E of the Corporations Act prohibits the Company from giving a financial benefit to a related party of the Company unless either:

- (a) the giving of the financial benefit falls within one of the exceptions to the provisions; or
- (b) Shareholder approval is obtained prior to the giving of the financial benefit.

The proposed issue of Performance Rights (which is a type of equity security, for the purposes of the Chapter 2E of the Corporations Act) constitutes the giving of a financial benefit.

A “related party” for the purposes of the Corporations Act and the Listing Rules is widely defined and includes a director of a public company, a spouse of a director of a public company or an entity controlled by a director of a public company. The definition of “related party” also includes a person whom there is reasonable grounds to believe will become a “related party” of a public company.

For each Director for whom the issue of Performance Rights were considered, the other non-conflicted Directors considered the proposed issue, and formed the view that the giving of the financial benefit to that Director was reasonable remuneration, given the circumstances of the Company, the quantum of the Performance Rights, the terms of the Performance Rights and the responsibilities held by that Director in the Company. The Directors believe that part of each Directors remuneration should be performance based and at risk, as this assists in aligning their interests with those of Shareholders of the Company. This approach reflects accepted practice in executive remuneration and corporate governance in Australia and abroad. In structuring the terms of the Performance Rights, the Board has carefully considered market practice among comparable companies listed on the ASX. In addition, it was considered that the issue of these Performance Rights is a more cost effective way to remunerate and incentivise as opposed to other forms of remuneration, such as further cash payments.

Accordingly, the non-conflicted Directors of the Company believe that the issue of these Performance Rights to each of the Directors under Resolutions 7, 8, 9 and 10 fall within the “reasonable remuneration” exception as set out in section 211 of the Corporations Act, and relies on this exception for the purposes of Resolutions 7, 8, 9 and 10 of this Notice of Meeting.

Therefore, the proposed issue of Performance Rights to Grant Dearlove, Glen Dobbie, Kevin Lynch and Dr Sarah Kelly under Resolutions 7, 8, 9 and 10, respectively, require Shareholder approval under and for the purposes of Listing Rule 10.11 only.

Information required by ASX Listing Rule 10.13

The following information in relation to the issue of Performance Rights to Directors of the Company under Resolutions 7, 8, 9 and 10 is provided to Shareholders for the purposes of ASX Listing Rule 10.13:

- (a) The allottees are:
 - (a) Grant Dearlove (or his nominee) (**Resolution 7**);
 - (b) Glen Dobbie (or his nominee) (**Resolution 8**);
 - (c) Kevin Lynch (or his nominee) (**Resolution 9**); and
 - (d) Dr Sarah Kelly (or her nominee) (**Resolution 10**).
- (a) Grant Dearlove, Glen Dobbie, Kevin Lynch and Dr Sarah Kelly are each Directors of the Company and fall within the category referred to in ASX Listing Rule 10.11.1.
- (b) The maximum number of Performance Rights that may be acquired by each of the allottees are as follows:

- (i) ~~1,950,000~~ 1,010,000 Performance Rights to Grant Dearlove (or his nominee), Director of the Company (**Resolution 7**);
- (ii) ~~1,600,000~~ 820,000 Performance Rights to Glen Dobbie (or his nominee), Director of the Company (**Resolution 8**);
- (iii) ~~200,000~~ 100,000 Performance Rights to Kevin Lynch (or his nominee), Director of the Company (**Resolution 9**); and
- (iv) ~~140,000~~ 70,000 Performance Rights to Dr Sarah Kelly (or her nominee), Director of the Company (**Resolution 10**).
- (b) The milestone dates and full terms of the Performance Rights are set out in Annexure A of this Notice of Meeting.
- (c) The Performance Rights will be issued within 1 month of Shareholder approval being obtained by the Company (or otherwise, as determined by the ASX in the exercise of their discretion).
- (d) The Performance Rights will be offered for nil cash consideration.
- (e) Funds will not be raised from the issue of these Performance Rights as the issue is proposed to be made for the purposes of incentivising and remunerating the Directors of the Company.
- (f) The current total remuneration package received by each relevant Director is as follows:

Name	Current total remuneration package
Grant Dearlove (Resolution 7)	Grant's base remuneration for the year ending 30 June 2022 is \$325,000. Grant is also eligible to participate in the Company's Short Term Incentive Plan and may be granted a discretionary cash bonus subject to performance measures and Nomination and Remuneration Committee approval.
Glen Dobbie (Resolution 8)	Glen's base remuneration for the year ending 30 June 2022 is \$270,000. Glen is also eligible to participate in the Company's Short Term Incentive Plan and may be granted a discretionary cash bonus subject to performance measures and Nomination and Remuneration Committee approval.
Kevin Lynch (Resolution 9)	Kevin's non-executive director fees for the year ending 30 June 2022 are \$35,000. Kevin is also eligible to participate in the Company's Short Term Incentive Plan and may be granted a discretionary cash bonus subject to performance measures and Nomination and Remuneration Committee approval.
Dr Sarah Kelly (Resolution 10)	Dr Kelly was appointed as a Director on 30 August 2021. Dr Kelly's non-executive director fees for the year ending 30 June 2022 are \$35,000.

Directors Recommendation

The Board of Directors do not make any recommendations in respect of Resolution 7, 8, 9 and 10.

The Chairman intends to vote all undirected proxies in favour of Resolutions 7, 8, 9 and 10.

Annexure A - Terms of Performance Rights

Milestone Dates

Director	Tranche 1 Milestone Date	Tranche 1 Number of Performance Rights	Tranche 2 Milestone Date	Tranche 2 Number of Performance Rights
Grant Dearlove	30 June 2023	975,000 <u>505,000</u>	30 June 2024	975,000 <u>505,000</u>
Glen Dobbie	30 June 2023	800,000 <u>410,000</u>	30 June 2024	800,000 <u>410,000</u>
Kevin Lynch	30 June 2023	100,000 <u>50,000</u>	30 June 2024	100,000 <u>50,000</u>
Sarah Kelly	30 June 2023	70,000 <u>35,000</u>	30 June 2024	70,000 <u>35,000</u>

Terms of Performance Rights

- Performance Rights will only vest upon the satisfaction of continued employment or contract with the Company each year, or in a capacity as agreed by the Board.
- ~~The number of Performance Rights for each Tranche that will vest will be determined by the EBITDA growth rate per annum compared to the prior Financial Year at the applicable Milestone Date based on the following table:~~ Performance Rights for each Tranche will vest if the EBITDA per Share is met or exceeded at the applicable Milestone Date based on the following table:

EBITDA growth per annum	Performance Rights
At or above 15%	25%
At or above 20%	50%
At or above 25%	75%
At or above 30%	100%

Milestone Date	EBITDA per Share
30 June 2023	\$0.075
30 June 2024	\$0.09

For the purposes of this item 2:

EBITDA means statutory earnings, before interest, tax, depreciation and amortisation for the Financial Year adjusted to include the removal of ~~non-recurring, non-cash or unusual costs share-~~

based payment expenses, acquisition related expenses, pre-acquisition related bad debts and other growth related costs such as once off start up expenses with the opening of new offices (growth related cost adjustments to be capped at \$200,000 per annum).

The final EBITDA as defined above will be verified by the Company's auditor.

Financial Year means the period of twelve months ending on 30 June.

Share means the weighted average number of ordinary shares outstanding during the Financial Year.

3. The Performance Rights will automatically vest and the Company will automatically convert the Performance Rights upon the occurrence of any of the following events, whichever is earliest:
- (i) A transaction that which enlivens the Australian Securities Exchange's (**ASX**) discretions under Listing Rule 11.1.2 and 11.1.3 and is approved by shareholders of the Company;
 - (ii) A Change of Control; or
 - (iii) A Delisting.

For the purposes of this item 3:

Change of Control means:

- (i) a bona fide Takeover Bid (as defined in the *Corporations Act 2001* (Cth) (**Corporations Act**)) is declared unconditional and the bidder has acquired a Relevant Interest (as defined in the Corporations Act) in at least 50.1% of the Company's issued Shares;
- (ii) a court approves, under Section 411(4)(b) of the Corporations Act, a proposed compromise or arrangement for the purposes of, or in connection with, a scheme for the reconstruction of the Company or its amalgamation with any other company or companies; or
- (iii) in any other case, a person obtains Voting Power (as defined in Section 9 of the Corporations Act) in the Company which the Board (which for the avoidance of doubt will comprise those Directors immediately prior to the person acquiring that Voting Power) determines, acting in good faith and in accordance with their fiduciary duties, is sufficient to control the composition of the Board.

Delisting means the Company's removal from the ASX's official list.

4. Each Performance Right is exercisable at nil price for one fully paid ordinary share.
5. The Performance Rights expire on the earlier of:
- (i) if vested, 3 years from the date of issue; or
 - (ii) a determination being made by the Board of the Company (in its sole discretion) that the Vesting Conditions have not been met by their applicable due date or have become incapable of vesting pursuant to the terms,

the '**Expiry Date**'.

6. A Performance Right may only be converted at any time after the date that the Performance Rights have vested, and on or prior to the Expiry Date.
7. Subject to item 3, conversion of vested Performance Rights is at the election of the holder.
8. No application for quotation of the Performance Rights will be made by the Company.

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9. Shares issued on the conversion of the Performance Rights rank equally with the then Shares of the Company.
 10. If the Shares of the Company are quoted on the ASX at the time of conversion of the Performance Rights, an application will be made by the Company to the ASX for quotation of the Shares issued upon the conversion of the Performance Rights.
 11. The Performance Rights may not be transferred, assigned, encumbered, or otherwise disposed of without prior consent of the Board.
 12. The Performance Rights do not confer any right to participate in new issues of securities such as bonus issues or entitlement issues.
 13. The Performance Rights do not confer any right to vote, except as otherwise required by law.
 14. The Performance Rights do not confer any entitlement to a dividend, whether fixed or at the discretion of the Board.
 15. The Performance Rights do not confer rights to receive a return of capital, whether in a winding up, upon a reduction of capital or otherwise
 16. The Performance Rights do not confer any right to participate in the surplus profit or assets of the entity upon a winding up.
 17. The Performance Rights must be treated in accordance with the ASX Listing Rules if the Company undertakes a reorganisation of its Shares