

Form 603Corporations Act 2001
Section 671B**Notice of initial substantial holder**To Company Name/Scheme Prime Financial Group LtdACN/ARSN 009 487 974**1. Details of substantial holder (1)**Name Matthew William Murphy and Ascension Business Investments Pty Ltd (ACN 125 133 539) as trustee for the Ascension Business Investment Trust ("Ascension")ACN/ARSN (if applicable) As aboveThe holder became a substantial holder on 8/8/2016**2. Details of voting power**

The total number of votes attached to all the voting shares in the company or voting interests in the scheme that the substantial holder or an associate (2) had a relevant interest (3) in on the date the substantial holder became a substantial holder are as follows:

Class of securities (4)	Number of securities	Person's votes (5)	Voting power (6)
Ordinary Fully Paid Shares	13,500,000	13,500,000	7.07%

3. Details of relevant interests

The nature of the relevant interest the substantial holder or an associate had in the following voting securities on the date the substantial holder became a substantial holder are as follows:

Holder of relevant interest	Nature of relevant interest (7)	Class and number of securities
Ascension	Relevant interest as the registered holder of the shares. Interest obtained pursuant to a "Sale of Shares Agreement" a copy of which is attached at Annexure A.	13,500,000 Ordinary Fully Paid Shares
Matthew William Murphy	Relevant interest by virtue of controlling Ascension.	13,500,000 Ordinary Fully Paid Shares

4. Details of present registered holders

The persons registered as holders of the securities referred to in paragraph 3 above are as follows:

Holder of relevant interest	Registered holder of securities	Person entitled to be registered as holder (8)	Class and number of securities
Ascension	Ascension	Ascension	13,500,000 Ordinary Fully Paid Shares

5. Consideration

The consideration paid for each relevant interest referred to in paragraph 3 above, and acquired in the four months prior to the day that the substantial holder became a substantial holder is as follows:

Holder of relevant interest	Date of acquisition	Consideration (9)		Class and number of securities
		Cash	Non-cash	

Ascension	8 August 2016	N/A	Shares in MPR Accountants & Advisors Pty Ltd	13,500,000 Ordinary Fully Paid Shares
Matthew William Murphy	8 August 2016	N/A	N/A	13,500,000 Ordinary Fully Paid Shares

6. Associates

The reasons the persons named in paragraph 3 above are associates of the substantial holder are as follows:

Name and ACN/ARSN (if applicable)	Nature of association
Matthew William Murphy	By virtue of shareholding in and directorship of Ascension.

7. Addresses

The addresses of persons named in this form are as follows:

Name	Address
Matthew William Murphy	18 Larne Avenue, Donvale, VIC 3111
Ascension	Level 19, HWT Tower, 40 City Road, Southbank VIC 3006

Signature

print name Matthew William Murphy capacity Personally and as Director of
Ascension

sign here  date 08/08/2016

DIRECTIONS

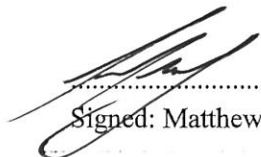
- (1) If there are a number of substantial holders with similar or related relevant interests (eg. a corporation and its related corporations, or the manager and trustee of an equity trust), the names could be included in an annexure to the form. If the relevant interests of a group of persons are essentially similar, they may be referred to throughout the form as a specifically named group if the membership of each group, with the names and addresses of members is clearly set out in paragraph 7 of the form.
- (2) See the definition of "associate" in section 9 of the Corporations Act 2001.
- (3) See the definition of "relevant interest" in sections 608 and 671B(7) of the Corporations Act 2001.
- (4) The voting shares of a company constitute one class unless divided into separate classes.
- (5) The total number of votes attached to all the voting shares in the company or voting interests in the scheme (if any) that the person or an associate has a relevant interest in.
- (6) The person's votes divided by the total votes in the body corporate or scheme multiplied by 100.
- (7) Include details of:
 - (a) any relevant agreement or other circumstances by which the relevant interest was acquired. If subsection 671B(4) applies, a copy of any document setting out the terms of any relevant agreement, and a statement by the person giving full and accurate details of any contract, scheme or arrangement, must accompany this form, together with a written statement certifying this contract, scheme or arrangement; and
 - (b) any qualification of the power of a person to exercise, control the exercise of, or influence the exercise of, the voting powers or disposal of the securities to which the relevant interest relates (indicating clearly the particular securities to which the qualification applies).

See the definition of "relevant agreement" in section 9 of the Corporations Act 2001.
- (8) If the substantial holder is unable to determine the identity of the person (eg. if the relevant interest arises because of an option) write "unknown".

- (9) Details of the consideration must include any and all benefits, money and other, that any person from whom a relevant interest was acquired has, or may, become entitled to receive in relation to that acquisition. Details must be included even if the benefit is conditional on the happening or not of a contingency. Details must be included of any benefit paid on behalf of the substantial holder or its associate in relation to the acquisitions, even if they are not paid directly to the person from whom the relevant interest was acquired.
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ANNEXURE A

This is Annexure A of 26 pages referred to in Form 603 – Notice of initial substantial holder signed by me and dated 8 August 2016.



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Signed: Matthew William Murphy

SALE OF SHARES AGREEMENT

THIS AGREEMENT is made on 4th August 2016

BETWEEN: ASCENSION BUSINESS INVESTMENTS PTY LTD ACN 125 133 539 a.t.f the Ascension Business Investment Trust of Level 19 'HWT Tower', 40 City Road, Southbank, VIC 3006 ("the Vendor")

AND: PRIME CORPORATE PTY LTD A.C.N 121 494 424 of Level 17, Como Office Tower, 644 Chapel Street, South Yarra, Victoria 3141 ("the Purchaser")

AND: PRIME FINANCIAL GROUP LTD A.C.N 009 487 574 of Level 17, Como Office Tower, 644 Chapel Street, South Yarra, Victoria 3141 ("PFG")

AND: MATTHEW MURPHY of 18 Larne Avenue, Donvale, Victoria 3111 ("the Covenantor")

AND: MPR ACCOUNTANTS & ADVISORS PTY LTD (ACN 150 831 799) of Level 19 'HWT Tower', 40 City Road, Southbank, VIC 3006 ("the Company")

RECITALS:

- A. The Vendor is the registered holder of the Sale Shares.
- B. The Vendor has agreed to sell to the Purchaser, and the Purchaser has agreed to purchase, the Sale Shares on and subject to the terms and conditions contained in this Agreement.
- C. In consideration for the sale and purchase in Recital B, the Purchaser has agreed to procure the payment of the Purchase Consideration (comprised of cash payments and shares in PFG), on and subject to the terms contained in this Agreement.
- D. The Covenantor is a key person of the Business and a beneficial owner of the Vendor who will remain a key employee within the Group following Completion. The Covenantor has agreed to enter into this Agreement to provide the Warranties jointly and severally to the Purchaser and to provide certain other assurances.
- E. PFG is a party to this Agreement to acknowledge the transactions described in this Agreement.
- F. This Agreement is executed as a deed and is intended to be enforceable in respect of executory rights and obligations.

THE PARTIES AGREE AND DECLARE AS FOLLOWS:

1. INTERPRETATION

1.1 Definitions

In this Agreement, unless the context indicates and permits otherwise:

"Accountant" means the accounting business of the Group operated by MPR Group Pty Ltd as trustee for the MPR Trust;

"Accounts" means:

- (a) the consolidated balance sheet of the Group as at the Last Balance Date; and
- (b) the consolidated profit and loss statement of the Group for the period ending on the Last Balance Date,

provided to the Purchaser by the Vendor in connection with this Agreement;

"Assets" means all the assets of the Group and includes (without limitation) cash at bank;

"ASX" means the Australian Securities Exchange;

"Business" means the Group's business of:

- (a) operating the Accountant;
- (b) participating in the businesses operated by MPR Finance Pty Ltd, MPR Strategic Wealth Pty Ltd and MPR Innovation Pty Ltd; and
- (c) any other activities conducted by the Group;

"Business Day" means a day that is not a Saturday, Sunday or designated public holiday in Victoria;

"Cash Consideration" means the total sum of \$1,350,000 comprising of the First Cash Payment, Second Cash Payment and Third Cash Payment, and which is payable in the manner and at the times set out and described in clause 4;

"Client" means a person to whom a Group Entity or the Business has provided any services at any time during the preceding 3 years;

"Client List" means any list of the Clients;

"Company" means MPR Accountants & Advisors Pty Ltd (ACN 150 831 799) of Level 19 'HWT Tower', 40 City Road, Southbank, VIC 3006;

"Completion" means the completion of the sale of the Sale Shares to the Purchaser and the performance of the matters described in clause 5;

"Completion Date" means 8 August 2016 or such other date that the parties may agree in writing;

"Confidential Information" means all information relating to the Business or the Assets, whether verbal or recorded on paper or by electronic means including information relating to the business plans and proposals, the Clients, and any Client List, that is not public information but excludes information which is or subsequently becomes known or generally available to the public otherwise than in consequence of a breach of this Agreement;

"Consideration Shares" means 13,500,000 new ordinary fully paid shares in PFG;

"Covenantor" means Matthew Murphy of 18 Lorne Avenue, Donvale, Victoria 3111;

"Corporations Act" means the Corporations Act 2001;

"Deal" means:

- (a) sell, assign, transfer or otherwise dispose of;
- (b) agree or offer to sell, assign, transfer or otherwise dispose of;
- (c) enter into any option which, if exercised (whether such exercise is subject to conditions or otherwise), enables or requires the shareholder to sell, assign, transfer or otherwise dispose of the shares; and
- (d) decrease or agree to decrease an economic interest;

"Effective Date" means 1 July 2016;

"Employment Agreement" means the employment agreement that is to govern the provision of services by the Covenantor to MPR Group Pty Ltd (and other entities within the Group) with effect from Completion which is to be entered into between the Covenantor and Prime Management Services Pty Ltd;

"Encumbrances" means any Security Interest, mortgage, charge (whether fixed or floating), pledge, lien (including without limitation any unpaid vendor's lien or similar), option, hypothecation, title retention or conditional sale agreement, lease, hire or hire purchase agreement, restriction as to transfer, use or possession, easement, subordination to any right of any other person, caveat and any other encumbrance;

"First Cash Payment" means part-payment of the Cash Consideration in the amount of \$900,000;

"Governmental Agency" means any government, government department, or governmental, semi governmental or judicial body or authority or person charged with the administration of any applicable law;

"Great Southern Dispute" the claim against the Accountant that has been made by Adam Prince and Michael Richmond in relation to Great Southern.

"Group" means the Company together with any of its "related bodies corporate" (as that term is defined in section 50 of the Corporations Act) and the Company and any such related body corporate is a **"Group Entity"**;

"Issuer Sponsored Sub-register" means the issuer sponsored sub-register maintained by PFG and/or its authorised share registry;

"Last Balance Date" means 30 June 2016;

"Non-compete Period" means the period commencing on the Completion Date and ending:

- (a) 2 years after the Services Termination Date; or if that period is unenforceable;
- (b) 1 year after the Services Termination Date; or if that period is unenforceable;
- (c) 6 months after the Services Termination Date; or if that period is unenforceable;
- (d) 3 months after the Services Termination Date;

;

"PFG" means Prime Financial Group ACN 009 487 574 of Level 17, Como Office Tower, 644 Chapel Street, South Yarra, Victoria 3141;

"Purchase Consideration" means the Cash Consideration and Consideration Shares;

"Restricted Area" means:

- (e) Australia; or if that geographical area is unenforceable;
- (f) in respect of conduct concerning a particular Group Entity any State of Australia in which the Group Entity carries on business, or if that geographical area is unenforceable;
- (g) Victoria;

"Restricted Period" means the period commencing on the Completion Date and ending:

- (a) 3 years after the Services Termination Date; or if that period is unenforceable;
- (b) 2 years after the Services Termination Date; or if that period is unenforceable;
- (c) 1 year after the Services Termination Date; or if that period is unenforceable;
- (d) 6 months after the Services Termination Date; or if that period is unenforceable;
- (e) 3 months after the Services Termination Date;

"Sale Shares" means 1,047,176 fully paid ordinary shares in the Company;

"Second Cash Payment" means part-payment of the Cash Consideration in the amount of \$100,000;

"Security Interest" has the meaning given to it in the Personal Property Securities Act 2009;

"Services Termination Date" means the date that the Covenantor (or any entity he is associated with) ceases to provide services (whether under an employment, secondment or consultancy arrangement) to the Group (i.e he is no longer providing services to any one Group Entity);

"Shareholders' Agreement" means the shareholders' agreement between the Company and each shareholder in the Company entered into on 8 December 2015; and

"Third Cash Payment" means part-payment of the Cash Consideration in the amount of \$350,000;

"Vendor" means Ascension Business Investments Pty Ltd ACN 125 133 539 a.t.f the Ascension Business Investment Trust of Level 19 'HWT Tower', 40 City Road, Southbank, VIC 3006.

"Warranties" means the warranties, representations and indemnities set out in Schedule 1 provided by the Vendor and Covenantor to the Purchaser pursuant to clause 9.

1.2 General

In this Agreement, unless the context indicates and permits otherwise:

- (a) a reference to any legislation or legislative provision includes any statutory modification or re-enactment of, or legislative provision substituted for, and any subordinate legislation issued under, that legislation or legislative provision;
- (b) the singular includes the plural and vice versa;
- (c) a reference to any individual or person includes a corporation, partnership, joint venture, association, authority, trust, state, government or Government Agency and vice versa;
- (d) a reference to any gender includes all genders;
- (e) a reference to a recital, clause, schedule, annexure or exhibit is to a recital, clause, schedule, annexure, or exhibit of or to this Agreement;
- (f) a recital, schedule, annexure or a description of the parties forms part of this Agreement;
- (g) a reference to any agreement or document is to that agreement or document (and, where applicable, any of its provisions) as amended, novated, supplemented or replaced from time to time;

- (h) a reference to any party to this Agreement, or any other document or arrangement, includes that party's executors, administrators, substitutes, successors and permitted assigns;
- (i) where an expression is defined, another part of speech or grammatical form of that expression has a corresponding meaning;
- (j) a reference to a bankruptcy or winding up includes bankruptcy, winding up, liquidation, dissolution, becoming an insolvent under administration (as defined in the Corporations Act), being subject to administration and the occurrence of anything analogous or having a substantially similar effect to any of those conditions or matters under the law of any applicable jurisdiction, and to the procedures, circumstances and events which constitute any of those conditions or matters;
- (k) where an expression is defined anywhere in this Agreement, it has the same meaning throughout; and
- (l) a reference to "dollars" or "\$" is to an amount in Australian currency.

1.3 Where this Agreement imposes an obligation on one or more party, each of those parties assumes the liability to comply with that obligation jointly, and in addition, each party assumes the liability to comply with that obligation severally.

1.4 Where this Agreement requires the payment of any moneys, such amount shall be paid by way of bank cheque unless agreed otherwise.

1.5 **Headings**

In this Agreement, headings are for convenience of reference only and do not affect interpretation.

1.6 **Confidentiality**

Where this Agreement provides that a party must treat any information confidentially, that party must not, and must ensure that any person who receives the information by the party's authority does not:

- (a) disclose any of the information in any form to anyone else; or
- (b) use any of the information except to:
 - (i) acquire or check information in connection with this Agreement and the transactions contemplated by it; or
 - (ii) perform any of its obligations under this Agreement or in relation to any of the transactions contemplated by it

unless:

- (c) the information is disclosed to a professional adviser, banker or financial adviser of the party or to a person whose consent is required under this Agreement or for a transaction contemplated by it and that person undertakes to the person who provides the information:
 - (i) not to disclose any of the information in any form to anyone else; and
 - (ii) only to use the information for the purposes of advising the party or financing the party or considering whether to give that consent (as the case may be);
- (d) a law or lawful authority (including ASX listing and disclosure requirements) requires the disclosure or use; or
- (e) the information is available generally (but not if it is because a person has contravened a confidentiality obligation including under this clause).

2. AGREEMENT CONDITIONAL

2.1 This Agreement is conditional upon:

- (a) the Covenantor executing the Employment Agreement;
- (b) the Purchaser being satisfied with the Group structure; and
- (c) those shareholders in the Company other than the Vendor consenting to the transactions contemplated by this Agreement and agreeing to waive any pre-emptive rights to the Sale Shares.

2.2 The Vendor acknowledges that the conditions contained in clause 2.1 have been inserted for the sole benefit and protection of the Purchaser. The Purchaser may waive the conditions at any time by giving notice in writing to the Vendor.

2.3 If the conditions contained in clause 2.1 have not been confirmed as satisfied by the Purchaser, or waived by the Purchaser, on or prior to the Completion Date, then either party may terminate this Agreement by written notice to the other, with immediate effect.

3. AGREEMENT TO SELL AND BUY THE SHARES

3.1 Subject to clause 5, the Vendor sells to the Purchaser (or its nominee) and the Purchaser (or its nominee) buys from the Vendor, the Sale Shares free from all Encumbrances for the Purchase Consideration on and subject to the terms and conditions of this Agreement.

3.2 Subject to clause 6, the title to, property in and risk of the Sale Shares shall:

- (a) until Completion, remain solely with the Vendor, subject to this Agreement; and
- (b) pass to the Purchaser (or its nominee) on and from Completion.

4. CONSIDERATION

- 4.1 In consideration of the transfer of the Sale Shares provided for herein and subject to the Vendor complying with its obligations under clause 5 and the terms and conditions of this Agreement, the Purchaser shall:
- (a) pay the Cash Consideration to the Vendor in cleared funds and without set-off as follows:
 - (i) the First Cash Payment on the Completion Date;
 - (ii) the Second Cash Payment on the date that is 6 months from the Completion Date; and
 - (iii) the Third Cash Payment of the date that is 12 months from the Completion Date; and
 - (b) procure that PFG issues and allots the Consideration Shares to the Vendor on the Completion Date free from all Encumbrances in accordance with clause 5.3(b).
- 4.2 Notwithstanding any other provision of this Agreement, in the event that MPR Group Pty Ltd or any member of the MPR Group incur costs or is required to make a payment of any description in relation to the Great Southern Dispute (other than any excess amount that may be payable under an applicable insurance policy) ("**GSD Costs**") then the Vendor and the Covenantor will be jointly and severally liable to pay to the Purchaser an amount equal to 38.78% of all GSD Costs incurred immediately upon demand. Any payment made in accordance with this sub-clause will be in full and final settlement of any claim the Purchaser may have in relation to the GSD Costs.
- 4.3 Subject to clause 6, the title to, property in and risk of the Consideration Shares shall pass to the Vendor on and from Completion.

5. COMPLETION

- 5.1 Completion is to occur on the Completion Date at the offices of the Purchaser, or at any other time or place agreed in writing by the parties.
- 5.2 At Completion the Vendor must:
- (a) deliver or cause to be delivered to the Purchaser (to the extent that the Purchaser is not already in possession of such items):
 - (i) original share certificates for the Sale Shares;
 - (ii) instruments of transfer for the Sale Shares in registrable form duly executed by the Vendor and naming as transferee the Purchaser or its nominee (as specified by the Purchaser in writing no later than 2 Business Days prior to the Completion Date);

- (iii) where the Vendor is holding the Sale Shares on trust for any person, duly stamped declarations of trust evidencing that trust and the authority of the Vendor, as trustee, to deliver the Sale Shares at Completion; and
 - (iv) any other document which the Purchaser requires to obtain good title to the Sale Shares free of all Encumbrances, and to enable the Purchaser to cause the registration of the Sale Shares in the name of the Purchaser or its nominee including any power of attorney under which any document delivered under this Agreement has been signed;
 - (b) confer on the Purchaser clear and unencumbered title to the Sale Shares;
 - (c) otherwise do all other acts and execute all other documents that this Agreement requires the Vendor to do or execute at or before Completion;
 - (d) procure that a duly convened meeting of the directors of the Company is held and that at that meeting resolutions are passed authorising:
 - (i) the approval of the transfer and the registration (subject to payment of stamp duty, if any) of the transfer of the Sale Shares;
 - (ii) the issue of a new share certificate for the Sale Shares in the name of the Purchaser (or its nominee); and
 - (iii) the cancellation of the existing share certificates in respect of the Sale Shares.
- 5.3 At Completion the Purchaser must, subject to the Vendor complying with its obligations under clause 5.2:
- (a) pay to the Vendor the First Cash Payment;
 - (b) do all things necessary to procure PFG to issue and allot the Consideration Shares to the Vendor on the basis that they must be held on the Issuer Sponsored Sub-register in order to give effect to the escrow arrangements specified in clause 7;
 - (c) do and execute all other acts and documents that this Agreement requires the Purchaser to do or execute at Completion.
- 5.4 At Completion the Company must make a payment to Prime Management Services Pty Ltd equal to the value of accrued employee entitlements that Prime Management Services Pty Ltd will assume responsibility for pursuant to the Employment Agreement.
- 5.5 The Vendor must procure that the registration of the transfer of the Sale Shares takes place as soon as possible after Completion. After Completion and until the Sale Shares are registered in the name of the Purchaser, the Vendor must take all action as registered holder of the Sale Shares as the Purchaser may lawfully require from time to time by notice and shall not take any action in respect of the Sale Shares unless required or approved by the Purchaser.

5.6 The Purchaser must procure that the registration of the Consideration Shares on the Issuer Sponsored Sub-register takes place as soon as possible after Completion.

5.7 The obligations of the Vendor and the Purchaser under clause 5 are several but interdependent and must be completed simultaneously.

6. **EFFECTIVE DATE**

Notwithstanding the Completion Date, once Completion occurs the Purchaser will be entitled to all benefits, rights and entitlements accrued or attaching to the Sale Shares as from the Effective Date.

7. **CONSIDERATION SHARES SUBJECT TO ESCROW**

7.1 Following Completion the Vendor and Covenantor agree and consent to the Consideration Shares being subject to the escrow arrangements described in clause 7.2 for the following time periods:

- (a) 4,500,000 of the Consideration Shares will be subject to escrow until 30 June 2017;
- (b) 4,500,000 of the Consideration Shares will be subject to escrow until 30 June 2018; and
- (c) 4,500,000 of the Consideration Shares will be subject to escrow until 30 June 2019.

7.2 Subject to clauses 7.3 and 7.4, while any Consideration Shares are subject to escrow (each such share being an **Escrowed Share**), the Vendor must not:

- (a) Deal, directly or indirectly, in any of the Escrowed Shares or Deal, directly or indirectly, in any interest or right in respect of all or any part of the Escrowed Shares;
- (b) create, or agree or offer to create, an Encumbrance over or affecting any or all of the Escrowed Shares; or
- (c) do or omit to do any act which would have the effect of transferring effective ownership or control of any or all of the Escrowed Shares.

7.3 If at any time:

- (a) any person, other than a party to this Agreement, makes a takeover bid in respect of all of PFGs ordinary fully paid shares (**Ordinary PFG Shares**) under Chapter 6 of the Corporations Act; and
- (b) holders of at least half of the Ordinary PFG Shares that are not subject to escrow have accepted the takeover bid,

the Vendor may Deal in any or all of the Escrowed Shares in order to accept the takeover bid. If the takeover bid does not proceed, the Vendor acknowledges and agrees that the terms of

this clause will continue to apply to any Consideration Shares that it has tendered into the takeover bid.

- 7.4 The Vendor may Deal in any or all of the Escrowed Shares in order to effect the transfer or cancellation of those shares as part of a merger by scheme of arrangement under Part 5.1 of the Corporations Act provided that any Consideration Shares which are the subject of the scheme of arrangement will remain subject to the escrow arrangements set out in this clause if the merger by scheme of arrangement does not take effect.
- 7.5 The Vendor may deal in any or all of the Escrowed Shares in the event that Mr Simon Madder is no longer a director of PFG.
- 7.6 For the purposes of effecting the escrow arrangements contemplated by this clause 7, the Vendor agrees to:
- (a) any and all Consideration Shares being held on the Issuer Sponsored Sub-register whilst they are Escrowed Shares; and
 - (b) PFG placing a holding lock in respect of the Consideration Shares or portion of the Consideration Shares that are Escrowed Shares.
- 7.7 PFG agrees to release any holding lock imposed in accordance with clause 7.6(b) in so far as it applies to Consideration Shares that are no longer Escrowed Shares.

8. LOAN RECONCILIATION

- 8.1 Any loan balances that exist between the Vendor and the Company must be settled within 6 months of Completion as between the Vendor and the Company with such balances to be repaid in 6 equal monthly instalments (with the first of such payments to be made within 1 month of Completion).

9. WARRANTIES

- 9.1 In consideration of mutual promises contained herein, each of the Vendor and Covenantor jointly and severally warrants to the Purchaser, that at the Completion Date the Warranties are true, complete and accurate. Each of the Warranties is to be construed as a separate warranty and shall not be limited or restricted by reference to or inference from the terms of any other Warranty.
- 9.2 The ability of the Purchaser to make a claim for breach of any Warranty is not extinguished or affected by any investigation made by or on behalf of it into the Shares or the Business or by any other matter, event or circumstance (even if the Purchaser knew of or could have discovered the breach) unless the claim relates to a matter, event or circumstance which was fully and fairly disclosed to the satisfaction of the Purchaser in a formal disclosure letter given by or on behalf of the Vendor and Covenantor before the Completion Date.

- 9.3 Subject to clauses 9.7 – 9.9, in consideration of the mutual promises contained herein, and as an inducement to the Purchaser entering this Agreement, the Vendor and Covenantor jointly and severally covenant to indemnify the Purchaser, and keep the Purchaser indemnified, against:
- (a) any claim against the Purchaser to the extent that the claim arises from or is connected with any breach of any of the Warranties or of any other term of this Agreement; and
 - (b) any loss or damage incurred by the Purchaser because any of the Sale Shares or Assets suffer a diminution in value attributable or connected to any breach of any of the Warranties or of any other term of this Agreement.
- 9.4 No claim by the Purchaser under a Warranty or indemnity contained in this Agreement will prejudice or operate to limit or reduce the ability of the Purchaser to claim any amount recoverable under any other Warranty, indemnity or covenant.
- 9.5 Each of the Warranties is independent of the other Warranties and any other representation and is not affected by any of them.
- 9.6 The Warranties do not merge upon Completion of this Agreement and survive Completion. Liability under the Warranties is not confined to breaches discovered prior to the Completion Date.
- 9.7 Notwithstanding any other provision of this clause 9, neither the Vendor or Covenantor is liable for any loss which the Purchaser recovers from a source other than the Vendor or the Covenantor (whether such right of recovery arises under any contract, indemnity, insurance policy or otherwise).
- 9.8 The Purchaser may not make, and the Vendor and Covenantor will not have any liability for, a claim made in respect of a Warranty or indemnity contained in this Agreement unless the Purchaser has given the Vendor and the Covenantor notice of that claim within:
- (a) in the case of a claim relating to the Warranty in paragraph 5 of Schedule 1 – 3 years of the Completion Date; and
 - (b) in the case of a claim relating to any other matter - 1 year of the Completion Date.
- 9.9 Notwithstanding any other provision of this clause 9, the Vendor's and Covenantor's total liability (when combined) in respect of all claims made in respect of any Warranty or indemnity under this Agreement is limited in aggregate to an amount equal to the value of the Purchase Consideration.
- 9.10 The Purchaser warrants and represents to the Vendor, as an inducement to the Vendor to enter into this Agreement and to sell the Sale Shares, and it is condition of this Agreement that, at the Completion Date:

- (a) the execution and delivery of this Agreement has been properly authorised by all necessary corporate action of the Purchaser;
- (b) the Purchaser has full corporate power and lawful authority to execute and deliver this Agreement and to consummate and perform or cause to be performed its obligations under this Agreement;
- (c) this Agreement constitutes a legal, valid and binding obligation of the Purchaser enforceable in accordance with their terms by appropriate legal remedy; and
- (d) this Agreement and Completion do not conflict with or result in a breach of or default under any provision of its constitution or any material term or provision of any agreement or deed or any writ, order or injunction, judgment, law, rule or regulation to which it is a party or is subject or by which it is bound.

10. RESTRICTIONS

10.1 Restraint during the Restraint Period

- (a) The Vendor and the Covenantor must not do any of the following within the Restricted Area without first obtaining the written consent of the Purchaser and the Company:
 - (i) during the Non-compete Period directly or indirectly carry on (whether alone or in partnership or joint venture with anyone else) or otherwise be concerned with or interested in (whether as trustee, principal, agent, shareholder, unit holder, office holder, employee, adviser, associate, beneficiary or in any other capacity) any business that is competitive with any Group Entity;
 - (ii) during the Restricted Period, solicit, canvass, induce, encourage or persuade any person or corporation that is a customer or client of a Group Entity, or that was a customer or client within the 12 months preceding the Services Termination Date, to cease doing business with a Group Entity or reduce the amount of business which the customer or client would normally do with a Group Entity;
 - (iii) during the Restricted Period, solicit, canvass, induce, encourage or persuade any person or corporation that has been identified as a prospective client of a Group Entity, or that was identified as a prospective client of a Group Entity within the 12 months preceding the Service Termination Date, to cease doing or to not do business with a Group Entity;
 - (iv) during the Restricted Period, accept from a customer or client referred to in clause 10.1(a)(ii) or a prospective customer or client referred to in clause 10.1(a)(iii) any business of the kind ordinarily forming part of a Group Entity's business;

- (v) during the Restricted Period, solicit, canvass, induce, encourage or persuade any person who is a supplier, manager, distributor, agent or licensee to a Group Entity, or that was a supplier, manager, distributor, agent or licensee to a Group Entity within the 12 months preceding the Services Termination Date, to cease doing business with or supplying to any Group Entity or reduce the amount of supply or business that the supplier, manager, distributor, agent or licensee would normally do or otherwise have done with any Group Entity;
 - (vi) at any time during the Restricted Period, induce or attempt to induce any person who is or who later becomes an employee of any Group Entity to terminate his or her employment with the Group Entity; or
 - (vii) during the Restricted Period, assist, procure or induce any person to do any of the acts referred to in this clause 10.1(a).
- (b) For the purpose of clause 10.1(a) "competitive with any Group Entity" means any business that is the same as or substantially similar to or that competes with a Group Entity.

10.2 **Restrictions do not apply**

The prohibitions and restraints in clause 10.1 do not prohibit the Vendor or the Covenantor from holding up to a maximum of 5% of the shares of any entity admitted to the official list of the Australian Securities Exchange.

10.3 **Separate undertakings**

In clause 10.1:

- (a) Each of the restrictions (resulting from any combination of the wording in each of sub-clauses 10.1(a)(i) - 10.1(a)(vii) and the relevant definitions) has effect as a separate and independent covenant and restriction.
- (b) If any of those covenants or restrictions:
 - (i) are void as unreasonable for the protection of the Purchaser and the Company; and
 - (ii) would be valid if part of the wording was deleted or the period or area was reduced,

the restrictions will apply with the modifications necessary to make them effective.

10.4 **Restrictions are reasonable to preserve the value of the Sale Shares and the Business**

The Vendor and the Covenantor agree that:

- (a) any failure to comply with clause 10.1 would diminish the value of the Sale Shares;

- (b) the restrictive undertakings in clause 10.1 are reasonable and necessary for the protection of the value of the Sale Shares and must be given full effect; and
- (c) the restrictive undertakings in clause 10.1 are intended to operate to the maximum extent permissible by law.

10.5 Notification obligations

The Vendor and Covenantor agree:

- (a) that during the Restricted Period, the Vendor and Covenantor will notify the Company and the Purchaser immediately if they (whether solely or together) other than in their capacity as authorised representatives of a Group Entity, participate in any discussions with a person or corporation that is a customer or client of a Group Entity, or that was a customer or client within the 12 months preceding the Services Termination Date;
- (b) the notice required under this clause 10.5(a) must be provided in writing as soon as possible and in any event within 24 hours of any of the matters in clause 10.5(a) occurring. This written notice must include full particulars of the matter including the identity of the client, the nature of services proposed to be provided (if any) and how it is contemplated that this will be done; and
- (c) not to accept any engagement or take any further steps in relation to the matter for a period of 72 hours from the time of notification to the Company and the Purchaser under this clause 10.5. During this period the Company or the Purchaser may require the Vendor and/or Covenantor to provide reasonable evidence confirming to its satisfaction that they are not in breach of the restrictions as set out in clause 10.1 at any time, including the provision of a statutory declaration on request.

10.6 Agreement to pay liquidated damages

If the Vendor or Covenantor breach any of the obligations in clause 10.1 and the result is that a client's business with a Group Entity ceases, the Vendor and the Covenantor jointly and severally agree to pay to the Company an amount (**Agreed Amount**) that is equal to 120% of the agreed client fee base in respect of each client taken by the Vendor or Covenantor (or any entity associated with either of them) (**Taken Client**). Where the Taken Client has been a client for:

- (a) more than 12 months, the agreed client fee base will be calculated by reference to the fees billed by the relevant Group Entity(ies) in relation to that Taken Client for the previous 12 months up to the date when (in the Company's sole view) the Taken Client became a Taken Client; or
- (b) less than 12 months, the agreed client fee base will be calculated in accordance with the following formula:

$$A = \frac{F}{D} \times 365$$

Where:

A is the agreed client fee base for the Taken Client;

F is the total fees billed in relation to Taken Client by the relevant Group Entity(ies);
and

D is the number of days from the date the Taken Client was first a client until the date when (in the Company's sole view) the Taken Client became a Taken Client.

- 10.7 If either 10.6(a) or 10.6(b) are applicable, the Vendor and the Covenantor will be jointly liable to pay the Agreed Amount to the Company and must do so within one month upon the Company's demand, failing which the Company will be entitled to sue for the recovery of the Agreed Amount. The Vendor and the Covenantor each warrant that any payment under this clause is a genuine pre-estimate of the probable damage that would be suffered by the Group in the event that a client's business with a Group Entity ceases.

10.8 Legal advice

The Vendor and the Covenantor acknowledge that in relation to this Agreement and in particular this clause 10 they have received legal advice or have had the opportunity of obtaining legal advice.

10.9 Injunction

The Vendor and the Covenantor acknowledge that:

- (a) Each covenant and restriction in clause 10.1 is reasonable in the circumstances and necessary to protect the Purchaser and the goodwill of the Company; and
- (b) monetary damages alone would not be adequate compensation to the Purchaser or the Company for a breach of clause 10.1 and that the Purchaser and the Company are entitled to seek an injunction from a court of competent jurisdiction if:
 - (i) the Vendor or the Covenantor fail to comply or threaten to fail to comply with clause 10.1; or
 - (ii) the Purchaser or the Company has reason to believe the Vendor or the Covenantor will not comply with clause 10.1.

11. SHAREHOLDERS' AGREEMENT

For the avoidance of doubt, each of the Vendor and Covenantor agrees and acknowledges that those provisions of the Shareholders' Agreement that are intended to continue to bind the Vendor and/or Covenantor after the date on which the Vendor ceases to hold shares in the Company, in particular clause 17 (Restraint of Trade) and clause 18 (Confidential Information), shall continue to bind the Vendor and/or Covenantor following Completion.

12. RELATIONSHIP

No party is constituted the partner, agent, employee or representative of any other party by this Agreement and no party has the power to incur any obligations on behalf of, or pledge the credit of, any other party by virtue of this Agreement.

13. COSTS, STAMP DUTY & GST

13.1 Except to the extent specified in clause 13.2, each party must bear and is responsible for its own costs in connection with the preparation, execution, Completion and carrying into effect of this Agreement.

13.2 The party acquiring any shares or other securities in accordance with the terms and conditions of this Agreement agrees to pay any stamp duty that may be payable in respect of that transfer.

13.3 The parties are contracting on the basis that the transaction or transactions the subject of this Agreement (being the sale and purchase of shares) is Goods and Services Tax ("GST") exempt. If the parties are incorrect in this belief and the ATO determines that GST is payable, then the amount of the Purchase Consideration will be deemed to be exclusive of GST. Upon such a determination being made by the ATO, and notified to the Vendor, the Vendor will provide the Purchaser with a tax invoice, and the Purchaser is to make payment of the amount of GST (inclusive of any penalties and interest) at that time.

14. NOTICES

14.1 Any and all notices that are required to be given under this Agreement shall be deemed to be validly given if personally delivered, posted, sent by facsimile transaction or sent by email to the address set out at the beginning of this Agreement, or to such other address, facsimile number or email address as notified in writing by the relevant party to the other parties from time to time.

14.2 A notice given to a person in accordance with this clause is treated as having been given and received:

- (a) if delivered to a person's address, on the day of delivery;
- (b) if sent by pre-paid mail, on the third Business Day after posting;
- (c) if transmitted by facsimile to a person's address and a correct and complete transmission report is received, on the day of transmission; or
- (d) if sent by email, when such transmission is deemed to have been dispatched in accordance with the Electronic Transactions Act 1999,

provided that any notice personally delivered or sent by email or facsimile either after 5:30pm on a Business Day or on any day that is not a Business Day will be deemed to have been received on the next business Day.

15. SEVERABILITY

15.1 If a provision of this Agreement is void and that provision is capable of being read down and doing so would prevent this document or that provision being void, voidable or unenforceable, that provision is to be read down to the extent necessary to prevent this document or that provision being void, voidable or unenforceable.

15.2 If, despite the existence or operation of the preceding subclause, a provision of this document is or would still be void, voidable or unenforceable:

- (a) and that result would be prevented if a word or words were omitted from that provision, that word or those words will be deemed to have been omitted; and
- (b) in any other case, the document is to be read as if the whole provision were severed from this document

and the remainder of this document will continue to have full force and effect.

16. CONFIDENTIALITY

The Vendor and the Covenantor must keep the Confidential Information confidential. Furthermore, each party must treat the existence and terms of this Agreement confidentially.

17. GENERAL

17.1 This Agreement may only be amended or supplemented in writing, signed or assented to by the parties.

17.2 The non-exercise of or delay in exercising any power or right of a party does not operate as a waiver of that power or right, nor does any single exercise of a power or right preclude any other or further exercise of it or the exercise of any other power or right. A power or right may only be waived in writing, signed by the party to be bound by the waiver.

17.3 This Agreement is the entire agreement of the parties with respect to its specific subject matter. The only enforceable obligations and liabilities of the parties in relation to the specific subject matter of this Agreement are those that arise out of the provisions contained in this Agreement.

17.4 Except where this Agreement specifically provides otherwise, before Completion, no party may assign or transfer any of its rights or obligations under this Agreement without the prior consent in writing of all the other parties.

17.5 No provision of this Agreement merges on, or by virtue of, Completion.

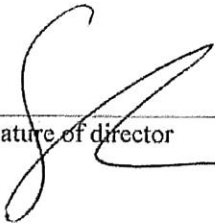
- 17.6 Each party must do, sign, execute and deliver and must ensure that each of its employees and agents does, signs, executes and delivers, all deeds, documents, instruments and acts reasonably required of it or them by notice from another party to effectively carry out and give full effect to this Agreement and the rights and obligations of the parties under it, both before and after Completion.
- 17.7 This Agreement may be executed in any number of counterparts and all of those counterparts taken together constitute one and the same instrument.
- 17.8 Each attorney who executes this Agreement on behalf of a party declares that the attorney has no notice of the revocation or suspension by the grantor or in any manner of the power of attorney under the authority of which the attorney executes this Agreement and has no notice of the death of the grantor.

18. LAW AND JURISDICTION

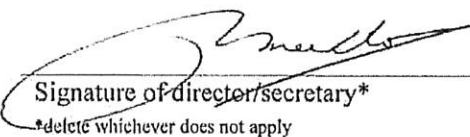
- 18.1 This Agreement shall be governed by and shall be construed in accordance with the law of the State of Victoria.
- 18.2 The parties submit to the non-exclusive jurisdiction of the courts of Victoria and any courts that may hear appeals from those courts in respect of any proceedings in connection with this Agreement.

EXECUTED AS A DEED

Executed by **PRIME CORPORATE PTY LTD**)
A.C.N 121 494 424 in accordance with)
section 127(1) of the *Corporations Act 2001 (Cth)*:)
)



Signature of director



Signature of director/secretary*
*delete whichever does not apply

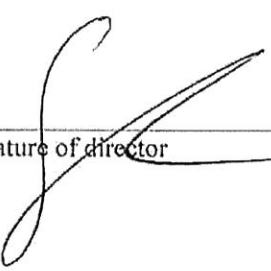
SIMON MOORE

Name (please print)

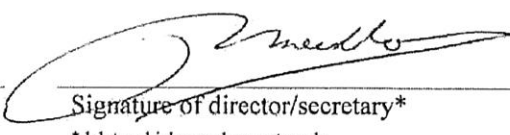
PETER MOORE

Name (please print)

Executed by **PRIME FINANCIAL GROUP LTD**)
A.C.N 009 487 574 in accordance with)
section 127(1) of the *Corporations Act 2001 (Cth)*:)
)



Signature of director



Signature of director/secretary*
*delete whichever does not apply


SIMON MOORE

Name (please print)

PETER MOORE

Name (please print)

Executed by **ASCENSION BUSINESS**)
INVESTMENTS PTY LIMITED ACN 125 133)
539 in accordance with section 127(1) of the)
Corporations Act 2001 (Cth):)



Signature of director

Signature of director/secretary*

*delete whichever does not apply


MATTHEW MURPHY

Name (please print)

Name (please print)

SIGNED, SEALED AND DELIVERED by)
MATTHEW MURPHY in the presence of:)
)



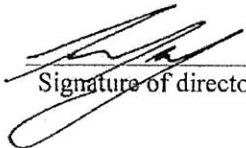


Signature of Witness


SELENA BULJAN

Name of Witness

Executed by **MPR ACCOUNTANTS &**)
ADVISORS PTY LTD (ACN 150 831 799) in)
accordance with section 127(1) of the *Corporations*)
Act 2001 (Cth):)



Signature of director



Signature of director/secretary*

*delete whichever does not apply

MATTHEW MURPHY

Name (please print)

PETER MURPHY

Name (please print)

SCHEDULE 1

WARRANTIES

(clause 9)

1. OWNERSHIP OF ISSUED SHARES AND GROUP ENTITIES

- (a) The Vendor is the legal and beneficial owner of the Sale Shares and holds the Sale Shares free of any Encumbrances.
- (b) The Sale Shares comprise 38.78% of the issued share capital of the Company.
- (c) Immediately before Completion, the Company owns 100% of the Accountant free of any Encumbrances and the Accountant owns the following shares in Group entities free of any Encumbrances:
 - (i) 66.7% of the issued share capital of MPR Finance Pty Ltd; and
 - (ii) 50% of the issued share capital of MPR Strategic Wealth Pty Ltd; and
 - (iii) 50% of the issued share capital of MPR Innovation Pty Ltd.

2. VALIDITY

- (a) This Agreement constitutes a legal, valid and binding obligation of the Vendor enforceable in accordance with its terms by appropriate legal remedy.
- (b) This Agreement and Completion do not conflict with or result in a breach of or default under any material term or provision of any agreement or deed or any writ, order or injunction, judgment, law, rule or regulation to which the Vendor or the Company is a party or is subject or by which it is bound.

3. FINANCIAL WARRANTIES

- (a) Each Group Entity is able to pay its debts when they are due to be paid.
- (b) At Completion other than as expressly stated in this Agreement the Company will not owe any money or have any outstanding liabilities to the Vendor or the Covenantor (in any capacity) or any of their associates, and neither the Vendor the Covenantor nor any of their associates will owe any money to or have any outstanding liability to the Company other than as notified in writing to, and approved by, the Purchaser.
- (c) The Accounts:
 - (i) were prepared in accordance with the accounting policies, principles, practices and method of application of the same used in preparing the annual accounts of the Group for the previous three financial years and in

accordance with Australian Accounting Standards set by the Australian Accounting Standards Board;

- (ii) show with reasonable accuracy the financial position and the performance of the Group for the financial period in respect of which they have been prepared; and
 - (iii) are not misleading or deceptive in any material respect having regard to the basis of their preparation.
- (d) Since the Last Balance Date:
- (i) the Business has been carried on in the ordinary and usual course;
 - (ii) the Business has not been adversely affected by the loss of or material reduction in business from any Client (after allowing for business obtained from new clients) or by any abnormal factor not affecting similar businesses to a like extent and after making due and careful enquiries neither the Vendor nor Covenantor is aware of any facts which are likely to give rise to any such adverse effects; and
 - (iii) there has been no material adverse change in the financial position of the Group or trading prospects of the Business nor is any such material change expected.

4. REGULATORY COMPLIANCE

- (a) All material licences which are necessary for the conduct of the Business (a "Licence") have been obtained and are valid and subsisting and held by a Group Entity.
- (b) All conditions which apply to any such Licence have been complied with in all material respects and no Group Entity is in material breach of any such Licence.
- (c) So far as the Vendor and Covenantor are aware, each Group Entity has in the last two years complied, in all material respects, with all applicable laws.
- (d) No Group Entity has in the last two years received any notice from any government agency that the Group Entity has failed, in any material respect, to comply with any applicable law, which has not been resolved.
- (e) No Group Entity has received any notice of any:
 - (i) breach of any material term or condition of any such Licence; or
 - (ii) proposed revocation, suspension, cancellation, non-renewal or material variation or any such Licence.

5. TAX

- (a) Each Group Entity has complied with the terms of all communications relating to tax or duties issued by any Government Agency and addressed to the Group Entity (including rulings).
- (b) Each Group Entity has in the last five years complied, in all material respects, with all applicable tax laws.
- (c) Each Group Entity has created and maintained adequate and correct records to enable it to comply with its obligations to:
 - (i) prepare and submit any information, notices, computations, returns and payments required in respect of any tax law;
 - (ii) prepare any accounts necessary for the compliance of any tax law; and
 - (iii) retain necessary records as required by any tax law.
- (d) All tax returns to be lodged or filed by a Group Entity prior to the Completion Date, have been, or will be duly lodged or filed.
- (e) All taxes and duties that were due and payable by a Group Entity prior to Completion have been or will be paid before Completion.
- (f) There are no unresolved disputes with any Government Agency involving any Group Entity.

6. LITIGATION

- (a) Neither the Vendor or any Group Entity are:
 - (i) a party to or the subject of any litigation or proceedings; or
 - (ii) the subject of any ruling, judgement, order or decree by any government agency or any other person.
- (b) So far as the Vendor and Covenantor are aware, there is no claim, proceeding, judgement, order or decree pending, threatened or anticipated, against the Company or the Vendor.
- (c) The parties acknowledge that the Great Southern Dispute is not subject to a warranty given under this part.

7. ACCURACY OF INFORMATION

- (a) All of the material factual information supplied by or on behalf of the Vendor (or the Covenantor, Company or any Group Entity) to the Purchaser in connection with the purchase of shares under this Agreement is complete, accurate and not misleading or

deceptive, or likely to mislead or deceive by omission or otherwise, in all material respects.

- (b) Neither the Vendor nor Covenantor has knowingly withheld any information that is material to the purchase of shares under this Agreement, from the Purchaser.