



## Notice of Annual General Meeting and Explanatory Memorandum

### **Change Financial Limited** ACN 150 762 351

Date of Meeting: 28 November 2019

Time of Meeting: 12.00pm (Brisbane time)

Place of Meeting: Office of Hopgood Ganim Lawyers  
Level 8, 1 Eagle Street, Brisbane, Queensland, Australia

**This is an important document and requires your attention**

If you are in any doubt about how to deal with this document, please consult your legal, financial or other professional advisor.

## Notice of Annual General Meeting

Notice is given that the Annual General Meeting of shareholders of Change Financial Limited ACN 150 762 351 (**Company**) will be held at the Office of Hopgood Ganim Lawyers, Level 8, 1 Eagle Street, Brisbane, Queensland, Australia on **28 November 2019 at 12.00pm** (Brisbane time).

Terms used in this Notice of Meeting are defined in Section 8 of the accompanying Explanatory Memorandum.

## AGENDA

### ORDINARY BUSINESS

#### Financial Statements

To receive and consider the Annual Report of the Company and its controlled entities for the period ended 30 June 2019 comprising the Directors' Report, Directors' Declaration, Auditor's report, Consolidated Statement of Profit or Loss and Other Comprehensive Income, Consolidated Statement of Financial Position, Consolidated Statement of Changes in Equity, Consolidated Statement of Cash Flows and Notes to the Consolidated Financial Statements for the Company.

#### Resolution 1 – Adoption of Remuneration Report

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To consider and, if thought fit, pass the following Resolution, as an advisory Resolution, without amendment:

*"That for the purposes of section 250R(2) of the Corporations Act, and for all other purposes, the Remuneration Report for the year ended 30 June 2019 (as set out in the Directors' Report) is adopted."*

The vote on this Resolution 1 is advisory only and does not bind the Directors or the Company.

#### Voting restriction pursuant to section 250R(4) of the Corporations Act

A vote on this Resolution 1 must not be cast (in any capacity) by or on behalf of either of the following persons:

- (a) a member of the Key Management Personnel details of whose remuneration are included in the Remuneration Report; and
- (b) a Closely Related Party of such a member.

However, the above persons may cast a vote on Resolution 1 if:

- (a) the person does so as a proxy; and
- (b) the vote is not cast on behalf of a member of the Key Management Personnel details of whose remuneration are included in the Remuneration Report or a Closely Related Party of such a member; and
- (c) either:
  - (1) the voter is appointed as a proxy by writing that specifies the way the proxy is to vote on the Resolution; or
  - (2) the voter is the Chairman of the Meeting and the appointment of the Chairman as proxy:
    - A. does not specify the way the proxy is to vote on the Resolution; and
    - B. expressly authorises the Chairman to exercise the proxy even if the Resolution is connected directly or indirectly with the remuneration of a member of the Key Management Personnel for the Company or, if the Company is part of a

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consolidated entity, for the entity.

### Voting Intentions of the Chairman

Shareholders should be aware that any undirected proxies given to the Chairman will be cast by the Chairman and counted in favour of the Resolutions the subject of this Meeting, including Resolution 1, subject to compliance with the Corporations Act. In exceptional circumstances, the Chair of the Meeting may change his/her voting intention on any Resolution, in which case an ASX announcement will be made.

Further details, in relation to the ability of the Chairman to vote on undirected proxies are set out in the accompanying proxy form.

### Resolution 2 – Re-election of Mr Ian Leijer as a Director

To consider and, if thought fit, pass the following Resolution, as an Ordinary Resolution, without amendment:

*"That Mr Ian Leijer, who retires by rotation in accordance with Rule 39.1 of the Company's Constitution and ASX Listing Rule 14.4 and, being eligible, offers himself for re-election be re-elected as a Director of the Company."*

### Resolution 3 – Election of Mr Harley Dalton as a Director

To consider and, if thought fit, pass the following Resolution with or without amendment, as an Ordinary Resolution:

*"That, for the purposes of Rule 37 of the Company's Constitution, ASX Listing Rule 14.4 and for all other purposes, Harley Dalton, a Director who was appointed on 12 December 2018, retires, and being eligible, offers himself for election, is elected as a Director of the Company."*

### Resolution 4 – Election of Mr Benjamin Harrison as a Director

To consider and, if thought fit, pass the following Resolution with or without amendment, as an Ordinary Resolution:

*"That, for the purposes of Rule 37 of the Company's Constitution, ASX Listing Rule 14.4 and for all other purposes, Benjamin Harrison, a Director who was appointed on 12 December 2018, retires, and being eligible, offers himself for election, is elected as a Director of the Company."*

## SPECIAL BUSINESS

### Resolution 5 - Approval to issue an additional 10% of the issued capital of the Company over a 12 month period pursuant to Listing Rule 7.1A

To consider and, if thought fit, pass the following Resolution, as a Special Resolution, without amendment:

*"That, pursuant to and in accordance with Listing Rule 7.1A, and for all other purposes, Shareholders approve the issue of Equity Securities of up to 10% of the issued capital of the Company (at the time of issue) calculated in accordance with the formula prescribed in Listing Rule 7.1A.2, over a 12 month period from the date of the Meeting, at a price not less than that determined pursuant to Listing Rule 7.1A.3 and otherwise on the terms and conditions described in the Explanatory Memorandum (Placement Securities)."*

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### Voting Exclusion Statement

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

- (a) a person who may participate in the issue of the Placement Securities; and
- (b) a person who might obtain a benefit if this Resolution 5 is passed, except a benefit solely in their capacity as a holder of Shares if the Resolution is passed; and
- (c) any associate of that person (or those persons).

However the Company need not disregard a vote if:

- (a) it is cast by a person as proxy for a person who is entitled to vote, in accordance with the directions on the proxy form; or
- (b) it is cast by the person chairing the Meeting as proxy for a person who is entitled to vote, in accordance with the direction on the proxy form to vote as the proxy decides.

### Important Note (in relation to Resolution 5)

The proposed allottees of any Placement Securities are not as yet known or identified. In these circumstances (and in accordance with the note set out in Listing Rule 14.11.1 relating to Listing Rules 7.1 and 7.1A), for a person's vote to be excluded, it must be known that that person will participate in the proposed issue. Where it is not known who will participate in the proposed issue (as is the case in respect of the Placement Securities), Shareholders must consider the proposal on the basis that they may or may not get a benefit and that it is possible that their holding will be diluted and there is no reason to exclude their votes.

### GENERAL BUSINESS

To consider any other business as may be lawfully put forward in accordance with the Constitution of the Company.

By order of the Board



Adam Gallagher  
Company Secretary  
22 October 2019

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### **ENTITLEMENT TO ATTEND AND VOTE**

In accordance with regulation 7.11.37 of the Corporations Regulations 2001 (Cth), the Board has determined that persons who are registered holders of shares of the Company as at 7:00 pm (Brisbane time) on 26 November 2019 will be entitled to attend and vote at the AGM as a shareholder.

If more than one joint holder of shares is present at the AGM (whether personally, by proxy or by attorney or by representative) and tenders a vote, only the vote of the joint holder whose name appears first on the register will be counted.

#### *Appointment of Proxy*

If you are a shareholder entitled to attend and vote, you may appoint an individual or a body corporate as a proxy. If a body corporate is appointed as a proxy, that body corporate must ensure that it appoints a corporate representative in accordance with section 250D of the Corporations Act 2001 (Cth) (the Act) to exercise its powers as proxy at the AGM.

A proxy need not be a shareholder of the Company.

A shareholder may appoint up to two proxies and specify the proportion or number of votes each proxy may exercise. If the shareholder does not specify the proportion or number of votes to be exercised, each proxy may exercise half of the shareholder's votes.

To be effective, the proxy must be received at the Share Registry of the Company no later than 12:00pm (Brisbane time) on 26 November 2019. Proxies must be received before that time by one of the following methods:

- |                        |  |
|------------------------|--|
| By post:               | Change Financial Limited<br>C/- Link Market Services Limited<br>Locked Bag A14<br>Sydney South NSW 1235<br>Australia |
| By facsimile:          | 02 9287 0309 (within Australia)<br>+61 2 9287 0309 (from outside Australia)  |
| By delivery in person: | Link Market Services Limited<br>1A Homebush Bay Drive<br>Rhodes NSW 2138   |
| Online:                | <a href="http://www.linkmarketservices.com.au">www.linkmarketservices.com.au</a>                                     |

To be valid, a proxy form must be received by the Company in the manner stipulated above. The Company reserves the right to declare invalid any proxy not received in this manner.

#### *Power of Attorney*

A proxy form and the original power of attorney (if any) under which the proxy form is signed (or a certified copy of that power of attorney or other authority) must be received by the Company no later than 12:00pm (Brisbane time) on 26 November 2019 being 48 hours before the AGM.

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### *Corporate Representatives*

A body corporate which is a shareholder, or which has been appointed as a proxy, is entitled to appoint any person to act as its representative at the AGM. The appointment of the representative must comply with the requirements under section 250D of the Act. The representative should bring to the AGM a properly executed letter or other document confirming its authority to act as the company's representative. A "Certificate of Appointment of Corporate Representative" form may be obtained from the Company's share registry or online at [www.linkmarketservices.com.au](http://www.linkmarketservices.com.au)

IMPORTANT: If you appoint the Chairman of the Meeting as your proxy, or the Chairman becomes your proxy by default, and you do not direct your proxy how to vote on resolution 1 then by submitting the proxy form you will be expressly authorising the Chairman to exercise your proxy on the relevant resolution, even though the resolutions are connected, directly or indirectly, with the remuneration of the KMP.

### **ENCLOSURES**

Enclosed are the following documents:

- proxy form to be completed if you would like to be represented at the AGM by proxy. Shareholders are encouraged to use the online voting facility that can be accessed on Change Financial Limited's share registry's website at [www.linkmarketservices.com.au](http://www.linkmarketservices.com.au) to ensure the timely and cost effective receipt of your proxy;
- a reply paid envelope for you to return the proxy form if you do not wish to use the online voting facility.

# Explanatory Memorandum

## 1. Introduction

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This Explanatory Memorandum is provided to shareholders of Change Financial Limited ACN 150 762 351 (**Company**) to explain the resolutions to be put to Shareholders at the Annual General Meeting to be held at the Office of Hopgood Ganim Lawyers, Level 8, 1 Eagle Street, Brisbane Queensland Australia, on 28 November 2019 commencing at 12:00pm (Brisbane time).

The Directors recommend shareholders read the accompanying Notice of Meeting and this Explanatory Memorandum in full before making any decision in relation to the resolutions.

Terms used in this Explanatory Memorandum are defined in Section 8.

## 2. Financial Statements

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The Corporations Act requires that the Company's Annual Report for the period ending 30 June 2019 comprising the Directors' Report and Auditor's Report Directors' Declaration, Consolidated Statement of Profit or Loss and Other Comprehensive Income, Consolidated Statement of Financial Position, Consolidated Statement of Changes in Equity, Consolidated Statement of Cash Flows and Notes to the Consolidated Financial Statements for the Company be laid before the Annual General Meeting for discussion. Although not requiring a vote of members, an opportunity will be provided for members to ask questions on the Annual Financial Report.

The Company will not provide a hard copy of the Company's Annual Financial Report to Shareholders unless specifically requested to do so. The Company's Annual Financial Report is available on its website at [www.changefinancial.com](http://www.changefinancial.com)

## 3. Resolution 1 - Adoption of Remuneration Report

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### 3.1 Remuneration Report

The Board has submitted its Remuneration Report to Shareholders for consideration and adoption by way of a non-binding advisory Resolution in accordance with section 250R of the Corporations Act.

The Remuneration Report is set out on pages 10 to 16 of the Company's Annual Report for the period ending 30 June 2019. The Annual Report is available to download on the Company's website.

Under the Corporations Act, if at least 25% of the votes cast on the resolution are voted against adoption of the Remuneration Report at two consecutive Annual General Meetings, the Company will be required to put to shareholders a resolution at the second of those Annual General Meeting's proposing the calling of an extraordinary general meeting to consider the election of directors of the Company (**Spill Resolution**).

If more than 50% of shareholders vote in favour of the spill resolution, the Company must convene the extraordinary general meeting (**Spill Meeting**) within 90 days of the second Annual General Meeting. All of the directors who were in office when the second (consecutive) Remuneration Report was considered at the second (consecutive) Annual General Meeting, other than the Managing Director, will cease to hold office immediately before the end of the spill meeting but may stand for re-election at the spill meeting. Following the spill meeting those persons whose election or re-election as directors are approved will be the directors of the Company.

At the 2018 Annual General Meeting less than 25% of the votes cast were voted against adoption of the Remuneration Report included in the 2018 Annual Report.

## Explanatory Memorandum

The Remuneration Report:

- (a) explains the Board's policy for determining the nature and amount of remuneration of Key Management Personnel of the Company;
- (b) explains the relationship between the Board's remuneration policy and the Company's performance;
- (c) sets out remuneration details for each Key Management Personnel of the Company including details of performance related remuneration and options granted as part of remuneration; and
- (d) details and explains any performance conditions applicable to the remuneration of Key Management Personnel of the Company.

A reasonable opportunity will be provided for discussion of the Remuneration Report at the Meeting.

### 3.2 Recommendation

The Directors unanimously recommend that Shareholders vote in favour of adopting the Remuneration Report. A vote on this resolution is advisory only and does not bind the Directors or the Company.

### 3.3 Voting restrictions on Key Management Personnel and their Closely Related Parties and their proxies

As set out in the notes to Resolution 1, a voting restriction statement applies with respect to the voting on this Resolution by members of the Key Management Personnel and their Closely Related Parties and their proxies voting (in any capacity) (**Voting Restriction**). Key Management Personnel are those persons having authority and responsibility for planning, directing and controlling the activities of the entity, directly or indirectly, including any director (whether executive or otherwise) of that entity.

The Voting Restriction does not apply where:

- (a) the Chairman or any other member of the Key Management Personnel is appointed in writing (by a Shareholder who is not a member of the Key Management Personnel or a Closely Related Party of the Key Management Personnel) as a proxy (Management Proxy) with specific instructions on how to vote on a resolution to adopt the remuneration report of the Company; or
- (b) the Chairman is appointed in writing (by a Shareholder who is not a member of the Key Management Personnel or a Closely Related Party of the Key Management Personnel) as a proxy with no specific instructions on how to vote on a non-binding Shareholder vote on remuneration, where the Shareholder provides express authorisation for the Chairman to do so.

Shareholders should be aware that any undirected proxies given to the Chairman will be cast by the Chairman and counted in favour of the Resolutions the subject of this Meeting, including this Resolution 1, subject to compliance with the Corporations Act. In exceptional circumstances, the Chairman of the Meeting may change his/her voting intention on any resolution, in which case an ASX announcement will be made.

## 4. Resolution 2 – Re-election of Mr Ian Leijer as a Director

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Mr Ian Leijer retires by rotation in accordance with Rule 39.1 of the Company's Constitution and ASX Listing Rule 14.4 and, being eligible, offers himself for re-election as a Director.



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Under Rule 39.1 of the Company's Constitution, one-third of Directors are required to retire at each annual general meeting (excluding directors seeking election at the meeting for the first time, or the Managing Director).

### ***Ian Leijer's qualifications and experience***

Mr Leijer is an Executive Director of Change Financial Limited. He has been closely involved with Change Financial since its inception.

Mr Leijer is a Chartered Accountant with over 25 years' experience in financial analysis, corporate transactions, business strategy and business management. He was CFO and Company Secretary for over 10 years of former ASX listed company Avatar Industries Limited which operated globally in a number of diverse industries including mining services, electronics distribution, fabrication of building products and printing. Mr Leijer started his career with Price Waterhouse specialising in corporate transactions and valuations before joining a boutique investment bank. Mr Leijer currently works with a number of entities on business analysis, capital raising (debt & equity) and general management. Mr Leijer also holds a Bachelor of Economics from the University of Sydney, Australia.

The Directors (with Mr Leijer abstaining) recommend that you vote in favour of this Ordinary Resolution.

## **5. Resolution 3 – Election of Mr Harley Dalton as a Director**

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Rule 37 of the Constitution allows the Directors to appoint at any time a person to be a Director either to fill a casual vacancy or as an addition to the existing Directors, but only where the total number of Directors does not at any time exceed the maximum number specified by the Constitution.

In accordance with rule 37 of the Constitution and ASX Listing Rule 14.4, any Director so appointed holds office only until the next following annual general meeting and is then eligible for election by Shareholders but shall not be taken into account in determining the Directors who are to retire by rotation (if any) at that meeting.

Harley Dalton, a Non-Executive Director of the Company, was appointed on x December 2018 and retires in accordance with clause 37 of the Constitution and being eligible, seeks election from Shareholders.

### ***Harley Dalton's qualifications and experience***

Founder and director of Altor Capital, Harley is responsible for the day-to-day management of the business, sourcing and negotiating investments and building the capability of the business and the team.

Harley has over 20 years' experience in investments and the funds management industry. His key background and capabilities include leadership, strategy, negotiation and operational management. He has been actively involved in taking a number of business to publicly listed status in the Australian share market, providing capital raising, structuring, debt, equity; and board composition advice in this process.

Harley was the founder, director and CEO of Dalton Nicol Reid up to 2014, one of Australia's leading Australian Equities fund managers. He grew the business from start up to circa AUD \$1billion in assets under management prior to his exit. Dalton Nicol Reid manages money on behalf of retail, wholesale and institutional clients both domestically and internationally.

Harley has a Bachelor of Science from Griffith University, a Graduate Diploma in Applied Finance and Investment and is a member of The Australian Institute of Company Directors.

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The Directors (with Mr Dalton abstaining) recommend that you vote in favour of this Ordinary Resolution.

### 6. Resolution 4 – Election of Mr Benjamin Harrison as a Director

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Rule 37 of the Constitution allows the Directors to appoint at any time a person to be a Director either to fill a casual vacancy or as an addition to the existing Directors, but only where the total number of Directors does not at any time exceed the maximum number specified by the Constitution.

In accordance with rule 37 of the Constitution and ASX Listing Rule 14.4, any Director so appointed holds office only until the next following annual general meeting and is then eligible for election by Shareholders but shall not be taken into account in determining the Directors who are to retire by rotation (if any) at that meeting.

Benjamin Harrison, a Non-Executive Director of the Company, was appointed on 12 December 2018 and retires in accordance with clause 37 of the Constitution and being eligible, seeks election from Shareholders.

#### ***Benjamin Harrison's qualifications and experience***

Ben has extensive experience in advising and investing in companies. He commenced his career as a project manager for a large international engineering consulting firm working on a number of infrastructure projects in Australia and Southeast Asia. He later moved into investment banking, working for a leading corporate advisory house where over a 5 year period he executed over \$2.0 billion in capital market transactions and \$5.5 billion of public M&A transactions. Ben is active in the venture capital and private equity sectors in Australia. He currently holds board and advisory roles for a number of private companies.

The Directors (with Mr Harrison abstaining) recommend that you vote in favour of this Ordinary Resolution.

### 7. Resolution 5 - Approval to issue an additional 10% of the issued capital of the Company over a 12 month period pursuant to Listing Rule 7.1A

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#### **7.1 Introduction**

Pursuant to Resolution 5 the Company is seeking Shareholder approval to issue an additional 10% of its issued capital over a 12 month period pursuant to Listing Rule 7.1A. If passed, this Resolution will allow the Company to allot and issue up to the number of new Equity Securities calculated in accordance with Listing Rule 7.1A.2 (**Placement Securities**) each at an issue price of at least 75% of the volume weighted average price (**VWAP**) for the Company's Equity Securities in that class (calculated over the last 15 days on which trades in the Equity Securities are recorded immediately before the date on which the price at which the Placement Securities are to be issued is agreed, or if the Placement Securities are not issued within five trading days of that date, the date on which the Placement Securities are issued) (**Issue Price**).

This approval is sought pursuant to Listing Rule 7.1A. Under Listing Rule 7.1A, small and mid-cap listed entities that meet the eligibility threshold and have obtained the approval of their ordinary shareholders by Special Resolution at the annual general meeting, are permitted to issue an additional 10% of issued capital over a 12 month period from the date of the annual general meeting (**Additional 10% Placement**). The Additional 10% Placement under Listing Rule 7.1A is in addition to the ability of the Company to issue 15% of its issued capital without shareholder approval over a 12 month period pursuant to Listing Rule 7.1. The Company may issue the Placement Securities to raise funds for the Company and as non-cash consideration (further details of which are set out below).

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Funds raised from the issue of Placement Securities, if undertaken, would be applied towards the continued growth of the Company's business operations (including client growth) and general working capital.

The Directors unanimously recommend that Shareholders vote in favour of Resolution 5.

### **7.2 Listing Rule 7.1A**

#### **(a) General**

##### **(1) Eligibility**

An entity is eligible to undertake an Additional 10% Placement if at the time of its annual general meeting it has a market capitalisation of \$300 million or less and it is not included in the S&P/ASX300 Index.

As required by the Listing Rules, the Company's market capitalisation will be based on the closing price on the Trading Day before the AGM. The calculation of market capitalisation will be based on the Closing Price of Shares on the last Trading Day on which trades in the Shares were recorded before the date of the AGM, multiplied by the number of Shares on issue (in that main class, but excluding restricted securities and securities quoted on a deferred settlement basis).

For illustrative purposes only, on 21 October 2019 (being the last trading day prior the date of this AGM Notice) the Company's market capitalisation was approximately \$19.3 million based on the closing trading price on that date. The Company is not included in the S&P/ASX300 Index as at the time of issue of this Notice of Meeting and the Company does not expect that it will be included in the S&P/ASX300 Index at the date of the AGM.

The Company is therefore an eligible entity and able to undertake an Additional 10% Placement under Listing Rule 7.1A. In the event that the Company is no longer an eligible entity to undertake an Additional 10% Placement after the Company has already obtained Shareholder approval, the approval obtained will not lapse and the Company will still be entitled to undertake the Additional 10% Placement.

##### **(2) Special Resolution**

Listing Rule 7.1A requires this Resolution 5 to be passed as a Special Resolution, which means that it must be passed by at least 75% of the votes cast by members entitled to vote on the Resolution. Pursuant to Listing Rule 7.1A, no Placement Securities will be issued until and unless this Special Resolution is passed at the Meeting.

##### **(3) Shareholder Approval**

The ability to issue the Placement Securities is conditional upon the Company obtaining Shareholder approval by way of a Special Resolution at the Meeting.

#### **(b) 10% Placement Period - Listing Rule 7.1A.1**

Assuming Resolution 5 is passed, shareholder approval of the Additional 10% Placement under Listing Rule 7.1A is valid from the date of the AGM and expires on the earlier to occur of:

- a. the date that is 12 months after the date of the AGM; or

## Explanatory Memorandum

- b. the date of the approval by shareholders of a transaction under Listing Rule 11.1.2 (a significant change to the nature or scale of activities) or 11.2 (disposal of main undertaking),

or such longer period if allowed by ASX.

If approval is given for the issue of the Placement Securities then the approval will expire, on 29 November 2020, unless shareholder approval is granted pursuant to Listing Rules 11.1.2 or 11.2 prior to that date.

### **(c) Formula for calculating Additional 10% Placement**

Listing Rule 7.1A.2 provides that Eligible Entities that have obtained shareholder approval at an annual general meeting may issue or agree to issue, during the 12 month period after the date of the annual general meeting, a number of Equity Securities calculated in accordance with the following formula:

$$(A \times D) - E$$

Where:

**A** is the number of ordinary securities on issue 12 months before the date of issue or agreement:

1. plus the number of fully paid ordinary securities issued in the 12 months under an exception in Listing Rule 7.2;
2. plus the number of partly paid ordinary securities that became fully paid in the 12 months;
3. plus the number of fully paid ordinary securities issued in the 12 months with approval of holders of ordinary securities under Listing Rules 7.1 or 7.4 (but note that this does not include an issue of fully paid ordinary securities under the entity's 15% placement capacity without shareholder approval); and
4. less the number of fully paid ordinary securities cancelled in the 12 months.

Note that "A" has the same meaning in Listing Rule 7.1 when calculating an entity's 15% placement capacity.

**D** is 10%.

**E** is the number of Equity Securities issued or agreed to be issued under Listing Rule 7.1A.2 in the 12 months before the date of the issue or agreement to issue that are not issued with the approval of shareholders under Listing Rules 7.1 or 7.4.

### **(d) Listing Rule 7.1A.3**

#### **(1) Equity Securities**

Any Equity Securities issued under the Additional 10% Placement must be in the same class as an existing quoted class of Equity Securities of the Company.

As at the date of this notice of meeting, the only class of Equity Securities in the Company quoted on the ASX are ordinary shares. The Company presently has 98,843,631 shares on issue at the date of this Notice of Meeting.

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### **(2) Minimum Issue Price**

The issue price for the Placement Securities issued under Listing Rule 7.1A must be not less than 75% of the VWAP of Equity Securities in the same class calculated over the 15 trading days immediately before:

- a. the date on which the price at which the relevant Placement Securities are to be issued is agreed; or
- b. if the relevant Placement Securities are not issued within five trading days of the date in paragraph (A) above, the date on which the relevant Placement Securities are issued.

### **(e) Information to be given to ASX – Listing Rule 7.1A.4**

If Resolution 5 is passed and the Company issues any Placement Securities under Listing Rule 7.1A, the Company will give to ASX:

1. a list of allottees of the Placement Securities and the number of Placement Securities allotted to each (this list will not be released to the market); and
2. the following information required by rule 3.10.5A, will be released to the market on the date of issue:
  - details of the dilution to the existing holders of Shares caused by the issue;
  - where the Shares are issued for cash consideration, a statement of the reasons why the Company issued the Shares as a placement under rule 7.1A and not as (or in addition to) a pro rata issue or other type of issue in which existing Shareholders would have been eligible to participate;
  - details of any underwriting arrangements, including any fees payable to the underwriter; and
  - any other fees or costs incurred in connection with the issue.

### **(f) Listing Rules 7.1 and 7.1A**

The ability of an entity to issue Equity Securities under Listing Rule 7.1A is in addition to the entity's 15% capacity under Listing Rule 7.1.

At the date of this Notice, the Company has on issue 98,843,631 Shares, and therefore has the capacity to issue:

- i. 14,826,544 Equity Securities under Listing Rule 7.1; and
- ii. 9,884,363 Equity Securities under Listing Rule 7.1A.

The actual number of Placement Securities that the Company will have the capacity to issue under Listing Rule 7.1A will be calculated at the date of issue of the Placement Securities in accordance with the formula prescribed in Listing Rule 7.1A.2 (as described above).

## **7.3 Specific information required by Listing Rule 7.3A**

### **(a) Minimum price of securities issued under Listing Rule 7.1A - Listing Rule 7.3A.1**

Pursuant to and in accordance with Listing Rule 7.1A.3, the Placement Securities issued pursuant to approval under Listing Rule 7.1A must have an issue price of not less than 75% of the VWAP for the Equity Securities over the 15 trading days immediately before:

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1. the date on which the price at which the Placement Securities are to be issued is agreed; or
2. if the Placement Securities are not issued within five trading days of the date in paragraph (1) above, the date on which the Placement Securities are issued.

The Company will disclose to the ASX the issue price on the date of issue of the Placement Securities.

### (b) Risk of economic and voting dilution - Listing Rule 7.3A.2

As provided by Listing Rule 7.3A.2, if Resolution 5 is passed and the Company issues the Placement Securities, there is a risk of economic and voting dilution to the existing Shareholders. The Company currently has on issue 98,843,631 Shares and 9,590,000 Options. On this basis, following approval of the Additional 10% Placement, the Company will have approval to issue an additional 9,884,363 Equity Securities. The exact number of Placement Shares to be issued under the Additional 10% Placement will be calculated in accordance with the formula contained in Listing Rule 7.1A.2 and set out above. Any issue of Placement Securities will have a dilutive effect on existing Shareholders.

There is a specific risk that:

1. the Market Price for the Company's Equity Securities may be significantly lower on the date of the issue of any Placement Securities than it is on the date of the Meeting; and
2. the Placement Securities may be issued at a price that is at a discount to the Market Price for the Company's Equity Securities on the issue date,

which may have an effect on the amount of funds raised by the issue or the value of the Placement Securities.

As required by Listing Rule 7.3A.2, Table 1 below shows the potential economic and voting dilution effect, in circumstances where the issued share capital has doubled and the Market Price of the shares has halved. Table 1 also shows additional scenarios in which the issued share capital has increased (by both 50% and 100%) and the Market Price of the shares has:

1. decreased by 50%; and
2. increased by 100%.

**TABLE 1**

Issued Share Capital	50% decrease in Market Price \$0.115		Current Market Price \$0.23		100% Increase in Market Price \$0.46	
	10% Voting Dilution	Capital Raise	10% Voting Dilution	Capital Raise	10% Voting Dilution	Capital Raise
<b>Present Issued Share Capital = 98,843,631 Shares</b>	9,884,363	\$1,136,702	9,884,363	\$2,273,404	9,884,363	\$4,546,807
<b>50% Increase in Share Capital = 148,265,447 Shares</b>	14,826,545	\$1,705,053	14,826,545	\$3,410,105	14,826,545	\$6,820,211
<b>100% Increase in Share Capital = 197,687,262 Shares</b>	19,768,726	\$2,273,404	19,768,726	\$4,546,807	19,768,726	\$9,093,614

## Explanatory Memorandum

### Assumptions and explanations

- The Market Price is \$0.23, based on the closing price of the shares on ASX on 17 October 2019.
- The above table only shows the dilutionary effect based on the issue of the Placement Securities (assuming only Shares are issued), and not any Shares issued under the 15% capacity under Listing Rule 7.1.
- The 10% voting dilution reflects the aggregate percentage dilution against the issued Share capital at the time of issue.
- The Company issues the maximum number of Placement Securities.
- The issued share capital has been calculated in accordance with the formula in Listing Rule 7.1A(2) as at 17 October 2019.
- The issue price of the Placement Securities used in the table is the same as the Market Price and does not take into account the discount to the Market Price (if any).

### (c) Final date for issue – Listing Rule 7.3A.3

As required by Listing Rule 7.3A.3, the Company will only issue and allot the Placement Securities during the 12 months after the date of this Meeting, which the Company anticipates will end on 29 November 2020. The approval under Resolution 5 for the issue of the Placement Securities will cease to be valid in the event that Shareholders approve a transaction under Listing Rule 11.1.2 (a significant change to the nature or scale of activities of the Company) or Listing Rule 11.2 (the disposal of the main undertaking of the Company) before the anniversary of the Annual General Meeting.

### (d) Purpose – Listing Rule 7.3A.4

As noted above, the purpose for which the Placement Securities may be issued include to raise funds for the Company and as non-cash consideration (further details of which are set out below). Funds raised from the issue of Placement Securities, if undertaken, would be applied towards the continued growth of the Company's business operations (including client growth) and general working capital.

### (e) Shares issued for non-cash consideration - Listing Rule 7.3A.4

The Company may issue Placement Securities for non-cash consideration, such as the acquisition of new assets or investments. If the Company issues Placement Securities for non-cash consideration, the Company will release to the market a valuation of the non-cash consideration that demonstrates that the issue price of the Placement Securities complies with Listing Rule 7.1A.3.

### (f) Company's allocation policy - Listing Rule 7.3A.5

The Company's allocation policy is dependent on the prevailing market conditions at the time of any proposed issue of the Placement Securities. The identity of the allottees of Placement Securities will be determined on a case-by-case basis having regard to a number of factors including but not limited to the following:

1. the methods of raising funds that are available to the Company including, but not limited to, rights issue or other issue in which existing shareholders can participate;
2. the effect of the issue of the Placement Securities on the control of the Company;
3. the financial situation and solvency of the Company; and
4. advice from corporate, financial and broking advisers (if applicable).

## Explanatory Memorandum

The allottees of the Placement Securities have not been determined as at the date of this Notice but may include existing substantial Shareholders and/or new Shareholders who are not related parties or associates of a related party of the Company.

Furthermore, if the Company is successful in acquiring new assets or investments for which Placement Securities are issued as consideration, it is likely that the allottees of some of the Placement Securities will be the vendors of the new assets or investments.

### **(g) Shareholder Approval previously obtained under ASX Listing Rule 7.1A – ASX Listing Rule 7.3A.6**

The Company did not seek Shareholder approval under ASX Listing Rule 7.1A at the Company's last Annual General Meeting held on 28 November 2018 and consequently no equity securities were issued pursuant to 7.1A in the twelve months prior to the date of the Meeting.

### **(h) Voting Exclusion Statement**

A voting exclusion statement is included in this Notice. At the date of the Notice, the proposed allottees of any 10% Securities are not as yet known or identified. In these circumstances (and in accordance with the note set out in Listing Rule 14.11.1 relating to Listing Rules 7.1 and 7.1A), for a person's vote to be excluded, it must be known that that person will participate in the proposed issue. Where it is not known who will participate in the proposed issue (as is the case in respect of the 10% Securities), Shareholders must consider the proposal on the basis that they may or may not get a benefit and that it is possible that their holding will be diluted and there is no reason to exclude their votes.

## **8. Interpretation**

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**Annual General Meeting or Meeting** means the Annual General Meeting of the Company to be held on 28 November 2019.

**ASIC** means the Australian Securities and Investments Commission.

**ASX** means the ASX Limited ACN 008 624 691.

**Board** means the board of directors of the Company.

**Business Day** means a day on which all banks are open for business generally in Brisbane.

**Closely Related Party** (as defined in the Corporations Act) of a member of the Key Management Personnel for an entity means:

- (a) a spouse or child of the member; or
- (b) a child of the member's spouse; or
- (c) a dependent of the member or the member's spouse; or
- (d) anyone else who is one of the member's family and may be expected to influence the member, or be influenced by the member, in the member's dealings with the entity; or
- (e) a company the member controls; or
- (f) a person prescribed by the regulations for the purposes of this paragraph.

**Company** means Change Financial Limited ACN 150 762 351.

**Constitution** means the constitution of the Company from time to time.

**Corporations Act** means the *Corporations Act 2001* (Cth).

**Directors** means the directors of the Company.

**Explanatory Memorandum** means the explanatory statement accompanying this Notice.



## Explanatory Memorandum

**Key Management Personnel** has the definition given in the accounting standards as those persons having authority and responsibility for planning, directing and controlling the activities of the entity, directly and indirectly, including any director (whether executive or otherwise) of that entity.

**Listing Rules** means the listing rules of the ASX.

**Notice of Meeting** or **Notice** means this notice of meeting.

**Ordinary Resolution** means a resolution passed by more than 50% of the votes cast by members entitled to vote on the Resolution.

**Resolution** means a resolution to be proposed at the Meeting.

**Shares** means ordinary fully paid shares in the issued capital of the Company

## LODGE YOUR VOTE



### ONLINE

[www.linkmarketservices.com.au](http://www.linkmarketservices.com.au)



### BY MAIL

Change Financial Limited  
C/- Link Market Services Limited  
Locked Bag A14  
Sydney South NSW 1235 Australia



### BY FAX

+61 2 9287 0309



### BY HAND

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



### ALL ENQUIRIES TO

Telephone: +61 1300 554 474



X99999999999

## PROXY FORM

I/We being a member(s) of Change Financial Limited and entitled to attend and vote hereby appoint:

### APPOINT A PROXY

☐ the Chairman of the Meeting (mark box)

**OR** if you are **NOT** appointing the Chairman of the Meeting as your proxy, please write the name of the person or body corporate you are appointing as your proxy

or failing the person or body corporate named, or if no person or body corporate is named, the Chairman of the Meeting, as my/our proxy to act on my/our behalf (including to vote in accordance with the following directions or, if no directions have been given and to the extent permitted by the law, as the proxy sees fit) at the Annual General Meeting of the Company to be held at **12:00pm (Brisbane time) on Thursday, 28 November 2019 at the Office of Hopgood Ganim Lawyers, Level 8, 1 Eagle Street, Brisbane QLD 4000 (the Meeting)** and at any postponement or adjournment of the Meeting.

**Important for Resolution 1:** If the Chairman of the Meeting is your proxy, either by appointment or by default, and you have not indicated your voting intention below, you expressly authorise the Chairman of the Meeting to exercise the proxy in respect of Resolution 1, even though the Resolution is connected directly or indirectly with the remuneration of a member of the Company's Key Management Personnel (**KMP**).

**The Chairman of the Meeting intends to vote undirected proxies in favour of each item of business.**

### VOTING DIRECTIONS

Proxies will only be valid and accepted by the Company if they are signed and received no later than 48 hours before the Meeting.

Please read the voting instructions overleaf before marking any boxes with an ☒

#### Resolutions

1 Adoption of Remuneration Report

For Against Abstain\*

<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
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2 Re-election of Mr Ian Leijer as a Director

<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
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3 Election of Mr Harley Dalton as a Director

<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
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4 Election of Mr Benjamin Harrison as a Director

<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
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5 Approval to issue an additional 10% of the issued capital of the Company over a 12 month period pursuant to Listing Rule 7.1A

For Against Abstain\*

<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
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\* If you mark the Abstain box for a particular Item, you are directing your proxy not to vote on your behalf on a show of hands or on a poll and your votes will not be counted in computing the required majority on a poll.

### SIGNATURE OF SHAREHOLDERS – THIS MUST BE COMPLETED

Shareholder 1 (Individual)

Joint Shareholder 2 (Individual)

Joint Shareholder 3 (Individual)

Sole Director and Sole Company Secretary

Director/Company Secretary (Delete one)

Director

This form should be signed by the shareholder. If a joint holding, either shareholder may sign. If signed by the shareholder's attorney, the power of attorney must have been previously noted by the registry or a certified copy attached to this form. If executed by a company, the form must be executed in accordance with the company's constitution and the *Corporations Act 2001* (Cth).

## HOW TO COMPLETE THIS SHAREHOLDER PROXY FORM

### YOUR NAME AND ADDRESS

This is your name and address as it appears on the Company's share register. If this information is incorrect, please make the correction on the form. Shareholders sponsored by a broker should advise their broker of any changes. **Please note: you cannot change ownership of your shares using this form.**

### APPOINTMENT OF PROXY

If you wish to appoint the Chairman of the Meeting as your proxy, mark the box in Step 1. If you wish to appoint someone other than the Chairman of the Meeting as your proxy, please write the name of that individual or body corporate in Step 1. A proxy need not be a shareholder of the Company.

### DEFAULT TO CHAIRMAN OF THE MEETING

Any directed proxies that are not voted on a poll at the Meeting will default to the Chairman of the Meeting, who is required to vote those proxies as directed. Any undirected proxies that default to the Chairman of the Meeting will be voted according to the instructions set out in this Proxy Form, including where the Resolution is connected directly or indirectly with the remuneration of KMP.

### VOTES ON ITEMS OF BUSINESS – PROXY APPOINTMENT

You may direct your proxy how to vote by placing a mark in one of the boxes opposite each item of business. All your shares will be voted in accordance with such a direction unless you indicate only a portion of voting rights are to be voted on any item by inserting the percentage or number of shares you wish to vote in the appropriate box or boxes. If you do not mark any of the boxes on the items of business, your proxy may vote as he or she chooses. If you mark more than one box on an item your vote on that item will be invalid.

### APPOINTMENT OF A SECOND PROXY

You are entitled to appoint up to two persons as proxies to attend the Meeting and vote on a poll. If you wish to appoint a second proxy, an additional Proxy Form may be obtained by telephoning the Company's share registry or you may copy this form and return them both together.

To appoint a second proxy you must:

- (a) on each of the first Proxy Form and the second Proxy Form state the percentage of your voting rights or number of shares applicable to that form. If the appointments do not specify the percentage or number of votes that each proxy may exercise, each proxy may exercise half your votes. Fractions of votes will be disregarded; and
- (b) return both forms together.

### SIGNING INSTRUCTIONS

You must sign this form as follows in the spaces provided:

**Individual:** where the holding is in one name, the holder must sign.

**Joint Holding:** where the holding is in more than one name, either shareholder may sign.

**Power of Attorney:** to sign under Power of Attorney, you must lodge the Power of Attorney with the registry. If you have not previously lodged this document for notation, please attach a certified photocopy of the Power of Attorney to this form when you return it.

**Companies:** where the company has a Sole Director who is also the Sole Company Secretary, this form must be signed by that person. If the company (pursuant to section 204A of the *Corporations Act 2001*) does not have a Company Secretary, a Sole Director can also sign alone. Otherwise this form must be signed by a Director jointly with either another Director or a Company Secretary. Please indicate the office held by signing in the appropriate place.

### CORPORATE REPRESENTATIVES

If a representative of the corporation is to attend the Meeting the appropriate "Certificate of Appointment of Corporate Representative" must be produced prior to admission in accordance with the Notice of Meeting. A form of the certificate may be obtained from the Company's share registry or online at [www.linkmarketservices.com.au](http://www.linkmarketservices.com.au).

### LODGEMENT OF A PROXY FORM

This Proxy Form (and any Power of Attorney under which it is signed) must be received at an address given below by **12:00pm (Brisbane time) on Tuesday, 26 November 2019**, being not later than 48 hours before the commencement of the Meeting. Any Proxy Form received after that time will not be valid for the scheduled Meeting.

Proxy Forms may be lodged using the reply paid envelope or:



#### ONLINE

[www.linkmarketservices.com.au](http://www.linkmarketservices.com.au)

Login to the Link website using the holding details as shown on the Proxy Form. Select 'Voting' and follow the prompts to lodge your vote. To use the online lodgement facility, shareholders will need their "Holder Identifier" - Securityholder Reference Number (SRN) or Holder Identification Number (HIN).



#### BY MAIL

Change Financial Limited  
C/- Link Market Services Limited  
Locked Bag A14  
Sydney South NSW 1235  
Australia



#### BY FAX

+61 2 9287 0309



#### BY HAND

delivering it to Link Market Services Limited\*  
1A Homebush Bay Drive  
Rhodes NSW 2138

\* During business hours (Monday to Friday, 9:00am–5:00pm)

**IF YOU WOULD LIKE TO ATTEND AND VOTE AT THE ANNUAL GENERAL MEETING, PLEASE BRING THIS FORM WITH YOU.  
THIS WILL ASSIST IN REGISTERING YOUR ATTENDANCE.**