

12 October 2016

AFG

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Market Announcements Office
ASX Limited
Exchange Centre
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Dear Sir/Madam

NOTICE OF 2016 ANNUAL GENERAL MEETING

Please see attached AFG's Notice of 2016 Annual General Meeting (AGM), including sample Proxy form.

This document will be sent to shareholders today.

The 2016 AGM is scheduled for Thursday, 24 November 2016 from 2:00pm Western Standard Time at Level 4, 100 Havelock Street, West Perth, Western Australia.

Yours faithfully



LISA BEVAN
Company Secretary

NOTICE OF 2016
**ANNUAL
GENERAL
MEETING**

AND

EXPLANATORY STATEMENT
TO SHAREHOLDERS

A PROXY FORM IS ENCLOSED

*PLEASE READ THE NOTICE AND
EXPLANATORY NOTES CAREFULLY.*

*IF YOU ARE UNABLE TO ATTEND THE MEETING PLEASE
COMPLETE AND RETURN THE ENCLOSED PROXY FORM IN
ACCORDANCE WITH THE SPECIFIED INSTRUCTIONS.*

ABN 11 066 385 822

AFG

NOTICE OF MEETING

Notice is given to the shareholders of Australian Finance Group Ltd (**Company**) that the Annual General Meeting of shareholders of the Company will be held at 2pm Western Standard Time on Thursday 24 November 2016 at Level 4, 100 Havelock St, West Perth, Western Australia 6005 (**AGM** or **Meeting**).

ITEMS OF BUSINESS

1. FINANCIAL REPORTS

To receive and consider the Company's Financial Report, Directors' Report and Auditor's Report for the year ended 30 June 2016.

2. ELECTION OF DIRECTORS

(a) To consider and, if thought fit, to pass the following as an ordinary resolution:

"That Anthony (Tony) Gill, who retires as a director of the Company in accordance with rule 8.1(e) of the Company's constitution, and being eligible, be re-elected as a director of the Company."

(b) To consider and, if thought fit, to pass the following as an ordinary resolution:

"That Melanie Kiely, who retires as a director of the Company in accordance with rule 8.1(d) of the Company's constitution, and being eligible, be elected as a director of the Company."

(c) To consider and, if thought fit, to pass the following as an ordinary resolution:

"That Jane Muirsmith, who retires as a director of the Company in accordance with rule 8.1(d) of the Company's constitution, and being eligible, be elected as a director of the Company."

Note: Separate resolutions will be put to the Meeting in respect of each director seeking re-election or election (as applicable).

3. REMUNERATION REPORT

To consider and, if thought fit, to pass the following in accordance with section 250R(2) of the *Corporations Act 2001 (Cth)* (**Corporations Act**):

"That the Remuneration Report for the Company for the year ended 30 June 2016 be adopted."

4. Grant of 2017 LTI Award to Managing Director

To consider and, if thought fit, pass the following resolution as an ordinary resolution:

"That approval be given, for the purposes of ASX Listing Rule 10.14 and sections 200B and 200E of the Corporations Act and for all other purposes, to grant 176,452 Performance Rights to the Managing Director, Brett McKeon, under the Company's long term incentive plan as set out in the Explanatory Notes accompanying this notice of meeting."

5. Grant of 2017 LTI Award to IT & Marketing Executive Director

To consider and, if thought fit, pass the following resolution as an ordinary resolution:

"That approval be given, for the purposes of ASX Listing Rule 10.14 and sections 200B and 200E of the Corporations Act and for all other purposes, to grant 35,290 Performance Rights to the IT & Marketing Executive Director, Malcolm Watkins, under the Company's long term incentive plan as set out in the Explanatory Notes accompanying this notice of meeting."

Note: Voting exclusion statement for Items 3, 4, & 5

Item 3: The Company will disregard any votes cast on the resolution in Item 3:

- by or on behalf of a member of the Company's key management personnel (**KMP**) named in the remuneration report for the year ended 30 June 2016, or a closely related party of those persons (such as close family members and any companies that the person controls), regardless of the capacity in which the vote is cast; or
- as a proxy by a member of the KMP at the date of the AGM or a closely related party of those persons, unless the vote is cast as proxy for a person who is entitled to vote on the resolution in Item 3, and:
 - the vote is cast in accordance with a direction on the Proxy Form; or
 - in the absence of a direction on the Proxy Form, the vote is cast by the Chairman of the Meeting and the Chairman has received express authority to vote undirected proxies as the Chairman decides (see Note 4 on page 10 below).

Item 4: The Company will disregard any votes cast on the resolution in Item 4:

- by or on behalf of Brett McKeon, or his associates, regardless of the capacity in which the vote is cast;
- by or on behalf of Malcolm Watkins, or his associates, regardless of the capacity in which the vote is cast; or
- as a proxy by a member of the KMP at the date of the AGM or a closely related party of those persons, unless the vote is cast as proxy for a person who is entitled to vote on the resolution in Item 4, and:
 - the vote is cast in accordance with a direction on the Proxy Form; or
 - in the absence of a direction on the Proxy Form, the vote is cast by the Chairman of the Meeting and the Chairman has received express authority to vote undirected proxies as the Chairman decides (see Note 4 on page 10 below).

Item 5: The Company will disregard any votes cast on the resolution in Item 5:

- by or on behalf of Malcolm Watkins or his associates, regardless of the capacity in which the vote is cast;
- by or on behalf of Brett McKeon, or his associates, regardless of the capacity in which the vote is cast; or
- as a proxy by a member of the KMP at the date of the AGM or a closely related party of those persons, unless the vote is cast as proxy for a person who is entitled to vote on the resolution in Item 5, and:
 - the vote is cast in accordance with a direction on the Proxy Form; or
 - in the absence of a direction on the Proxy Form, the vote is cast by the Chairman of the Meeting and the Chairman has received express authority to vote undirected proxies as the Chairman decides (see Note 4 on page 10 below).

By order of the Board



Lisa Bevan

Company Secretary

12 October 2016

EXPLANATORY NOTES

1. Financial Reports

The Corporations Act requires that the Company's Financial Report (which includes the Financial Statements and the Directors' Declaration), the Directors' Report and the Auditor's Report for the year ended 30 June 2016 be laid before the AGM.

There is no requirement in the Corporations Act or the Company's constitution that shareholders vote on, approve or adopt the reports. However, shareholders will be given a reasonable opportunity at the AGM to ask questions about those reports.

Shareholders will also have a reasonable opportunity to ask the auditor questions in relation to the conduct of the audit, the preparation and content of the Auditor's Report, the accounting policies adopted by the Company in relation to the preparation of the Financial Statements of the Company, and the independence of the auditor in relation to the conduct of the audit.

The Company's Financial Report, Directors' Report and Auditor's Report for the year ended 30 June 2016 form part of the Company's 2016 Annual Report, a copy of which is available at: <http://investors.afgonline.com.au/investor/?page=annual-reports>

Shareholders may also elect to receive, free of charge, a printed copy of the Company's Annual Report for each financial year by contacting the Company's share registry on 1300 554 474. A printed copy of the Company's 2016 Annual Report has been sent to shareholders who have previously made this election.

2. Election of Directors

In accordance with the Company's constitution, a director (other than the managing director) must retire from office no later than the longer of the third AGM and 3 years following that director's last election or appointment. Retiring directors are eligible for re-election. Anthony (Tony) Gill was last elected as a director at the 2013 AGM. Mr Gill therefore retires and, being eligible, offers himself for re-election to the board of the Company (**Board**).

Ms Kiely and Ms Muirsmith have also been appointed to the Board since the Company's last AGM. In accordance with the Company's constitution, Ms Kiely and Ms Muirsmith will hold office until the conclusion of the 2016 AGM and, being eligible, offer themselves for election to the Board.

The Board has in place policies and procedures designed to identify and update criteria for current and potential directors in response to the changing environment and monitor the skills and experience of existing directors to ensure that the Board operates efficiently and effectively.

The Board undertakes an annual review of its performance, policies and practices. This review includes an assessment of the performance of each director individually and the results are considered by the Board in determining its endorsement of the directors to stand for election or re-election at the Annual General Meeting. The Board has undertaken a review of the performance of each director standing for election and re-election and the contribution they have made to the Board and to the Board Committees. The Board has also considered the skills and expertise that each director brings to the Board.

The Board (with the relevant director abstaining in respect of their own election or re-election) recommends that you vote **in favour** of the election or re-election (as applicable) of Mr Gill, Ms Kiely and Ms Muirsmith.

Profiles of the directors standing for election and re-election (as applicable) are set out below. The Board considers each of Mr Gill, Ms Kiely and Ms Muirsmith to be independent.

(a) Anthony (Tony) Gill**Non Executive Director, Independent**

B.Com

*Appointed as a Director in August 2008**Last stood for re-election at 2013 AGM*

Current appointments held with the Company

- Chairman of the Board

Experience

- Over 30 years of financial services experience having served on a number of boards over that period
- Previously Chairman of Australian Securitisation Forum
- Previously National President of the Mortgage Finance Association of Australia
- Previously Group Head, Banking and Securitisation Group at Macquarie Group and held senior executive roles in Macquarie Group from 1991 – 2008
- Prior to Macquarie, was a Chartered Accountant
- Previously held various management roles in mortgage banking and treasury in Australia

Other Listed Directorships

- Director of Genworth Australia (ASX:GMA)

Unlisted Directorships

- Director of First American Title Insurance Company of Australia Ltd
- Director of First Mortgage Services Pty Ltd

(The above named companies are part of the international services division of the First American Financial Corporation, which is listed on the New York Stock Exchange (NYSE: FAF))

Government and community involvement

- Member ASIC External Advisory Panel
- Member of the Sydney Development Committee of the Australian Chamber Orchestra
- Director of the Butterfly Foundation for Eating Disorders

(b) Melanie Kiely**Non Executive Director, Independent**

B.Bus.Sci (Hons); GAICD

Appointed as a Director in March 2016

Current appointments held with the Company

- Director
- Member of Remuneration and Nomination Committee
- Member of Audit Committee
- Member of Risk and Compliance Committee

Experience

- Over 25 years of experience as an executive and director in health care, financial services and consulting in Australia, Europe and South Africa
- Previously Executive General Manager Strategy, Risk and HealthGuard at HBF Health Fund
- Previously Chief Operating and Technology Officer at nib health funds
- Previously Group Executive Strategy and New Business Development at MBF
- Previously Partner in the Health and Financial Services at Accenture

Unlisted Directorships & Senior Executive Positions

- Director of the Black Dog Institute
- Executive General Manager, Social Care at Silver Chain

Government and community involvement

- Former Director at Intework

EXPLANATORY NOTES (CONT...)

(c) Jane Muirsmith	Non Executive Director, Independent
B.Com (Hons); FCA; GAICD	<i>Appointed as a director in March 2016</i>
	<p>Current appointments held with the Company</p> <ul style="list-style-type: none"> ■ Director ■ Member of Remuneration and Nomination Committee ■ Member of Audit Committee ■ Member of Risk and Compliance Committee <p>Experience</p> <ul style="list-style-type: none"> ■ Over 25 years in leadership positions in New York, Sydney, Melbourne and Singapore, while gaining extensive experience in digital strategy, channel and digital development, change management, solution delivery, strategic marketing and communications, and social media strategy ■ Previously Head of Digital at Bankwest ■ Previously Head of Online and Lead Global Advisor for Merrill Lynch & Co ■ Previously Worldwide Head of Marketing, e-Business for Deloitte <p>Unlisted Directorships & Senior Executive Positions</p> <ul style="list-style-type: none"> ■ Non-Executive Director for Healthdirect Australia ■ Managing Director of Lenox Hill ■ Vice Chairman WA, Business Advisory Committee, Chartered Accountants Australia and New Zealand <p>Government and community involvement</p> <ul style="list-style-type: none"> ■ Member of the Ambassadorial Council UWA Business School ■ Member of the AIM UWA Business School Executive Education board

3. Remuneration Report

The Remuneration Report for the Company is part of the Directors' Report for the year ended 30 June 2016 and is set out on pages 18-32 of the 2016 Annual Report (a copy of which is available at: <http://investors.afgonline.com.au/investor/?page=annual-reports>)

The Remuneration Report:

- demonstrates the links between the Company's remuneration policies and the Company's performance; and
- provides the required remuneration details for each of the Directors and other KMP.

Under section 250R(3) of the Corporations Act, the vote on the resolution in Item 3 is advisory only and does not bind the directors of the Company or the Company. However, the Company respects the views of its shareholders and will take the outcome of the vote into account when considering remuneration policy in the future.

The Board recommends that shareholders vote **in favour** of the resolution to adopt the Remuneration Report.

4. & 5. Grant of 2017 LTI Awards to Executive Directors

The Company is seeking shareholder approval to award performance rights over ordinary shares in the Company (**Performance Rights**) to the following Executive Directors:

- Brett McKeon (Managing Director); and
- Malcolm Watkins (IT & Marketing Executive Director),

(together, the **Participants**). The Performance Rights will be awarded in accordance with the Company's long term incentive plan (**LTI Plan**) that has been established to assist in the motivation, retention and reward of senior Executives (**2017 LTI Award**).

Why is shareholder approval sought?

The Company is seeking approval for the proposed award of Performance Rights to each Participant pursuant to ASX Listing Rule 10.14, which requires the Company to obtain shareholder approval in order to issue securities (which includes the issue of Performance Rights) to a Director under an employee incentive scheme. Any required or appropriate shareholder approval for future equity awards to be made to any of the Participants will be sought at future annual general meetings.

In addition, approval is sought under sections 200B and 200E of the Corporations Act for the pro-rata vesting of Performance Rights to each of Brett McKeon and Malcolm Watkins in the event of cessation of their respective employment in limited circumstances under the terms of the LTI Plan.

2017 LTI Award

The key terms of the 2017 LTI Award are summarised in the table below:

Term	Description
Grant date and timing of offer	If shareholder approval is obtained, it is intended that the 2017 LTI Award will be granted to the Participants in November 2016, and in any case within 12 months of the Meeting.
Grant of Performance Rights to the Participants	The proposed 2017 LTI Award will comprise Performance Rights and will be issued to each Participant for nil consideration.
Quantum of Performance Rights	<p>The proposed 2017 LTI Award for:</p> <ul style="list-style-type: none"> ■ Brett McKeon, is 176,452 Performance Rights; and ■ Malcom Watkins, is 35,290 Performance Rights. <p>These numbers of Performance Rights have been calculated in the following manner:</p> <ul style="list-style-type: none"> ■ The relevant Participant receives an annual LTI monetary entitlement determined by the Board. ■ 65% of this annual entitlement is allocated to long term compound annual growth rate earnings per share (CAGR EPS) targets (EPS Entitlement) and 35% of this annual entitlement is allocated to long term total shareholder return (TSR) targets (TSR Entitlement). ■ The EPS Entitlement is divided by \$1.00, being the 20-day VWAP value of the Company's shares leading up to 30 June 2016, to produce the number of EPS performance rights (EPS Performance Rights). ■ The TSR Entitlement is then equally split into two, with one set of entitlements subject to the Small Industrials Index (TSR SI Entitlement) and the other set subject to the Diversified Financial Index (TSR DF Entitlement). ■ The TSR SI Entitlement and the TSR DF Entitlement are divided by 0.66 and 0.67 respectively, being the value of the rights associated with these specific entitlements determined by an independent consultant, to produce the number of TSR performance rights (TSR Performance Rights).
Performance and Service Period	1 July 2016 to 30 June 2019 (Performance Period).

EXPLANATORY NOTES (CONT...)

Term	Description
Performance conditions, Vesting Period and vesting	<p>Performance Rights will vest subject to the satisfaction of vesting conditions.</p> <p>TSR Performance Rights</p> <p>50% of the TSR Performance Rights will be measured against the Diversified Financials Index and the other 50% will be measured against the Small Industrials Index.</p> <p>The TSR Performance Rights will vest at the end of the Performance Period in accordance with the following schedule:</p> <p>If the Company's TSR over the Performance Period equals the:</p> <ul style="list-style-type: none"> ■ 50th Percentile - 50% vesting; ■ 75th Percentile - 100% vesting; ■ 85th Percentile - 125% vesting (stretch target); and ■ 90th Percentile - 150% vesting (stretch target). <p>Vesting of Performance Rights is granted on a pro-rata basis for the Company's TSR performance between the 50th Percentile and the 90th Percentile.</p> <p>EPS Performance Rights</p> <p>The EPS Performance Rights will vest at the end of the Performance Period in accordance with the following schedule:</p> <p>If the Company's CAGR EPS over the Performance Period equals:</p> <ul style="list-style-type: none"> ■ 2.5% - 25% vesting; ■ 5% - 62.5% vesting; ■ 7.5% - 100% vesting; ■ 10% - 125% vesting (stretch target); and ■ 12.5% - 150% vesting (stretch target). <p>Vesting of Performance Rights is granted on a pro-rata basis for the Company's CAGR EPS performance between 2.5% and 12.5%.</p>
Link between performance and reward	<p>TSR Target</p> <p>TSR encapsulates performance across the underlying key performance measures throughout the business aimed at achieving targeted business outcomes that will result in increased shareholder wealth through share price growth and dividends.</p> <p>Stretch targets are available giving each Participant the opportunity to increase the number of shares that vest at the end of the Performance Period by up to 50% for exceptional performance.</p> <p>CAGR EPS Target</p> <p>Long term CAGR EPS accretion targets are set at levels that are challenging yet achievable in a sustainable manner. CAGR EPS directly links creation of shareholder wealth to the delivery of the businesses strategy over a long term period.</p> <p>Stretch targets are available giving each Participant the opportunity to increase the number of shares that vest at the end of the Performance Period by up to 50% for exceptional performance.</p>
Allocation of shares	<p>Following satisfaction of the applicable vesting conditions and determination of the vesting level of the Performance Rights in accordance with the vesting schedule set out above, 1 fully paid ordinary share in the Company will be allocated in relation to each Performance Right which vests.</p> <p>In circumstances where stretch targets have been met, up to a maximum of 1.5 fully paid ordinary shares in the Company will be allocated in relation to each Performance Right that vests in accordance with the vesting schedule set out above. The maximum number of ordinary shares that could be issued to the Participants if the maximum stretch vesting conditions have been met is 264,678 ordinary shares to Brett McKeon and 52,935 ordinary shares to Malcolm Watkins.</p>

Term	Description
Cessation of employment	<p>If the Participant ceases employment for cause or resigns, unless the Board determines otherwise, any unvested Performance Rights will automatically lapse.</p> <p>Generally, if a Participant ceases employment for any other reason, all of their unvested Performance Rights will remain on foot and subject to the original performance condition. However, the Board retains discretion to determine that some of their Performance Rights (up to a pro-rata portion based on how much of the Performance Period remains) will lapse or vest.</p>
Dividends & Voting	The Performance Rights do not carry dividends or voting rights prior to vesting.
Clawback and preventing inappropriate benefits	The LTI Plan rules provide the Board with broad 'clawback' powers if, amongst other things, the Participant has acted fraudulently or dishonestly, engaged in gross misconduct or has acted in a manner that has brought AFG or its related bodies corporate into disrepute, or there is a material financial misstatement, or AFG is required or entitled under law or company policy to reclaim remuneration from the Participant or the Participant's entitlements vest as a result of the fraud, dishonesty or breach of obligations of any other person and the Board is of the opinion that the incentives would not have otherwise vested.
Change of control	<p>In a situation where there is likely to be a change of control, the Board has the discretion to accelerate vesting of some or all of the Performance Rights. Where only some of the Performance Rights have vested on a change of control, the remainder of the Performance Rights will immediately lapse. If the change of control occurs before the Board exercises its discretion:</p> <ul style="list-style-type: none"> ■ a pro-rata portion of the Performance Rights equal to the portion of the relevant Performance Period that has elapsed up to the expected or actual (as appropriate) date of the change of control will immediately vest; and ■ the Board may, in its absolute discretion, decide whether the balance should vest or lapse.
Restrictions on dealing	<p>The Participant must not sell, transfer, encumber, hedge or otherwise deal with Performance Rights.</p> <p>Unless the Board determines otherwise, the Participant will be free to deal with the shares allocated on vesting of the Performance Rights, subject to the requirements of the Company's policy for dealing in securities.</p>
Reconstructions, corporate action, rights issues, bonus issues, etc	The rules of the LTI Plan include specific provisions dealing with rights issues, bonus issues, and corporate actions and other capital reconstructions. These provisions are intended to ensure that there is no material advantage or disadvantage to the participant in respect of their Performance Rights as a result of such corporate actions.

Additional information

Under ASX Listing Rule 10.15, the Company provides the following information in relation to the proposed award of Performance Rights:

- As disclosed in the prospectus for the Initial Public Offering of the Company, under the 2016 LTI Award, 125 000 Performance Rights were granted to Brett McKeon and 41,667 Performance Rights were allocated to Malcom Watkins on 22 May 2015. In accordance with the terms of the issue of these Performance Rights, each of these Performance Rights have now been forfeited as the performance conditions were not met.
- Brett McKeon and Malcom Watkins are the only Directors entitled to receive Performance Rights under the proposed 2017 LTI Award. No other Directors and no associates of Directors are currently entitled to participate in the LTI Plan.
- No loan will be made to or by the Company in connection with the acquisition of Performance Rights by Brett McKeon and Malcolm Watkins under the proposed 2017 LTI Award.
- If approval is given by shareholders under ASX Listing Rule 10.14 for the issue of the Performance Rights to the Participants, approval will not be required under ASX Listing Rule 7.1.

Under section 200E of the Corporations Act, the Company provides the following additional information:

- The value of the rights that may vest on cessation of employment cannot currently be ascertained.
- The circumstances that may affect the calculation of this value include:
 - the performance against the performance conditions at the time the employment ceases;
 - the part of the performance period that has elapsed at the time employment ceases; and
 - the number of rights that lapse on cessation of employment.

Director Recommendation

The Board (with Brett McKeon and Malcom Watkins abstaining) recommends that you vote **in favour** of the resolution to approve the grant of Performance Rights under the 2017 LTI Award to the Executive Directors.

NOTES

Entitlement to attend and vote

- [1] The Board has determined that a person's entitlement to vote at the AGM will be the entitlement of that person set out in the Register of Shareholders as at 2pm Western Standard Time on Tuesday 22 November 2016. Accordingly, transactions registered after that time will be disregarded in determining which shareholders are entitled to attend and vote at the AGM.

Proxies

- [2] If you are a shareholder, and you are unable to attend and vote at the Meeting, and wish to appoint a proxy, please complete and return the enclosed Proxy Form. A proxy does not need to be a shareholder of the Company.
- [3] A shareholder who is entitled to attend and cast more than 2 votes may appoint no more than 2 proxies and may specify the proportion or number of the shareholder's votes each proxy is entitled to exercise. If the appointment does not specify the proportion or number of the shareholder's votes, each proxy may exercise one half of those votes.
- [4] If you appoint a KMP (which includes each of the Directors) as proxy, the KMP will not be able to cast your votes on the resolution in Items 3, 4 or 5 unless you direct the KMP how to vote or the Chairman of the AGM is your proxy. If you appoint the Chairman of the AGM as your proxy or the Chairman of the AGM is appointed as your proxy by default, and you do not mark a voting box for the resolution in Items 3, 4 or 5, then by signing and returning the Proxy Form you will be expressly authorising the Chairman of the AGM to exercise your proxy in respect of the resolutions in Item 3, 4 and/or 5 (as the case may be) even though the resolution is connected with the remuneration of a KMP.
- [5] The Chairman of the AGM intends to vote all available proxies in favour of all resolutions.
- [6] If you appoint Brett McKeon as proxy, he will not be able to cast your votes on the resolution in Item 4 or Item 5 unless you direct him how to vote.
- [7] If you appoint Malcolm Watkins as proxy, he will not be able to cast your votes on the resolution in Item 4 or Item 5 unless you direct him how to vote.

Body corporate representatives

- [8] A corporation may elect to appoint a corporate representative in accordance with section 250D of the Corporations Act, in which case the Company will require a certificate of appointment of the Corporate Representative executed in accordance with the Corporations Act. The Certificate of Appointment must be lodged with the Company before the Meeting or at the registration desk on the day of the Meeting.

Voting by poll

- [9] In the interests of equitably representing the views of shareholders, the Chairman of the Meeting intends to call a poll in relation to each of the resolutions considered at the Meeting.

Questions from shareholders


- [10] Shareholders may submit their questions electronically online to the Company's share registry by visiting www.linkmarketservices.com.au. Select 'Investor & Employee Login'. Refer to 'Single Holding' and enter Australian Finance Group Ltd or the ASX code (AFG) in the Issuer name field, your Security Reference Number (SRN) or Holder Identification Number (HIN) (which is shown on the front of your proxy form), postcode and security code which is shown on the screen and click 'Login'. Select 'Ask Question' under the 'Action' header and then follow the prompts to submit your question online.

 **ONLINE**
www.linkmarketservices.com.au

 **BY MAIL**
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C/- Link Market Services Limited
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Sydney South NSW 1235 Australia

 **BY FAX**
+61 2 9287 0309

 **BY HAND**
Link Market Services Limited
1A Homebush Bay Drive, Rhodes NSW 2138

 **ALL ENQUIRIES TO**
Telephone: +61 1300 554 474



X99999999999

PROXY FORM

I/We being a member(s) of Australian Finance Group Ltd (ABN 11 066 385 822) and entitled to attend and vote hereby appoint:

APPOINT A PROXY

the Chairman of the Meeting (mark box)

OR if you are **NOT** appointing the Chairman of the Meeting as your proxy, please write the name of the person or body corporate you are appointing as your proxy

STEP 1

or failing the person or body corporate named, or if no person or body corporate is named, the Chairman of the Meeting, as my/our proxy to act on my/our behalf (including to vote in accordance with the following directions or, if no directions have been given and to the extent permitted by the law, as the proxy sees fit) at the Annual General Meeting of the Company to be held at **2:00pm (WST) on Thursday, 24 November 2016 at Level 4, 100 Havelock Street, West Perth, WA 6005** (the Meeting) and at any postponement or adjournment of the Meeting.

Important for resolution in Items 3, 4 and 5: If the Chairman of the Meeting is your proxy, either by appointment or by default, and you have not marked a box opposite Items 3, 4 and 5 below, then by signing and returning this form you expressly authorise the Chairman of the Meeting to exercise the proxy in respect of the resolution in Items 3, 4 and 5, even though the resolutions are connected with the remuneration of a member of the Company's Key Management Personnel (KMP).


The Chairman of the Meeting intends to vote undirected proxies in favour of all resolutions.

VOTING DIRECTIONS

Proxies will only be valid and accepted by the Company if they are signed and received no later than 48 hours before the Meeting. Please read the voting instructions overleaf for completing this form.

STEP 2

Items	For	Against	Abstain*		For	Against	Abstain*
2(a) Re-Election of Anthony (Tony) Gill as a Director	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	4	Grant of 2017 LTI Award to Managing Director Brett Mckean	<input type="checkbox"/>	<input type="checkbox"/>
2(b) Election of Melanie Kiely as a Director	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	5	Grant of 2017 LTI Award to IT & Marketing Executive Director Malcolm Watkins	<input type="checkbox"/>	<input type="checkbox"/>
2(c) Election of Jane Muirsmith as a Director	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>			<input type="checkbox"/>	<input type="checkbox"/>
3 Remuneration Report	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>			<input type="checkbox"/>	<input type="checkbox"/>

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

SIGNATURE OF SECURITYHOLDERS – THIS MUST BE COMPLETED

Securityholder 1 (Individual)

Joint Securityholder 2 (Individual)

Joint Securityholder 3 (Individual)

Sole Director and Sole Company Secretary

Director/Company Secretary (Delete one)

Director

This form should be signed by the securityholder. If a joint holding, either securityholder may sign. If signed by the securityholder's attorney, the power of attorney must have been previously noted by the registry or a certified copy attached to this form. If executed by a company, the form must be executed in accordance with the Company's constitution and the *Corporations Act 2001* (Cth).

STEP 3



HOW TO COMPLETE THIS SECURITYHOLDER PROXY FORM

YOUR NAME AND ADDRESS

This is your name and address as it appears on the Company's security register. If this information is incorrect, please make the correction on the form. Securityholders sponsored by a broker should advise their broker of any changes. **Please note: you cannot change ownership of your securities using this form.**

APPOINTMENT OF PROXY

If you wish to appoint the Chairman of the Meeting as your proxy, mark the box in Step 1. If you wish to appoint someone other than the Chairman of the Meeting as your proxy, please write the name of that individual or body corporate in Step 1. If you leave this section blank, or your named proxy does not attend the Meeting, the Chairman of the Meeting will be your proxy. A proxy need not be a securityholder of the Company. A proxy may be an individual or a body corporate.

DEFAULT TO CHAIRMAN OF THE MEETING

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

VOTES ON ITEMS OF BUSINESS – PROXY APPOINTMENT

You may direct your proxy how to vote by placing a mark in one of the boxes opposite each item of business. All your securities 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 securities 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.

PROXY VOTING BY KEY MANAGEMENT PERSONNEL

The Company's KMP (which include each of the directors) will not be able to vote as your proxy on the resolution in Items 3, 4 and 5 unless you tell them how to vote or the Chairman of the Meeting is your proxy. If you intend to appoint a member of the KMP (other than the Chairman of the Meeting) as your proxy, please ensure that you direct them how to vote on the resolution in Items 3, 4 and 5 otherwise they will not be able to cast a vote as your proxy on that resolution.

APPOINTMENT OF A SECOND PROXY

You are entitled to appoint up to two persons as proxies to attend the Meeting and vote on a poll. If you wish to appoint a second proxy, an additional Proxy Form may be obtained by telephoning the Company's security registry or you may copy this form and return them both together.

To appoint a second proxy you must:

- on each of the first Proxy Form and the second Proxy Form state the percentage of your voting rights or number of securities applicable to that form. If the appointments do not specify the percentage or number of votes that each proxy may exercise, each proxy may exercise half your votes. Fractions of votes will be disregarded; and
- return both forms together.

SIGNING INSTRUCTIONS

You must sign this form as follows in the spaces provided:

Individual: where the holding is in one name, the holder must sign.

Joint Holding: where the holding is in more than one name, either securityholder may sign.

Power of Attorney: to sign under Power of Attorney, you must lodge the Power of Attorney with the registry. If you have not previously lodged this document for notation, 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* (Cth)) 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 indicate the office held by signing in the appropriate place.

CORPORATE REPRESENTATIVES

If a representative of the corporation is to attend the Meeting the appropriate "Certificate of Appointment of Corporate Representative" should be produced prior to admission in accordance with the Notice of Meeting. A form of the certificate may be obtained from the Company's security registry or online at www.linkmarketservices.com.au.

LODGEMENT OF A PROXY FORM

This Proxy Form (and any Power of Attorney under which it is signed) must be received at an address given below by **2:00pm (WST) on Tuesday, 22 November 2016**, being no later than 48 hours before the commencement of the Meeting. Any Proxy Form received after that time will not be valid for the scheduled Meeting.

Proxy Forms may be lodged using the reply paid envelope or:



ONLINE

www.linkmarketservices.com.au

Login to the Link website using the holding details as shown on the Proxy Form. Select 'Voting' and follow the prompts to lodge your vote. To use the online lodgement facility, securityholders will need their "Holder Identifier" (Securityholder Reference Number (SRN) or Holder Identification Number (HIN) as shown on the front of the Proxy Form).



BY MAIL

Australian Finance Group Ltd
C/- Link Market Services Limited
Locked Bag A14
Sydney South NSW 1235
Australia



BY FAX

+61 2 9287 0309



BY HAND

delivering it to Link Market Services Limited*
1A Homebush Bay Drive
Rhodes NSW 2138

* During business hours (Monday to Friday, 9:00am–5:00pm)

**IF YOU WOULD LIKE TO ATTEND AND VOTE AT THE ANNUAL GENERAL MEETING, PLEASE BRING THIS FORM WITH YOU.
THIS WILL ASSIST IN REGISTERING YOUR ATTENDANCE.**

WWW.
AFGONLINE.
COM.AU

Level 4, 100 Havelock Street
West Perth WA 6005
T 08 9420 7888

