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**FINEXIA FINANCIAL GROUP LTD**  
**ACN 106 760 418**  
**NOTICE OF ANNUAL GENERAL MEETING**

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Notice is given that the Meeting will be held at:

**TIME:** 11:00am (AEDT)  
**DATE:** 18 November 2022  
**PLACE:** Level 7  
33 Elkhorn Avenue  
SURFERS PARADISE QLD 4217

***The business of the Meeting affects your shareholding, and your vote is important.***

***This Notice 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.***

***The Directors have determined pursuant to 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 at 11.00am (AEDT) on 16 November 2022.***

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## BUSINESS OF THE MEETING

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### AGENDA

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#### 1. FINANCIAL STATEMENTS AND REPORTS

To receive and consider the annual financial report of the Company for the financial year ended 30 June 2022 together with the declaration of the Directors, the Director's report, the Remuneration Report and the auditor's report.

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

To consider and, if thought fit, to pass, with or without amendment, the following resolution as a **non-binding resolution**:

*"That, for the purposes of section 250R(2) of the Corporations Act and for all other purposes, approval is given for the adoption of the Remuneration Report as contained in the Company's annual financial report for the financial year ended 30 June 2022."*

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

A voting prohibition statement applies to this Resolution. Please see below.

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#### 3. RESOLUTION 2 – RE-ELECTION OF DIRECTOR – PATRICK BELL

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

*"That, for the purpose of clause 14.2 of the Constitution, Listing Rule 14.5 and for all other purposes, Patrick Bell, a Director, retires by rotation, and being eligible, is re-elected as a Director."*

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#### 4. RESOLUTION 3 – CONSOLIDATION OF CAPITAL

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

*"That, pursuant to section 254H of the Corporations Act and for all other purposes, the issued capital of the Company be consolidated on the basis that every 5 Shares be consolidated into 1 Share and, where this Consolidation results in a fraction of a Share being held, the Company be authorised to round that fraction up to the nearest whole number."*

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#### 5. RESOLUTION 4 – APPROVAL TO ISSUE PLACEMENT SHARES

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

*"That, for the purposes of Listing Rule 7.1 and for all other purposes, approval is given for the Company to issue up to 23,037,980 Shares (or 4,607,596 Shares on a post consolidated basis subject to shareholder approval of Resolution 3) on the terms and conditions set out in the Explanatory Statement."*

A voting exclusion statement applies to this Resolution. Please see below.

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**6. RESOLUTION 5 – APPROVAL TO ISSUE CONVERTIBLE SECURITIES**

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

*"That, for the purposes of Listing Rule 7.1 and for all other purposes, approval is given for the Company to issue up to 400 Convertible Notes with a face value of A\$25,000 for each note on the terms and conditions set out in the Explanatory Statement."*

A voting exclusion statement applies to this Resolution. Please see below.

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**7. RESOLUTION 6 – ADOPTION OF 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 Listing Rule 7.2 (Exception 13(b)) and for all other purposes, approval is given for the Company to adopt an employee incentive scheme titled Employee Securities Incentive Plan and for the issue of a maximum of 8,105,355 securities (or 1,621,071 securities on a post consolidated basis subject to shareholder approval of Resolution 3) under that Plan, on the terms and conditions set out in the Explanatory Statement."*

A voting exclusion statement and voting prohibition statement apply to this Resolution. Please see below.

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**8. RESOLUTION 7 – APPROVAL OF 7.1A MANDATE**

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

*"That, for the purposes of Listing Rule 7.1A and for all other purposes, approval is given for the Company to issue up to that number of Equity Securities equal to 10% of the issued capital of the Company at the time of issue, calculated in accordance with the formula prescribed in Listing Rule 7.1A.2 and otherwise on the terms and conditions set out in the Explanatory Statement."*

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**Dated: 12 October 2022**

**By order of the Board**

**Neil Sheather**  
**Managing Director**

## Voting Prohibition Statements

<b>Resolution 1 – Adoption of Remuneration Report</b>	<p>A vote on this Resolution must not be cast (in any capacity) by or on behalf of either of the following persons:</p> <ul style="list-style-type: none"> <li>(a) a member of the Key Management Personnel, details of whose remuneration are included in the Remuneration Report; or</li> <li>(b) a Closely Related Party of such a member.</li> </ul> <p>However, a person (the <b>voter</b>) described above may cast a vote on this Resolution as a proxy if the vote is not cast on behalf of a person described above and either:</p> <ul style="list-style-type: none"> <li>(a) the voter is appointed as a proxy by writing that specifies the way the proxy is to vote on this Resolution; or</li> <li>(b) the voter is the Chair and the appointment of the Chair as proxy: <ul style="list-style-type: none"> <li>(i) does not specify the way the proxy is to vote on this Resolution; and</li> <li>(ii) expressly authorises the Chair to exercise the proxy even though this Resolution is connected directly or indirectly with the remuneration of a member of the Key Management Personnel.</li> </ul> </li> </ul>
<b>Resolution 6 – Adoption of Incentive Plan Option</b>	<p>A person appointed as a proxy must not vote on the basis of that appointment, on this Resolution if:</p> <ul style="list-style-type: none"> <li>(a) the proxy is either: <ul style="list-style-type: none"> <li>(i) a member of the Key Management Personnel; or</li> <li>(ii) a Closely Related Party of such a member; and</li> </ul> </li> <li>(b) the appointment does not specify the way the proxy is to vote on this Resolution.</li> </ul> <p>However, the above prohibition does not apply if:</p> <ul style="list-style-type: none"> <li>(a) the proxy is the Chair; and</li> <li>(b) the appointment expressly authorises the Chair to exercise the proxy even though this Resolution is connected directly or indirectly with remuneration of a member of the Key Management Personnel.</li> </ul>

## Voting Exclusion Statements

In accordance with Listing Rule 14.11, the Company will disregard any votes cast in favour of the Resolution set out below by or on behalf of the following persons:

<b>Resolution 4 – Approval to issue Shares</b>	<p>A person who is expected to participate in, or who will obtain a material benefit as a result of, the proposed issue (except a benefit solely by reason of being a holder of ordinary securities in the Company) (namely, the Placement Participants) or an associate of that person (or those persons).</p>
<b>Resolution 5 – Approval to issue Convertible Securities</b>	<p>A person who is expected to participate in, or who will obtain a material benefit as a result of, the proposed issue (except a benefit solely by reason of being a holder of ordinary securities in the Company) (namely, the Subscribers) or an associate of that person (or those persons).</p>
<b>Resolution 6 – Adoption of Employee Securities Incentive Plan</b>	<p>A person who is eligible to participate in the employee securities incentive scheme or an associate of that person or those persons.</p>

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

- (a) a person as a proxy or attorney for a person who is entitled to vote on the Resolution, in accordance with the directions given to the proxy or attorney to vote on the Resolution in that way; or
- (b) the Chair as proxy or attorney for a person who is entitled to vote on the Resolution, in accordance with a direction given to the Chair to vote on the Resolution as the Chair decides; or
- (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 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.

### **Voting in person**

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

### **Voting by proxy**

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To vote by proxy, please complete and sign the enclosed Proxy Form and return by the time and in accordance with the instructions set out on the Proxy Form.

In accordance with section 249L of the Corporations Act, Shareholders are advised that:

- each Shareholder has a right to appoint a proxy;
- the proxy need not be a Shareholder of the Company; and
- a Shareholder who is entitled to cast two (2) or more votes may appoint two (2) proxies and may specify the proportion or number of votes each proxy is appointed to exercise. If the member appoints two (2) proxies and the appointment does not specify the proportion or number of the member's votes, then in accordance with section 249X(3) of the Corporations Act, each proxy may exercise one-half of the votes.

Shareholders and their proxies should be aware that:

- if proxy holders vote, they must cast all directed proxies as directed; and
- any directed proxies which are not voted will automatically default to the Chair, who must vote the proxies as directed.

***Should you wish to discuss the matters in this Notice of Meeting please do not hesitate to contact the Company on 1300 886 103 or email to [info@finexia.com.au](mailto:info@finexia.com.au).***

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## EXPLANATORY STATEMENT

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This Explanatory Statement has been prepared to provide information which the Directors believe to be material to Shareholders in deciding whether or not to pass the Resolutions.

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### 1. FINANCIAL STATEMENTS AND REPORTS

In accordance with the Corporations Act, the business of the Meeting will include receipt and consideration of the annual financial report of the Company for the financial year ended 30 June 2022 together with the declaration of the Directors, the Directors' report, the Remuneration Report and the auditor's report.

The Company will not provide a hard copy of the Company's annual financial report to Shareholders unless specifically requested to do so. The Company's annual financial report is available on its website at <https://www.finexia.com.au/>.

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### 2. BACKGROUND TO RESOLUTIONS 4 AND 5

The Company is currently considering entering into a proposed transaction which will comprise the following material terms:

- (a) **Acquisition:** The Company is proposing to acquire:
- (i) that part of the Finexia Direct Accommodation Income Fund (**FDAIF**) which it does not already have an investment in, from the existing FDAIF investors, which the Company confirms are not related parties, key management personnel, substantial holders, advisors or associates of the Company; and
  - (ii) a single portfolio of four holiday accommodation assets from vendor, Mr Paul Picone (**Trust Assets**),

(together, the **Proposed Transaction**).

Further details of the FDAIF acquisition and the Trust Assets are set out in Section 2.1 below and the Company's ASX announcement dated 12 October 2022 (**ASX Announcement**).

- (b) **Consideration:** the consideration under the Proposed Transaction is:
- (i) for the units in the FDAIF, a cash payment of \$6,000,000 (to be raised by the Company through the Placement (the subject of Resolution 4) and the Rights Issue (defined below)); and
  - (ii) for the Trust Assets, \$10,000,000 to be raised by the Company via the issue of the Convertible Notes (the subject of Resolution 5).
- (c) **Conditions Precedent:** The Proposed Transaction is conditional upon:
- (i) completion of due diligence investigations by the Company on the FDAIF and the Trust Assets;
  - (ii) completion of the Capital Raising (defined below); and
  - (iii) the Company obtaining all necessary Shareholder, regulatory or third-party approvals required to complete the Proposed Transaction.

The Proposed Transaction will otherwise be made on customary terms. Further details will be made available on the Company's ASX platform.

There will be no changes to the Board as a result of the Proposed Transaction.

## **2.1 Future Operations**

### **(a) Finexia Direct Income Accommodation Fund**

The Company's flagship Finexia Direct Accommodation Income Fund (FDAIF) was launched in September 2021.

The open-ended fund was established to take advantage of an opportunity to invest in a high-quality portfolio of holiday and long-term accommodation businesses, known as 'management letting rights'. The properties currently within the portfolio are primarily located in the hugely popular coastal South-East Queensland region. The strategic blend of accommodations (holiday letting and long-term tenancies) has afforded the fund the ability to diversify the income sufficiently to ensure the overall performance is not entirely hinged on one segment of the accommodation market. In December 2021, FDAIF achieved a key milestone by making its first income distribution to unitholders.

Of the 13,824,610 units on issue in the FDAIF, the Company currently owns 6,334,310 units. Under the Proposed Transaction, the Company is proposing to acquire the balance of the existing units within the Finexia Direct Accommodation Income Fund (being 7,490,300 units), and therefore assume full ownership. The Company does not intend to make any changes to the external management of FDAIF or the underlying operations.

Further details regarding the FDAIF are set out in the Company's ASX announcement dated 24 December 2021 titled 'Finexia Funds Management Achieves Milestone and the ASX Announcement'.

### **Trust Assets**

Under the Proposed Transaction, the Company is proposing to acquire the four complementary accommodation business assets of the PT Picone Trust (Mr Paul Picone).

The Trust Assets comprise four high quality accommodation assets located in the tourist hotspots of Broadbeach and Surfers Paradise in South-East Queensland's Gold Coast. The accommodations are situated in close proximity to those existing assets in the FDAIF.

The vendor, Mr Paul Picone, has operated the four business for over 15-years and is contracted to remain on as the manager for a minimum of 2-years post-settlement.

The acquisition of the Trust Assets further strengthens the FDAIF strategy of assuming a dominant position in the Broadbeach precinct as the operator of quality preferred holiday accommodations.

Further details regarding the Trust Assets are set out in the ASX Announcement.

## 2.2 Capital Raising

As part of the Proposed Transaction, the Company is proposing to conduct a capital raising comprising:

- (a) a placement of up to 23,037,980 Shares (or 4,607,596 Shares on a post consolidated basis) (**Placement Shares**) to sophisticated and professional investors to raise up to \$1,151,899 (**Placement**) (being the subject of Resolution 4);
- (b) the issue of redeemable convertible notes to raise \$10,000,000 to various subscribers (**Subscribers**) (being the subject of Resolution 5) (**Convertible Notes**); and
- (c) a rights issue via the issue of 81,053,553 Shares (or 16,210,711 on a post consolidated basis) on a 1:2 basis with an issue price of \$0.06 (or \$0.30 on a post-consolidated basis) to raise up to \$4,863,213 (**Rights Issue**) (further details of which will be released to the ASX once known),

(together, the **Capital Raising**).

The Placement Shares to be under the Placement are proposed to be issued at an issue price of \$0.05 per Placement Share (or \$0.25 on a post consolidated basis).

The Convertible Notes will be issued on the terms set out in Schedule 1.

The Company is seeking shareholder approval for the issue of the Placement Shares pursuant to Resolution 4 and the issue of the Convertible Notes pursuant to Resolution 5. However, the Placement and the issue of the Convertible Notes are not conditional upon shareholder approval being obtained for both resolutions.

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## 3. RESOLUTION 1 – ADOPTION OF REMUNERATION REPORT

### 3.1 General

The Corporations Act requires that at a listed company's annual general meeting, a resolution that the remuneration report be adopted must be put to the shareholders. However, such a resolution is advisory only and does not bind the company or the directors of the company.

The remuneration report sets out the company's remuneration arrangements for the directors and senior management of the company. The remuneration report is part of the directors' report contained in the annual financial report of the company for a financial year.

The chair of the meeting must allow a reasonable opportunity for its shareholders to ask questions about or make comments on the remuneration report at the annual general meeting.

### 3.2 Voting consequences

A company is required to put to its shareholders a resolution proposing the calling of another meeting of shareholders to consider the appointment of directors of the company (**Spill Resolution**) if, at consecutive annual general meetings, at least 25% of the votes cast on a remuneration report resolution are voted against adoption of the remuneration report and at the first of those annual general



meetings a Spill Resolution was not put to vote. If required, the Spill Resolution must be put to vote at the second of those annual general meetings.

If more than 50% of votes cast are in favour of the Spill Resolution, the company must convene a shareholder meeting (**Spill Meeting**) within 90 days of the second annual general meeting.

All of the directors of the company who were in office when the directors' report (as included in the company's annual financial report for the most recent financial year) was approved, other than the managing director of the company, will cease to hold office immediately before the end of the Spill Meeting but may stand for re-election at the Spill Meeting.

Following the Spill Meeting, those persons whose election or re-election as directors of the company is approved will be the directors of the company.

### **3.3 Previous voting results**

At the Company's previous annual general meeting the votes cast against the remuneration report considered at that annual general meeting were less than 25%. Accordingly, the Spill Resolution is not relevant for this Meeting.

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## **4. RESOLUTION 2 – RE-ELECTION OF DIRECTOR – PATRICK BELL**

### **4.1 General**

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

The Constitution sets out the requirements for determining which Directors are to retire by rotation at an annual general meeting.

Patrick Bell, who has served as a Director since 1 October 2020 and was elected on 27 November 2020, retires by rotation and seeks re-election.

### **4.2 Qualifications and other material directorships**

Patrick Bell is a principal of the recently acquired commercial lending business, Creative Capital Pty Ltd. He brings with him extensive banking industry experience and knowledge in the commercial financing sector.

Mr Bell's executive career has been largely focused on leading corporate banking teams, working on complex transactions across a range of industries including property construction and development, childcare and tourism.

### **4.3 Independence**

If re-elected the Board does not consider Patrick Bell will be an independent Director.

### **4.4 Board recommendation**

The Board has reviewed Patrick Bell's performance since his appointment to the Board and considers that his skills and experience will continue to enhance the Board's ability to perform its role. Accordingly, the Board supports the re-election of Patrick Bell and recommends that Shareholders vote in favour of Resolution 2.

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## **5. RESOLUTION 3 – CONSOLIDATION OF CAPITAL**

### **5.1 Background**

Resolution 3 seeks Shareholder approval to consolidate the Company's issued capital on the basis that every 5 Shares be consolidated into 1 Share (subject to rounding).

### **5.2 Legal requirements**

Section 254H of the Corporations Act provides that a company may, by resolution passed in a general meeting, convert all or any of its shares into a larger or smaller number.

### **5.3 Fractional entitlements**

Where this Consolidation results in a fraction of a security being held, the Company will round fractional entitlements of 0.5 and over up to the nearest whole number.

### **5.4 Taxation**

It is not considered that any taxation implications will exist for security holders arising from the Consolidation. However, security holders are advised to seek their own tax advice on the effect of the Consolidation and neither the Company, nor its advisers, accept any responsibility for the individual taxation implications arising from the Consolidation.

### **5.5 Holding statements**

From the date two Business Days after the Effective Date (as set out in the timetable in Section 5.7 below), all holding statements for Securities will cease to have any effect, except as evidence of entitlement to a certain number of Securities on a post-Consolidation basis.

After the Consolidation becomes effective, the Company will arrange for new holding statements for Securities to be issued to holders of those Securities.

It is the responsibility of each security holder to check the number of Securities held prior to disposal or exercise (as the case may be).

### **5.6 Effect on capital structure**

The effect which the Consolidation will have on the Company's capital structure is set out in the table below.

	<b>Shares</b>	<b>Convertible Securities</b>
Pre-Consolidation	162,107,105	0
Post Consolidation (Resolution 3)	32,421,421	0
Placement (Resolution 4) <sup>1</sup>	4,607,596	0
Issue of Convertible Securities (Resolution 5)	0	400
<b>Completion of all Resolutions<sup>2</sup></b>	<b>37,029,017</b>	<b>400</b>

**Notes:**

1. Assumes that the Placement is fully subscribed and that shareholder approval for Resolution 3 is obtained.
2. Note that the Company is also currently considering a rights issue proposed to be undertaken on a 1:2 basis at an issue price of \$0.30 per share, which is not included in the above capital structure. The Company will announce full details of this rights issue to its ASX platform.

**5.7 Indicative timetable**

If Resolution 3 is passed, the Consolidation will take effect in accordance with the following timetable (as set out in Appendix 7A (paragraph 7) of the Listing Rules):

Action	Date
Company announces Consolidation.	12 October 2022
Company sends out the Notice of Meeting.	15 October 2022
Shareholders pass Resolution 3 to approve the Consolidation.	18 November 2022
Company announces Effective Date of Consolidation.	18 November 2022
Effective Date of Consolidation.	21 November 2022
Last day for pre-Consolidation trading.	23 November 2022
Post-Consolidation trading commences on a deferred settlement basis.	24 November 2022
Record Date.	25 November 2022
First day for the Company to update its register and send holding statements to security holders reflecting the change in the number of Securities they hold.	28 November 2022
Last day for the Company to update its register and to send holding statements to security holders reflecting the change in the number of Securities they hold and to notify ASX that this has occurred.	30 November 2022

## **6. RESOLUTIONS 4 AND 5 – APPROVAL TO ISSUE PLACEMENT SHARES AND CONVERTIBLE SECURITIES**

**6.1 General**

As detailed at Section 2.2, as part of the Proposed Transaction, the Company is proposing to conduct the Capital Raising, which will comprise, amongst other things:

- (a) an issue of up to 23,037,980 Placement Shares (or 4,607,596 Placement Shares on a post consolidated basis) to sophisticated and professional investors to raise up to \$1,151,899 (being the subject of Resolution 4); and
- (b) an issue of redeemable convertible notes to raise \$10,000,000 to the Subscribers (being the subject of Resolution 5) (**Convertible Notes**). The Company intends to enter into agreements with each of the Subscribers in respect of the issue of Convertible Notes.

The Placement and the issue of the Convertible Notes are not conditional upon shareholder approval being obtained for both resolutions.

The Company is seeking shareholder approval for the issue of the Placement Shares pursuant to Resolution 4 and the issue of the Convertible Notes pursuant to Resolution 5.

## **6.2 Listing Rule 7.1**

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

The proposed issue of the Placement Shares and Convertible Notes does not fall within any of the exceptions set out in Listing Rule 7.2 and exceeds the 15% limit in Listing Rule 7.1. It therefore requires the approval of Shareholders under Listing Rule 7.1.

## **6.3 Technical information required by Listing Rule 14.1A**

If Resolutions 4 and 5 are passed, the Company will be able to proceed with the issue of the Placement Shares and Convertible Notes, respectively, and therefore proceed with the Proposed Transaction. In addition, the issue of the Placement Shares and Convertible Notes will be excluded from the calculation of the number of equity securities that the Company can issue without Shareholder approval under Listing Rule 7.1.

If Resolution 4 is not passed, the Company will not be able to proceed with the issue of the Placement Shares and will be forced to find alternative sources of funding for that part of FDAIF which it does not already have an investment in, in order for the Proposed Transaction to proceed. If the Company was unable to find alternative sources of funding, the Proposed Transaction would not be able to proceed.

If Resolution 5 is not passed, the Company will not be able to proceed with the issue of the Convertible Notes and will be forced to find alternative sources of funding for the acquisition of the Trust Assets in order for the Proposed Transaction to proceed. If the Company was unable to find alternative sources of funding, the Proposed Transaction would not be able to proceed.

Resolution 4 seeks Shareholder approval for the purposes of Listing Rule 7.1 for the issue of the Placement Shares and Resolution 5 seeks Shareholder approval for the purposes of Listing Rule 7.1 for the issue of the Convertible Notes.

## **6.4 Technical information required by Listing Rule 7.3**

Pursuant to and in accordance with Listing Rule 7.3, the following information is provided in relation to Resolutions 4 and 5:

- (a) the Placement Shares will be issued to professional and sophisticated investors who will be identified by the Directors. The recipients will be identified through a bookbuild process, which will involve the Directors seeking expressions of interest to participate in the Placement from non-related parties of the Company;

- (b) the Convertible Notes will be issued to the Subscribers, which are namely sophisticated investors and wholesale clients who will be identified by the Directors.

At the time of despatch of this Notice, the Company has not engaged any Subscribers to take part in the issue of Convertible Notes and there is a possibility that the issue of the Convertible Notes will not proceed if suitable Subscribers cannot be found;

- (c) in accordance with paragraph 7.2 of ASX Guidance Note 21, the Company confirms that none of the recipients of the Placement Shares or the Convertible Notes will be:
- (i) related parties of the Company, members of the Company's Key Management Personnel, substantial holders of the Company, advisers of the Company or an associate of any of these parties; and
  - (ii) issued more than 1% of the issued capital of the Company;
- (d) the maximum number of Placement Shares to be issued is to 23,037,980 Shares (or 4,607,596 Shares on a post consolidated basis) and the maximum number of Convertible Notes to be issued is 400;
- (e) the Convertible Notes will have a conversion price of \$0.09 per Share (or \$0.45 per Share on a post consolidation basis) and as such the maximum number of Shares to be issued on conversion of the Convertible Notes is 111,111,111 Shares (or 22,222,222 Shares on a post consolidated basis);
- (f) if the Convertible Notes issued to the Subscribers are converted, a total of 111,111,111 Shares (or 22,222,222 Shares on a post consolidated basis) would be issued. This will increase the number of Shares on issue from 162,107,105 (or 32,421,421 on a post consolidated basis) to 273,218,216 (or 54,643,643 on a post consolidated basis) (assuming that no Shares are issued and no convertible securities vest or are exercised) with the effect that the shareholding of existing Shareholders would be diluted by an aggregate of 40.67%;
- (g) the Placement Shares issued will be fully paid ordinary shares in the capital of the Company issued on the same terms and conditions as the Company's existing Shares;
- (h) the Convertible Notes will be issued on the terms set out in Schedule 1;
- (i) the Placement Shares and the Convertible Notes will be issued no later than 3 months after the date of the Meeting (or such later date to the extent permitted by any ASX waiver or modification of the Listing Rules) and it is intended that issue of the Placement Shares and the Convertible Notes will occur on the same date;
- (j) the issue price of the Placement Shares will be \$0.05 per Placement Share (or \$0.25 on a post consolidated basis). The Company will not receive any other consideration for the issue of the Placement Shares;
- (k) the issue price of the Convertible Notes will be \$25,000 per Convertible Note. The Company will not receive any other consideration for the issue of the Convertible Notes;

- (l) the purpose of the issue of the Placement Shares and the Convertible Notes is to raise capital, which the Company intends to apply towards funding the Proposed Transaction (refer above);
- (m) the Placement Shares are not being issued under an agreement;
- (n) the Company intends to enter into agreements with respect of the Convertible Notes with each of the Subscribers, which will reflect the terms set out in Schedule 1; and
- (o) the Placement Shares and the Convertible Notes are not being issued under, or to fund, a reverse takeover.

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## **7. RESOLUTION 6 – ADOPTION OF EMPLOYEE SECURITIES INCENTIVE PLAN**

### **7.1 General**

Resolution 6 seeks Shareholder approval for the adoption of the employee incentive scheme titled "Employee Securities Incentive Plan" (**Plan**) and for the issue of up to a maximum of 8,105,355 securities (or 1,621,071 securities on a post consolidated basis) under the Incentive Plan in accordance with Listing Rule 7.2 (Exception 13(b)).

The objective of the Plan is to attract, motivate and retain key employees and the Company considers that the adoption of the Plan and the future issue of securities under the Plan will provide selected employees with the opportunity to participate in the future growth of the Company.

### **7.2 Listing Rule 7.1 and Listing Rule 7.2 Exception 13(b)**

As summarised in Section 6.2 above, and subject to a number of exceptions set out in Listing Rule 7.2, Listing Rule 7.1 limits the amount of equity securities that a listed company can issue without the approval of its shareholders over any 12 month period to 15% of the fully paid ordinary shares it had on issue at the start of that period.

Listing Rule 7.2 (Exception 13(b)) provides that Listing Rule 7.1 does not apply to an issue of securities under an employee incentive scheme if, within three years before the date of issue of the securities, the holders of the entity's ordinary securities have approved the issue of equity securities under the scheme as exception to Listing Rule 7.1.

Exception 13(b) is only available if and to the extent that the number of equity securities issued under the scheme does not exceed the maximum number set out in the entity's notice of meeting dispatched to shareholders in respect of the meeting at which shareholder approval was obtained pursuant to Listing Rule 7.2 (Exception 13(b)). Exception 13(b) also ceases to be available if there is a material change to the terms of the scheme from those set out in the notice of meeting.

If Resolution 6 is passed, the Company will be able to issue securities under the Plan to eligible participants over a period of 3 years from the date of the Meeting. The issue of any securities to eligible participants under the Plan (up to the maximum number of securities stated in Section 7.3(b) below) will be excluded from the calculation of the number of equity securities that the Company can issue without Shareholder approval under Listing Rule 7.1.

For the avoidance of doubt, the Company must seek Shareholder approval under Listing Rule 10.14 in respect of any future issues of securities under the Plan to a

related party or a person whose relationship with the Company or the related party is, in ASX's opinion, such that approval should be obtained.

If Resolution 6 is not passed, the Company will be able to proceed with the issue of securities under the Plan to eligible participants, but any issues of securities will reduce, to that extent, the Company's capacity to issue equity securities without Shareholder approval under Listing Rule 7.1 for the 12-month period following the issue of those securities.

### **7.3 Technical information required by Listing Rule 7.2 (Exception 13)**

Pursuant to and in accordance with Listing Rule 7.2 (Exception 13), the following information is provided in relation to Resolution 6:

- (a) a summary of the terms and conditions of the proposed Plan is set out in Schedule 2;
- (b) the Company has not issued any securities under the Plan as this is the first time that Shareholder approval is being sought for the adoption of the Incentive Plan; and
- (c) the maximum number of securities proposed to be issued under the Plan in reliance on Listing Rule 7.2 (Exception 13(b)), is 8,105,355 securities (or 1,621,071 securities on a post consolidated basis). It is not envisaged that the maximum number of securities for which approval is sought will be issued immediately.

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## **8. RESOLUTION 7 – APPROVAL OF 7.1A MANDATE**

### **8.1 General**

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

However, under Listing Rule 7.1A, an eligible entity may seek shareholder approval by way of a special resolution passed at its annual general meeting to increase this 15% limit by an extra 10% to 25% (**7.1A Mandate**).

An 'eligible entity' means an entity which is not included in the S&P/ASX 300 Index and has a market capitalisation of \$300,000,000 or less. The Company is an eligible entity for these purposes.

As at the date of this Notice, the Company is an eligible entity as it is not included in the S&P/ASX 300 Index and has a current market capitalisation of A\$10,536,962 (based on the number of Shares on issue and the closing price of Shares on the ASX on 10 October 2022).

Resolution 7 seeks Shareholder approval by way of special resolution for the Company to have the additional 10% placement capacity provided for in Listing Rule 7.1A to issue Equity Securities without Shareholder approval.

If Resolution 7 is passed, the Company will be able to issue Equity Securities up to the combined 25% limit in Listing Rules 7.1 and 7.1A without any further Shareholder approval.

If Resolution 7 is not passed, the Company will not be able to access the additional 10% capacity to issue Equity Securities without Shareholder approval under Listing Rule 7.1A and will remain subject to the 15% limit on issuing Equity Securities without Shareholder approval set out in Listing Rule 7.1.

## **8.2 Technical information required by Listing Rule 7.1A**

Pursuant to and in accordance with Listing Rule 7.3A, the information below is provided in relation to Resolution 7:

### **(a) Period for which the 7.1A Mandate is valid**

The 7.1A Mandate will commence on the date of the Meeting and expire on the first to occur of the following:

- (i) the date that is 12 months after the date of this Meeting;
- (ii) the time and date of the Company's next annual general meeting; and
- (iii) the time and date of approval by Shareholders of any transaction under Listing Rule 11.1.2 (a significant change in the nature or scale of activities) or Listing Rule 11.2 (disposal of the main undertaking).

### **(b) Minimum price**

Any Equity Securities issued under the 7.1A Mandate must be in an existing quoted class of Equity Securities and be issued for cash consideration at a minimum price of 75% of the volume weighted average price of Equity Securities in that class, calculated over the 15 trading days on which trades in that class were recorded immediately before:

- (i) the date on which the price at which the Equity Securities are to be issued is agreed by the entity and the recipient of the Equity Securities; or
- (ii) if the Equity Securities are not issued within 10 trading days of the date in Section 8.2(b)(i), the date on which the Equity Securities are issued.

### **(c) Use of funds raised under the 7.1A Mandate**

The Company intends to use funds raised from issues of Equity Securities under the 7.1A Mandate to continue to expand its asset and fund management presence, in line with the recent launch of its retail managed investment scheme known as Finexia Securities Opportunities Fund (ARSN 658 543 625) (**Fund**). The Fund is focused on two key sectors, childcare operations and Inland Rail infrastructure. The funds raised under the 7.1A Mandate will also provide additional working capital to fund expansion of the Company's Private Credit loan book and execute a planned client acquisition program.

### **(d) Risk of Economic and Voting Dilution (pre-consolidation)**

Any issue of Equity Securities under the 7.1A Mandate will dilute the interests of Shareholders who do not receive any Shares under the issue.



If Resolution 7 is approved by Shareholders and the Company issues the maximum number of Equity Securities available under the 7.1A Mandate, the economic and voting dilution of existing Shares would be as shown in the table below.

The table below shows the dilution of existing Shareholders calculated in accordance with the formula outlined in Listing Rule 7.1A.2, on the basis of the closing market price of Shares and the number of Equity Securities on issue or proposed to be issued as at 11 October 2022 (on a pre-consolidated basis).

The table also shows the voting dilution impact where the number of Shares on issue (Variable A in the formula) changes and the economic dilution where there are changes in the issue price of Shares issued under the 7.1A Mandate.

		Dilution			
Number of Shares on Issue (Variable A in Listing Rule 7.1A.2)*		Shares issued – 10% voting dilution	Issue Price		
			\$0.028	\$0.056	\$0.084
			50% decrease	Issue Price	50% increase
			Funds Raised		
Current	185,145,085 Shares	18,514,509 Shares	\$518,406	\$1,036,812	\$1,555,219
50% increase	277,717,628 Shares	27,771,762 Shares	\$777,609	\$1,555,219	\$2,332,828
100% increase	370,290,170 Shares	37,029,017 Shares	\$1,036,812	\$2,073,625	\$3,110,437

\*The number of Shares on issue (Variable A in the formula) could increase as a result of the issue of Shares that do not require Shareholder approval (such as under a pro-rata rights issue or scrip issued under a takeover offer) or that are issued with Shareholder approval under Listing Rule 7.1.

**The table above uses the following assumptions:**

- There are currently 185,145,085 Shares (on a pre-consolidated basis) on issue comprising:
  - 162,107,104 existing Shares as at the date of this Notice;
  - 23,037,980 Shares (on a pre-consolidated basis) which will be issued if Resolution 4 is passed at this Meeting.
- The issue price set out above is the closing market price of the Shares on the ASX on 11 October 2022 (being \$0.056, on a pre-consolidated basis).
- The Company issues the maximum possible number of Equity Securities under the 7.1A Mandate.
- The Company has not issued any Equity Securities in the 12 months prior to the Meeting that were not issued under an exception in Listing Rule 7.2 or with approval under Listing Rule 7.1.
- The issue of Equity Securities under the 7.1A Mandate consists only of Shares. It is assumed that no Options are exercised into Shares before the date of issue of the Equity Securities. If the issue of Equity Securities includes quoted Options, it is assumed that those quoted Options are exercised into Shares for the purpose of calculating the voting dilution effect on existing Shareholders.
- The calculations above do not show the dilution that any one particular Shareholder will be subject to. All Shareholders should consider the dilution caused to their own shareholding depending on their specific circumstances.

7. This table does not set out any dilution pursuant to approvals under Listing Rule 7.1 unless otherwise disclosed.
8. The 10% voting dilution reflects the aggregate percentage dilution against the issued share capital at the time of issue. This is why the voting dilution is shown in each example as 10%.
9. The table does not show an example of dilution that may be caused to a particular Shareholder by reason of placements under the 7.1A Mandate, based on that Shareholder's holding at the date of the Meeting.

Shareholders should note that there is a risk that:

- (i) the market price for the Company's Shares may be significantly lower on the issue date than on the date of the Meeting; and
- (ii) the Shares may be issued at a price that is at a discount to the market price for those Shares on the date of issue.

(e) **Voting Dilution (post consolidation)**

The table below shows the dilution of existing Shareholders calculated in accordance with the formula outlined in Listing Rule 7.1A.2, on the basis of the closing market price of Shares and the number of Equity Securities on issue or proposed to be issued as at 11 October 2022 (on a post consolidated basis).

The table also shows the voting dilution impact where the number of Shares on issue (Variable A in the formula) changes and the economic dilution where there are changes in the issue price of Shares issued under the 7.1A Mandate.

		Dilution			
Number of Shares on Issue (Variable A in Listing Rule 7.1A.2)*		Shares issued – 10% voting dilution	Issue Price		
			\$0.14	\$0.28	\$0.420
			50% decrease	Issue Price	50% increase
			Funds Raised		
Current	37,029,017 Shares	3,702,901 Shares	\$518,406	\$1,036,812	\$1,555,218
50% increase	55,543,526 Shares	5,554,352 Shares	\$777,609	\$1,555,219	\$2,332,828
100% increase	74,058,034 Shares	7,405,803 Shares	\$1,036,812	\$2,073,625	\$3,110,437

\*The number of Shares on issue (Variable A in the formula) could increase as a result of the issue of Shares that do not require Shareholder approval (such as under a pro-rata rights issue or scrip issued under a takeover offer) or that are issued with Shareholder approval under Listing Rule 7.1.

**The table above uses the following assumptions:**

1. There are currently 37,029,017 Shares (on a post consolidated basis) on issue comprising:
2. 4,607,596 existing Shares as at the date of this Notice (assuming that Resolution 3 is approved by Shareholders);
3. 23,037,980 Shares (on a post consolidated basis) which will be issued if Resolution 4 is passed at this Meeting.

4. The issue price set out above is the closing market price of the Shares on the ASX on 11 October 2022 (being \$0.28, on a post consolidated basis).
5. The Company issues the maximum possible number of Equity Securities under the 7.1A Mandate.
6. The Company has not issued any Equity Securities in the 12 months prior to the Meeting that were not issued under an exception in Listing Rule 7.2 or with approval under Listing Rule 7.1.
7. The issue of Equity Securities under the 7.1A Mandate consists only of Shares. It is assumed that no Options are exercised into Shares before the date of issue of the Equity Securities. If the issue of Equity Securities includes quoted Options, it is assumed that those quoted Options are exercised into Shares for the purpose of calculating the voting dilution effect on existing Shareholders.
8. The calculations above do not show the dilution that any one particular Shareholder will be subject to. All Shareholders should consider the dilution caused to their own shareholding depending on their specific circumstances.
9. This table does not set out any dilution pursuant to approvals under Listing Rule 7.1 unless otherwise disclosed.
10. The 10% voting dilution reflects the aggregate percentage dilution against the issued share capital at the time of issue. This is why the voting dilution is shown in each example as 10%.
11. The table does not show an example of dilution that may be caused to a particular Shareholder by reason of placements under the 7.1A Mandate, based on that Shareholder's holding at the date of the Meeting.

(f) **Allocation policy under the 7.1A Mandate**

The recipients of the Equity Securities to be issued under the 7.1A Mandate have not yet been determined. However, the recipients of Equity Securities could consist of current Shareholders or new investors (or both), none of whom will be related parties of the Company.

The Company will determine the recipients at the time of the issue under the 7.1A Mandate, having regard to the following factors:

- (i) the purpose of the issue;
- (ii) alternative methods for raising funds available to the Company at that time, including, but not limited to, an entitlement issue, share purchase plan, placement or other offer where existing Shareholders may participate;
- (iii) the effect of the issue of the Equity Securities on the control of the Company;
- (iv) the circumstances of the Company, including, but not limited to, the financial position and solvency of the Company;
- (v) prevailing market conditions; and
- (vi) advice from corporate, financial and broking advisers (if applicable).

(g) **Previous approval under Listing Rule 7.1A**

The Company did not obtain approval under Listing Rule 7.1A at its annual general meeting held on 30 November 2021. Accordingly, the Company has not issued any Equity Securities under Listing Rule 7.1A.2 in the twelve months preceding the date of the Meeting.

### **8.3 Voting Exclusion Statement**

As at the date of this Notice, the Company is not proposing to make an issue of Equity Securities under Listing Rule 7.1A. Accordingly, a voting exclusion statement is not included in this Notice.

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## GLOSSARY

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**\$** means Australian dollars.

**7.1A Mandate** has the meaning given in Section 8.1.

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

**ASX** means ASX Limited (ACN 008 624 691) or the financial market operated by ASX Limited, as the context requires.

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

**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 Party** of a member of the Key Management Personnel means:

- (a) a spouse or child of the member;
- (b) a child of the member's spouse;
- (c) a dependent of the member or the member's spouse;
- (d) anyone else who is one of the member's family and may be expected to influence the member, or be influenced by the member, in the member's dealing with the entity;
- (e) a company the member controls; or
- (f) a person prescribed by the Corporations Regulations 2001 (Cth) for the purposes of the definition of 'closely related party' in the Corporations Act.

**Company** means Finexia Financial Group Limited (ACN 106 760 418).

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

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

**Directors** means the current directors of the Company.

**Equity Securities** includes a Share, a right to a Share or Option, an Option, a convertible security and any security that ASX decides to classify as an Equity Security.

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

**Key Management Personnel** has the same meaning as in the accounting standards issued by the Australian Accounting Standards Board and means those persons having authority and responsibility for planning, directing and controlling the activities of the Company, or if the Company is part of a consolidated entity, of the consolidated entity, directly or indirectly, including any director (whether executive or otherwise) of the Company, or if the Company is part of a consolidated entity, of an entity within the consolidated group.

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

**Meeting** means the meeting convened by the Notice.

**Notice** means this notice of meeting including the Explanatory Statement and the Proxy Form.

**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.

**Section** means a section of the Explanatory Statement.

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

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

**Variable A** means "A" as set out in the formula in Listing Rule 7.1A.2.

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## SCHEDULE 1 – TERMS AND CONDITIONS OF THE CONVERTIBLE NOTES

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The following is a summary of the terms attaching to the Convertible Notes:

(a) **Face Value**

A\$25,000 per Convertible Note (**Face Value**).

(b) **Maturity Date**

The maturity date of the Convertible Notes is the date that is five (5) years from the date of issue of the Convertible Note (**Maturity Date**).

(c) **Conversion of Notes**

The investor may at any time between the issue date of the Convertible Notes and the Maturity Date, convert some or all of the Convertible Notes into Shares. If the issue of any Shares would result in the investor being in contravention of section 606 of the Corporations Act, then the issue of the applicable Shares that would cause the contravention will be deferred until such time or times that the exercise would not result in a contravention of section 606 of the Corporations Act.

(d) **Conversion Price**

The conversion price of the Convertible Notes will be at an issue price of \$0.09 (or \$0.45 on a post consolidated basis).

(e) **Redemption of Notes**

The investor may elect by notice in writing to the Company, following the Maturity Date, to redeem some or all of the Convertible Notes (**Redemption**). On Redemption, the Company must pay the Investor the following redemption amount:

- (i) the total Face Value of the Convertible Notes in respect of each Convertible Note being redeemed; and
- (ii) interest payable on the total Face Value of the Convertible Notes being redeemed at an interest rate of 6.00% per annum, which interest accrued daily and compounded monthly, from the date of issue of the Convertible Notes up to the date of payment,

**(Redemption Amount).**

The investor may require the Company to redeem all of the Convertible Notes and pay the Redemption Amount at any time following the occurrence of any of the following:

- (i) a material adverse effect being an event, occurrence or change which individually or when aggregated with all such events, occurrences or changes has had or is reasonably likely to have a material adverse effect on the financial condition, assets, liabilities, results of operations, profitability or prospects of the Company or its business (**Material Adverse Effect**);

- (ii) a material adverse effect on the duties, obligations or liabilities of the Company or the investor in connection with the agreement or the Convertible Notes;
- (iii) a Default Event; or
- (iv) a change of control event.

The Company may at any time between the issue date of the Convertible Notes and the Maturity Date, redeem some or all of the Convertible Notes. On Redemption the Company must pay the investor the Redemption Amount.

(f) **Default Event**

Each of the following constitutes a Default Event under the agreement:

- (i) a breach by the Company of any obligations contained in, or related to, the agreement that is not remedied within 5 Business Days' written notice to the Company or such other reasonable longer period of time (as determined by the investor in its sole discretion and notified to the Company);
  - (A) a breach by the Company of any obligations contained in, or related to, conversion of the Convertible Notes or in relation to a request for Additional Collateral Shares;
  - (B) the Company is subject to an 'insolvency event' (as variously defined);
  - (C) any member of the Company is served with a statutory demand or a foreign equivalent that is not set aside within 1 month;
  - (D) the de-listing of the Shares from the ASX or a suspension of trading of the Shares on the ASX (other than temporary suspensions of no more than 5 Trading Days);
  - (E) any representation or warranty of the Company proves to have been materially incorrect or misleading when made;
  - (F) the group ceases to hold all material authorisations required for the proper conduct of business as it is being conducted, in a way which is reasonably likely to result in a Material Adverse Effect;
  - (G) any member of the Group fails to comply in any material respect with any laws, regulations (including the Relevant Regulation) or authorisations in a way which is reasonably likely to result in a Material Adverse Effect;
  - (H) the Company suspends or ceases to carry on (or threatens or takes any action to suspend or cease to carry on) all or a substantial part of its business; or
  - (I) any act of fraud, dishonesty or improper conduct by any member of the Group, or its Directors, officers, employees or agents (other than the Investor, its representatives or its appointees (including any appointee Director nominated as the investor's representative by the investor, if any)),



(collectively, the **Default Events**).

Potential default events include events which, with notice of passage of time or both, would (i) constitute a Default Event, or (ii) have a material adverse effect on the duties, obligations or liabilities of the Company or the investor in connection with this agreement or the Convertible Notes.

On the occurrence of a Default Event, interest will be payable on the total Face Value of the Convertible Notes at an interest rate of 10% per annum, which interest accrued daily and compounded monthly, from the date of occurrence of the Default Event until the Company discharges the total amount owing to the investor in full or remedies the default to the reasonable satisfaction of the investor.

(g) **Conduct of Business**

From the date of the agreement and until the last Convertible Note held by the investor is converted or redeemed, except with the prior written consent of the investor, the Company must (inter alia):

- (i) conduct its business in the ordinary and usual course consistent with its usual business practices and must not make any significant change to the nature or scale of any activity comprised in its business;
- (ii) conduct their business in accordance with all applicable laws and regulations;
- (iii) remain admitted to the official list of ASX and maintain the quotation of its Shares on ASX;
- (iv) maintain and comply with the terms of all authorisations necessary to own and operate its assets and conduct its business;
- (v) keep and maintain proper records of all its dealings and transactions relating to its business;
- (vi) protect and maintain each of its assets and maintain appropriate and adequate insurance in respect of each asset which is insurable; and
- (vii) pay all amounts owing by it to trade or other creditors of its business in accordance with applicable payment terms.

(h) **Unquoted**

The Company will not apply for the quotation of the Convertible Notes on ASX.

(i) **Quotation of Shares issued on Conversion**

Application will be made by the Company to ASX for quotation of the Shares issued upon issue of Shares as a result of that exercise occurring.

(j) **Transferability**

The Convertible Notes are transferrable between the investor and its related entities.

## SCHEDULE 2 – TERMS AND CONDITIONS OF THE COMPANY'S EMPLOYEE SECURITIES INCENTIVE PLAN

A summary of the material terms of the Company's Employee Incentive Performance Rights Plan (**Plan**) is set out below.

<b>Eligible Participant</b>	<b>Eligible Participant</b> means a person that is a 'primary participant' (as that term is defined in Division 1A of Part 7.12 of the Corporations Act) in relation to the Company or an Associated Body Corporate (as defined in the Corporations Act) and has been determined by the Board to be eligible to participate in the Plan from time to time.
<b>Purpose</b>	<p>The purpose of the Plan is to:</p> <ul style="list-style-type: none"> <li>(a) assist in the reward, retention and motivation of Eligible Participants;</li> <li>(b) link the reward of Eligible Participants to Shareholder value creation; and</li> <li>(c) align the interests of Eligible Participants with shareholders of the Group (being the Company and each of its Associated Bodies Corporate), by providing an opportunity to Eligible Participants to receive an equity interest in the Company in the form of performance rights (<b>Performance Rights</b>).</li> </ul>
<b>Plan administration</b>	The Plan will be administered by the Board. The Board may exercise any power or discretion conferred on it by the Plan rules in its sole and absolute discretion (except to the extent that it prevents the Company relying on the deferred tax concessions under Subdivision 83A-C of the <i>Income Tax Assessment Act 1997</i> (Cth)). The Board may delegate its powers and discretion.
<b>Eligibility, invitation and application</b>	<p>The Board may from time to time determine that an Eligible Participant may participate in the Plan and make an invitation to that Eligible Participant to apply for Performance Rights provided under the Plan on such terms and conditions as the Board decides.</p> <p>On receipt of an invitation, an Eligible Participant may apply for the Performance Rights the subject of the invitation by sending a completed application form to the Company. The Board may accept an application from an Eligible Participant in whole or in part.</p> <p>If an Eligible Participant is permitted in the invitation, the Eligible Participant may, by notice in writing to the Board, nominate a party in whose favour the Eligible Participant wishes to renounce the invitation.</p>
<b>Grant of Performance Rights</b>	The Company will, to the extent that it has accepted a duly completed application, grant the Participant the relevant number and type of Performance Rights, subject to the terms and conditions set out in the invitation, the Plan rules and any ancillary documentation required.
<b>Rights attaching to Performance Rights</b>	<p>Prior to a Performance Right being exercised, the holder:</p> <ul style="list-style-type: none"> <li>(a) does not have any interest (legal, equitable or otherwise) in any Share the subject of the Performance Right other than as expressly set out in the Plan;</li> </ul>

	<p>(b) is not entitled to receive notice of, vote at or attend a meeting of the shareholders of the Company;</p> <p>(c) is not entitled to receive any dividends declared by the Company; and</p> <p>(d) is not entitled to participate in any new issue of Shares (see Adjustment of Performance Rights section below).</p>
<b>Vesting of Performance Rights</b>	Any vesting conditions applicable to the Performance Rights will be described in the invitation. If all the vesting conditions are satisfied and/or otherwise waived by the Board, a vesting notice will be sent to the Participant by the Company informing them that the relevant Performance Rights have vested. Unless and until the vesting notice is issued by the Company, the Performance Rights will not be considered to have vested. For the avoidance of doubt, if the vesting conditions relevant to a Performance Right are not satisfied and/or otherwise waived by the Board, that security will lapse.
<b>Exercise of Performance Rights</b>	<p>To exercise a Performance Right, the Participant must deliver a signed notice of exercise at any time following vesting of the Performance Right (if subject to vesting conditions) and prior to the expiry date as set out in the invitation or vesting notice.</p> <p>A Performance Right may not be exercised unless and until that security has vested in accordance with the Plan rules, or such earlier date as set out in the Plan rules.</p>
<b>Timing of issue of Shares and quotation of Shares on exercise</b>	As soon as practicable after the valid exercise of a Performance Right by a Participant, the Company will issue or cause to be transferred to that Participant the number of Shares to which the Participant is entitled under the Plan rules and issue a substitute certificate for any remaining unexercised Performance Rights held by that Participant.
<b>Restrictions on dealing with Performance Rights</b>	<p>A holder may not sell, assign, transfer, grant a security interest over or otherwise deal with a Performance Right that has been granted to them unless otherwise determined by the Board. A holder must not enter into any arrangement for the purpose of hedging their economic exposure to a Performance Right that has been granted to them.</p> <p>However, in Special Circumstances as defined under the Plan (including in the case of death, total or permanent disability, retirement, redundancy or severe financial hardship of the Participant) a Participant may deal with Performance Rights granted to them under the Plan with the consent of the Board (which may be withheld in its absolute discretion).</p>
<b>Listing of Performance Rights</b>	A Performance Right granted under the Plan will not be quoted on the ASX or any other recognised exchange.
<b>Forfeiture of Performance Rights</b>	<p>Performance Rights will be forfeited in the following circumstances:</p> <p>(a) where a Participant who holds Performance Rights ceases to be an Eligible Participant (e.g. is no longer employed or their office or engagement is discontinued with the Group), all unvested Performance Rights will automatically be forfeited by the Participant, unless the Board otherwise</p>

	<p>determines in its discretion to permit some or all of the Performance Rights to vest;</p> <p>(b) where a Participant acts fraudulently or dishonestly, negligently, in contravention of any Group policy or wilfully breaches their duties to the Group;</p> <p>(c) where there is a failure to satisfy the vesting conditions in accordance with the Plan;</p> <p>(d) on the date the Participant becomes insolvent; or</p> <p>(e) on the expiry date of the Performance Rights,</p> <p>unless the Board otherwise determines.</p>
<b>Change of control</b>	<p>If a change of control event occurs, or the Board determines that such an event is likely to occur, the Board may in its discretion determine the manner in which any or all of the holder's Performance Rights will be dealt with, including, without limitation, in a manner that allows the holder to participate in and/or benefit from any transaction arising from or in connection with the change of control event.</p>
<b>Adjustment of Performance Rights</b>	<p>If there is a reorganisation of the issued share capital of the Company (including any subdivision, consolidation, reduction, return or cancellation of such issued capital of the Company), the rights of each Participant holding Performance Rights will be changed to the extent necessary to comply with the Listing Rules applicable to a reorganisation of capital at the time of the reorganisation.</p> <p>If Shares are issued by the Company by way of bonus issue (other than an issue in lieu of dividends or by way of dividend reinvestment), the holder of Performance Rights is entitled, upon exercise of those Performance Rights, to receive an issue of as many additional Shares as would have been issued to the holder if the holder held Shares equal in number to the Shares in respect of which the Performance Rights are exercised.</p> <p>Unless otherwise determined by the Board, a holder of Performance Rights does not have the right to participate in a pro-rata issue of Shares made by the Company or sell renounceable rights.</p>
<b>Rights attaching to Shares</b>	<p>All Shares issued or transferred under the Plan or issued or transferred to a Participant upon the valid exercise of a Performance Right, will rank equally in all respects with the Shares of the same class for the time being on issue except for any rights attaching to the Shares by reference to a record date prior to the date of the allotment or transfer of the Shares. A Participant will be entitled to any dividends declared and distributed by the Company on the Shares issued upon exercise of a Performance Right and may participate in any dividend reinvestment plan operated by the Company in respect of Shares. A Participant may exercise any voting rights attaching to Shares issued under the Plan.</p>

<b>Disposal restrictions on Shares</b>	<p>If the invitation provides that any Shares issued upon the valid exercise of a Performance Right are subject to any restrictions as to the disposal or other dealing by a Participant for a period, the Board may implement any procedure it deems appropriate to ensure the compliance by the Participant with this restriction.</p> <p>For so long as a Share is subject to any disposal restrictions under the Plan, the Participant will not:</p> <ul style="list-style-type: none"> <li>(a) transfer, encumber or otherwise dispose of, or have a security interest granted over that Share; or</li> <li>(b) take any action or permit another person to take any action to remove or circumvent the disposal restrictions without the express written consent of the Company.</li> </ul>
<b>General Restrictions on Transfer of Shares</b>	<p>If the Company is required but is unable to give ASX a notice that complies with section 708A(5)(e) of the Corporations Act, Shares issued on exercise of an Performance Right may not be traded until 12 months after their issue unless the Company, at its sole discretion, elects to issue a prospectus pursuant to section 708A(11) of the Act.</p> <p>Restrictions are imposed by applicable law on dealing in Shares by persons who possess material information likely to affect the value of the Shares and which is not generally available. These laws may restrict the acquisition or disposal of Shares by you during the time the holder has such information.</p> <p>Any Shares issued to a holder upon exercise of a Performance Right shall be subject to the terms of the Company's Performance Rights Trading Policy.</p>
<b>Buy-Back</b>	<p>Subject to applicable law, the Company may at any time buy-back Performance Rights in accordance with the terms of the Plan.</p>
<b>Employee Share Trust</b>	<p>The Board may in its sole and absolute discretion use an employee share trust or other mechanism for the purposes of holding Performance Rights for holders under the Plan and delivering Shares on behalf of holders upon exercise of Performance Rights.</p>
<b>Maximum number of Performance Rights</b>	<p>The Company will not make an invitation under the Plan which involves monetary consideration if the number of Shares that may be issued, or acquired upon exercise of Performance Rights offered under an invitation, when aggregated with the number of Shares issued or that may be issued as a result of all invitations under the Plan during the 3 year period ending on the day of the invitation, will exceed 5% of the total number of issued Shares at the date of the invitation (unless the Constitution specifies a different percentage and subject to any limits approved by Shareholders under Listing Rule 7.2 Exception 13(b) – refer to Resolution 6 and Section 6.3).</p>
<b>Amendment of Plan</b>	<p>Subject to the following paragraph, the Board may at any time amend any provisions of the Plan rules, including (without limitation) the terms and conditions upon which any Performance Rights have been granted under the Plan and determine that any amendments to the Plan rules be given retrospective effect, immediate effect or future effect.</p>

	No amendment to any provision of the Plan rules may be made if the amendment materially reduces the rights of any Participant as they existed before the date of the amendment, other than an amendment introduced primarily for the purpose of complying with legislation or to correct manifest error or mistake, amongst other things, or is agreed to in writing by all Participants.
<b>Plan duration</b>	<p>The Plan continues in operation until the Board decides to end it. The Board may from time to time suspend the operation of the Plan for a fixed period or indefinitely and may end any suspension. If the Plan is terminated or suspended for any reason, that termination or suspension must not prejudice the accrued rights of the Participants.</p> <p>If a Participant and the Company (acting by the Board) agree in writing that some or all of the Performance Rights granted to that Participant are to be cancelled on a specified date or on the occurrence of a particular event, then those Performance Rights may be cancelled in the manner agreed between the Company and the Participant.</p>
<b>Income Tax Assessment Act</b>	The Plan is a plan to which Subdivision 83A-C of the <i>Income Tax Assessment Act 1997</i> (Cth) applies (subject to the conditions in that Act) except to the extent an invitation provides otherwise.

If you are attending the meeting  
in person, please bring this with you  
for Securityholder registration.

Holder Number:

Your proxy voting instruction must be received by **11.00am (AEDT) on Wednesday, 16 November 2022**, being **not later than 48 hours** before the commencement of the Meeting. Any Proxy Voting instructions received after that time will not be valid for the scheduled Meeting.

## SUBMIT YOUR PROXY VOTE ONLINE

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

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

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



## SUBMIT YOUR PROXY VOTE BY PAPER

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

### YOUR NAME AND ADDRESS

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

### STEP 1 – APPOINT A PROXY

If you wish to appoint someone other than the Chair of the Meeting as your proxy, please write the name of that Individual or body corporate. A proxy need not be a Shareholder of the Company. Otherwise if you leave this box blank, the Chair of the Meeting will be appointed as your proxy by default.

### DEFAULT TO THE CHAIR OF THE MEETING

Any directed proxies that are not voted on a poll at the Meeting will default to the Chair of the Meeting, who is required to vote these proxies as directed. Any undirected proxies that default to the Chair of the Meeting will be voted according to the instructions set out in this Proxy Voting Form, including where the Resolutions are connected directly or indirectly with the remuneration of KMP.

### STEP 2 - VOTES ON ITEMS OF BUSINESS

You may direct your proxy how to vote by marking one of the boxes opposite each item of business. All your shares will be voted in accordance with such a direction unless you indicate only a portion of voting rights are to be voted on any item by inserting the percentage or number of shares you wish to vote in the appropriate box or boxes. If you do not mark any of the boxes on the items of business, your proxy may vote as he or she chooses. If you mark more than one box on an item your vote on that item will be invalid.

### APPOINTMENT OF SECOND PROXY

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

### SIGNING INSTRUCTIONS

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

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

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

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

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

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

### CORPORATE REPRESENTATIVES

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



<b>Contact</b>	<b>Return your completed form</b>		<b>All enquiries to Automic</b>
	<b>BY MAIL</b> Automic GPO Box 5193 Sydney NSW 2001	<b>IN PERSON</b> Automic Level 5, 126 Phillip Street Sydney NSW 2000	<b>BY EMAIL</b> meetings@automicgroup.com.au <b>BY FACSIMILE</b> +61 2 8583 3040

<b>STEP 1: Appoint Your Proxy</b>	<b>Complete and return this form as instructed only if you do not vote online</b> I/We being a Shareholder entitled to attend and vote at the Annual General Meeting of Finexia Financial Group Ltd, to be held at <b>11.00am (AEDT) on Friday, 18 November 2022 at Level 7, 33 Elkhorn Avenue, Surfers Paradise QLD 4217.</b>
	<p><b>Appoint the Chairman of the Meeting (Chair)</b> OR if you are not appointing the Chairman of the Meeting as your proxy, please write in the box provided below the name of the person or body corporate you are appointing as your proxy or failing the person so named or, if no person is named, the Chair, or the Chair's nominee, to vote in accordance with the following directions, or, if no directions have been given, and subject to the relevant laws as the proxy sees fit and at any adjournment thereof.</p> <div style="border: 1px solid black; height: 20px; width: 100%;"></div> <p><b>The Chair intends to vote undirected proxies in favour of all Resolutions in which the Chair is entitled to vote.</b>  Unless indicated otherwise by ticking the "for," "against" or "abstain" box you will be authorising the Chair to vote in accordance with the Chair's voting intention.</p> <p><b>AUTHORITY FOR CHAIR TO VOTE UNDIRECTED PROXIES ON REMUNERATION RELATED RESOLUTIONS</b>  Where I/we have appointed the Chair as my/our proxy (or where the Chair becomes my/our proxy by default), I/we expressly authorise the Chair to exercise my/our proxy on Resolutions 1 and 6 (except where I/we have indicated a different voting intention below) even though Resolutions 1 and 6 are connected directly or indirectly with the remuneration of a member of the Key Management Personnel, which includes the Chair.</p>

<b>STEP 2: Your Voting Direction</b>	<b>Resolutions</b>	<b>For</b>	<b>Against</b>	<b>Abstain</b>
	1. Adoption of Remuneration Report	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
	2. Re-election of Director – Patrick Bell	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
	3. Consolidation of Capital	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
	4. Approval to Issue Placement Shares	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
	5. Approval to Issue Convertible Securities	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
	6. Adoption of Incentive Plan	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
	7. Approval of 7.1A Mandate	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
<p><b>Please note:</b> If you mark the abstain box for a particular Resolution, you are directing your proxy not to vote on that Resolution on a show of hands or on a poll and your votes will not be counted in computing the required majority on a poll.</p>				

<b>STEP 3: Sign Here + Contact</b>	<b>SIGNATURE OF SECURITYHOLDERS – THIS MUST BE COMPLETED</b>		
	Individual or Securityholder 1	Securityholder 2	Securityholder 3
	<div style="border: 1px solid black; height: 30px; width: 100%;"></div>	<div style="border: 1px solid black; height: 30px; width: 100%;"></div>	<div style="border: 1px solid black; height: 30px; width: 100%;"></div>
	Sole Director and Sole Company Secretary	Director	Director / Company Secretary
	Contact Name:		
	<div style="border: 1px solid black; height: 20px; width: 100%;"></div>		
Email Address:			
<div style="border: 1px solid black; height: 20px; width: 100%;"></div>			
Contact Daytime Telephone		Date (DD/MM/YY)	
<div style="border: 1px solid black; height: 20px; width: 100%;"></div>		<div style="border: 1px solid black; height: 20px; width: 100%;"></div>	
By providing your email address, you elect to receive all of your communications despatched by the Company electronically (where legally permissible).			