

LawFinance Limited

Level 16, 56 Pitt Street

Sydney NSW 2000

ACN: 088 749 008

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



# LAWFINANCE LIMITED

## Notice of 2020 Annual General Meeting

Explanatory Statement | Proxy Form

29 July 2020

10:00AM AEST

### Place

The AGM will be held at Level 5, 126 Phillip Street, Sydney NSW 2000 and conducted as a virtual meeting, accessible online.

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

**IMPORTANT INFORMATION REGARDING COVID-19:** Due to the COVID-19 pandemic, the AGM will be held as a hybrid meeting. Shareholders wishing to attend the AGM are strongly encouraged to participate online and register in advance for the virtual meeting here: [https://us02web.zoom.us/webinar/register/WN\\_Tkbjfvq5Rc6gHs0lcMI\\_Cw](https://us02web.zoom.us/webinar/register/WN_Tkbjfvq5Rc6gHs0lcMI_Cw).

Shareholders are also strongly encouraged to lodge their completed proxy forms in accordance with the instructions in this Notice of Meeting.

On 5 May 2020, the Commonwealth Treasurer introduced temporary modifications to the *Corporations Act 2001* (Cth) to allow the Notice of Meeting and other information regarding the AGM to be provided electronically and to allow shareholders to participate in the AGM using the online facility which facilitates direct voting and questions.

This Notice of Meeting can be accessed on the Company's website at: [www.lawfinance.com.au](http://www.lawfinance.com.au)

Should you wish to discuss the matters in this Notice of Meeting, please do not hesitate to contact the Company Secretary on +61 2 8072 1400.

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## Important Information for Shareholders about the Company's 2020 AGM

Given the uncertainty surrounding the COVID-19 pandemic, by the time this Notice is received by Shareholders, circumstances may have changed, however, this Notice is given based on circumstances as at 19 June 2020.

Accordingly, should circumstances change, the Company will make an announcement on the ASX market announcements platform and on the Company's website at [www.lawfinance.com.au](http://www.lawfinance.com.au). Shareholders are urged to monitor the ASX announcements platform and the Company's website.

Given the significant health concerns attributed to the COVID-19 pandemic, in addition to guidelines and restrictions issued by Australian state and federal governments, the Company considers that it is appropriate to hold the 2020 AGM as a hybrid meeting, in a manner that is consistent with the temporary modifications to the *Corporations Act 2001* (Cth) introduced by the Commonwealth Treasurer.

### Venue – Hybrid Meeting

The Annual General Meeting of the Shareholders to which this Notice of Meeting relates will be held at 10.00 am (Sydney time) on 29 July 2020 at Level 5, 126 Phillip Street, Sydney NSW 2000 as well as a **virtual meeting**.

If you wish to virtually attend the AGM (which will be broadcast as a live webinar), please **register** in advance for the virtual meeting here: [https://us02web.zoom.us/webinar/register/WN\\_Tkbjfvq5Rc6gHs0lcMI\\_Cw](https://us02web.zoom.us/webinar/register/WN_Tkbjfvq5Rc6gHs0lcMI_Cw).

After registering, you will receive a confirmation containing information on how to attend the virtual meeting on the day of the AGM.

Shareholders will be able to vote and ask questions at the virtual meeting.

Shareholders are also encouraged to submit questions in advance of the Meeting to the Company.

Questions must be submitted in writing to the Company Secretary at [dean.jagger@automicgroup.com.au](mailto:dean.jagger@automicgroup.com.au) by 5.00 pm on 22 July 2020.

The Company will also provide Shareholders with the opportunity to ask questions during the Meeting in respect to the formal items of business as well as general questions in respect to the Company and its business.

### Your vote is important

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

### Voting virtually or in person on the day of the AGM

Shareholders who wish to vote virtually on the day of the AGM will need to login to the Automic website (<https://investor.automic.com.au/#/home>) with their *username* and *password*.

Shareholders who do not have an account with Automic are strongly encouraged to register for an account **as soon as possible and well in advance of the Meeting** to avoid any delays on the day of the Meeting.

To create an account with Automic, please go to the Automic website (<https://investor.automic.com.au/#/home>), click on 'register' and follow the instructions.

Shareholders will require their holder number (Securityholder Reference Number (SRN) or Holder Identification Number (HIN)) to create an account with Automic.

Shareholders who have an existing account with Automic (Note: with a *username* and *password*) are advised to take the following steps to attend and vote virtually on the day of the AGM:

1. Login to the Automic website (<https://investor.automic.com.au/#/home>) using your *username* and *password*.
2. **(Registration on the day)** If registration for the virtual meeting is open, click on 'Meeting open for registration' and follow the steps.
3. **(Live voting on the day)** If live voting for the virtual meeting is open, click on 'Meeting open for voting' and follow the steps.

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

## Voting by proxy

Shareholders who wish to participate and vote at the AGM are strongly encouraged to complete and submit their proxies as early as possible.

To vote by proxy:

1. please complete and sign the enclosed Proxy Form, and deliver the Proxy Form:
  - (a) by hand to:  
Automic Group  
Level 5, 126 Phillip Street, Sydney NSW 2000; or
  - (b) by post to:  
Automic Group  
GPO Box 5193, Sydney NSW 2001; or
2. please lodge the Proxy Form online at <https://investor.automic.com.au/#/loginsah> by following the below instructions:

Login to the Automic website using the holding details as shown on the Proxy Form. Click on 'Meetings' – 'Vote'. To use the online lodgement facility, Shareholders will need their holder number (Securityholder Reference Number (SRN) or Holder Identification Number (HIN)) as shown on the front of the Proxy Form.

Your Proxy instruction must be received not later than 48 hours before the commencement of the Meeting.

**Proxy Forms received later than this time will be invalid.**

## Power of Attorney

If the proxy form is signed under a power of attorney on behalf of a shareholder, then the attorney must make sure that either the original power of attorney or a certified copy is sent with the proxy form, unless the power of attorney has already provided it to the Share Registry.

## Corporate Representatives

If a representative of a corporate shareholder or a corporate proxy will be attending the Meeting, the representative should bring to the Meeting adequate evidence of their appointment, unless this has previously been provided to the Share Registry.

## Notice of Annual General Meeting

Notice is hereby given that an Annual General Meeting of Shareholders of LawFinance Limited ACN 088 749 008 will be held at 10:00am (AEST) on 29 July 2020 at Automic Group, Level 5, 126 Phillip Street, Sydney NSW 2000 and conducted as a virtual meeting, accessible online (**Meeting**).

The Explanatory Statement to this Notice of Meeting provides additional information on matters to be considered at the Annual General Meeting. The Explanatory Statement and the Proxy Form forms part of this Notice of Meeting.

The Directors have determined pursuant to Regulation 7.11.37 of the *Corporations Regulations 2001* (Cth) that the persons eligible to vote at the Annual General Meeting are those who are registered Shareholders at 7:00pm (AEST) on 27 July 2020.

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

# Agenda

## Ordinary business

### Financial statements and reports

*“To receive and to consider the Annual Financial Report of the Company for the financial year ended 31 December 2019 together with the declaration of the Directors, the Directors’ Report, the Remuneration Report and the Auditor’s Report for that financial year.”*

**Note:** This item of ordinary business is **for discussion only and is not a resolution**.

Pursuant to the Corporations Act, Shareholders will be given a reasonable opportunity at the Meeting to ask questions about, or make comments in relation to, each of the aforementioned reports during consideration of these items.

# Resolutions

## Remuneration Report

### 1. **Resolution 1 – Adoption of Remuneration Report**

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

*“That, for the purpose of Section 250R(2) of the Corporations Act and for all other purposes, approval is given for the adoption of the Remuneration Report as contained in the Company’s Annual Financial Report for the financial year ended 31 December 2019.”*

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

**Voting Exclusion Statement:** In accordance with the Corporations Act, the Company will disregard any votes cast on Resolution 1 by or on behalf of a member of the Company’s key management personnel (including the Directors), whose remuneration details are included in the Remuneration Report (**KMP**), or any of that person’s Closely Related Parties (such as close family members and any controlled companies of those persons) (collectively referred to as Restricted Voter). However, the Company need not disregard a vote if:

- (a) it is cast by a person as a proxy appointed in writing that specifies how the proxy is to vote on Resolution 1; and
- (b) it is not cast on behalf of a Restricted Voter.

If you appoint the person chairing the Meeting (**Chair**) and you are not a Restricted Voter, by submitting the Proxy Form you authorise the person chairing the Meeting to exercise the proxy even though Resolution 1 is connected directly or indirectly with the remuneration of a KMP, and you will be taken to have directed the Chair to vote in accordance with his or her stated intention to vote in favour of Resolution 1. If you do not want your vote exercised in favour of Resolution 1, you should direct the person chairing the Meeting to vote “against”, or to abstain from voting on, this Resolution.

## **Re-election of Directors**

### **2. Resolution 2 – Re-election of Anthony Murphy as Director**

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

*“That Mr Anthony Murphy, a Director who retires by rotation in accordance with the Company’s Constitution and ASX Listing Rule 14.5, and being eligible offers himself for re-election as a Director of the Company, effective immediately.”*

### **3. Resolution 3 – Re-election of Tim Storey as Director**

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

*“That Mr Tim Storey, a Director who retires by rotation in accordance with the Company’s Constitution and ASX Listing Rule 14.5, and being eligible offers himself for re-election as a Director of the Company, effective immediately.”*

## **ASX Listing Rule 7.1A (Additional 10% Capacity)**

### **4. Resolution 4 – ASX Listing Rule 7.1A Approval of Future Issue of Securities**

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

*“That, for the purposes of ASX Listing Rule 7.1A and for all other purposes, the Shareholders approve the issue of equity securities up to 10% of the issued capital of the Company (at the time of issue) calculated in accordance with the formula prescribed in ASX Listing Rule 7.1A.2 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 4 by or on behalf of:

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

However, this does not apply to a vote cast in favour of Resolution 4 by:

- (i) a person as proxy or attorney for a person who is entitled to vote on the resolution, in accordance with directions given to the proxy or attorney to vote on the resolution in that way;
- (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 holding 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 votes on the resolution in accordance with directions given by the beneficiary to the holder to vote in that way.

## **Ratification of Prior Issue of Shares**

### **5. Resolution 5 – Ratification of Prior Issue of Shares**

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

*“That, for the purposes of ASX Listing Rule 7.4 and for all other purposes, the Shareholders ratify the allotment and prior issue of 78,125,000 fully paid ordinary shares issued on 2 January 2020 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 5 by or on behalf of:

- (a) a person who participated in the issue; or
- (b) an Associate of that person or those persons.

However, this does not apply to a vote cast in favour of Resolution 5 by:

- (i) a person as proxy or attorney for a person who is entitled to vote on the resolution, in accordance with directions given to the proxy or attorney to vote on the resolution in that way;
- (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 holding 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 votes on the resolution in accordance with directions given by the beneficiary to the holder to vote in that way.

## **Adoption of New Constitution**

### **6. Resolution 6 – Adoption of New Constitution**

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

*“That, for the purposes of section 136 of the Corporations Act and for all other purposes, the constitution of the Company be repealed and replaced with a constitution in the form of the document tabled at this Meeting and signed by the Chair for the purposes of identification, effective immediately.”*

#### **BY ORDER OF THE BOARD**

**Diane Jones**  
Chief Executive Officer

# Explanatory Statement

This Explanatory Statement has been prepared for the information of the Shareholders in connection with the business to be conducted at the Annual General Meeting to be held at 10:00 am (AEST) on 29 July 2020 at Automic Group, Level 5, 126 Phillip Street, Sydney NSW 2000 and conducted as a virtual meeting, accessible online.

The purpose of this Explanatory Statement is to provide information which the Directors believe to be material to Shareholders in deciding whether or not to pass the Resolutions in the Notice of Meeting.

If you are in any doubt about what to do in relation to the Resolutions contemplated in the Notice of Meeting and this Explanatory Statement, it is recommended that you seek advice from an accountant, solicitor or other professional advisor.

Full details of the business to be considered at the Annual General Meeting are set out below.

## Agenda

### **Ordinary business**

#### **Financial statements and reports**

In accordance with the Constitution and the Corporations Act, the business of the Annual General Meeting will include receipt and consideration of the Annual Financial Report of the Company for the financial year ended 31 December 2019 together with the declaration of the Directors, the Director's Report, the Remuneration Report and the Auditor's Report.

In accordance with the amendments to the Corporations Act, the Company is no longer required to provide a hard copy of the Company's Annual Financial Report to Shareholders unless a Shareholder has specifically elected to receive a printed copy.

Whilst the Company will not provide a hard copy of the Company's Annual Financial Report unless specifically requested to do so, Shareholders may view the Company Annual Financial Report on its website at [www.lawfinance.com.au](http://www.lawfinance.com.au).

No resolution is required for this item, but Shareholders will be given the opportunity to ask questions and to make comments on the management and performance of the Company.

The Company's auditor will be present at the Meeting. During the discussion of this item, the auditor will be available to answer questions on the:

- Conduct of the audit;
- Preparation and content of the Auditor's Report;
- Accounting policies adopted by the Company in relation to the preparation of the financial statements; and
- Independence of the auditor in relation to the conduct of the audit.

#### **Written questions of the auditor**

If you would like to submit a written question about the content of the Auditor's Report or the conduct of the audit of the Annual Financial Report of the Company's auditor, please send your question to the Company Secretary. A list of qualifying questions will be made available at the Meeting.

Please note that all written questions must be received at least five business days before the Meeting, which is by 22 July 2020.

# Resolutions

## **Remuneration Report**

### **Resolution 1 – Adoption of Remuneration Report**

In accordance with section 250R(2) of the Corporations Act, the Company is required to present to its Shareholders the Remuneration Report as disclosed in the Company's Annual Financial Report.

The vote on the Resolution is advisory only and does not bind the Directors or the Company. The Remuneration Report is set out in the Company's Annual Financial Report and is also available on the Company's website at [www.lawfinance.com.au](http://www.lawfinance.com.au).

However, if at least 25% of the votes cast are against the adoption of the Remuneration Report at the Meeting (subject of this Notice of Meeting), and then again at the 2021 Annual General Meeting (**2021 AGM**), the Company will be required to put to the vote a resolution (**Spill Resolution**) at the 2021 AGM to approve the calling of a further meeting (**Spill Meeting**). If more than 50% of Shareholders vote in favour of the Spill Resolution, the Company must convene the Spill Meeting within 90 days of the 2021 AGM. All of the Directors who were in office when the 2021 Directors' Report was approved, other than the Managing Director, will (if desired) need to stand for re-election at the Spill Meeting.

The Remuneration Report explains the Board's policies in relation to the nature and level of remuneration paid to KMPs (including Directors) and sets out remuneration details, service agreements and the details of any share-based compensation.

#### **Voting**

Note that a voting exclusion applies to Resolution 1 in the terms set out in the Notice of Meeting. In particular, the Directors and other Restricted Voters must not vote on this Resolution and must not cast a vote as proxy, unless the appointment gives a direction on how to vote, or the proxy is given to the Chair and you submit the Proxy Form, authorising the Chair to exercise the proxy even though Resolution 1 is connected directly or indirectly with the remuneration of a KMP and that in doing so you will be taken to have directed the Chair to vote in accordance with the Chair's stated intention to vote in favour of Resolution 1.

Shareholders are urged to read carefully the Proxy Form and to provide a direction to the proxy on how to vote on this Resolution.

## **Re-election of Directors**

### **Resolution 2 – Re-election of Anthony Murphy as Director**

The Company's Constitution requires that at the Company's annual general meeting, one-third of the Directors for the time being, or if their number is not a multiple of 3, then the number nearest one-third (rounded upwards in case of doubt), shall retire from office, provided always that no Director except a Managing Director shall hold office for a period in excess of 3 years without submitting himself for re-election. The Directors to retire at the annual general meeting are those who have been longest in office since their last election.

It has been agreed that Mr Murphy will retire by rotation at this Meeting.

ASX Listing Rule 14.5 also provides that an entity which has Directors must hold an election of Directors at each annual general meeting.

Mr Murphy was appointed a Director of the Company on 31 October 2017 and was last re-elected at the 2018 AGM.

Under this Resolution, Mr Murphy has elected to retire by rotation, and being eligible, seeks re-election as a Director of the Company at this AGM.

Mr Murphy is the CEO of Lucerne Investment Partners ("Lucerne"), a boutique investment and advisory firm. Lucerne and its associated entities represent a substantial portion of the Company's shareholder base.

#### **Directors' recommendation**

The Directors (with Mr Murphy excluded) recommend that Shareholders vote for this Resolution.

### **Resolution 3 – Re-election of Tim Storey as Director**

The Company's Constitution requires that at the Company's annual general meeting, one-third of the Directors for the time being, or if their number is not a multiple of 3, then the number nearest one-third (rounded upwards in case of doubt), shall retire from office, provided always that no Director except a Managing Director shall hold office for a period in excess of 3 years without submitting himself for re-election. The Directors to retire at the annual general meeting are those who have been longest in office since their last election.

It has been agreed that Mr Storey will retire by rotation at this Meeting.

ASX Listing Rule 14.5 also provides that an entity which has Directors must hold an election of Directors at each annual general meeting.

Mr Storey was appointed a Director of the Company on 4 August 2014 and was last re-elected at the 2019 AGM.

Under this Resolution, Mr Storey has elected to retire by rotation, and being eligible, seeks re-election as a Director of the Company at this AGM.

Mr Storey is a non-executive director and Chairman of the Company. Mr Storey chairs Stride Property Group (NZX:SPG), is a director of Investore Property Limited (NZX:IPL) and holds a number of directorships in various private and public companies.

Mr Storey is a barrister and a former partner at one of New Zealand's premier law firms through to 2006. He has practised in both Australia and New Zealand, focusing on corporate, commercial and property transactions. He is a member of the Institute of Directors (NZ) and the Financial Services Institute of Australasia.

#### **Directors' recommendation**

The Directors (with Mr Storey excluded) recommend that Shareholders vote for this Resolution.

## **ASX Listing Rule 7.1A**

### **Resolution 4 – ASX Listing Rule 7.1A Approval of Future Issue of Securities**

Broadly speaking, and subject to a number of exceptions, Listing Rule 7.1 limits the amount of equity securities that a listed company can issue without the approval of its shareholders over any 12 month period to 15% of the fully paid ordinary securities it had on issue at the start of that period.

Under Listing Rule 7.1A, however, an eligible entity can seek approval from its members, by way of a special resolution passed at its annual general meeting, to increase this 15% limit by an extra 10% to 25%.

An 'eligible entity' for the purposes of Listing Rule 7.1A is an entity that is not included in the S&P/ASX 300 Index and has a market capitalisation less than the amount prescribed by ASX (currently \$300 million).

As of the date of this Notice, the Company is an eligible entity. If at the time of the Meeting the Company is no longer an eligible entity, this Resolution will be withdrawn.

Resolution 4 seeks Shareholder approval by way of a special resolution for the Company to have the additional 10% capacity provided for in Listing Rule 7.1A to issue equity securities without Shareholder approval.

If Resolution 4 is passed, the Company will be able to issue equity securities up to the combined 25% limit in Listing Rules 7.1 and 7.1A without any further Shareholder approval.

If Resolution 4 is not passed, the Company will not be able to access the additional 10% capacity to issue equity securities without Shareholder approval provided for in Listing Rule 7.1A and will remain subject to the 15% limit on issuing equity securities without Shareholder approval set out in Listing Rule 7.1.

#### **Information Required by ASX Listing Rule 7.3A**

The following information is provided to Shareholders for the purposes of Listing Rule 7.3A.

##### **Period for which the approval will be valid**

An approval under this Listing Rule 7.1A commences on the date of the annual general meeting at which the approval is obtained and expires on the first to occur of the following:

- (a) the date that is 12 months after the date of the annual general meeting at which the approval is obtained;
- (b) the time and date of the entity's next annual general meeting; and
- (c) the time and date of the approval by Shareholders of the Company 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).

##### **Minimum price at which the equity securities may be issued under Listing Rule 7.1A**

Any equity securities issued under Listing Rule 7.1A.2 must be an existing quoted class of the Company's equity securities and issued for cash consideration.

The issue price per equity security must not be less than 75% of the volume weighted average market price for the equity securities in that class, calculated over 15 trading days on which trades in that class were recorded immediately before:

- (a) the date on which the price at the equity securities are to be issued is agreed by the Company and the recipient of the equity securities; and
- (b) if the equity securities are not issued within 10 trading days of the date in paragraph (a), the date on which the equity securities are issued.

##### **Purposes for which the funds raised by an issue of equity securities under Listing Rule 7.1A may be used**

As noted above, any equity securities issued under Listing Rule 7.1A.2 must be issued for cash consideration. Accordingly, every issue of equity securities under Listing Rule 7.1A.2 will have an accompanying proposed use of funds at the time of issue.

As at the date of this Notice, the Company has not formed an intention to offer any equity securities under Listing Rule 7.1A during the Listing Rule 7.1A mandate period, if Shareholders approve this Resolution. However, if Shareholders approved this Resolution and the Company did raise funds from the issue of equity securities under Listing Rule 7.1A, based on the Company's existing plans, the Company considers that the funds may be used for the following purposes:

- (a) raising funds to further develop the Company's business;

- (b) raising funds to be applied to the Company's working capital requirements;
- (c) raising funds to acquire assets; and
- (d) paying service providers or consultants of the Company.

#### Risk of economic and voting dilution to existing ordinary Securityholders

If this Resolution is approved, and the Company issues equity securities under Listing Rule 7.1A, the existing ordinary Securityholders' economic and voting power in the Company will be diluted.

There is a risk that:

- (a) the market price for the Company's equity securities in that class may be significantly lower on the issue date than on the date of the approval under Listing Rule 7.1A; and
- (b) the equity securities may be issued at a price that is at a discount (as described above) to the market price for those equity securities on the issue date,

which may have an effect on the amount of funds raised by the issue of equity securities under Listing Rule 7.1A.

The table below shows the potential dilution of existing Securityholders on the basis of 3 different assumed issue prices and values for the variable "A" in the formula in rule 7.1A.2:

Variable "A" ASX Listing Rule 7.1A.2		Potential Dilution and Funds Raised		
		\$0.023 50% decrease in issue price	\$0.045 issue price <sup>(b)</sup>	\$0.09 100% increase in issue price
"A" is the number of shares on issue, being 888,505,045 Shares <sup>(a)</sup>	10% voting dilution <sup>(c)</sup>	88,850,504	88,850,504	88,850,504
	Funds raised	\$2,043,561.59	\$3,998,272.68	\$7,996,545.36
"A" is a 50% increase in shares on issue, being 1,332,757,567 shares	10% voting dilution <sup>(c)</sup>	133,275,756	133,275,756	133,275,756
	Funds raised	\$3,065,342.39	\$5,997,409.02	\$11,994,818.04
"A" is a 100% increase in shares on issue, being 1,777,010,090 shares	10% voting dilution <sup>(c)</sup>	177,701,009	177,701,009	177,701,009
	Funds raised	\$4,087,123.21	\$7,996,545.41	\$15,993,090.81

#### Notes

- (a) Based on a calculation of Variable "A" under Listing Rule 7.1A.2 as at 9 June 2020.
- (b) Based on the closing price of the Company's Shares on ASX as at 9 June 2020.
- (c) The table assumes that the Company issues the maximum number of ordinary Shares available to be issued under Listing Rule 7.1A.
- (d) The table does not show an example of dilution that may be caused to a particular Shareholder by reason of issues of equity securities under Listing Rule 7.1A based on that Shareholder's holding at the date of this Explanatory Statement.
- (e) The table shows the effect of an issue of equity securities under Listing Rule 7.1A only, not under the Company's 15% capacity to issue equity securities under Listing Rule 7.1.

#### Allocation policy for issues under Listing Rule 7.1A

The Company's allocation policy and the identity of the allottees of equity securities under Listing Rule 7.1A will depend on a number of factors, including:

- (a) the Company's intentions in relation to the possible issue of equity securities (for cash consideration) during the Listing Rule 7.1A mandate period;
- (b) the structure and timeframe of the capital raising opportunities available to the Company and any alternative methods for raising funds that are available to the Company (such as a pro rata offer or an offer under a share purchase plan);
- (c) the potential effect on the control of the Company;
- (d) the Company's financial situation and the likely future capital requirements; and
- (e) advice from the Company's corporate or financial advisors.

Based on the Company's historical cashflow reports and capital raising activities in the past 12 months, the Company considers that it may raise funds during the Listing Rule 7.1A mandate period, although this cannot be guaranteed. As of the date of this Notice, no specific intention to issue equity securities in relation to any parties, investors or existing Securityholders have been formed. In addition, no intentions have been formed in relation to the possible number of issues, or the time frame in which the issues could be made. Subject to the requirements of the Listing Rules and the Corporations Act, the Board of Directors reserve the right to determine at the time of any issue of equity securities under Listing Rule 7.1A, the allocation policy that the Company will

adopt for that issue.

If and when the determination is made to proceed with an issue of equity securities during the Listing Rule 7.1A mandate period, details regarding the allottees and purposes of issue will be disclosed pursuant to the Company's obligations under Listing Rules 3.10.3 and 7.1A.4.

Offers made under Listing Rule 7.1A may be made to parties (excluding any related parties) including professional and sophisticated investors, existing Shareholders of the Company, clients of Australian Financial Service Licence holders and/or their nominees, or any other person to whom the Company is able to make an offer of equity securities.

**Issue or agreement to issue equity securities under Listing Rule 7.1A in the 12 months prior to AGM**

The Company has issued or agreed to issue equity securities under Listing Rule 7.1A.2 in the 12 months preceding the AGM. Details of these issues or agreements to issue are set out in the table below:

Number/Class of equity securities issued	Terms of the securities issued	Price and discount to closing market price on the date of issue (if any)	Consideration details	Allottees of the Securities
<i>Issued on 2 January 2020</i>				
5,579,795 Shares	Issue of Shares pursuant to a placement announced by the Company on 24 December 2019 to raise \$5 million (before costs). The placement was completed by utilising existing capacity under ASX Listing Rules 7.1 and 7.1A.  The Shares were fully paid on issue and ranked equally in all aspects with all existing Shares issued by the Company.	Issue price of 6.4 cents per Share.  No discount.	Cash consideration of \$351,106.88 (before costs).  Funds have been used by the Company for working capital purposes.	Sophisticated and professional investors
<b>Total equity securities issued or agreed to be issued under Listing Rule 7.1A.2 in the 12 months prior to AGM ("A")</b>			5,579,795	
<b>Percentage that "A" represents based on the total number of equity securities on issue at the commencement of that 12 month period (fully diluted)</b>			0.6%	

This Resolution is a Special Resolution. For a Special Resolution to be passed, at least 75% of the votes validly cast on the resolution by Shareholders (by number of ordinary shares) must be in favour of this Resolution.

**Directors' recommendation**

The Board of Directors recommend that Shareholders vote for this Resolution.

## **Ratification of Prior Issue of Shares**

### **Resolution 5 – Ratification of Prior Issue of Shares**

#### **Background**

On 24 December 2019, the Company announced that it had successfully completed a placement to new and existing sophisticated investors (**Placement**) of 78,125,000 fully paid ordinary shares at an issue price of 6.4 cents (\$0.064) per Share raising \$5 million (before costs) for the Company.

The Company issued the Shares using existing capacity under Listing Rule 7.1 and Listing Rule 7.1A.

#### **ASX Listing Rules 7.1 and 7.1A**

This Resolution proposes that Shareholders of the Company approve and ratify the prior issue and allotment of 78,125,000 fully paid ordinary shares, which were issued on 2 January 2020 (**Issue Date**).

72,545,205 Shares were issued under Listing Rule 7.1 and 5,579,795 Shares were issued under Listing Rule 7.1A.

Broadly speaking, and subject to a number of exceptions, Listing Rule 7.1 limits the amount of equity securities that a listed company can issue without the approval of its Shareholders over any 12 month period to 15% of the fully paid ordinary securities it had on issue at the start of that period.

At last year's AGM, the Company sought and obtained approval of its Shareholders under Listing Rule 7.1A to increase this 15% limit by an extra 10% to 25%.

The issue of Shares under the Placement did not fit within any of the exceptions (to Listing Rules 7.1 and 7.1A) and, as it had not yet been approved by the Company's Shareholders, it effectively uses up part of the expanded 25% limit in Listing Rules 7.1 and 7.1A, reducing the Company's capacity to issue further equity securities without Shareholder approval under Listing Rules 7.1 and 7.1A for the 12 month period following the Issue Date (noting that the extra 10% under Listing Rule 7.1A will expire unless re-approved by the Company's Shareholders on an annual basis).

Listing Rule 7.4 allows the Shareholders of a listed company to approve an issue of equity securities after it has been made or agreed to be made. If they do, the issue is taken to have been approved under Listing Rule 7.1 and so does not reduce the Company's capacity to issue further equity securities without Shareholder approval under Listing Rule 7.1.

A note to Listing Rule 7.4 also provides that an issue made in accordance with Listing Rule 7.1A can be approved subsequently under Listing Rule 7.4 and, if it is, the issue will then be excluded from variable "E" in Listing Rule 7.1A.2 (which means that the Company's capacity to issue further equity securities without Shareholder approval under Listing Rule 7.1A is not reduced).

The Company wishes to retain as much flexibility as possible to issue additional equity securities into the future without having to obtain Shareholder approval for such issues under Listing Rule 7.1.

To this end, this Resolution seeks Shareholder approval to subsequently approve the issue of Shares under the Placement for the purposes of Listing Rule 7.4.

If this Resolution is passed, the issue of Shares under the Placement will be excluded in calculating the Company's 25% limit in Listing Rules 7.1 (15%) and 7.1A (10%, assuming that Resolution 4 is also passed) without Shareholder approval over the 12 month period following the Issue Date.

If this Resolution is not passed, the issue of Shares under the Placement will be included in calculating the Company's 25% limit in Listing Rules 7.1 (15%) and 7.1A (10%, assuming that Resolution 4 is also passed) without Shareholder approval over the 12 month period following the Issue Date.

#### **Information required by ASX Listing Rule 7.5**

The following information is provided to Shareholders for the purposes of Listing Rule 7.5:

- (a) The Shares were issued to new and existing sophisticated investors. None of the investors were related parties of the Company.
- (b) The Company issued 78,125,000 Shares under the Placement.
- (c) The Shares were fully paid on issue and ranked equally in all aspects with all existing fully paid ordinary shares previously issued by the Company.
- (d) The Shares were issued on the Issue Date (being 2 January 2020).

- (e) Each of the Shares were issued at an issue price of 6.4 cents (\$0.064) per Share, which raised \$5 million (before costs).
- (f) Funds raised from the issue of Shares under the Placement have been and will be used for working capital and to fund growth.

**Directors' recommendation**

The Board of Directors recommend that Shareholders vote for this Resolution.

## Resolution 6 – Adoption of New Constitution

The Company's current constitution was adopted by the Company following receipt of Shareholder approval on 15 November 2018.

Effective 1 December 2019, the ASX implemented changes to their escrow regime. In accordance with those changes, there has been an update to ASX Listing Rule 15.12 which requires a listed entity's constitution to contain certain provisions for so long as an entity has "restricted securities" (as defined by the Listing Rules) are on issue. These amendments (if approved) provide the constitutional underpinning for ASX's modified escrow regime.

Accordingly, the Company has prepared an updated Constitution (**New Constitution**) which incorporates the following key amendments:

**Restricted securities:** The Company shall comply in all respects with the requirements of the Listing Rules with respect to "restricted securities". Without limiting the generality of the above:

- (a) a holder of restricted securities must not dispose of, or agree or offer to dispose of, the securities during the escrow period applicable to those securities except as permitted by the Listing Rules or ASX;
- (b) if the securities are in the same class as quoted securities, the holder will be taken to have agreed in writing that the restricted securities are to be kept on the Company's issuer sponsored subregister and are to have a holding lock applied for the duration of the escrow period applicable to those securities;
- (c) the Company will refuse to acknowledge any disposal (including, without limitation, to register any transfer) of restricted securities during the escrow period applicable to those securities except as permitted by the Listing Rules or ASX;
- (d) a holder of restricted securities will not be entitled to participate in any return of capital on those securities during the escrow period applicable to those securities except as permitted by the Listing Rules or ASX; and
- (e) if a holder of restricted securities breaches a restriction deed or a provision of the Company's constitution restricting a disposal of those securities, the holder will not be entitled to any dividend or distribution, or to exercise any voting rights, in respect of those securities for so long as the breach continues.

Prior to the Meeting, a copy of the New Constitution is available for review by Shareholders at the Company's registered office during normal business hours. A copy of the New Constitution can also be sent to Shareholders of the Company upon a request being made to the Company Secretary on +61 2 8072 1400.

A complete signed copy of the New Constitution will be tabled at the Meeting.

Pursuant to section 136(2) of the Corporations Act, amendments to the Company's Constitution can only be effected by way of a Special Resolution passed by its Shareholders. Therefore, this Resolution is a Special Resolution that can only be passed if at least 75% of the total votes cast by Shareholders entitled to vote on this Resolution are voted in its favour.

### Professional Advice

If you have any doubt or do not understand this Resolution, it is strongly recommended that you seek advice from a solicitor or other professional advisor.

### Directors' Recommendation

The Board of Directors recommend Shareholders vote for this Resolution.

## Enquiries

Shareholders are asked to contact the Company Secretary on +61 2 8072 1400 if they have any queries in respect of the matters set out in these documents.

# Glossary

**AEST** means Australian Eastern Standard Time as observed in Sydney, New South Wales.

**Annual Financial Report** means the 2019 Annual Report to Shareholders for the period ended 31 December 2019 as lodged by the Company with ASX on 31 March 2020

**Annual General Meeting** or **AGM** or **Meeting** means an Annual General Meeting of the Company and, unless otherwise indicated, means the meeting of the Company's members convened by this Notice of Meeting.

**ASIC** means Australian Securities and Investment Commission.

**Associate** has the meaning given to it by the ASX Listing Rules.

**ASX** means ASX Limited ACN 008 624 691 or the financial market operated by it, as the context requires, of 20 Bridge Street, Sydney, NSW 2000.

**ASX Listing Rules** or **Listing Rules** means the official ASX Listing Rules of the ASX and any other rules of the ASX which are applicable while the Company is admitted to the official list of the ASX, as amended or replaced from time to time, except to the extent of any express written waiver by the ASX.

**Auditor's Report** means the auditor's report of Stantons International dated 31 March 2020 as included in the Annual Financial Report.

**Board** means the current board of Directors of the Company.

**Business Day** means a day on which trading takes place on the stock market of ASX.

**Chair** means the person chairing the Meeting.

**Closely Related Party** of a member of the KMP means:

- (a) a spouse or child of the member;
- (b) a child of the member's spouse;
- (c) a dependant of the member or of the member's spouse;
- (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 Company;
- (e) a company the member controls; or
- (f) a person prescribed by the *Corporation Regulations 2001* (Cth).

**Company** means LawFinance Limited ACN 088 749 008.

**Constitution** means the Company's constitution.

**Corporations Act** means the *Corporations Act 2001* (Cth) as amended or replaced from time to time.

**Director** means a current director of the Company.

**Directors' Report** means the report of Directors as included in the Annual Financial Report.

**Dollar** or **"\$"** means Australian dollars.

**Explanatory Statement** means the explanatory statement accompanying this Notice of Meeting.

**KMP** means key management personnel (including the Directors) whose remuneration details are included in the Remuneration Report.

**NHF** means National Health Finance HoldCo, LLC.

**Notice of Meeting** or **Notice of Annual General Meeting** means this notice of annual general meeting dated 19 June 2020 including the Explanatory Statement.

**Ordinary Resolution** means a resolution that can only be passed if at least 50% of the total votes cast by Shareholders entitled to vote on the resolution are voted in its favour at the meeting.

**Proxy Form** means the proxy form attached to this Notice of Meeting.

**Remuneration Report** means the remuneration report as set out in the Annual Financial Report.

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

**Restricted Voter** means a member of the Company's KMP and any Closely Related Parties of those members.

**Securities** mean Shares and/or Options (as the context requires).

**Share** means a fully paid ordinary share in the capital of the Company.

**Shareholder** means a holder of a Share.

**Share Registry** means Automic Pty Ltd, Level 5, 126 Phillip Street, Sydney NSW 2000.

**Special Resolution** means a resolution that can only be passed if at least 75% of the total votes cast by Shareholders entitled to vote on the resolution are voted in its favour at the meeting.

**Spill Meeting** means the meeting that will be convened within 90 days of the 2021 AGM if a threshold of votes is cast against the adoption of the Remuneration Report at the Meeting and the 2021 AGM.

**Spill Resolution** means the resolution required to be put to Shareholders at the 2021 AGM if a threshold of votes is cast against the adoption of the Remuneration Report at the Meeting and the 2021 AGM.

**Trading Day** has the meaning given to that term in ASX Listing Rule 19.12.

[EntityRegistrationDetailsLine1Envelope]  
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[EntityRegistrationDetailsLine4Envelope]  
[EntityRegistrationDetailsLine5Envelope]  
[EntityRegistrationDetailsLine6Envelope]

## [HolderNumber]

Holder Number:  
[HolderNumber]

## Vote by Proxy: LAW

Your proxy voting instruction must be received by **10:00am (AEST) on Monday, 27 July 2020, being not later than 48 hours** before the commencement of the Meeting. Any Proxy Voting instructions received after that time will not be valid for the scheduled Meeting.

### SUBMIT YOUR PROXY VOTE ONLINE

**Vote online at <https://investor.automic.com.au/#/loginsah>**

Login & Click on 'Meetings'. Use the Holder Number as shown at the top of this Proxy Voting form.

- ✓ **Save Money:** help minimise unnecessary print and mail costs for the Company.
- ✓ **It's Quick and Secure:** provides you with greater privacy, eliminates any postal delays and the risk of potentially getting lost in transit.
- ✓ **Receive Vote Confirmation:** instant confirmation that your vote has been processed. It also allows you to amend your vote if required.



### SUBMIT YOUR PROXY VOTE BY PAPER

Complete the form overleaf in accordance with the instructions set out below.

#### YOUR NAME AND ADDRESS

The name and address shown above is as it appears on the Company's share register. If this information is incorrect, and you have an Issuer Sponsored holding, you can update your address through the investor portal: <https://investor.automic.com.au/#/home> Shareholders sponsored by a broker should advise their broker of any changes.

#### VOTING UNDER STEP 1 - APPOINTING A PROXY

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. A proxy need not be a Shareholder of the Company. Otherwise if you leave this box blank, the Chairman of the Meeting will be appointed as your proxy by default.

#### DEFAULT TO THE 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 these 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 Voting Form, including where the Resolutions are 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 marking 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 SECOND PROXY

You may appoint up to two proxies. If you appoint two proxies, you should complete two separate Proxy Voting Forms and specify the percentage or number each proxy may exercise. If you do not specify a percentage or number, each proxy may exercise half the votes. You must return both Proxy Voting Forms together. If you require an additional Proxy Voting Form, contact Automic Registry Services.

#### SIGNING INSTRUCTIONS

You must sign this form as follows in the spaces provided

**Individual:** Where the holding is in one name, the Shareholder must sign.

**Joint holding:** Where the holding is in more than one name, all of the Shareholders should sign.

**Power of attorney:** If you have not already lodged the power of attorney with the registry, please attach a certified photocopy of the power of attorney to this Proxy Voting Form when you return it.

**Companies:** To be signed in accordance with your Constitution. Please sign in the appropriate box which indicates the office held by you.

**Email Address:** Please provide your email address in the space provided.

**By providing your email address, you elect to receive all communications despatched by the Company electronically (where legally permissible) such as a Notice of Meeting, Proxy Voting Form and Annual Report via email.**

#### CORPORATE REPRESENTATIVES

If a representative of the corporation is to attend the Meeting the appropriate 'Appointment of Corporate Representative' should be produced prior to admission. A form may be obtained from the Company's share registry online at <https://automic.com.au>.

#### ATTENDING THE MEETING

Completion of a Proxy Voting Form will not prevent individual Shareholders from attending the virtual Meeting in person if they wish. Where a Shareholder completes and lodges a valid Proxy Voting Form and attends the virtual Meeting online, then the proxy's authority to speak and vote for that Shareholder is suspended while the Shareholder is present at the virtual Meeting.

#### POWER OF ATTORNEY

If a representative as power of attorney of a Shareholder of the Company is to attend the Meeting, a certified copy of the Power of Attorney, or the original Power of Attorney, must be received by the Company in the same manner, and by the same time as outlined for proxy forms.



