

## LETTER TO SHAREHOLDERS

Friday 14 October 2022

Dear Shareholder

### Annual General Meeting

On behalf of the Board of Directors of Kelly Partners Group Holdings Limited (KPG), I am pleased to invite you to attend our 2022 Annual General Meeting (AGM) which will be held at **Level 53, 25 Martin Place Sydney** (formerly known as the MLC Centre) on

Date: **Wednesday 16 November 2022**

Time: **9.30am Sydney time**

Enclosed are the following documents:

- Notice and Access;
- Proxy Form for the Annual General Meeting; and
- Annual Report for the year ended 30 June 2022, for those Shareholders who have requested a printed copy.

You are encouraged to vote on each of the resolutions to be considered at the AGM. You may do this ahead of the AGM by voting online or appoint a proxy, by following the instructions on page 3 of the Notice of Meeting. You may also provide questions or comments in advance of the Meeting, by contacting the Company Secretary, using the details set out on page 16 of the Notice.

#### Important notice - 2022 Annual Report

Shareholders are reminded that the Annual Report is only mailed to those Shareholders who have elected to receive it in hard copy. The 2022 Annual Report can be viewed on the Company's website at: <https://kellypartnersgroup.com.au/investor-centre/annual-reports-1>

We look forward to seeing you at the Annual General Meeting.

Yours faithfully



Brett Kelly  
Executive Chairman and Chief Executive Officer

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**KELLY PARTNERS GROUP HOLDING LIMITED**  
**ABN 25 124 908 363**  
**NOTICE OF ANNUAL GENERAL MEETING**

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**TIME:** 9.30am (Sydney Time)  
**DATE:** Wednesday 16 November 2022

*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.*

*Should you wish to discuss the matters in this Notice of Meeting please do not hesitate to contact the Company Secretary, using the contact details on page 16.*

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## YOUR VOTE IS IMPORTANT

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

## VOTING IN PERSON

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To vote in person, attend the Annual General Meeting on the date and at the place set out on page 5.

## APPOINTING A PROXY

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A Shareholder who is entitled to attend and vote at the Meeting may appoint a proxy to attend and vote at the Meeting on their behalf. A proxy does not need to be a Shareholder of KPG.

If a Shareholder is entitled to cast two or more votes at the Meeting, the Shareholder may appoint two proxies and may specify the percentage or number of votes each proxy can exercise. If the proxy form does not specify the percentage or number of the Shareholder's votes that each proxy may exercise, each proxy may exercise half of the Shareholder's votes on a poll. Fractions will be disregarded. To lodge a proxy, please use one of the following methods:

**Online:**

At [www.investorvote.com.au](http://www.investorvote.com.au)

**By Mobile:**

Scan the QR Code on your Proxy form and follow the prompts

**By Mail to:**

Computershare Investor Services Pty Ltd  
GPO Box 242  
Melbourne Victoria 3001  
Australia

**By Facsimile Transmission to:**

1800 783 447 (within Australia)  
or  
+61 3 9473 2555 (outside Australia)

**By Hand to:**

Computershare Investor Services Pty Ltd  
Level 3  
60 Carrington Street  
Sydney, NSW 2000

**Custodian voting:**

For Intermediary Online subscribers only (custodians) please visit [www.intermediaryonline.com](http://www.intermediaryonline.com) to submit your voting intentions.

The deadline for receipt of proxy appointments is 8.30am (Sydney time) on Monday, 14 November 2022.

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

## POWER OF ATTORNEY

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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 been provided to the Share Registry.

## **CORPORATE REPRESENTATIVES**

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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.

An appointment of corporate representative form may be obtained from Computershare Investor Services by calling 1300 850 505 or online at:

<https://www-au.computershare.com/Investor/help/PrintableForms>

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## NOTICE OF ANNUAL GENERAL MEETING

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Notice is given that the Annual General Meeting (**AGM**) of Shareholders of Kelly Partners Group Holdings Limited will be held Level 53, 25 Martin Place, Sydney on Wednesday 16 November 2022 at 9.30am (Sydney time).

The Explanatory Statement to this Notice of Meeting provides additional information on matters to be considered at the AGM. Terms and abbreviations used in this Notice of Meeting and Explanatory Statement are defined in the Glossary.

The Directors have determined under Regulation 7.11.37 of the Corporations Regulations 2001 (Cth) that the persons eligible to vote at the Meeting are those who are registered Shareholders of the Company at 7.00pm (Sydney Time) on Monday 14 November 2022.

## AGENDA

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### ADOPTION OF ANNUAL REPORT

To receive and consider the Annual Financial Report, the Directors' Report and the Auditor's Report for the year ended 30 June 2022.

#### 1. RESOLUTION 1 - ADOPTION OF THE REMUNERATION REPORT

To consider and, if thought fit, to pass, with or without amendment, the following Resolution as a Non-Binding Ordinary Resolution:

*"That for the purposes of Section 250R(2) of the Corporations Act 2001 and for all other purposes, approval is given to adopt the KPG Remuneration Report as contained in the Company's Financial Report for the year ended 30 June 2022."*

#### 2. RESOLUTION 2 - RE-ELECTION OF DIRECTOR - MR LAWRENCE CUNNINGHAM

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

*"That for the purposes of clause 13.3 of the Constitution and for all other purposes, Mr Lawrence Cunningham be re-elected as a Director of the Company."*

#### 3. RESOLUTION 3 - APPROVAL OF THE EMPLOYEE INCENTIVE PLAN

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

*"That for the purposes of section 260C of the Corporations Act and for all other purposes, the Employee Incentive Plan and the acquisition of Restricted Shares on-market by the Trustee in FY2021 and FY2022 as described in the explanatory statement to this Notice of Meeting be approved."*

**4. RESOLUTION 4 - APPROVAL FOR PROVISION OF FINANCIAL ASSISTANCE TO THE KPGH SUBSIDIARY**

The Company seeks approval for Proposed Financial Assistance to the KPGH Subsidiary and by the Proposed KP Acquisitions in connection with the acquisition by the KPGH Subsidiary of the shares in the capital of the Proposed KP Acquisitions.

To consider and, if thought fit, pass the following resolution as a **special resolution**:

*“That, for the purposes of section 260A and 260B(2) of the Corporations Act and for all other purposes, approval is given for the Proposed KP Acquisitions to provide financial assistance to the KPGH Subsidiary in connection with the acquisition by the KPGH Subsidiary of 50.01% of the issued shares in the capital of the Proposed KP Acquisitions in the manner described in the Explanatory Memorandum”.*

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**DATED: 14 OCTOBER 2022**

**BY ORDER OF THE BOARD**

**KELLY PARTNERS GROUP HOLDINGS LIMITED  
JOYCE AU  
COMPANY SECRETARY**

## Voting Exclusion Statement

For the definitions of Key Management Personnel (**KMP**) and Closely Related Parties, please refer to the Glossary on page 17.

The Corporations Act restricts members of the KMP of the Company and their Closely Related Parties from voting in relation to remuneration related Resolutions (such as Resolution 1).

**What this means for Shareholders:** If you intend to appoint a member of the KMP (other than the Chairman of the Meeting) as your proxy, please ensure that you direct them how to vote on Resolution 1. If you do not do so, your proxy will not be able to vote on your behalf on Resolution 1.

If you intend to appoint the Chairman of the Meeting as your proxy, you are encouraged to direct him how to vote by marking the box for Resolution 1 (for example if you wish to vote for, or against, or to abstain from voting). If you appoint the Chairman as your proxy without directing him how to vote, the proxy form authorises him to vote as he decides on Resolution 1 (even though that Resolution is connected with the remuneration of KMP). The Chairman of the Meeting intends to vote in favour of all Resolutions (where permissible).

The Company will disregard votes cast on Resolution by the persons detailed in the table below.

Resolution	Voting exclusions
Resolution 1 - Adoption of Remuneration Report	<p>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).</p> <p>However, the Company need not disregard a vote if:</p> <ul style="list-style-type: none"><li>(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</li><li>(b) it is not cast on behalf of a Restricted Voter.</li></ul> <p>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.</p> <p>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.</p>
Resolution 3 - Approval of Employee Incentive Plan	<p>The Company will disregard any votes cast on this Resolution by any person who may participate in the Employee Incentive Plan and a person who might obtain a benefit (except a benefit solely in the capacity of a shareholder) if the Resolution is passed, and any associate of those persons.</p> <p>However, the Company will not disregard a vote, if it is cast by a person as a proxy for a person who is entitled to vote, in accordance with the directions on the Proxy Form, or, it is cast by the person chairing the meeting as proxy for a person who is entitled to vote, in accordance with a direction on the Proxy Form to vote as the proxy decides.</p>

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## EXPLANATORY STATEMENT

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This Explanatory Statement has been prepared for the information of the Shareholders of the Company in connection with the business to be conducted at the Annual General Meeting to be held on Wednesday 16 November 2022 at 9.30am (Sydney time).

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.

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### 1. ANNUAL REPORT

The business of the Meeting will include receipt and consideration of the Company's Annual Financial Report, the Directors' Report and the Auditor's Report for the year ended 30 June 2022, which are included in KPG's Annual Report.

In accordance with the Corporations Act, Shareholders will be given a reasonable opportunity at the Annual General Meeting to ask questions and make comments on the Annual Report, and on the management of KPG.

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 for 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 to 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, that is, by Wednesday 9 November 2022.

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### 2. RESOLUTION 1 - ADOPTION OF REMUNERATION REPORT

The Remuneration Report is set out in the Annual Report. The Remuneration Report details the Company's remuneration arrangements for the Directors and senior management of the Company.

Section 250R(2) of the Corporations Act requires that a resolution to adopt the Remuneration Report be put to the vote of the Company. Shareholders should note that the vote on Resolution 1 is advisory only and not binding on the Company or its Directors.

However, under the Corporations Act, if at least 25% of the votes cast on Resolution 1 are against the adoption of the Remuneration Report then:

- if comments are made on the Remuneration Report at the Meeting, KPG's 2023 Remuneration Report will be required to include an explanation of the Board's proposed action in response or, if no action is proposed, the Board's reasons for this; and
- if, at next year's AGM, at least 25% of the votes cast on the resolution for adoption of the 2023 Remuneration Report are against it, KPG will be required to put to Shareholders a resolution proposing that an Extraordinary General Meeting (**EGM**) be called to consider the election of Directors (**Spill Resolution**). If the Spill Resolution is passed (i.e. more than 50% of the votes cast are in favour of it), all of the Directors (other than the Managing



Director) will cease to hold office at the subsequent EGM, unless re-elected at that Meeting.

In accordance with the Corporations Act, Shareholders will be given a reasonable opportunity at the Annual General Meeting to ask questions and make comments on the Remuneration Report.

***Board recommendation:*** *The Remuneration Report forms part of the Directors' Report, which was approved in accordance with a unanimous resolution of the Board. Each Director recommends that Shareholders vote in favour of adopting the Remuneration Report.*

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### 3. RESOLUTION 2 - RE-ELECTION OF DIRECTORS

Clause 13.1(c) of the Constitution states that subject to the Act, the Directors may at any time appoint any person to be a Director. Clause 13.1(d) of the Constitution provides a person appointed under Clause 13.1(c) holds office until the end of the next annual general meeting following their appointment and is eligible for election at that meeting.

Mr Lawrence Cunningham was appointed as a Non-Executive Director of the Company on 1 July 2022. Mr Cunningham will retire in accordance with Clause 13.1(d) of the Constitution and offers himself for re-election as a Director of the Company.

#### **Brief Curriculum Vitae of Mr Lawrence Cunningham - BA Economics, JD Non-Executive Director**

##### ***Experience and expertise***

Mr Cunningham is an expert on corporate governance, culture, and structure. Since 2007, he has been the Tucker Research Professor at The George Washington University. Mr Cunningham has written extensively on corporate affairs in university journals and periodicals. He has published many influential books, including *The Essays of Warren Buffett: Lessons for Corporate America*, in collaboration with Mr. Buffett; *The AIG Story*, with Hank Greenberg; and *Quality Shareholders: How the Best Managers Attract and Keep Them*.

Mr Cunningham is Vice Chairman of the Board of Constellation Software Inc., a Toronto Stock Exchange company, and Director and former Treasurer of Ocean Colony LLC, a private resort in East Hampton, New York. Cunningham is a Trustee of the Museum of American Finance; a Member of the Dean's Council of Lerner College of Business at the University of Delaware; and a Member of the Editorial Board of *Financial History*. Lawrence has served on the Boards of Directors of Ashford Hospitality Prime, an NYSE investor in luxury hotels; Pearl West Group, a private investment company in Vancouver, and Strata, a private technology company in Silicon Valley. A former Corporate Associate of Cravath, Swaine & Moore, Lawrence consults for public and private corporations and advises management and boards of directors. He has received numerous awards, including the 2018 B. Kenneth West Lifetime Achievement Award from the National Association of Corporate Directors (NACD).

##### ***Current directorships of other listed companies***

Vice Chairman of the Board of Constellation Software Inc. (TSE: CSU)

##### ***Former directorships of other listed companies in the last three years***

None

##### ***Special responsibilities***

None

##### ***Additional corporate governance disclosures***

None

***Board recommendation:*** *The Directors (with Mr Cunningham abstaining) unanimously recommend the re-election of Mr Cunningham.*

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#### 4. RESOLUTION 3 - APPROVAL FOR EMPLOYEE INCENTIVE PLAN

The Company has established an employee equity incentive plan (**Employee Incentive Plan**) which provides the framework under which individual grants of employee incentives are proposed to operate. The key terms of the Employee Incentive Plan are outlined below. Resolution 3 seeks Shareholder approval for the Employee Incentive Plan, in accordance with section 260C of the Corporations Act.

The Employee Incentive Plan was approved by the Board on 17 December 2019 and has not yet been approved by Shareholders. As at the date of this Notice of Meeting, no Awards have been issued to any person under the Employee Incentive Plan.

The purpose of the Employee Incentive Plan is to:

- assist in the reward, retention and motivation of eligible participants;
- link the reward of eligible participants to Shareholder value creation; and
- align the interests of eligible participants with Shareholders by providing an opportunity to eligible participants to receive an equity interest in the form of Awards.

##### ***Summary of the terms of the Employee Incentive Plan***

###### **1. Administration, Eligibility and grant**

The Employee Incentive Plan will be administered by the Board. Participation in the Employee Incentive Plan is by invitation (**Invitation**). The Board may, from time to time, in its sole discretion determine that an 'Eligible Employee' may participate in the Employee Incentive Plan (**Participants**). Eligible Employees are full-time or part-time employees of any KPG Group company, or any other person the Board deems eligible in its absolute discretion.

The Employee Incentive Plan provides flexibility for the Board to grant Restricted Shares allocated under the Plan (**Award**). Shares granted under the Plan will be purchased by the Company on market. The number of Awards to be offered will be at the discretion of the Board. It is intended that the number of Awards to be granted will be determined annually with regard to the Participant's fixed pay, relevant market practices and the relevant policies of the Company regarding remuneration.

###### **2. Conditions**

The terms and conditions of Awards offered or granted under the Plan will be determined by the Board in its sole and absolute discretion. The terms and conditions of the Plan include those aspects legally required as well as a method for the treatment of Awards in the circumstances of various forms of termination of employment. Under the Plan, the terms and conditions must include:

- the number of Award(s) being offered or the method by which the number will be calculated;
- the amount payable for the grant of an Award or the method by which the amount payable is calculated; and
- any vesting conditions, or other condition including any vesting periods.

###### **3. Issue Price**

Awards are to be issued at no cost to a participant unless the Invitation specifies otherwise, or in respect of any allocation of Restricted Shares which may be deducted from that employee's remuneration (provided that arrangement is noted in the Invitation).

The Board may approve a loan made by a KPG Group company to a Participant to satisfy any amount payable for the grant of Restricted Shares. If approved, the Invitation must specify the terms and conditions of that loan (including any repayment and dealing restrictions).

4. Trust Arrangement

The Board may, in its discretion, determine that Restricted Shares will be held by a Trustee on behalf of the Participant on the terms of the Trust Deed, and any other terms the Board determines.

5. Applications

Applications must be made in accordance with the instructions accompanying the Invitation, or in any other way the Board determines.

6. Vesting

Restricted Shares cease to be restricted when the vesting conditions applicable have been satisfied, or upon notification from the Board that the share is no longer restricted.

7. Forfeiture

Restricted Shares will be forfeited on the earlier of:

- a date or circumstance specified in the Invitation;
- failure to meet a vesting condition within the vesting period; or
- the Participant's election to surrender the relevant Restricted Shares.

8. Dealing Restrictions

A Participant must not sell, transfer, assign, encumber, option, swap, or alienate rights to an Award, or attempt to do so unless required by law, and is permitted (or not prohibited) by the Company's securities trading policy.

9. Cessation or change of Employment

The Board may determine how a Participant's Award is to be treated on cessation of employment in respect of a Participant. In making such decision, the Board may have regard to any matter they consider relevant, including the circumstances surrounding the cessation, satisfaction of any vesting conditions and the time elapsed in respect of the vesting period of the Award. An application in respect of an Award may be refused by the Board if the Participant ceases to be employed by a KPG Group company, or ceases to satisfy any condition imposed by the Board. The Board may determine how a Participant's Award is to be treated when the Participant is transferred overseas to work for a KPG Group company where that transfer may impose tax implications for the Participant, impacts the ability to vest or pay amounts relating to the Award or causes additional restrictions on dealing with awards, shares, or proceeds of shares.

10. Control

Where there is a change of control event in respect of the Company, the Board may determine that:

- all or a number of unvested Awards have vested;
- disposal restrictions on Awards cease to apply; and/or
- the Company will direct the Trustee to transfer shares held into the relevant Participant's name.

11. Award Adjustments

In order to minimise material advantage or disadvantage to a Participant resulting from corporate action or capital reconstruction, prior to an allocation of shares or payment to a Participant, the Board may determine to make adjustments to the terms of an Award, or grant additional Awards.

A permitted adjustment is to the number of Awards a Participant is entitled to.

The Board may determine how to treat a Participant's Award where fraud, dishonesty, or breach of duty by the Participant has occurred.

## 12. Amendment to Plan

The Board may, by resolution, amend the Plan or any term or condition of any Award, provided that, if the amendment materially reduces the rights of any Participant in respect of Awards granted to them prior to the date of the amendment, then no such amendment may be made without the consent of that Participant, other than in certain limited circumstances, including, where the amendment is introduced:

- for the purpose of complying with or confirming to present or future legislation governing or regulating the Plan; or
- to correct any manifest error or mistake.

The Board may at any time terminate or suspend the Employee Incentive Plan, or determine to grant incentives outside of the Employee Incentive Plan.

### ***Other information***

For good corporate governance only and not for the purpose of the ASX Listing Rules, the Company discloses that:

- (a) no directors have previously received securities under the Employee Incentive Plan;
- (b) no directors will participate in the Employee Incentive Plan;
- (c) no loan is provided in regards to the acquisition of Restricted Shares under the Employee Incentive Plan;
- (d) the Restricted Shares will be acquired on-market and no shares will be issued under the Employee Incentive Plan;
- (e) as at the date of this Notice of Meeting, the Trustee has acquired 257,112 Restricted Shares on-market for the purposes of the Employee Incentive Plan. The Trustee acquired these Restricted Shares by way of a loan from the Company in FY2021 and FY2022 as part of the proposed Employee Incentive Plan. For the avoidance of doubt, these Restricted Shares have not yet been offered to Eligible Employees;
- (f) additional Restricted Shares will be acquired by the Trustee following the annual general meeting of the Company, and in any event, no later than 12 months after the meeting.

### ***Approval for the purposes of section 260C of the Corporations Act - Financial assistance***

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

- giving the assistance does not materially prejudice the interests of the company or its shareholders or the company's ability to pay its creditors;
- the assistance is approved by shareholders under section 260B of the Corporations Act; or
- the assistance is exempted under section 260C of the Corporations Act.

Section 260C of the Corporations Act provides for certain specific instances of exempted financial assistance, including employee share schemes that have been approved at a general meeting of the company.

Shareholder approval is being sought under section 260C of the Corporations Act for the Employee Incentive Plan and the financial assistance provided by the Company to the Trustee to acquire the Restricted Shares in FY2021 and FY2022 as part of the proposed Employee Incentive Plan. For the avoidance of doubt, the Company is not seeking shareholder approval under the ASX Listing Rules.

***Board recommendation:*** *The Directors (with Mr Brett Kelly, Ms Ada Poon and Mr Paul Kuchta abstaining) unanimously recommend the shareholders vote in favour of approving the Employee Incentive Plan.*

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5. **RESOLUTION 4 - APPROVAL FOR PROVISION OF FINANCIAL ASSISTANCE TO THE KPGH SUBSIDIARY**

***Background/explanation***

The KPGH Subsidiary is proposing to acquire 50.01% of the issued share capital of the Proposed KP Acquisitions under the Share Purchase Agreements (**Acquisition**) which will be debt funded by entry into facility agreements by the Proposed KP Acquisitions (**Proposed Financial Assistance**). As a result, on completion of the Acquisition each Proposed KP Acquisitions will become indirect subsidiaries of the Company and the Company will become the ultimate holding company of the borrowers.

Under section 260A(1) of the Corporations Act permits a company to financially assist a person to acquire shares in the company or a holding company of the company only if:

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

Shareholder approval is being sought under section 260B of the Corporations Act.

Section 260B contains requirements, including under section 260B(2) which requires the shareholders of the ultimate Australian holding company of a company to approve the financial assistance being given by a company.

The Company, as the holding company of the KPGH Subsidiary and who will become the ultimate holding company of each of the Proposed KP Acquisitions, is required to seek that Shareholders pass a special resolution approving the Proposed Financial Assistance under section 260B(2) of the Corporations Act in order for the Proposed Financial Assistance to be given by the Proposed KP Acquisitions for the Acquisition.

Set out below is the information known to the Company that is material to the decision on how to vote on the resolution as required under section 260B(4) of the Corporations Act.

***Information required under section 260B(4) of the Corporations Act***

1. Company as Holding Company

The Proposed KP Acquisitions propose to give financial assistance for the Acquisition as described in paragraph 2 and are seeking shareholder approval under section 260B(1) of the Corporations Act. The Company will become the ultimate holding company of the Proposed KP Acquisitions and therefore is required to obtain approval by way of a special resolution of its members approving the Proposed Financial Assistance under section 260B.

For the Resolution to be passed at least 75% of the votes cast by members entitled to vote on the Resolution present in person, or by proxy or representative must be in favour of the Resolution.

2. Particulars of the proposed financial assistance

- (a) The KPGH Subsidiary, a wholly owned subsidiary of the Company, will on completion of the Acquisition have acquired 50.01% of the issued shares in the capital of the Proposed KP Acquisitions.

- (b) The whole of the purchase price for the Acquisition is to be financed through debt facilities made available to the KP Subsidiary. A company is regarded as giving financial assistance if it gives something needed in order that a transaction be carried out or something in the nature of aid or help.
- (c) It is proposed that the Proposed KP Acquisitions give financial assistance by way of entering into the following documents (each, a **Document**) in connection with the financing of the Acquisition referred to in paragraph (b):
  - (i) a facility agreement between each of the Proposed KP Acquisitions (each a borrower) and Westpac Banking Corporation ABN 33 007 457 141 (as lender) (**Facility Agreement**);
  - (ii) a General Security Deed between the Company, the KPGH Subsidiary, the current shareholders of the Proposed KP Acquisitions (**GSA**); and
  - (iii) any document, notice, certificate, resolution, guarantee, indemnity, covenant, representation, warranty, stipulation, promise or agreement, necessary, advisable or incidental in connection with any of the Documents listed above,

**(Financial Assistance).**
- (d) The facilities under the Facility Agreement will be drawn to fund the cash component of the Acquisition, any transaction costs in connection with the Acquisition and refinancing by current shareholders.
- (e) The facilities under the Facility Agreement will be for a maximum amount of \$1.7m.
- (f) Under the terms of the Facility Agreement, the Company and its subsidiaries are required to give a guarantee and indemnity for the repayment of the money that may become owing and to secure the obligations of the Proposed KP Acquisitions under the Facility Agreement and any related document.

### 3. Reasons for the proposal to give financial assistance

The proposed Financial Assistance will benefit the Company as it will enable the KPGH Subsidiary to finance the Acquisition via the Facility Agreement. The KPGH Subsidiary requires the additional financing in order to fund the Acquisition.

### 4. Effect of the proposed financial assistance

The Proposed Financial Assistance, if given, may result in the Company, its subsidiaries and the Proposed KP Acquisitions being subject to the liability under the Facility Agreement and the GSA. If there is default under the Facility Agreement or any related document then there may be material consequences for the Company, its subsidiaries and the Proposed KP Acquisitions, including:

- (a) the lender or secured party could take enforcement action under the proposed Facility Agreement and any guarantee and indemnity or security interest given, against the Company or the Proposed KP Acquisitions;
- (b) it may affect the Proposed KP Acquisitions' ability to borrow money in the future given the existence of the security under the proposed Facility Agreement;
- (c) effect of the ability of the Proposed KP Acquisitions to pay their creditors on the giving of the Financial Assistance will be that, if obligations are not complied with, an 'event of default' will occur under the Facility Agreement and the funding may be required to be repaid and the guarantee and security under the GSA.

## 5. Advantages of approving the Resolution

The Board has also formed the view that the giving of the Proposed Financial Assistance and entering into the security is in the best interests, and for the corporate benefit, of the Company and its Shareholders because (among other things):

- (a) the Company's financing arrangements will be more flexible and secured;
- (b) the Company will be able to benefit from synergies, cost savings and greater growth potential through the Acquisition;
- (c) if the Resolution is not approved, the KPGH Subsidiary will not be able to complete the transactions contemplated by the Share Purchase Agreement;
- (d) the Company in that each may gain access to:
  - (i) working capital or inter-company loans at beneficial rates; and/or
  - (ii) management's expertise and business strategies developed by the Company and its subsidiaries.

## 6. Disadvantages of approving the Resolution

The disadvantages relating to the Proposed Financial Assistance include the following:

- (a) the Proposed KP Acquisitions will become liable for the amounts payable under the Facility Agreement;
- (b) the operations of the Proposed KP Acquisitions may be restricted by the representations and undertakings given by them by acceding to the Facility Agreement;
- (c) if there is an event of default, the lender may make a demand under the guarantees provided by the Company and the KPGH Subsidiary requiring immediate repayment of the amounts due under the Facility Agreement;
- (d) it may affect the Proposed KP Acquisitions' ability to borrow money in the future given the existence of the security under the proposed Facility Agreement.

However, the directors of the Company consider these to be reasonable and manageable and, in light of the materiality and other mitigating factors, do not consider that there will be a substantial risk of default based on facts and circumstances known to them at the date of this statement.

The directors of the Company considers that each of Proposed KP Acquisitions will benefit from becoming subsidiaries (directly or indirectly) of the Company as set out in the paragraph 5 (*Advantages*) above.

Accordingly, the directors of the Company have considered and reached a view that, as at the date of this statement, the Proposed Financial Assistance will not materially prejudice the interests of the Proposed KP Acquisitions or their shareholders.

### ***ASIC and disclosure of information***

As required by section 260B(5) of the Corporations Act, copies of this Notice and Explanatory Memorandum as sent to Shareholders have been lodged with ASIC.

The directors of the Company consider that the Notice of Meeting and Explanatory Memorandum contain all material information known to the Company that could reasonably be required by the Shareholders in deciding how to vote on the Resolution.

The Company is subject to the obligation of confidentiality under the Share Purchase Agreement to keep confidential information, including the terms of the Share Purchase Agreement and its subject matter confidential.

***Board recommendation:*** *The Directors of the Company have unanimously approved the statements set out above for the purposes of section 260B(4) of the Corporations Act and determined that it includes all information known to the Company that is material to the decision on how to vote on the resolution required by section 260B(4) of the Corporations Act. The Directors unanimously recommend that Shareholders approve the resolution.*

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## **6. ENQUIRIES**

Shareholders may contact the Company Secretary if they have any queries in respect of the matters set out in these documents.

Joyce Au  
Company Secretary  
Kelly Partners Group Holdings Ltd  
PO Box 1764  
North Sydney NSW 2059

Tel: (+61 2) 9923 0800  
Fax: (+61 2) 9923 0888  
Email: [joyce.au@kellypartnersgroup.com.au](mailto:joyce.au@kellypartnersgroup.com.au)



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## GLOSSARY

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**\$** means Australian dollars.

**Annual General Meeting, AGM or Meeting** means the meeting convened by the Notice.

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

**ASX** means ASX Limited (ABN 98 008 624 691).

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

**Board** means the board of Directors of the Company as constituted from time to time.

**Business Day** means Monday to Friday inclusive, except New Year's Day, Good Friday, Easter Monday, Christmas Day, Boxing Day, and any other day that ASX declares is not a business day.

**Chair** means the chair of the Meeting.

**Closely Related Parties**, in relation to a member of KMP, means the member's spouse, child or dependant (or a child or dependant of the member's spouse), anyone else in the member's family who may be expected to influence or be influenced by the member in the member's dealings with KPG (or the KPG Group), and any company the member controls.

**Company or KPG** means Kelly Partners Group Holdings Limited (ABN 25 124 908 363).

**Constitution** means the Constitution of the Company.

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

**Directors** mean the directors of the Company.

**Documents** means each of the Notice, Explanatory Statement and the Proxy Form and all other documents that accompany each other when sent to each Shareholder.

**Explanatory Statement** means the explanatory statement accompanying the Notice.

**KPG Group** means KPG and its controlled entities.

**KPGH Subsidiary** means a wholly owned subsidiary of the Company to be established.

**Key Management Personnel or KMP** means those persons having authority and responsibility for planning, directing and controlling the activities of KPG or the KPG Group, whether directly or indirectly. Members of the KMP include Directors and certain senior executives.

**Notice** means the notice of Meeting that accompanies and forms part of the Documents.

**Ordinary Resolution** means a resolution passed by more than 50 per cent of the votes at a general meeting of Shareholders.

**Ordinary Securities** has the meaning set out in the ASX Listing Rules.

**Plan** means Employee Incentive Plan, subject to approval in Resolution 3.

**Proposed KP Acquisitions** means each of:

- (a) the unit trust operating wealth advisory services located in regional Victoria;
- (b) the corporate trustee of the aforementioned unit trust; and
- (c) the company holding an AFSL licence of which the aforementioned unit trust is an authorised representative.

**Proxy Form** means the proxy form accompanying the Notice.

**Remuneration Report** means the remuneration report set out in the Director's report section of the Company's annual financial report for the year ended 30 June 2022.

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

**Restricted Shares** means a Share allocated under the Plan.

**Securities Purchase Agreement** means the securities purchase agreement to be entered into by the KPGH Subsidiary and the vendor(s) in relation to the purchase of units and shares in the Proposed KP Acquisitions.

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

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

**Share Registry** means Computershare Investor Services.

**Special Resolution** means a resolution passed by more than 75 per cent of the votes at a general meeting of Shareholders.

**Trading Day** means as defined in the ASX Listing Rules.

**Trust Deed** means trust deed of the Plan, as amended from time to time.

**Trustee** means the trustee under the Trust Deed.

## **Interpretation**

In these Documents, unless the context requires otherwise:

- (a) a reference to a word includes the singular and the plural of the word and vice versa;
- (b) a reference to a gender includes any gender;
- (c) if a word or phrase is defined, then other parts of speech and grammatical forms of that word or phrase have a corresponding meaning;
- (d) a term which refers to a natural person includes a company, a partnership, an association, a corporation, a body corporate, a joint venture or a governmental agency;
- (e) headings are included for convenience only and do not affect interpretation;
- (f) a reference to a document includes a reference to that document as amended, novated, supplemented, varied or replaced;
- (g) a reference to a thing includes a part of that thing and includes but is not limited to a right;
- (h) the terms "included", "including" and similar expressions when introducing a list of items do not exclude a reference to other items of the same class or genus;
- (i) a reference to a statute or statutory provision includes but is not limited to:
  - (i) a statute or statutory provision which amends, extends, consolidates or replaces the statute or statutory provision;
  - (ii) a statute or statutory provision which has been amended, extended, consolidated or replaced by the statute or statutory provision; and
  - (iii) subordinate legislation made under the statute or statutory provision including but not limited to an order, regulation, or instrument;
- (j) reference to "\$", "A\$", "Australian Dollars" or "dollars" is a reference to the lawful tender for the time being and from time to time of the Commonwealth of Australia; and
- (k) a reference to an asset includes all property or title of any nature including but not limited to a business, a right, a revenue and a benefit, whether beneficial, legal or otherwise.

## Need assistance?



**Phone:**

1300 855 080 (within Australia)  
+61 3 9415 4000 (outside Australia)



**Online:**

[www.investorcentre.com/contact](http://www.investorcentre.com/contact)

KPG

MR SAM SAMPLE  
FLAT 123  
123 SAMPLE STREET  
THE SAMPLE HILL  
SAMPLE ESTATE  
SAMPLEVILLE VIC 3030

## Kelly Partners Group Holdings Limited Annual General Meeting

The Kelly Partners Group Holdings Limited Annual General Meeting will be held on Wednesday, 16 November 2022 at 9:30am (AEDT). You are encouraged to participate in the meeting using the following options:



### MAKE YOUR VOTE COUNT

To lodge a proxy, access the Notice of Meeting and other meeting documentation visit [www.investorvote.com.au](http://www.investorvote.com.au) and use the below information:



**Control Number: 999999**

**SRN/HIN: I9999999999**

**PIN: 99999**

For Intermediary Online subscribers (custodians) go to [www.intermediaryonline.com](http://www.intermediaryonline.com)

For your proxy appointment to be effective it must be received by 9:30am (AEDT) on Monday, 14 November 2022.



### ATTENDING THE MEETING IN PERSON

The meeting will be held at:  
Level 53, 25 Martin Place, Sydney, NSW 2000

You may elect to receive meeting-related documents, or request a particular one, in electronic or physical form and may elect not to receive annual reports. To do so, contact Computershare.

KPG

MR SAM SAMPLE  
FLAT 123  
123 SAMPLE STREET  
THE SAMPLE HILL  
SAMPLE ESTATE  
SAMPLEVILLE VIC 3030

## Need assistance?



**Phone:**

1300 855 080 (within Australia)  
+61 3 9415 4000 (outside Australia)



**Online:**

[www.investorcentre.com/contact](http://www.investorcentre.com/contact)



## YOUR VOTE IS IMPORTANT

For your proxy appointment to be effective it must be received by **9:30am (AEDT) on Monday, 14 November 2022.**

# Proxy Form

## How to Vote on Items of Business

All your securities will be voted in accordance with your directions.

### APPOINTMENT OF PROXY

**Voting 100% of your holding:** Direct your proxy how to vote by marking one of the boxes opposite each item of business. If you do not mark a box your proxy may vote or abstain as they choose (to the extent permitted by law). If you mark more than one box on an item your vote will be invalid on that item.

**Voting a portion of your holding:** Indicate a portion of your voting rights by inserting the percentage or number of securities you wish to vote in the For, Against or Abstain box or boxes. The sum of the votes cast must not exceed your voting entitlement or 100%.

**Appointing a second proxy:** You are entitled to appoint up to two proxies to attend the meeting and vote on a poll. If you appoint two proxies you must specify the percentage of votes or number of securities for each proxy, otherwise each proxy may exercise half of the votes. When appointing a second proxy write both names and the percentage of votes or number of securities for each in Step 1 overleaf.

**A proxy need not be a securityholder of the Company.**

## SIGNING INSTRUCTIONS FOR POSTAL FORMS

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

**Joint Holding:** Where the holding is in more than one name, all of the securityholders 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 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 sign in the appropriate place to indicate the office held. Delete titles as applicable.

## PARTICIPATING IN THE MEETING

### Corporate Representative

If a representative of a corporate securityholder or proxy is to participate in the meeting you will need to provide the appropriate "Appointment of Corporate Representative". A form may be obtained from Computershare or online at [www.investorcentre.com/au](http://www.investorcentre.com/au) and select "Printable Forms".

## Lodge your Proxy Form:

**XX**

### Online:

Lodge your vote online at [www.investorvote.com.au](http://www.investorvote.com.au) using your secure access information or use your mobile device to scan the personalised QR code.

Your secure access information is



**Control Number: 999999**

**SRN/HIN: I9999999999**

**PIN: 99999**

For Intermediary Online subscribers (custodians) go to [www.intermediaryonline.com](http://www.intermediaryonline.com)

### By Mail:

Computershare Investor Services Pty Limited  
GPO Box 242  
Melbourne VIC 3001  
Australia

### By Fax:

1800 783 447 within Australia or  
+61 3 9473 2555 outside Australia



**PLEASE NOTE:** For security reasons it is important that you keep your SRN/HIN confidential.

You may elect to receive meeting-related documents, or request a particular one, in electronic or physical form and may elect not to receive annual reports. To do so, contact Computershare.

MR SAM SAMPLE  
FLAT 123  
123 SAMPLE STREET  
THE SAMPLE HILL  
SAMPLE ESTATE  
SAMPLEVILLE VIC 3030



**Change of address.** If incorrect, mark this box and make the correction in the space to the left. Securityholders sponsored by a broker (reference number commences with 'X') should advise your broker of any changes.



I 9999999999

I ND

## Proxy Form

Please mark ☒ to indicate your directions

### Step 1 Appoint a Proxy to Vote on Your Behalf

XX

I/we being a member/s of Kelly Partners Group Holdings Limited hereby appoint



the Chairman  
of the Meeting

OR

**PLEASE NOTE:** Leave this box blank if you have selected the Chairman of the Meeting. Do not insert your own name(s).

or failing the individual or body corporate named, or if no individual or body corporate is named, the Chairman of the Meeting, as my/our proxy to act generally at the meeting on my/our behalf and to vote in accordance with the following directions (or if no directions have been given, and to the extent permitted by law, as the proxy sees fit) at the Annual General Meeting of Kelly Partners Group Holdings Limited to be held at Level 53, 25 Martin Place, Sydney, NSW 2000 on Wednesday, 16 November 2022 at 9:30am (AEDT) and at any adjournment or postponement of that meeting.

**Chairman authorised to exercise undirected proxies on remuneration related resolutions:** Where I/we have appointed the Chairman of the Meeting as my/our proxy (or the Chairman becomes my/our proxy by default), I/we expressly authorise the Chairman to exercise my/our proxy on Resolutions 1 and 3 (except where I/we have indicated a different voting intention in step 2) even though Resolutions 1 and 3 are connected directly or indirectly with the remuneration of a member of key management personnel, which includes the Chairman.

**Important Note:** If the Chairman of the Meeting is (or becomes) your proxy you can direct the Chairman to vote for or against or abstain from voting on Resolutions 1 and 3 by marking the appropriate box in step 2.

### Step 2 Items of Business

**PLEASE NOTE:** If you mark the **Abstain** box for an item, you are directing your proxy not to vote on your behalf on a show of hands or a poll and your votes will not be counted in computing the required majority.

		For	Against	Abstain
Resolution 1	ADOPTION OF THE REMUNERATION REPORT	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Resolution 2	RE-ELECTION OF DIRECTOR – MR LAWRENCE CUNNINGHAM	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Resolution 3	APPROVAL OF THE EMPLOYEE INCENTIVE PLAN	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Resolution 4	APPROVAL FOR PROVISION OF FINANCIAL ASSISTANCE TO THE KPGH SUBSIDIARY	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

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

### Step 3 Signature of Securityholder(s) *This section must be completed.*

Individual or Securityholder 1

Sole Director & Sole Company Secretary

Securityholder 2

Director

Securityholder 3

Director/Company Secretary

/ /

Date

**Update your communication details** (Optional)

Mobile Number

Email Address

By providing your email address, you consent to receive future Notice of Meeting & Proxy communications electronically

KPG

999999A



Computershare

