

Prime Financial Group Limited

ACN 009 487 674

NOTICE OF EXTRAORDINARY GENERAL MEETING

Incorporating

EXPLANATORY STATEMENT AND PROXY FORM

DATE AND TIME OF MEETING

Friday 19 January 2018 at 10:00am AEDT

PLACE OF MEETING

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

Prime Financial Group Limited

(ACN 009 487 674)

("the Company" or "Prime")

NOTICE OF EXTRAORDINARY GENERAL MEETING

Friday 19 January 2018

Notice is hereby given that an Extraordinary General Meeting of the Shareholders of the Company will be held at the Prime Financial Group Limited Head Office at 10:00am AEDT on Friday 19 January 2018, at the Como Office Tower, Level 17, 644 Chapel Street, South Yarra, Victoria ("**the Meeting**").

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

AGENDA

Resolution 1. Removal of Auditor

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

"That William Buck Audit (Vic) Pty Ltd, the current auditor of the Company, be removed as the auditor of the Company effective from the date of the Meeting".

Resolution 2. Appointment of Auditor

To consider and, if thought fit, to pass, with or without modification, the following resolution as a **special resolution**:

"That, subject to the passing of Resolution 1, Ernst & Young being qualified to act as auditor of the Company and having consented to act as auditor of the Company, be appointed as the Company's auditor in accordance with the Corporations Act 2001, effective from the date of the Meeting and the Directors be authorised to agree the remuneration".

OTHER BUSINESS

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

By the Order of the Board.



Mr Simon Munday
Company Secretary
19 December 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 Shareholder's voting entitlements at the meeting will be taken to be the entitlement of that person shown in the register of Shareholders as at 7:00 pm AEDT on 17 January 2018.

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 Extraordinary 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

Online:
Visit www.investorvote.com.au and follow the prompts to submit your voting intention.

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 EXTRAORDINARY GENERAL MEETING TO BE HELD ON 19 JANUARY 2018

This Explanatory Statement accompanies the Notice of Meeting that relates to the Meeting to be held at the Company's Head Office on Friday 19 January 2018 at 10.00am AEDT. This Explanatory Statement forms part of the Notice of Meeting.

Shareholders should read this Explanatory Statement carefully before deciding how to vote on the Resolutions. All shareholders are invited and encouraged to attend the Meeting or, if they are unable to attend in person, to sign and return a Proxy Form to the Company in accordance with the instructions provided in the Notice of Meeting.

Background

As previously advised on 28 November 2017, given the long tenure of William Buck as Prime's external auditor, Prime's Directors assessed that it was appropriate to perform an external audit tender which included William Buck.

As a result of the tender process, the Board received proposals from four audit firms to provide independent external audit services to the Company. Following a review of the proposals the Board has resolved to recommend the appointment of Ernst & Young as the Company's auditors.

It should be noted that Ernst & Young is not the "Big 4" firm which Prime previously announced has prepared a draft independent report following a review of the accounting treatment and disclosures made by the Company in relation to Prime's Employee Share Plan (and related transactions). Consequently, if Ernst & Young is appointed as Prime's auditor, it will have the benefit of the draft independent report that has been produced. This means that two "Big 4" firms will have considered the accounting treatment of Prime's Employee Share Plan (and related transactions). Prime's Directors believe that this provides Shareholders with significant assurance that the item will be appropriately resolved.

While the Board is of the view that Ernst & Young has the credentials to provide the Company with quality audit services moving forward, the Board considers it appropriate that shareholders have the opportunity to participate in the decision-making process. Accordingly, Shareholders are requested to consider the following Resolutions.

Resolution 1 - Removal of Auditor

Under Section 329 of the Corporations Act 2001, an auditor of a company may be removed from office by resolution at a general meeting of which two months' notice of intention to move the resolution has been given. It should be noted that under Section 329 of the Corporations Act 2001, if a company calls a meeting after the notice of intention has been given, the meeting may pass the resolution even though the meeting is held less than two months after the notice of intention is given.

The Company has received a Notice of Intention to move a resolution for the removal of William Buck Audit (Vic) Pty Ltd as auditor of the Company in accordance with section 329(1A) of the Corporations Act 2001. The Notice of Intention, a copy of which is attached as Appendix A to this Notice of General Meeting, is dated 13 December 2017. Accordingly, the Company seeks approval to remove its current auditor even though the Meeting will be held less than two months after the Notice of Intention was received.

Recommendation

Resolution 1 is an ordinary resolution. The Directors recommend shareholders vote in favour of the resolution. The Chairman intends to vote undirected proxies in favour of the resolution.

Resolution 2 - Appointment of Auditor

Under Section 327D of the Corporations Act 2001, the Company in a general meeting may appoint an auditor to replace an auditor removed under Section 329 of the Corporations Act 2001.

If William Buck Audit (Vic) Pty Ltd is removed under Resolution 1, the Directors propose that Ernst & Young be appointed as the Company's auditor effective from the close of the Meeting.

Ernst & Young has provided its consent to act as the Company's auditor in accordance with Section 328A(1) of the Corporations Act 2001.

A nomination has been received from a shareholder of the Company to appoint Ernst & Young as required by section 328B(1) of the Corporations Act 2001. A copy of the nomination is attached as Appendix A to this Notice of General Meeting in order to satisfy the requirements of section 328B(3)(c) of the Corporations Act 2001.

If Resolutions 1 and 2 are passed, the appointment of Ernst & Young will take effect at the close of this General Meeting.

Recommendation

Resolution 2 is a special resolution. The Directors recommend shareholders vote in favour of the resolution. The Chairman intends to vote undirected proxies in favour of the resolution.

The passing of Resolution 2 is subject to Resolution 1 being approved by shareholders. Accordingly, if you intend to vote in favour of Resolution 2, you should also vote in favour of Resolution 1.

ENQUIRIES

Shareholders are required to contact Mr Simon Madder, Managing Director & CEO, or Mr Simon Munday, Company Secretary, on +61 (0) 3 9827 6999 if they have any queries in respect of the matters set out in these documents.

APPENDIX A - NOMINATION OF AUDITOR

13 December 2017

The Board of Directors
Prime Financial Group Limited

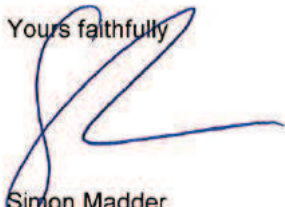
Dear Sirs

**Notice of Intention to remove William Buck Audit (Vic) Pty Ltd as Company Auditor
Nomination of Ernst & Young as Company Auditor**

I, Simon Madder, being a Director and member of Prime Financial Group Limited (the Company), request that a general meeting of the Company be held at the first available time, in any event no later than two months from the date of this notice, to consider and, if thought fit, pass the resolution that William Buck Audit (Vic) Pty Ltd be removed as auditor of the company.

Furthermore, for the purposes of Section 328B(1) of the Corporations Act 2001, I hereby nominate Ernst & Young for appointment as auditor of the Company.

Yours faithfully




Simon Madder
Managing Director/CEO



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: 181332

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 Wednesday 17 January 2018**

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 Extraordinary General Meeting of Prime Financial Group Limited to be held at the Prime Financial Group Limited Head Office at the Como Office Tower, Level 17, 644 Chapel Street, South Yarra, Victoria 3141 on Friday 19 January 2018 at 10:00 am AEDT and at any adjournment or postponement of that meeting.

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	Removal of Auditor	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Resolution 2	Appointment of Auditor	<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 / /