

Prime Financial Group Limited

ACN 009 487 674

NOTICE OF ANNUAL GENERAL MEETING

Incorporating

EXPLANATORY STATEMENT AND PROXY FORM

DATE AND TIME OF MEETING

Thursday 30th November, 2017 at 10:00am AEDT

PLACE OF MEETING

**Prime Financial Group Limited Head Office
Como Office Building
Level 17, 644 Chapel Street
South Yarra Vic 3141**

Prime Financial Group Limited

(ACN 009 487 674)
("the Company" or "Prime")

NOTICE OF ANNUAL GENERAL MEETING

Thursday 30th November 2017

Notice is hereby given that the Annual General Meeting of the members of the Company will be held at the Prime Financial Group Limited Head Office at 10:00am AEDT on Thursday 30th November 2017, at the Como Office Building, Level 17, 644 Chapel Street, South Yarra, Victoria ("**the Meeting**").

The Notes attached to this Notice and the Explanatory Statement that accompanies and forms part of this Notice describe the various matters to be considered. Members should read the documents in full.

AGENDA

ORDINARY BUSINESS

2017 Annual Financial Statements

To receive and consider the Director's Report and Financial Report for the year ended 30 June 2017 and the Auditor's Report on the Financial Report and the consolidated Financial Report.

PROPOSED RESOLUTIONS

Resolution 1. Remuneration Report

To consider and, if thought fit, to pass (with or without modification) the following as a non-binding ordinary resolution:

"That the Remuneration Report for the year ended 30 June 2017 forming part of the Director's Report be adopted by the members".

Voting Restriction on Resolution 1

In accordance with section 250R of the Corporations Act 2001, the Company will disregard any votes cast (in any capacity) on Resolution 1 by or on behalf of either of the following persons:

- (a) a member of the key management personnel details of whose remuneration are included in the Remuneration Report;
- (b) a "Closely Related Party" of such a member (where such expression has the meaning given to it in the Corporations Act 2001).

However, any of these persons (the **voter**) may cast a vote on the Resolution as a proxy if the vote is not cast on behalf of a person described in paragraphs (a) or (b) above and either:

- (c) the voter is appointed as a proxy by writing that specifies the way the proxy is to vote on the resolution; or
- (d) the voter is the chair of the meeting and the appointment of the chair as proxy:

- (i) does not specify the way the proxy is to vote on the resolution; and
- (ii) expressly authorises the chair to exercise the proxy even if the resolution is connected directly or indirectly with the remuneration of a member of the key management personnel for the Company or, if the Company is part of a consolidated entity, for the entity.

Resolution 2. Re-election of Director (Mr. Paul Cowan)

To consider and, if thought fit, to pass (with or without modification) the following as an ordinary resolution:

“That Mr. Paul Cowan, a Director retiring in accordance with the Company’s constitution, and offering himself for re-election, be re-elected as a Director of the Company”.

OTHER BUSINESS

To transact any other business which may be lawfully brought forward.

By the Order of the Board.



Mr. Dale Gaskell
Company Secretary
31st October 2017

The accompanying Notes and Explanatory Statement form part of the Notice of Meeting.

NOTES

Voting Entitlements

The Board has determined, in accordance with the Company's constitution and the Corporations Act 2001, that a member's voting entitlements at the meeting will be taken to be the entitlement of that person shown in the register of members as at 7:00 pm AEDT on Tuesday 28th November 2017.

Corporate Representatives

Any corporation which is a member of the Company may authorise (by certificate under common seal or other form of execution authorised by the laws of that corporation's place of incorporation, or in any other manner satisfactory to the chairperson of the Annual General Meeting) a natural person to act as its representative at any general meeting.

Proxies

If you are unable to attend the Meeting, we encourage you to complete and return the enclosed Proxy Form. All proxies must be received by the Company by no later than 48 hours before the time for holding the meeting. A proxy form should be completed on the basis of the enclosed proxy form by following the instructions attached to the form (which instructions form part of this notice). The completed proxy form may be delivered by mail, in person or by facsimile transmission as follows:

At the Company's share registry:

By mail (reply paid envelope enclosed):
Computershare Investor Services Pty Limited
GPO Box 242
Melbourne Victoria 3001;

In person:
Computershare Investor Services Pty Limited
Yarra Falls, 452 Johnston Street
Abbotsford Victoria 3067; or

By facsimile:
Computershare Investor Services Pty Limited
(within Australia) 1800 783 447 or (outside Australia) +61 3 9473 2555

Custodian voting – For intermediary Online subscribers only (custodians) please visit www.intermediaryonline.com to submit your voting intentions.

PRIME FINANCIAL GROUP LIMITED
ACN 009 487 674
(“the Company” or “Prime”)

EXPLANATORY STATEMENT TO THE NOTICE OF 2017 ANNUAL GENERAL MEETING

This Explanatory Statement accompanies Prime Financial Group Limited’s Notice of 2017 Annual General Meeting to be held at Prime Financial Group Limited’s Head Office on Thursday 30th November, 2017 at 10:00am AEDT. This Explanatory Statement forms part of the Notice of 2017 Annual General Meeting. The Notice of 2017 Annual General Meeting should be read together with these notes.

ORDINARY BUSINESS

2017 Annual Financial Statements

The Annual Financial Statements for the year ending 30 June 2017, comprising the Director’s Report and Financial Report for the year ended 30 June 2017 and the Auditor’s Report on the Financial Report and the consolidated Financial Report will be laid before the meeting. Members will be given the opportunity to ask questions about or make comments in respect of the Annual Financial Statements and the management of the Company.

Commentary on William Buck Disclaimer of Opinion Audit Report

As previously advised in the Company’s 2017 Annual Report and FY17 Annual Report & Appendix 4E Report Update ASX Announcement on 29 September 2017, William Buck issued a Disclaimer of Opinion Audit Report on Prime’s FY17 Annual Report. The disclaimer of opinion was limited to queries in relation to the accounting for the Prime Employee Share Plan (ESP).

William Buck’s Audit Report stated that it was unable to obtain sufficient appropriate audit evidence in relation to the accounting of the ESP. As a result, William Buck concluded that it was not able to express an opinion on Prime’s FY17 financial report or FY17 remuneration report.

As previously announced to the market, the directors of Prime are deeply disappointed, particularly considering William Buck’s issuance of unqualified audit opinions in each of the last four years since the first grants under the ESP, and wish to reiterate that:

- Prime believes it has provided all information requested by William Buck in relation to the ESP;
- Prime believes the late identification of the potential issues by William Buck contributed to it not being able to obtain sufficient appropriate audit evidence by the reporting deadline;
- The audit report states that the Group has not kept all financial records pertaining to and associated with the ESP – this is factually inaccurate and Prime strongly disagrees with this statement; and
- There have only been 25 grants since the inception of the ESP of which 15 expired without being exercised. William Buck has been provided with information in relation to all grants.

Prime’s directors also reiterate that, in their opinion, the Annual Accounts for the year ended 30 June 2017:

- a. Comply with the relevant accounting standards.
- b. Give a true and fair view of the financial position of the Company at 30 June 2017 and of the performance for the year ended on that date.

Prime confirms the following action is being taken to resolve the issue and obtain an unqualified audit report in future financial periods:

- Prime has engaged an independent firm to analyse its Employee Share Plan arrangements and transactions from FY13 to FY17 and assess whether:

- the accounting entries in the 2013, 2014, 2015, 2016 and 2017 financial statements were materially correct;
 - appropriate disclosures were included in the 2013, 2014, 2015, 2016 and 2017 Financial Statements and Remuneration Report;
 - the earnings per share calculation in 2013, 2014, 2015, 2016 and 2017 Financial Statements was materially correct; and
 - the disclosures in the subsequent events note of the 2017 financial statements in relation to the restructure of the Employee Share Plan are materially correct.
- Prime is working proactively to ensure this work is completed as soon as possible and expects to be in the position to provide an update prior to the AGM on 30 November 2017.

Resolution 1. Non-binding resolution to adopt Remuneration Report

Pursuant to the Corporations Act 2001 the Annual General Meeting of a listed company must propose a resolution that the Remuneration Report be adopted. The vote on this Resolution is advisory only and does not bind either the directors or the Company.

Nevertheless, the Board will take into account the discussion on this item and the outcome of the vote when considering the future remuneration policies and practices of the Company. Furthermore, as a result of a change to the Corporations Act 2001 which came into effect on 1 July 2011 - known as the "Two Strikes" rule -, if a company's remuneration report receives a "no" vote of 25% or more (the first strike), the company's subsequent remuneration report must explain whether members' concerns have been taken into account. Where the company's subsequent remuneration report also receives a "no" vote of 25% or more (the second strike), a resolution must then be immediately put to members as to whether a general meeting should be held (within 90 days) at which all directors (except the Managing Director) who were in office at the time of the second strike must stand for re-election.

The Remuneration Report is included in the Annual Report distributed to members and the Financial Statements to be laid before the meeting. Members will be given the opportunity to ask questions about or make comments on the Remuneration Report at the meeting.

Recommendation

The directors recommend that you vote in favour of this resolution.

The Chairman intends to exercise all undirected proxies in favour of Resolution 1. If the Chairman of the meeting is appointed as your proxy and you have not specified the way the Chairman is to vote on Resolution 1, by signing and returning the Proxy Form, you will be deemed to have provided the Chairman with an express authorization for the Chairman to vote the proxy in accordance with the Chairman's intention.

Resolution 2. Re-election of Director – Mr. Paul Cowan

At each Annual General Meeting of the Company, one third of the Directors of the Company (except a Managing Director) must retire from office by rotation, in accordance with the Company's constitution.

Furthermore, no Director (except a Managing Director) shall retain office for a period in excess of three years without submitting himself or herself for re-election.

Mr. Paul Cowan is scheduled to retire by rotation at the Annual General Meeting, and being eligible for re-election, offers himself for re-election.

Details of Candidate

Mr. Paul Cowan

Chairman, Non-Executive Director

Term of Office:

Director since 27 November 2015, Chairman since 15 November 2016

Independent:

Yes

Chairman of the Audit, Remuneration and Nomination Committees.

Mr Cowan is an Executive Director of River Capital Pty Ltd and has had extensive experience as a Director of a number of public companies including Brumby's Bakeries Holdings Ltd and Cash Converters International Ltd (October 2008 - November 2009). Mr Cowan has over 30 years' experience in the financial services sector including funds management and corporate advisory. Having commenced his working career with Price Waterhouse in 1980, Mr Cowan has a Bachelor of Economics degree from Monash University and is a qualified Chartered Accountant. Mr Cowan is the Chairman of the Audit, Remuneration and Nomination Committees

Recommendation

The directors (other than Mr. Paul Cowan) recommend that you vote in favour of this resolution.

The Chairman of the meeting intends to vote undirected proxies in favour of Resolution 2.



Prime Financial Group Limited
ABN 70 009 487 674

Lodge your vote:



Online:
www.investorvote.com.au



By Mail:
Computershare Investor Services Pty Limited
GPO Box 242 Melbourne
Victoria 3001 Australia

Alternatively you can fax your form to
(within Australia) 1800 783 447
(outside Australia) +61 3 9473 2555

For Intermediary Online subscribers only
(custodians) www.intermediaryonline.com

For all enquiries call:
(within Australia) 1300 850 505
(outside Australia) +61 3 9415 4000

Proxy Form



Vote and view the annual report online

- Go to www.investorvote.com.au or scan the QR Code with your mobile device.
- Follow the instructions on the secure website to vote.

Your access information that you will need to vote:

Control Number: 181237

SRN/HIN:

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

For your vote to be effective it must be received by 10:00am (AEDT) on Tuesday, 28 November 2017

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.

Attending the Meeting

Bring this form to assist registration. If a representative of a corporate securityholder or proxy is to attend the meeting you will need to provide the appropriate "Certificate of Appointment of Corporate Representative" prior to admission. A form of the certificate may be obtained from Computershare or online at www.investorcentre.com under the help tab, "Printable Forms".

Comments & Questions: If you have any comments or questions for the company, please write them on a separate sheet of paper and return with this form.

**GO ONLINE TO VOTE,
or turn over to complete the form →**

☐

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.

Proxy Form

Please mark ☒ to indicate your directions

STEP 1 Appoint a Proxy to Vote on Your Behalf

I/We being a member/s of Prime Financial Group 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 Prime Financial Group Limited to be held at the Prime Financial Group Limited Head Office, at the Como Office Building, Level 17, 644 Chapel Street, South Yarra, Victoria on Thursday, 30 November 2017 at 10:00am (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 Resolution 1 (except where I/we have indicated a different voting intention below) even though Resolution 1 is 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 Resolution 1 by marking the appropriate box in step 2 below.

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	Remuneration Report	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Resolution 2	Re-election of Director - Mr. Paul Cowan	<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.

SIGN

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

Individual or Securityholder 1

Sole Director and Sole Company Secretary

Securityholder 2

Director

Securityholder 3

Director/Company Secretary

Contact
Name

Contact
Daytime
Telephone

Date / /
