



KPG

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



LETTER TO SHAREHOLDERS

25 February 2021

Dear Shareholder

Extraordinary General Meeting

On behalf of the Board, I am pleased to invite you to attend the Extraordinary General Meeting of Kelly Partners Group Holdings Limited ("KPG"). This will be held at 9.00am (AEDT) on Monday, 29 March 2021 at:

Level 53, MLC Centre
19 Martin Place
Sydney

Enclosed are the following documents:

- Notice and Access;
- Proxy Form for the Extraordinary General Meeting.

If you are unable to attend the Meeting, I encourage you to appoint a proxy, by following the instructions on page 3 of the Notice of Meeting. You may also provide questions or comments in advance of the Meeting, by contacting the Company Secretary, using the details set out on page 5 of the Notice.

We look forward to seeing you at the Extraordinary General Meeting.

Yours faithfully

Brett Kelly
Executive Chairman and Chief Executive Officer

Kelly Partners Group Holdings Limited ABN 25 124 908 363

Level 8/32 Walker Street, North Sydney, NSW, 2060

PO Box 1764, North Sydney, NSW, 2059

T 02 9923 0800 E info@kellypartners.com.au W kellypartnersgroup.com.au

KELLY PARTNERS GROUP HOLDING LIMITED
ABN 25 124 908 363
NOTICE OF EXTRAORDINARY GENERAL MEETING

TIME: 9.00am (AEDT)
DATE: Monday 29 March 2021
PLACE: Level 53, MLC Centre, 19 Martin Place, Sydney NSW 2000

This Notice of Meeting 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.

Should you wish to discuss the matters in this Notice of Meeting please do not hesitate to contact the Company Secretary, using the contact details on page.

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YOUR VOTE IS IMPORTANT

The business of the Extraordinary General Meeting affects your shareholding and your vote is important.

VOTING IN PERSON

To vote in person, attend the Extraordinary General Meeting on the date and at the place set out on page 5.

APPOINTING A PROXY

A Shareholder who is entitled to attend and vote at the Meeting may appoint a proxy to attend and vote at the Meeting on their behalf. A proxy does not need to be a Shareholder of KPG.

If a Shareholder is entitled to cast two or more votes at the Meeting, the Shareholder may appoint two proxies and may specify the percentage or number of votes each proxy can exercise. If the proxy form does not specify the percentage or number of the Shareholder's votes that each proxy may exercise, each proxy may exercise half of the Shareholder's votes on a poll. Fractions will be disregarded. To lodge a proxy, please use one of the following methods:

Online:

At www.investorvote.com.au

By Mobile:

Scan the QR Code on your Proxy form and follow the prompts

By Mail to:

Computershare Investor
Services Pty Ltd
GPO Box 242
Melbourne Victoria 3001
Australia

By Facsimile Transmission to:

1800 783 447 (within
Australia) or
+61 3 9473 2555 (outside
Australia)

By Hand to:

Computershare Investor
Services Pty Ltd
Level 3
60 Carrington Street
Sydney, NSW 2000

Custodian voting:

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

The deadline for receipt of proxy appointments is 9.00am (Sydney time) on Saturday, 27 March 2021.

Proxy appointments received later than this time will be invalid.

POWER OF ATTORNEY

If the proxy form is signed under a power of attorney on behalf of a Shareholder, then the attorney must make sure that either the original power of attorney or a certified copy is sent with the proxy form, unless the power of attorney has already been provided to the Share Registry.

CORPORATE REPRESENTATIVES

If a representative of a corporate Shareholder or a corporate proxy will be attending the Meeting, the representative should bring to the Meeting adequate evidence of their appointment, unless this has previously been provided to the Share Registry.

An appointment of corporate representative form may be obtained from Computershare Investor Services by calling 1300 850 505 or online at:

<https://www-au.computershare.com/Investor/help/PrintableForms>

NOTICE OF EXTRAORDINARY GENERAL MEETING

NOTICE is given that an Extraordinary General Meeting (**EGM**) of the Shareholders of Kelly Partners Group Holdings Limited ACN 124 908 363 (the **Company**) will be held at Level 53, MLC Centre, 19 Martin Place, Sydney on Monday 29 March 2021 at 9am (Sydney time)

BUSINESS

Shareholders are invited to consider the following items of business at the EGM:

AGENDA

Resolution	Approval of Provision of Financial Assistance to the KPGH Subsidiaries
Description	The Company seeks approval for the provision of Financial Assistance to the KPGH Subsidiaries and by the Proposed KP Acquisitions in connection with the acquisition by the KPGH Subsidiaries of all the shares in the capital of the Proposed KP Acquisitions.
Resolution (Special)	<p>To consider and, if thought fit, pass the following resolution as a special resolution:</p> <p><i>"That, for the purposes of section 260A and 260B(2) of the Corporations Act and for all other purposes, approval is given for the Proposed KP Acquisitions to provide financial assistance to the KPGH Subsidiaries in connection with the acquisition by the KPGH Subsidiaries of 51% of the issued shares in the capital of the Proposed KP Acquisitions by way of entry into new loan facilities with and granting certain guarantees and security interests in favour of Westpac, to facilitate the funding requirements of the Acquisition".</i></p>

Dated: 25 February 2021

BY ORDER OF THE BOARD OF KELLY PARTNERS GROUP HOLDINGS LIMITED



Joyce Au
Company Secretary

EXPLANATORY MEMORANDUM
TO NOTICE OF EXTRAORDINARY GENERAL MEETING

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

<p>Background / explanation</p>	<p>As announced to the ASX on Monday 22 February 2021, the KPGH Subsidiaries are proposing to acquire 51% of the issued share capital of the Proposed KP Acquisitions under the Share Purchase Agreements (Acquisition) which will be debt funded by entry into facility agreements by the Proposed KP Acquisitions. As a result, on completion of the Acquisition each Proposed KP Acquisitions will become indirect subsidiaries of the Company, a listed domestic corporation.</p> <p>Under section 260A(1) of the Corporations Act, the financial assistance contemplated must be approved by the shareholders by a special resolution passed at a general meeting of that company.</p> <p>Furthermore, if, immediately after the acquisition, a company will be a subsidiary of another corporation that is listed in Australia, then the financial assistance must also be approved by a special resolution passed under section 260B(2) of the Corporations Act at a general meeting of that corporation.</p> <p>The Company, as the holding company of the KPGH Subsidiaries and who will become the ultimate holding company of each of the Proposed KP Acquisitions, is required to seek that Shareholders pass a special resolution approving the proposed Financial Assistance under section 260B(2) of the Corporations Act in order for the proposed financial assistance to be given by the Proposed KP Acquisitions for the Acquisition.</p> <p>Set out below is the information known to the Company that is material to the decision on how to vote on the resolution as required under section 260B(4) of the Corporations Act.</p>
<p>Information required under section 260B(4) of the Corporations Act</p>	<p>1. Company as Holding Company</p> <p>The Proposed KP Acquisitions propose to give financial assistance for the Acquisition as described in paragraph 2 and are seeking shareholder approval under section 260B(1) of the Corporations Act. The Company will become the ultimate holding Company of the Proposed KP Acquisitions and therefore is required to obtain a special resolution of its members approving the proposed financial assistance under section 260B in order for the proposed financial assistance to be given.</p> <p>For the Resolution to be passed at least 75% of the votes cast by members entitled to vote on the Resolution present in person, or by proxy or representative must be in favour of the Resolution.</p>

2. Particulars of the proposed financial assistance

- (a) The KPGH Subsidiaries, wholly owned subsidiaries of the Company, will on completion of the Acquisition have acquired 51% of the issued shares in the capital of the Proposed KP Acquisitions.
- (b) The Acquisition is to be financed through debt facilities made available to the KP Subsidiaries. A company is regarded as giving financial assistance if it gives something needed in order that a transaction be carried out or something in the nature of aid or help.
- (c) It is proposed that the Proposed KP Acquisitions give financial assistance by way of entering into the following documents (each, a **Document**) in connection with the financing of the Acquisition referred to in paragraph (b):
 - (i) a facility agreement between each of the Proposed KP Acquisitions (each a borrower) and Westpac Banking Corporation ABN 33 007 457 141 (as lender) (**the Facility Agreement**);
 - (ii) a General Security Deed between the Company, the KPGH Subsidiaries, the current shareholders of the Proposed KP Acquisitions (**GSA**); and
 - (iii) any document, notice, certificate, resolution, guarantee, indemnity, covenant, representation, warranty, stipulation, promise or agreement, necessary, advisable or incidental in connection with any of the Documents listed above,

(**Financial Assistance**).
- (d) The facilities under the Facility Agreement will be drawn to fund the cash component of the Acquisition and any transaction costs in connection with the Acquisition.
- (e) The facilities under the Facility Agreement will be for a maximum amount of \$1.63m
- (f) Under the terms of the Facility Agreement, the Company and its subsidiaries are required to give a guarantee and indemnity for the repayment of the money that may become owing and to secure the obligations of the Proposed KP Acquisitions under the Facility Agreement and any related document.

3. Reasons for the proposal to give financial assistance

The proposed Financial Assistance will benefit the Company as it will enable the KPGH Subsidiaries to finance the Acquisition via the Facility Agreement.

4. Effect of the proposed financial assistance

- (a) The adverse effects that may result in the case of each of the Proposed KP Acquisitions, the KPGH Subsidiaries and the Company tie to each of the Proposed KP Acquisitions entering into the Loan Agreement are that:
- (i) certain subsidiaries of the Company to guarantee the obligations of the Proposed KP Acquisitions who are the borrowers and guarantors under the proposed Facility Agreement and assets may become subject to enforcement action by Westpac under the proposed Facility Agreement if a default under the agreement occurs;
 - (ii) it may affect the Proposed KP Acquisitions' ability to borrow money in the future given the existence of the security under the proposed Facility Agreement;
 - (iii) effect of the ability of the Proposed KP Acquisitions to pay their creditors on the giving of the Financial Assistance will be that, if obligations are not complied with, an 'event of default' will occur under the Facility Agreement and the funding may be required to be repaid and the guarantee and security under the GSA.

5. Advantages of approving the Resolution

The Board has also formed the view that the giving of financial assistance and entering into the security is in the best interests, and for the corporate benefit, of the Company and its Shareholders because (among other things):

- (a) the Company's financing arrangements will be more flexible and secured;
- (b) the Company will be able to benefit from synergies, cost savings and greater growth potential through the Acquisition;
- (c) if the Resolution is not approved, the KPGH Subsidiaries will not be able to complete the transactions contemplated by the Share Purchase Agreements;
- (d) the Company in that each may gain access to:
 - (i) working capital or inter-company loans at beneficial rates; and/or
 - (ii) management's expertise and business strategies developed by the Company and its subsidiaries.

6. Disadvantages of approving the Resolution

The disadvantages to the Proposed KP Acquisitions and the Company approving the Resolution may be considered to include the following:

	<p>(a) the Proposed KP Acquisitions will become liable for the amounts payable under the Facility Agreement;</p> <p>(b) the operations of the Proposed KP Acquisitions may be restricted by the representations and undertakings given by them by acceding to the Facility Agreement;</p> <p>(c) although the directors of the Company consider this unlikely, the Proposed KP Acquisitions default under the Facility Agreement;</p> <p>(d) following an event of default, Westpac may make a demand under the guarantees provided by the Company and the KPGH Subsidiaries requiring immediate repayment of the amounts due under the Facility Agreement;</p> <p>(e) it may affect the Proposed KP Acquisitions' ability to borrow money in the future given the existence of the security under the proposed Facility Agreement</p> <p>However, the directors of the Company consider these to be reasonable and manageable and, in light of the materiality and other mitigating factors, do not consider that there will be a substantial risk of default based on facts and circumstances known to them at the date of this statement.</p> <p>The directors of the Company considers that each of Proposed KP Acquisitions will benefit from becoming subsidiaries (directly or indirectly) of the Company as set out in the Advantages section above.</p> <p>Accordingly, the directors of the Company have considered and reached a view that, as at the date of this statement, the Financial Assistance will not materially prejudice the interests of the Proposed KP Acquisitions or their shareholders.</p>
Board recommendation	<p>The Directors of the Company have unanimously approved the statements set out above for the purposes of section 260B(4) of the Corporations Act and determined that it includes all information known to the Company that is material to the decision on how to vote on the resolution required by section 260B(4) of the Corporations Act. The Directors unanimously recommend that Shareholders approve the resolution.</p>
ASIC and disclosure of information	<p>As required by section 260B(5) of the Corporations Act, copies of this Notice and Explanatory Memorandum as sent to Shareholders have been lodged with ASIC.</p> <p>The directors of the Company consider that the Notice of Meeting and Explanatory Memorandum contain all material information known to the Company that could reasonably be required by the Shareholders in deciding how to vote on the Resolution.</p> <p>The Company is subject to the obligation of confidentiality under the Share Purchase Agreements to keep confidential information,</p>

	including the terms of the Share Purchase Agreements and its subject matter confidential.
Chairman's available proxies	The Chairman of the Meeting intends to vote all available proxies in favour of this Resolution.

Glossary

\$ means Australian dollars.

ASX means ASX Limited ACN 008 624 691.

Board means the current board of directors of the Company.

Chair means Brett Kelly.

Company means Kelly Partners Group Holdings Limited ACN 124 908 363.

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

Directors means the current directors of the Company.

EGM, Extraordinary General Meeting or Meeting means the meeting convened by the Notice.

Explanatory Memorandum means the Explanatory Memorandum accompanying the Notice.

KPGH Subsidiaries means KP GH FIN CC, KP GH IS CC and KPGH WM CC collectively.

KP GH FIN CC means KP GH FIN CC Pty Ltd ACN 647 878 484.

KP GH IS CC means KP GH IS CC Pty Ltd ACN 647 878 439.

KP GH WM CC means KP GH WM CC Pty Ltd ACN 647 878 420.

Listing Rules means the listing rules of the ASX

Notice or Notice of Meeting or Notice of Extraordinary General Meeting means this notice of extraordinary general meeting and the explanatory notes accompanying the Notice and the Proxy Form.

Proposed KP Acquisitions means each of:

- (a) the company operating the private wealth management business located at Gosford, NSW;
- (b) the company operating life insurance broking business located at Gosford, NSW; and
- (c) the company operating the finance broking business located in Gosford, NSW,

in respect of which the acquisition announcement was made to the ASX by the Company on 22 February 2021.

Proxy Form means the proxy form accompanying the Notice.

Resolutions means the resolutions set out in the Notice, or any one of them, as the context requires.

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

Shareholder means a holder of a Share.

Share Purchase Agreements means each of:

- (a) the share purchase agreement dated 19 February 2021 entered into by KP GH WM CC and the vendors in relation to the purchase of shares in the private wealth management business located at Gosford, NSW;
- (b) the share purchase agreement dated 19 February 2021 entered into by KP GH IS CC and the vendors in relation to the purchase of shares in the life insurance broking business located at Gosford, NSW; and
- (c) the share purchase agreement dated 19 February 2021 between KP GH FIN CC and others in relation to the finance broking business located in Gosford, NSW.

Need assistance?



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



Online:
www.investorcentre.com/contact



KPG

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



YOUR VOTE IS IMPORTANT

For your proxy appointment to be effective it must be received by **9:00am (Sydney time)** on **Saturday, 27 March 2021**.

Proxy Form

How to Vote on Items of Business

All your securities will be voted in accordance with your directions.

APPOINTMENT OF PROXY

Voting 100% of your holding: Direct your proxy how to vote by marking one of the boxes opposite each item of business. If you do not mark a box your proxy may vote or abstain as they choose (to the extent permitted by law). If you mark more than one box on an item your vote will be invalid on that item.

Voting a portion of your holding: Indicate a portion of your voting rights by inserting the percentage or number of securities you wish to vote in the For, Against or Abstain box or boxes. The sum of the votes cast must not exceed your voting entitlement or 100%.

Appointing a second proxy: You are entitled to appoint up to two proxies to attend the meeting and vote on a poll. If you appoint two proxies you must specify the percentage of votes or number of securities for each proxy, otherwise each proxy may exercise half of the votes. When appointing a second proxy write both names and the percentage of votes or number of securities for each in Step 1 overleaf.

A proxy need not be a securityholder of the Company.

SIGNING INSTRUCTIONS FOR POSTAL FORMS

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

Joint Holding: Where the holding is in more than one name, all of the securityholders should sign.

Power of Attorney: If you have not already lodged the Power of Attorney with the registry, please attach a certified photocopy of the Power of Attorney to this form when you return it.

Companies: Where the company has a Sole Director who is also the Sole Company Secretary, this form must be signed by that person. If the company (pursuant to section 204A of the Corporations Act 2001) does not have a Company Secretary, a Sole Director can also sign alone. Otherwise this form must be signed by a Director jointly with either another Director or a Company Secretary. Please sign in the appropriate place to indicate the office held. Delete titles as applicable.

PARTICIPATING IN THE MEETING

Corporate Representative

If a representative of a corporate securityholder or proxy is to participate in the meeting you will need to provide the appropriate "Appointment of Corporate Representative". A form may be obtained from Computershare or online at www.investorcentre.com under the help tab, "Printable Forms".

Lodge your Proxy Form:

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Online:

Lodge your vote online at www.investorvote.com.au using your secure access information or use your mobile device to scan the personalised QR code.

Your secure access information is



Control Number: 999999

SRN/HIN: 19999999999

PIN: 99999

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

By Mail:

Computershare Investor Services Pty Limited
GPO Box 242
Melbourne VIC 3001
Australia

By Fax:

1800 783 447 within Australia or
+61 3 9473 2555 outside Australia



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

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

☐

Change of address. If incorrect, mark this box and make the correction in the space to the left. Securityholders sponsored by a broker (reference number commences with 'X') should advise your broker of any changes.



I 9999999999

I N D

Proxy Form

Please mark ☒ to indicate your directions

Step 1 Appoint a Proxy to Vote on Your Behalf

XX

I/We being a member/s of Kelly Partners Group Holdings Limited hereby appoint

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the Chairman
of the Meeting OR

PLEASE NOTE: Leave this box blank if you have selected the Chairman of the Meeting. Do not insert your own name(s).

or failing the individual or body corporate named, or if no individual or body corporate is named, the Chairman of the Meeting, as my/our proxy to act generally at the meeting on my/our behalf and to vote in accordance with the following directions (or if no directions have been given, and to the extent permitted by law, as the proxy sees fit) at the Extraordinary General Meeting of Kelly Partners Group Holdings Limited to be held at Level 53, MLC Centre, 19 Martin Place, Sydney NSW 2000 on Monday, 29 March 2021 at 9.00am (Sydney time) and at any adjournment or postponement of that meeting.

Step 2 Items of Business

PLEASE NOTE: If you mark the **Abstain** box for an item, you are directing your proxy not to vote on your behalf on a show of hands or a poll and your votes will not be counted in computing the required majority.

	For	Against	Abstain
Resolution 1 Approval of Provision of Financial Assistance to the KPGH Subsidiaries	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

The Chairman of the Meeting intends to vote undirected proxies in favour of each item of business. In exceptional circumstances, the Chairman of the Meeting may change his/her voting intention on any resolution, in which case an ASX announcement will be made.

Step 3 Signature of Securityholder(s) *This section must be completed.*

Individual or Securityholder 1

Sole Director & Sole Company Secretary

Securityholder 2

Director

Securityholder 3

Director/Company Secretary

/ /
Date

Update your communication details (Optional)

Mobile Number

Email Address

By providing your email address, you consent to receive future Notice of Meeting & Proxy communications electronically

