

Prime Financial Group Limited
ACN 009 487 674

NOTICE OF ANNUAL GENERAL MEETING

Incorporating Explanatory Statement and Proxy Form

Date and Time of Meeting	Friday 25 November 2022 at 9:00am (AEDT)
Place of Meeting	Hybrid Meeting at Level 17, HWT Tower, 40 City Road, Southbank, Melbourne and also Via Zoom webcast @ https://primefinancial.zoom.us/j/89648766682 (Meeting ID 89648766682, Passcode: Prime)



Prime Financial Group Limited

ACN 009 487 674

NOTICE OF ANNUAL GENERAL MEETING

Notice is hereby given that the Annual General Meeting of the Shareholders of the Company will be held as a hybrid meeting at 9:00am (AEDT) on Friday 25 November 2022 ("**AGM**" or "**the Meeting**").

The Meeting will be conducted as a hybrid meeting with shareholders able to attend and participate in person at Prime's Head Office at Level 17, HWT Tower, Southbank, Melbourne or online via the platform provided by Computershare, our share registry service provider.

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. Shareholders should read the documents in full.

AGENDA

ORDINARY BUSINESS

2022 Annual Financial Statements

To receive and consider the Director's Report and Financial Report for the year ended 30 June 2022 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 2022 forming part of the Director's Report be adopted by Shareholders".

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:

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- 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 Matt Murphy)

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

"That Mr Matt Murphy, 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".

Resolution 3. Approval of issue of Performance Rights to Mr Simon Madder, Managing Director and Chief Executive Officer.

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

"That, for the purposes of ASX Listing Rule 10.14 and for all other purposes, approval be given to issue to Mr Simon Madder, as Managing Director of the Company, 3,163,624 performance rights under the company's Performance Rights Plan, to acquire fully paid ordinary shares in the capital of the Company, on the terms and conditions set out in the Explanatory Statement accompanying this notice of Meeting."

The Board does not make any recommendation to Shareholders in respect of this Resolution since it concerns a Director's remuneration.

Resolution 4. Approval of issue of Performance rights to Mr Tim Bennett, Executive Director, and Managing Director – Capital and Corporate Advisory.

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

"That, for the purposes of ASX Listing Rule 10.14 and for all other purposes, approval be given to issue to Mr Tim Bennett, as Executive Director of the Company, 761,099 performance rights under the company's Performance Rights Plan, to acquire fully paid ordinary shares in the capital of the Company, on the terms and conditions set out in the Explanatory Statement accompanying this notice of Meeting."

The Board does not make any recommendation to Shareholders in respect of this Resolution since it concerns a Director's remuneration.

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Voting Restriction on Resolution 3 and 4

The Company will disregard any votes cast in favour of Resolutions 3 or 4 by or on behalf of any Director who is eligible to participate in the Performance Rights Plan or any associates (as defined in the ASX Listing Rules) of those persons.

However, the Company need not disregard a vote cast in favour of either of these Resolutions by:

- a. a person as proxy or attorney for a person who is entitled to vote on the relevant Resolution, in accordance with directions given to the proxy or attorney to vote on the Resolution in that way; or
- b. the Chair of the Meeting as proxy or attorney for a person who is entitled to vote on the relevant Resolution, in accordance with a direction given to the Chair to vote on the Resolution as the Chair decides; or
- c. a holder acting solely in a nominee, trustee, custodial or other fiduciary capacity on behalf of a beneficiary provided the following conditions are met:
 - i. 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 relevant Resolution; and
 - ii. the holder votes on the Resolution in accordance with directions given by the beneficiary to the holder to vote in that way.

Furthermore, to the extent required by section 250BD of the Corporations Act 2001, a person appointed as a proxy must not vote, on the basis of that appointment, on Resolutions 3 or 4, if the person is either a member of the key management personnel or a closely related party of such a member and the appointment does not specify the way the proxy is to vote on the Resolution. However, the proxy may vote if the proxy is the Chair and the appointment expressly authorises the Chair to exercise the proxy even if the Resolution is connected directly or indirectly with the remuneration of a member of key management personnel.

If the Chair is appointed as your proxy and you have not specified the way the Chair is to vote on Resolutions 3 or 4, by signing and returning the Proxy Form (including via an online voting facility) you are considered to have provided the Chair with an express authorisation for the Chair to vote the proxy in accordance with the Chair's intention, even though the Resolution is connected directly or indirectly with the remuneration of key management personnel.

Resolution 5. Approval of Financial Assistance

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

"That for the purposes of section 260B(2) of the Corporations Act 2001, and for all other purposes, Shareholders approve Intello providing financial assistance in connection with the Acquisition, as described in the Explanatory Statement accompanying this Notice of Meeting."

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OTHER BUSINESS

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

By the Order of the Board.



Mr Rory McLaughlin

Company Secretary

24 October 2022

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

Notice of the General Annual 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 9:00 am (AEDT) on Wednesday 23 November 2022.

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.

All Resolutions by Poll

All voting at the Meeting will be undertaken by way of a poll.

Voting when attending virtually using the Online Platform during the Meeting

Securityholders must use the Computershare Meeting Platform to vote in the meeting.

To vote in the meeting, you can log in by entering the following URL <https://meetnow.global/MKQLSVF> on your computer, tablet or smartphone. Online registration will open 30 minutes before the meeting.

To make the registration process quicker, please have your SRN/HIN and registered postcode or country code ready. Proxyholders will need to contact the call centre before the meeting to obtain their login details.

To vote in the meeting online follow the instructions below.

Step 1. Click on 'Join Meeting Now'.

Step 2. Enter your SRN/HIN. Proxyholders will need to contact Computershare on +61 3 9415 4024 one hour prior to the meetings to obtain their login details.

Step 3. Enter your postcode registered to your holding if you are an Australian securityholder. If you are an overseas securityholder select the country of your registered holding from the drop down list.

Step 4. Accept the Terms and Conditions and 'Click Continue'.

You can cast votes at the appropriate times while the meeting is in progress.

Asking questions when attending virtually

In order to ask a question at the AGM when attending virtually, please use the "Raise your Hand" function via Zoom, and you will be added as a temporary panellist in order to ask your question.

Notice of the General Annual 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, 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; 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.

EXPLANATORY STATEMENT TO THE NOTICE OF 2022 ANNUAL GENERAL

Prime Financial Group Limited

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This Explanatory Statement accompanies Prime Financial Group Limited's Notice of 2022 Annual General Meeting ("AGM" or "Meeting") to be held as a hybrid meeting on Friday 25 November 2022 at 9:00am AEDT. This Explanatory Statement forms part of the Notice of 2022 AGM. The Notice of 2022 AGM should be read together with these notes.

ORDINARY BUSINESS

2022 Annual Financial Statements

The Annual Financial Statements for the year ending 30 June 2022, comprising the Director's Report and Financial Report for the year ended 30 June 2022 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.

Resolution 1. Non-binding resolution to adopt Remuneration Report

Pursuant to the Corporations Act 2001 the AGM 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 (including via an online voting facility), you will be deemed to have provided the Chairman with an express authorisation for the Chairman to vote the proxy in accordance with the Chairman's intention.

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Resolution 2. Re-election of Director – Mr Matt Murphy

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 Matt Murphy is scheduled to retire by rotation at the AGM, and being eligible for re-election, offers himself for re-election.

Details of Candidate

Mr Matt Murphy
Executive Director

Term of Office:

Director since 3 July 2020

Independent:

No

Member of the Audit & Risk Committee, Remuneration and Nomination Committees.

Mr Matt Murphy is the Managing Director of Prime's Accounting & Business Advisory Division and plays an important role as a member of Prime's Leadership Team, continuing to build the Accounting & Business Advisory division and OneConnected service and team approach.

Recommendation

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

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

Resolutions 3 and 4 Approval of issue of Performance Rights under the Performance Rights Plan

Introduction:

The Company is proposing to issue performance rights (**Performance Rights**) to each of Mr Simon Madder and Mr Tim Bennett ("**Executive Directors**") under the Company's existing Performance Rights Plan ("**Performance Rights Plan**") ("**Proposed Executive Director Issues**").

A summary of the terms of the Performance Rights Plan is set out in Schedule 1, and a summary of the vesting conditions of the Performance Rights that are proposed to be issued to each of the Executive Directors pursuant to Resolutions 3 and 4 is set out in Schedule 2.

Prime's team is our biggest asset, and we want to continue to develop incentive structures, a culture and balance to achieve sustainably higher business and personal growth with a business owner mentality at the core, a true partnership between team and shareholders that encourages development and alignment. For this reason, having a well articulated and differentiated Long-term Incentive ("**LTi**") program to connect and grow the firm is essential.

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Prime's LTI program is designed to provide a long term at-risk incentive to all Prime staff and allows our team to become owners in Prime on the basis of growth in Underlying Earnings Before Interest Tax Depreciation and Amortisation ("**EBITDA**") for members/shareholders and Share Price Improvement ("**SPI**").

The Company remunerates its senior team, executives and all staff in a manner that is market competitive and consistent with best practice as well as supporting the interests of shareholders. Consequently, under Prime's Remuneration Policy, and subject to the determination of the Remuneration Committee, the remuneration of senior team members and executives may be comprised of the following:

- Fixed salary, including superannuation, that is determined from a review of the market and reflects core performance requirements and expectations;
- A Short-term Incentive (STI) designed to reward achievement by individuals of performance objectives; and
- A Long-term Incentive (LTI) based on ongoing Group performance.

By remunerating senior team members and executives through short and long-term incentive plans, in addition to their fixed remuneration, Prime's objective is to align the interests of the senior team and executives with those of shareholders and increase performance of the Company. The philosophy of deploying this remuneration structure and strategy is to provide a clear intention to improve the Company's fiscal performance and thereby increase underlying shareholder value.

The Remuneration Committee and Board received advice from an Independent Remuneration Consultant, (Remuneration Strategies Pty Ltd) in consideration of all senior team member and executive remuneration.

In the Extraordinary General Meeting on 14 July 2017, shareholders approved the Performance Rights Plan. This LTI structure which was first put into effect during FY21, continued in FY22 and applies to Prime Team members that have been with Prime for at least twelve months. Upon the firm achieving the required performance criteria, the LTI program provides an allocation of Performance Rights to eligible team members. The Board implemented a level of minimum acceptable growth in Underlying EBITDA and Share Price Increase (SPI) as these performance criteria. (Please see schedule 2).

Shareholder approval sought

ASX Listing Rule 10.14 provides that a listed company must not permit a director (or certain other persons) to acquire equity securities under an employee incentive scheme unless it obtains the approval of its shareholders.

The Proposed Executive Director Issues fall within ASX Listing Rule 10.14 and therefore requires the approval of shareholders. Resolutions 3 and 4 seek the required shareholder approvals to the Proposed Executive Director Issues for the purposes of ASX Listing Rule 10.14.

The Board has considered the Proposed Executive Director Issues and, taking into account the circumstances of the Company and its subsidiaries, the circumstances of the Executive Directors, and the remuneration practices of other similar entities, considers that the financial benefits provided to the Executive Directors by way of the Performance Rights (together with the other elements of their remuneration packages) constitute reasonable remuneration. Accordingly, approval under Chapter 2E of the Corporations Act 2001 is not being sought.

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If Resolution 3 is passed, the Company will be able to proceed with the proposed issue of Performance Rights to Mr Simon Madder and issue up to a total of 3,163,624 Performance Rights to Mr Simon Madder or his nominee.

If Resolution 4 is passed, the Company will be able to proceed with the proposed issue of Performance Rights to Mr Tim Bennett and issue up to a total of 761,099 Performance Rights to Mr Tim Bennett or his nominee.

If Resolution 3 or 4 is not passed, the Company will not be able to proceed with the proposed issue of Performance Rights that are the subject of the failed Resolution.

Information required by ASX Listing Rule 10.15

The following information is provided in accordance with ASX Listing Rule 10.15 which sets out the information that must be provided to Shareholders in order to obtain Shareholder approval under ASX Listing Rule 10.14:

- i. The persons to acquire Performance Rights under the Performance Rights Plan are Mr Simon Madder and Mr Tim Bennett, or their respective nominees. They are both Executive Directors of the Company.
- ii. Mr Simon Madder and Mr Tim Bennett fall within ASX Listing Rule 10.14.1 as they are Directors of the Company. Their nominees (if applicable) would fall within ASX Listing Rule 10.14.2, as they would be considered associates.
- iii. The maximum number of Performance Rights that may be issued to each Executive Director (or their nominee) under the Performance Rights Plan pursuant to Resolutions 3 and 4 is as per below:

•	Mr Simon Madder	3,163,624
•	Mr Tim Bennett	761,099
	Total:	3,924,723

Each Performance Right will convert into an ordinary share upon vesting in accordance with its terms.

- iv. The current total remuneration package for each of the Executive Directors who will participate in the Proposed Executive Directors issues is set out in the Table below:

Director	Current Fixed remuneration package
Mr Simon Madder	\$498,798 per annum (inclusive of superannuation)
Mr Tim Bennett	\$360,000 per annum (Base Consultancy fees)

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- v. Mr Simon Madder and Mr Tim Bennett have previously had been issued Performance Rights under the Performance Rights Plan for nil consideration. These are shown in the table below.

Directors	Vesting date
	26-November-2023
Mr Simon Madder	3,101,963
Mr Tim Bennett	3,000,000
Mr Matthew Murphy	781,250
Total	6,883,213

- vi. A summary of the material terms of the Performance Rights Plan and the vesting conditions attached to the Performance Rights to be issued pursuant to the Proposed Executive Director Issues are set out in Schedule 1 and Schedule 2 respectively.
- vii. The Company has chosen to grant the Performance Rights to the Executive Directors for the following reasons:
- (a) the issue of Performance Rights has the benefit of further aligning the interests of the Executive Directors with those of the Shareholders;
 - (b) the issue is a reasonable and appropriate method to provide cost effective, non-cash remuneration, allowing cash reserves to be used for its operations;
 - (c) the issues will have no immediate dilutionary impact on Shareholders and will only dilute shareholders if the relevant Performance Rights vest on the achievement of the performance conditions;
- viii. If all performance conditions are met and 100% of the Performance Rights proposed under Resolution 3 and 4 vest, the Company considers the Performance Rights to have an approximate total value over a two year period of \$883,063, being \$0.225 per Performance Right based on the closing price on the ASX on 6 October 2022.
- ix. It is proposed that the Executive Directors (or their respective nominees) will be issued the Performance Rights as soon as practicable (and within the required three years) after the date of the Meeting.
- x. The Performance Rights will be issued to each Executive Director (or their nominee) for nil cash consideration (in line with the terms of the Performance Rights Plan), as part of their remuneration package.
- xi. No loans will be provided in relation to the acquisition of the Performance Rights.
- xii. Details of any issued Performance Rights will be included in the annual report of the Company relating to the period in which they were issued, along with a statement that the approval for the issue was obtained under the ASX Listing Rule 10.14.
- xiii. Any additional persons covered by ASX Listing Rule 10.14 who become entitled to participate in an issue of Performance Rights under the Performance Rights Plan after these resolutions are approved and who are not named in this Notice will not participate until approval is obtained under this rule.

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xiv. Voting exclusion statements in respect of Resolutions 3 and 4 have been set out within this Notice.

If approval is given under ASX Listing Rule 10.14, approval is not required under ASX Listing Rule 7.1.

Recommendation

The Board does not make any recommendation to Shareholders in respect of Resolutions 3 or 4 given that the Resolutions concern the remuneration of acting Directors. The Chairman of the meeting intends to vote undirected proxies in favour of Resolutions 3 and 4.

Resolution 5 – Approval of Financial Assistance

5.1 Background

As announced to the market on 4 October 2022, the Company (through its wholly owned subsidiary Prime Corporate Pty Ltd) acquired 100% ownership of Intello Pty Ltd ("**Intello**"), a market leading B2B Self Managed Superannuation Fund ("**SMSF**") Administrator providing services to Accountants, Financial Advisers and their clients across Australia ("**the Acquisition**").

On completion of the Acquisition Intello became a subsidiary of the Company.

Resolution 5 seeks Shareholder approval under section 260B(2) of the Corporations Act 2001 for Intello to provide financial assistance in connection with the Acquisition within the meaning of section 260A of the Corporations Act 2001. An explanation as to why Shareholder approval is required and the advantages and disadvantages associated with Intello providing the financial assistance are set out below.

Resolution 5 is a special resolution and can only be passed if at least 75% of the total votes cast by shareholders entitled to vote on the resolution (whether in person or by proxy, attorney or representative) are voted in favour of the resolution.

5.2 Restrictions on Companies Giving Financial Assistance

Under section 260A of the Corporations Act 2001, a company is permitted to financially assist a person to acquire shares in itself, or a holding company of the company, only in limited circumstances, including where the financial assistance is approved by shareholders under section 260B of the Corporations Act 2001.

A company may be regarded as providing financial assistance if it furnishes something which is needed in order for a transaction to be carried out, or provides aid or help for the transaction. The expression "financial assistance" has no technical meaning and requires examination of the commercial realities of the relevant transactions.

Financial assistance may be held to have been provided to acquire shares even if the assistance occurs after the completion of the acquisition, provided there is some link between the assistance and the acquisition.

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5.3 Shareholder Approval of Financial Assistance

Under section 260B(1) of the Corporations Act 2001, a company is permitted to financially assist a person to acquire shares in itself, or a holding company of the company, if the financial assistance is approved by its shareholders by:

- (a) a special resolution passed at a general meeting of the company, with no votes cast in favour of the resolution by the person acquiring shares or by their associates; or
- (b) a resolution agreed at a general meeting by all ordinary shareholders.

If immediately after the acquisition, the company will be a subsidiary of another domestic corporation that is listed in Australia ("**Ultimate Australian Holding Company**"), then the financial assistance must also be approved by the shareholders of the Ultimate Australian Holding Company by way of special resolution under section 260B(2) passed in general meeting of that company.

5.4 What is Intello Being Requested To Do?

The Prime Group entered into a new debt facility agreement with Westpac ("**Facility Agreement**"). In order to assist with the funding of the Acquisition, the Company used funds drawn under the Facility Agreement.

The Facility Agreement is supported by an interlocking guarantee ("**Interlocking Guarantee**") pursuant to which each Prime Group entity guarantees, in favour of Westpac, that the Prime Group will perform its obligations under the Facility Agreement.

The terms of the Facility Agreement require that each Prime Group entity must accede to the Interlocking Guarantee. Accordingly, by virtue of Intello becoming a subsidiary of the Company upon completion of the Acquisition, Westpac now requires Intello to accede to the Interlocking Guarantee.

By acceding to the Interlocking Guarantee, Intello will, among other things, become bound by the terms of the Interlocking Guarantee. This means Intello will be required to:

- (i) provide certain indemnities and undertakings to Westpac (all of which are considered standard in the context of loan facility arrangements); and
- (ii) grant security over its assets in favour of Westpac (to secure the performance of its obligations under the Interlocking Guarantee).

In circumstances where Westpac has made funds available to the Company under the Facility Agreement for Prime Corporate to acquire shares in Intello, and Intello subsequently enters into the Interlocking Guarantee, Intello will be deemed to be providing financial assistance to Prime Corporate within the meaning of section 260A of the Corporations Act 2001.

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It is proposed that the provision of this financial assistance by Intello be approved by Shareholders in accordance with section 260B(2) of the Corporations Act 2001 by passing Resolution 5.

5.5 Effect of Financial Assistance

The substantial effect of the financial assistance is that Intello will be required to guarantee all amounts payable under the Facility Agreement and will be subject to certain representations and undertakings contained within the Interlocking Guarantee and associated security documentation (all of which are considered standard in the context of loan facility arrangements).

The Facility Agreement has a facility limit of \$20.5 million which, at the date of the Notice of Meeting is drawn to approximately \$10.8 million.

As the Company and other Prime Group entities are already liable for amounts payable under the Facility Agreement, the financial assistance that is to be provided by Intello is unlikely to have any adverse affect on the Company or the Prime Group.

5.6 Advantages of Providing Financial Assistance

It is a requirement of Westpac that Intello execute the Interlocking Guarantee, and any failure to do so may constitute "an event of default" under the Facility Agreement. The advantage of passing Resolution 5 is that Intello will be able to accede to the Interlocking Guarantee and therefore the Company and the other Prime Group entities can avoid an event of default occurring.

If an event of default were to occur, Westpac may require the immediate repayment of amounts outstanding under the Facility Agreement. This would require the Company to refinance the Facility Agreement with another lender. If the Company is not able to refinance the Facility Agreement on acceptable terms, it may be required to raise funds to satisfy any outstanding loan repayments by undertaking an equity raising or disposing of one or more of its assets.

5.7 Disadvantages of Providing Financial Assistance

As the Company and the entities within the Prime Group (other than Intello) are already liable for amounts due under the Facility Agreement, the Directors do not believe there are any material disadvantages associated with Intello providing financial assistance in the manner described above.

As noted above, Intello will be impacted if it provides the financial assistance as, by acceding to the Interlocking Guarantee, it will become liable for amounts due under the Facility Agreement in the event any member of the Prime Group defaults in its repayment obligations. Intello's operations will also be restricted by the representations and undertakings it is required to provide pursuant to the Interlocking Guarantee and associated security documentation (all of which are considered standard in the context of loan facility arrangements).

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5.8 Notice to ASIC

As required by section 260B(5) of the Corporations Act 2001, copies of the Notice of Meeting and this Explanatory Statement were lodged with ASIC prior to being sent to shareholders.

5.9 Recommendation

The Directors consider that this Explanatory Statement contains all information known to the Company that would be material to Shareholders in deciding how to vote in respect of Resolution 5, other than information which would be unreasonable to require the Company to include by virtue of having been disclosed to Shareholders previously.

The Board recommends that Shareholders vote in favour of Resolution 5 to approve the giving of financial assistance by Intello as set out above.

The Chairman of the Meeting intends to vote all available proxies in favour of Resolution 5.

ENQUIRIES

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

EXPLANATORY STATEMENT TO THE NOTICE OF 2022 ANNUAL GENERAL MEETING Schedule 1 – Summary of key terms of the Performance

**Prime Financial Group
Limited**
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Schedule 1 – Summary of key terms of the Performance Rights Plan

The key terms of the Performance Rights Plan are as follows:

- a. The Board may, from time to time, in its absolute discretion, make a written offer to any of the following:
 - i. An Executive Director of any Prime Group entity;
 - ii. a full or part time employee of any Prime Group entity;
 - iii. a casual employee or contractor of a Prime Group entity; or
 - iv. a prospective participant, being a person to whom an offer is made but who can only accept the Offer if an arrangement has been entered into that will result in the person becoming an Eligible Participant under clauses (i), (ii) or (iii) above.

Eligible Participants

- b. Under the Performance Rights Plan the Board may grant Performance Rights to Eligible Participants (or their eligible nominees) with effect from the date determined by the Board, upon the terms set out in the Performance Rights Plan and upon such additional terms and vesting conditions as the Board determines.
- c. Performance Rights will be granted for nil consideration.
- d. Eligible Participants must not encumber Performance Rights without the Board's consent.
- e. The Board will advise each Eligible Participant of the following minimum information regarding the Performance Rights:
 - i. the maximum number of Performance Rights that the Eligible Participant may apply for, or the formula for determining the number of Performance Rights that may be applied for;
 - ii. the maximum number of Shares that the Eligible Participant is entitled to be issued on the exercise of each Performance Right or the formula for determining the maximum number of Shares;
 - iii. any applicable vesting conditions;
 - iv. when unvested Performance Rights will expire (Expiry Date);
 - v. the date by which an offer must be accepted (Closing Date); and
 - vi. any other information required by law or the ASX Listing Rules or considered by the Board to be relevant to the Performance Rights or the Shares to be issued on exercise of the Performance Rights.
- f. Subject to clause (k) below, a Performance right granted under the Performance Rights Plan will not vest and be exercisable unless the vesting conditions (if any) have been satisfied and the Board has notified the Eligible Participant of that fact.

EXPLANATORY STATEMENT TO THE NOTICE OF 2022 ANNUAL GENERAL MEETING Schedule 1 – Summary of key terms of the Performance

**Prime Financial Group
Limited**
ACN 009 487 674

- g. The Performance Rights do not entitle holders to participate in new issues of capital, to vote, or to receive dividends (unless and until a Performance Right is exercised and the Participant holds Shares).
- h. The Board must notify an Eligible Participant in writing within 10 Business Days of becoming aware that any vesting conditions attaching to a Performance Right have been satisfied.
- i. Subject to the Corporations Act 2001, the ASX Listing Rules and the Performance Rights Plan, the Company must issue to the Participant or his or her personal representative (as the case may be) the number of Shares the Participant is entitled to be issued in respect of vested Performance Rights that are exercised, within 10 business days of the Performance Rights being exercised.
- j. A Performance Right will lapse upon the earlier to occur of:
 - i. an unauthorised dealing in, or hedging of, the Performance Right occurring, as governed by the Performance Rights Plan;
 - ii. a vesting condition in relation to the Performance Right is not satisfied by the due date, or becomes incapable of satisfaction, as determined by the Board in its absolute discretion, unless the Board exercises its discretion to vest the Performance Right in accordance with the Performance Rights Plan;
 - iii. a vested Performance Right is not exercised within the time limit specified in the Performance Rights Plan;
 - iv. an Eligible Participant (or, where the participant is a nominee of the Eligible Participant, that Eligible Participant) ceases to be an Eligible Participant, unless the Board exercises its discretion to vest the Performance Right in accordance with the Performance Rights Plan;
 - v. the Board deems that a Performance Right lapses due to fraud, dishonestly or other improper behavior of the holder/Eligible Participant in accordance with the Performance Rights Plan;
 - vi. the Company undergoes a change of control or a winding up resolution or order is made, and the Board does not exercise its discretion to vest the Performance Right in accordance with the Performance Rights Plan; and
 - vii. the Expiry Date of the Performance Right.
- k. The Board may, in its absolute discretion, by written notice to a participant, resolve to waive any of the vesting conditions applying to the Performance Rights due to:
 - i. an Eligible Participant or, where the participant is a nominee of an Eligible Participant, that Eligible Participant, ceasing to be an Eligible Participant as a result of:
 - (a) death or total permanent disability; or
 - (b) retirement or redundancy; or

**EXPLANATORY STATEMENT TO THE
NOTICE OF 2022 ANNUAL GENERAL MEETING**
Schedule 1 – Summary of key terms of the Performance

**Prime Financial Group
Limited**
ACN 009 487 674

- ii. an Eligible Participant or, where the participant is a nominee of an Eligible Participant, that
 - iii. Eligible Participant, suffering severe financial hardship;
 - iv. the terminal illness of the participant (or Eligible Participant, as applicable) or of an immediate family member of the participant (or Eligible Participant, as applicable);
 - v. a change of control occurring or the Company passing a resolution for voluntary winding up, or an order is made for the compulsory winding up of the Company.
- I. Subject to any requirements of the Corporations Act 2001 or the ASX Listing Rules, the Board may amend the terms of the Performance Rights Plan and may adjust the terms of a Performance Right (provided it may only do so with the consent of the holder of a Performance Right where the adjustment will have a materially prejudicial effect on the holder).

EXPLANATORY STATEMENT TO THE NOTICE OF 2022 ANNUAL GENERAL MEETING

Schedule 2 – Summary of the vesting conditions of the Performance Rights Prime Financial Group Limited

ACN 009 487 674

(*“the Company” or “Prime”*)

Schedule 2 – Summary of the vesting conditions of the Performance Rights

The Performance Rights being granted to the Executive Directors pursuant to the Proposed Executive Director Issues consist of Long-term Incentives ("LTI's") for FY22 Performance

The Performance and Vesting conditions include the following for the FY22 LTI;

- Cumulative 8% compound growth in underlying EBITDA (members/shareholders) over a three year performance period; starting 1 July 2021
- Cumulative 20% compound growth in Prime's share price over a three year performance period; starting 1 July 2021, and
- Being a continuing employee or contractor of Prime at the time of vesting being 29 November 2024 (two year vesting period)

Mr Simon Madder (Resolution 3)

Mr Simon Madder's Total Fixed Remuneration ("**FAR**") (base Salary and superannuation): \$498,798

The Proposed 3,163,624 Performance Rights to be granted to Mr Simon Madder relate to a LTI on the FY22 Performance

i. 3,163,624 LTI PR's for FY22 Performance

- to vest on 29 November 2024: 60% of FAR, assuming all performance and vesting conditions are met.

Calculation and formula for the number of LTI PR's to be Granted.

$$\text{LTI} = \frac{\text{FAR} \times 60\%}{B}$$

B = 30 day trading VWAP of Shares prior to 1 July 2021, being \$0.0946

EXPLANATORY STATEMENT TO THE NOTICE OF 2022 ANNUAL GENERAL MEETING

Schedule 2 – Summary of the vesting conditions of the Performance Rights Prime Financial Group Limited

ACN 009 487 674

(*“the Company” or “Prime”*)

Mr Tim Bennett (Resolution 4)

Mr Tim Bennett’s Total Fixed Remuneration (**“FAR”**) (base Consultancy fees): \$360,000

The Proposed 761,099 Performance Rights to be granted to Mr Tim Bennett relate to the following;

- i. **761,099 LTI PR’s for FY22 Performance and in recognition of the establishment of the Corporate Advisory and Capital Division.**
- to vest on 29 November 2024: 20% of FAR, assuming all performance and vesting conditions are met.

$$\text{FY22 LTI} = \frac{\text{FAR} \times 20\%}{B}$$

B = 30 day trading VWAP of Shares prior to 1 July 2021, being \$0.0946



Prime Financial Group Limited
ABN 70 009 487 674

Need assistance?



Phone:
1300 850 505 (within Australia)
+61 3 9415 4000 (outside Australia)



Online:
www.investorcentre.com/contact

PFG

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

Prime Financial Group Limited Annual General Meeting

The Prime Financial Group Limited Annual General Meeting will be held on Friday, 25 November 2022 at 9:00am (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 and use the below information:



Control Number: 999999
SRN/HIN: 1999999999
PIN: 99999

For Intermediary Online subscribers (custodians) go to www.intermediaryonline.com

For your proxy appointment to be effective it must be received by 9:00am (AEDT) Wednesday, 23 November 2022.



ATTENDING THE MEETING VIRTUALLY

To view the live webcast and ask questions on the day of the meeting you will need to visit **insert link to webcast**

To vote online during the meeting you will need to visit <https://meetnow.global/MKQLSVF>
For instructions refer to the online user guide www.computershare.com.au/onlinevotinguide



ATTENDING THE MEETING IN PERSON

The meeting will be held at:
Prime Financial Group Limited Head Office, HWT Tower, Level 17, 40 City Road, Southbank VIC 3006

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.



Prime Financial Group Limited
ABN 70 009 487 674

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Need assistance?



Phone:
1300 850 505 (within Australia)
+61 3 9415 4000 (outside Australia)



Online:
www.investorcentre.com/contact



YOUR VOTE IS IMPORTANT

For your proxy appointment to be effective it must be received by **9:00am (AEDT) on Wednesday, 23 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 and select "Printable Forms".

Lodge your Proxy Form:

XX

Online:

Lodge your vote online at 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

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.

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 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 Prime Financial Group Limited Head Office, HWT Tower, Level 17, 40 City Road, Southbank VIC 3006 and as a virtual meeting on Friday, 25 November 2022 at 9:00am (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 Resolutions 1, 3 and 4 (except where I/we have indicated a different voting intention in step 2) even though Resolutions 1, 3 and 4 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, 3 and 4 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	Remuneration Report	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Resolution 2	Re-election of Director (Mr. Matt Murphy)	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Resolution 3	Approval of issue of Performance Rights (PR's) to Mr Simon Madder, Managing Director and Chief Executive Officer	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Resolution 4	Approval of issue of Performance rights (PR's) to Mr Tim Bennett, Executive Director, and Managing Director – Capital and Corporate Advisory	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Resolution 5	Approval of Financial Assistance	<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

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Computershare

