

**1st Group Limited**  
Level 4,  
17-21 Bellevue Street  
Surry Hills NSW 2010  
ACN: 138 897 533

<https://www.1stgrp.com/>



# 1st Group Limited

## **Notice of 2020 Annual General Meeting** Explanatory Statement | Proxy Form

**17 November 2020**

**11:00AM (AEDT)**

### **Address**

Automic Group  
Level 5, 126 Phillip Street  
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.

### **Important Information for Shareholders about the Company's 2020 AGM**

Given the uncertainty surrounding the COVID-19 pandemic, by the time this Notice is received by Shareholders, circumstances may have changed, however, this Notice is given based on circumstances as at 16 October 2020.

Accordingly, should circumstances change, the Company will make an announcement on the ASX market announcements platform and on the Company's website at <https://www.1stgrp.com/>. Shareholders are urged to monitor the ASX announcements platform and the Company's website.

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## Venue and Voting Information

The Annual General Meeting of the Shareholders to which this Notice of Meeting relates will be held at 11:00am (AEDT) on 17 November 2020 at Automic Group, Level 5, 126 Phillip Street, Sydney NSW 2000

### Your vote is important

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

### Voting in person

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

### Voting by proxy

To vote by proxy, please use one of the following methods:

<b>Online</b>	Lodge the Proxy Form online at <a href="https://investor.automic.com.au/#/loginsah">https://investor.automic.com.au/#/loginsah</a> by following the instructions: Login to the Automic website using the holding details as shown on the Proxy Form. Click on 'View Meetings' – 'Vote'. To use the online lodgement facility, Shareholders will need their holder number (Securityholder Reference Number (SRN) or Holder Identification Number (HIN)) as shown on the front of the Proxy Form. For further information on the online proxy lodgement process please see the <b>Online Proxy Lodgement Guide</b> at <a href="https://www.automicgroup.com.au/virtual-agms/">https://www.automicgroup.com.au/virtual-agms/</a>
<b>By post</b>	Automic, GPO Box 5193, Sydney NSW 2001
<b>By hand</b>	Automic, Level 5, 126 Phillip Street, Sydney NSW 2000

Your Proxy instruction must be received not later than 48 hours before the commencement of the Meeting. **Proxy Forms 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.

# Notice of Annual General Meeting

Notice is hereby given that an Annual General Meeting of Shareholders of 1st Group Limited ACN 138 897 533 will be held at 11:00am (AEDT) on 17 November 2020 at Automic Group, Level 5, 126 Phillip Street, Sydney NSW 2000 (**Meeting**).

The Explanatory Statement to this Notice of Meeting provides additional information on matters to be considered at the Annual General Meeting. The Explanatory Statement and the Proxy Form forms part of this Notice of Meeting.

The Directors have determined pursuant to Regulation 7.11.37 of the *Corporations Regulations 2001* (Cth) that the persons eligible to vote at the Annual General Meeting are those who are registered Shareholders at 11:00am (AEDT) on 15 November 2020.

Terms and abbreviations used in this Notice of Meeting and Explanatory Statement are defined in the Glossary.

## Agenda

### Ordinary business

#### Financial statements and reports

*“To receive and to consider the Annual Financial Report of the Company for the financial year ended 30 June 2020 together with the declaration of the Directors, the Directors’ Report, the Remuneration Report and the Auditor’s Report for that financial year.”*

**Note:** This item of ordinary business is **for discussion only and is not a resolution**.

Pursuant to the Corporations Act, Shareholders will be given a reasonable opportunity at the Meeting to ask questions about, or make comments in relation to, each of the aforementioned reports during consideration of these items.

# Resolutions

## Remuneration Report

### 1. **Resolution 1 – Adoption of Remuneration Report**

To consider and, if thought fit, to pass the following resolution as an **Ordinary Resolution**:

*“That, for the purpose of Section 250R (2) of the Corporations Act and for all other purposes, approval is given for the adoption of the Remuneration Report as contained in the Company’s Annual Financial Report for the financial year ended 30 June 2020.”*

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

**Voting Exclusion Statement:** In accordance with the Corporations Act, the Company will disregard any votes cast on Resolution 1 by or on behalf of a member of the Company’s key management personnel (including the Directors), whose remuneration details are included in the Remuneration Report (**KMP**), or any of that person’s Closely Related Parties (such as close family members and any controlled companies of those persons) (collectively referred to as Restricted Voter). However, the Company need not disregard a vote if:

- (a) it is cast by a person as a proxy appointed in writing that specifies how the proxy is to vote on Resolution 1; and
- (b) it is not cast on behalf of a Restricted Voter.

If you appoint the person chairing the Meeting (**Chair**) and you are not a Restricted Voter, by submitting the Proxy Form you authorise the person chairing the Meeting to exercise the proxy even though Resolution 1 is connected directly or indirectly with the remuneration of a KMP, and you will be taken to have directed the Chair to vote in accordance with his or her stated intention to vote in favour of Resolution 1. If you do not want your vote exercised in favour of Resolution 1, you should direct the person chairing the Meeting to vote “against”, or to abstain from voting on, this Resolution.

## Re-election of Directors

### 2. **Resolution 2 – Election of Louise McElvogue as Director**

To consider and, if thought fit, to pass the following resolution as an **Ordinary Resolution**:

*“That Ms Louise McElvogue, a Director appointed as an additional Director and holding office until the next general meeting of the Company after her appointment in accordance with the Company’s Constitution and ASX Listing Rule 14.4, be elected as a Director of the Company, effective immediately.”*

### 3. **Resolution 3 – Re-election of Paul Welch as Director**

To consider and, if thought fit, to pass the following resolution as an **Ordinary Resolution**:

*“That Mr Paul Welch, a Director who retires by rotation in accordance with the Company’s Constitution and ASX Listing Rule 14.5 and being eligible offers himself for re-election as a Director of the Company, effective immediately.”*

## **ASX Listing Rule 7.1A (Additional 10% Capacity)**

### **4. Resolution 4 – ASX Listing Rule 7.1A Approval of Future Issue of Securities**

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

*“That, for the purposes of ASX Listing Rule 7.1A and for all other purposes, the Shareholders approve the issue of equity securities up to 10% of the issued capital of the Company (at the time of issue) calculated in accordance with the formula prescribed in ASX Listing Rule 7.1A.2 and otherwise on the terms and conditions set out in the Explanatory Statement which accompanies and forms part of this Notice of Meeting.”*

**Voting Exclusion Statement:** The Company will disregard any votes cast in favour of Resolution 4 by or on behalf of:

- (a) a person who is expected to participate in, or who will obtain a material benefit as a result of, the proposed issue (except a benefit solely by reason of being a holder of ordinary securities in the Company); or
- (b) an Associate of that person or those persons.

However, this does not apply to a vote cast in favour of Resolution 4 by:

- (i) a person as proxy or attorney for a person who is entitled to vote on the Resolution, in accordance with directions given to the proxy or attorney to vote on the Resolution in that way; or
- (ii) the Chair of the Meeting as proxy or attorney for a person who is entitled to vote on the Resolution, in accordance with a direction given to the Chair to vote on the Resolution as the Chair decides; or
- (iii) a holder acting solely in a nominee, trustee, custodial or other fiduciary capacity on behalf of a beneficiary provided the following conditions are met:
  - the beneficiary provides written confirmation to the holder that the beneficiary is not excluded from voting, and is not an associate of a person excluded from voting, on the Resolution; and
  - the holder votes on the Resolution in accordance with directions given by the beneficiary to the holder to vote in that way.

## **Approval of Issue of Options**

### **5. Resolution 5 – Approval of Issue of Options to TMT Partners**

To consider and, if thought fit, to pass the following resolution as an **Ordinary Resolution**:

*“That, for the purposes of ASX Listing Rule 7.1 and for all other purposes, the Shareholders of the Company approve the issue and allotment of:*

- (a) *713,413 unlisted options, each with an exercise price of 6 cents (\$0.06) per option, expiring on 1 July 2022; and*
- (b) *142,850 unlisted options, each with an exercise price of 9.75 cents (\$0.0975) per option, expiring on 2 January 2023,*

*to TMT Partners Pty Limited (or its nominee), and otherwise on the terms and conditions set out in the Explanatory Statement which accompanies and forms part of this Notice of Meeting.”*

**Voting Exclusion Statement:** The Company will disregard any votes cast in favour of Resolution 5 by or on behalf of:

- (a) a person who is expected to participate in, or who will obtain a material benefit as a result of, the proposed issue (except a benefit solely by reason of being a holder of ordinary securities in the entity); or
- (b) an Associate of that person or those persons.

However, this does not apply to a vote cast in favour of Resolution 5 by:

- (i) a person as proxy or attorney for a person who is entitled to vote on the Resolution, in accordance with directions given to the proxy or attorney to vote on the Resolution in that way; or
- (ii) the Chair of the Meeting as proxy or attorney for a person who is entitled to vote on the Resolution, in accordance with a direction given to the Chair to vote on the Resolution as the Chair decides; or
- (iii) a holder acting solely in a nominee, trustee, custodial or other fiduciary capacity on behalf of a beneficiary provided the following conditions are met:
  - the beneficiary provides written confirmation to the holder that the beneficiary is not excluded from voting, and is not an associate of a person excluded from voting, on the Resolution; and
  - the holder votes on the Resolution in accordance with directions given by the beneficiary to the holder to vote in that way.

## 6. **Resolution 6** – Approval of Issue of Options to Ms Louise McElvogue, Director of the Company

To consider and, if thought fit, to pass the following resolution as an **Ordinary Resolution**:

*“That, for the purposes of section 208 of the Corporations Act, ASX Listing Rule 10.14 and for all other purposes, the Shareholders of the Company approve the issue and allotment of 500,000 options under the Company’s 1ST Option Plan to Ms Louise McElvogue, Director of the Company, and otherwise on the terms and conditions set out in the Explanatory Statement which accompanies and forms part of this Notice of Meeting.”*

**Voting Exclusion Statement:** The Company will disregard any votes cast in favour of Resolution 6 **Error! Reference source not found.** by or on behalf of:

- (a) a person referred to in rule 10.14.1, 10.14.2 or 10.14.3 who is eligible to participate in the Company’s 1ST Option Plan; or
- (b) an Associate of that person or those persons.

However, this does not apply to a vote cast in favour of Resolution 6 by:

- (i) a person as proxy or attorney for a person who is entitled to vote on the Resolution, in accordance with directions given to the proxy or attorney to vote on the Resolution in that way; or
- (ii) the Chair of the Meeting as proxy or attorney for a person who is entitled to vote on the Resolution, in accordance with a direction given to the Chair to vote on the Resolution as the Chair decides; or
- (iii) a holder acting solely in a nominee, trustee, custodial or other fiduciary capacity on behalf of a beneficiary provided the following conditions are met:
  - the beneficiary provides written confirmation to the holder that the beneficiary is not excluded from voting, and is not an associate of a person excluded from voting, on the Resolution; and
  - the holder vote on the Resolution in accordance with directions given by the beneficiary to the holder to vote in that way.

**Voting Prohibition Statement:** In accordance with section 250BD of the Corporations Act, a person appointed as a proxy must not vote, on the basis of that appointment, on Resolution 6 if:

- (a) the proxy is either:
  - (i) a member of the Company’s Key Management Personnel; or
  - (ii) a closely related party of a member of the Company’s Key Management Personnel; and
- (b) the appointment does not specify the way the proxy is to vote on the resolution.

However, the above prohibition does not apply if:

- (a) the proxy is the Chair of the Meeting; and
- (b) the appointment expressly authorises the Chair to exercise the proxy even if the Resolution is connected directly or indirectly with remuneration of a member of the Company’s Key Management Personnel.

### **BY ORDER OF THE BOARD**

Andrew Whitten  
Company Secretary

# Explanatory Statement

This Explanatory Statement has been prepared for the information of the Shareholders in connection with the business to be conducted at the Annual General Meeting to be held at 11:00am (AEDT) on 17 November 2020 at Automic Group, Level 5, 126 Phillip Street, Sydney NSW 2000.

The purpose of this Explanatory Statement is to provide information which the Directors believe to be material to Shareholders in deciding whether or not to pass the Resolutions in the Notice of Meeting.

If you are in any doubt about what to do in relation to the Resolutions contemplated in the Notice of Meeting and this Explanatory Statement, it is recommended that you seek advice from an accountant, solicitor or other professional advisor.

Full details of the business to be considered at the Annual General Meeting are set out below.

## Agenda

### **Ordinary business**

#### Financial statements and reports

In accordance with the Constitution and the Corporations Act, the business of the Annual General Meeting will include receipt and consideration of the Annual Financial Report of the Company for the financial year ended 30 June 2020 together with the declaration of the Directors, the Director's Report, the Remuneration Report and the Auditor's Report.

In accordance with the amendments to the Corporations Act, the Company is no longer required to provide a hard copy of the Company's Annual Financial Report to Shareholders unless a Shareholder has specifically elected to receive a printed copy.

Whilst the Company will not provide a hard copy of the Company's Annual Financial Report unless specifically requested to do so, Shareholders may view the Company Annual Financial Report on its website at <https://www.1stgrp.com/>.

No resolution is required for this item, but Shareholders will be given the opportunity to ask questions and to make comments on the management and performance of the Company.

The Company's auditor will be present at the Meeting. During the discussion of this item, the auditor will be available to answer questions on the:

- Conduct of the audit;
- Preparation and content of the Auditor's Report;
- Accounting policies adopted by the Company in relation to the preparation of the financial statements; and
- Independence of the auditor in relation to the conduct of the audit.

#### **Written questions of the auditor**

If you would like to submit a written question about the content of the Auditor's Report or the conduct of the audit of the Annual Financial Report of the Company's auditor, please send your question to the Company Secretary. A list of qualifying questions will be made available at the Meeting.

Please note that all written questions must be received at least five business days before the Meeting, which is by 10 November 2020.



# Resolutions

## **Remuneration Report**

### **Resolution 1 – Adoption of Remuneration Report**

In accordance with section 250R (2) of the Corporations Act, the Company is required to present to its Shareholders the Remuneration Report as disclosed in the Company's Annual Financial Report.

The vote on the Resolution is advisory only and does not bind the Directors or the Company. The Remuneration Report is set out in the Company's Annual Financial Report and is also available on the Company's website at <https://www.1stgrp.com/>.

However, if at least 25% of the votes cast are against the adoption of the Remuneration Report at the Meeting (subject of this Notice of Meeting), and then again at the 2021 Annual General Meeting (**2021 AGM**), the Company will be required to put to the vote a resolution (**Spill Resolution**) at the 2021 AGM to approve the calling of a further meeting (**Spill Meeting**). If more than 50% of Shareholders vote in favour of the Spill Resolution, the Company must convene the Spill Meeting within 90 days of the 2021 AGM. All of the Directors who were in office when the 2021 Directors' Report was approved, other than the Managing Director, will (if desired) need to stand for re-election at the Spill Meeting.

The Remuneration Report explains the Board's policies in relation to the nature and level of remuneration paid to KMPs (including Directors) and sets out remuneration details, service agreements and the details of any share-based compensation.

### **Voting**

Note that a voting exclusion applies to Resolution 1 in the terms set out in the Notice of Meeting. In particular, the Directors and other Restricted Voters must not vote on this Resolution and must not cast a vote as proxy, unless the appointment gives a direction on how to vote, or the proxy is given to the Chair and you submit the Proxy Form, authorising the Chair to exercise the proxy even though Resolution 1 is connected directly or indirectly with the remuneration of a KMP and that in doing so you will be taken to have directed the Chair to vote in accordance with the Chair's stated intention to vote in favour of Resolution 1.

Shareholders are urged to read carefully the Proxy Form and to provide a direction to the proxy on how to vote on this Resolution.

## **Re-election of Directors**

### **Resolution 2 – Election of Louise McElvogue as Director**

Clause 13.4 of the Company's Constitution provides that a Director appointed either to fill a casual vacancy or as an addition to the existing Directors holds office only until the next following annual general meeting and is then eligible for re-election.

ASX Listing Rule 14.4 also provides that each additional director appointed during the year is to hold office until the next annual general meeting and is then eligible for election as a Director of the Company.

Ms Louise McElvogue was appointed as an additional Director of the Company on 1 September 2020 and has since served as a Director of the Company.

Under this Resolution, Louise seeks election as a Director of the Company at this AGM.

Louise is an accomplished executive and director with broad experience of software as a service "SaaS" business models and digital marketing and distribution. She has an international track record in leading digital transformation, technology investment and customer strategy across consumer, technology and healthcare sectors with corporates, start-ups and government.

Louise is a director of Healthdirect, the Federal and state government telehealth service and Whitehawk (ASX: WHK), a US-based, cloud cybersecurity exchange for small to medium enterprises.

Louise is a Fellow of AICD and a Professor of Industry at UTS Business School. Prior to that she has worked in the US, UK and Australia for companies including McDonald's, Diageo and the BBC.

#### **Directors' recommendation**

The Directors (excluding Ms McElvogue) recommend that Shareholders vote for this Resolution.

### **Resolution 3 – Re-election of Paul Welch as Director**

Clause 13.2 of the Company's Constitution requires that at the Company's annual general meeting in every year, one-third of the Directors for the time being, or if their number is not a multiple of 3, then the number nearest to one-third (rounded upwards in case of doubt), shall retire from office, provided always that no Director except a Managing Director hold office for a period in excess of 3 years, or until the third annual general meeting following his or her appointment, whichever is longer, without submitting himself for re-election. The Directors to retire at an annual general meeting are those who have been longest in office since their last election. A retiring Director is eligible for re-election.

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

Mr Paul Welch was appointed a Director of the Company on 1 March 2018 and was last re-elected at the 2018 AGM.

Under this Resolution, Paul has elected to retire by rotation in accordance with clause 13.2 of the Company's Constitution, and being eligible, seeks re-election as a Director of the Company at this AGM.

Paul has extensive commercial experience in the technology sector having advised a broad array of growing and established businesses in Australia and Silicon Valley. Paul continues to advise a number of businesses and entrepreneurs in both a governance and advisory capacity. Paul is also a practicing solicitor, a Fellow of the Governance Institute of Australia and a Member of the Society of Trust and Estate Planners. Paul is Chief Executive Officer of JR Richards & Sons, a waste management business. Paul was previously a partner at PricewaterhouseCoopers Australia, Baker McKenzie and Deloitte Australia.

#### **Directors' recommendation**

The Directors (excluding Mr Welch) recommend that Shareholders vote for this Resolution.

## **ASX Listing Rule 7.1A**

### **Resolution 4 – ASX Listing Rule 7.1A Approval of Future Issue of Securities**

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

Under Listing Rule 7.1A, however, an eligible entity can seek approval from its members, by way of a special resolution passed at its annual general meeting, to add an additional 10% capacity.

An eligible entity for the purposes of Listing Rule 7.1A is an entity that is not included in the S&P/ASX 300 Index and has a market capitalisation less than the amount prescribed by ASX (currently \$300 million).

As of the date of this Notice of Meeting, the Company has a market capitalisation of approximately \$13.59 million and therefore is an eligible entity. If at the time of the Meeting the Company is no longer an eligible entity this Resolution will be withdrawn.

This Resolution seeks Shareholder approval by way of a special resolution for the Company to have the additional 10% capacity provided for in Listing Rule 7.1A to issue equity securities without Shareholder approval.

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

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

#### **Information Required by ASX Listing Rule 7.3A**

The following information is provided to Shareholder for the purposes of Listing Rule 7.3A.

##### Period for which the approval will be valid

An approval under this Listing Rule 7.1A commences on the date of the annual general meeting at which the approval is obtained and expires on the first to occur of the following:

- (a) the date which is 12 months after the date of the annual general meeting at which the approval is obtained;
- (b) the time and date of the entity's next annual general meeting; and
- (c) the time and date on which Shareholders approve a transaction under Listing Rule 11.1.2 (a significant change to the nature or scale of activities) or 11.2 (disposal of main undertaking).

##### Minimum price at which the equity securities may be issued under Listing Rule 7.1A

Any equity securities issued under Listing Rule 7.1A.2 must be an existing quoted class of the Company's equity securities and issued for cash consideration.

The issue price per equity security must not be less than 75% of the volume weighted average market price of the equity securities in that class, calculated over 15 trading days on which trades in that class were recorded immediately before:

- (a) the date on which the price at the equity securities are to be issued is agreed by the Company and the recipient of the equity securities; and
- (b) if the equity securities are not issued within 10 trading days of the date in paragraph (a), the date on which the equity securities are issued.

##### Purposes for which the funds raised by an issue of equity securities under Listing Rule 7.1A may be used

As noted above, any equity securities issued under Listing Rule 7.1A.2 must be issued for cash consideration. Accordingly, every issue of equity securities under Listing Rule 7.1A.2 will have an accompanying proposed use of funds at the time of issue.

As at the date of this Notice, the Company has not formed an intention to offer any equity securities

under Listing Rule 7.1A during the Listing Rule 7.1A mandate period, if Shareholders approve this Resolution. However, if Shareholders approved this Resolution and the Company did raise funds from the issue of equity securities under Listing Rule 7.1A, based on the Company's existing plans, the Company considers that the funds may be used for the following purposes:

- (a) raising funds to further develop the Company's business;
- (b) raising funds to be applied to the Company's working capital requirements;
- (c) acquiring assets. In these circumstances, the issue of the ordinary shares may be made in substitution for the Company making a cash payment for the assets; and
- (d) paying service providers or consultants of the Company.

**Risk of economic and voting dilution to existing ordinary Securityholders**

If this Resolution is approved, and the Company issues equity securities under Listing Rule 7.1A, the existing Shareholders' economic and voting power in the Company will be diluted.

There is a risk that:

- (a) the market price for the Company's equity securities in that class may be significantly lower on the issue date than on the date of the approval under Listing Rule 7.1A; and
- (b) the equity securities may be issued at a price that is at a discount (as described above) to the market price for the Company's equity securities on the issue date;

which may have an effect on the amount of funds raised by the issue of equity securities under Listing Rule 7.1A.

The table below shows the potential dilution of existing Securityholders on the basis of 3 different assumed issue prices and values for the variable "A" in the formula in rule 7.1A.2:

Variable "A" ASX Listing Rule 7.1A.2		Potential Dilution and Funds Raised		
		\$0.016 50% decrease in issue price	\$0.032 issue prices <sup>(b)</sup>	\$0.06 100% increase in issue price
"A" is the number of shares on issue, being 424,616,903 Shares <sup>(a)</sup>	10% voting dilution <sup>(c)</sup>	42,461,690	42,461,690	42,461,690
	Funds raised	\$679,387	\$1,358,774	\$2,717,548
"A" is a 50% increase in shares on issue, being 636,925,354 Shares	10% voting dilution <sup>(c)</sup>	63,692,535	63,692,535	63,692,535
	Funds raised	\$1,019,081	\$2,038,161	\$4,076,322
"A" is a 100% increase in shares on issue, being 849,233,806 Shares	10% voting dilution <sup>(c)</sup>	84,923,380	84,923,380	84,923,380
	Funds raised	\$1,358,774	\$2,717,548	\$5,435,096

**Notes:**

- (a) Based on the total number of fully paid ordinary Shares on issue as at 22 September 2020.
- (b) Based on the closing price of the Company's Shares on ASX as at 22 September 2020.
- (c) The table assumes that the Company issues the maximum number of ordinary Shares available to be issued under Listing Rule 7.1A.
- (d) The table does not show an example of dilution that may be caused to a particular Shareholder by reason of issues of equity securities under Listing Rule 7.1A based on that Shareholder's holding at the date of this Explanatory Statement.
- (e) The table shows the effect of an issue of equity securities under Listing Rule 7.1A only, not under the Company's 15% placement capacity under Listing Rule 7.1.

**Allocation policy for issues under Listing Rule 7.1A**

The Company's allocation policy and the identity of the allottees of equity securities under Listing Rule 7.1A will depend on a number of factors, including:

- (a) the Company's intentions in relation to the possible issue of equity securities (for cash consideration) during the Listing Rule 7.1A mandate period;
- (b) the structure and timeframe of the capital raising opportunities available to the Company and any

- alternative methods for raising funds that are available to the Company (such as a pro rata offer or an offer under a share purchase plan);
- (c) the potential effect on the control of the Company;
  - (d) the Company's financial position and the likely future capital requirements; and
  - (e) advice from the Company's corporate or financial advisors.

Based on the Company's historical cashflow reports and capital raising activities in the past 12 months, the Company considers that it may raise funds during the Listing Rule 7.1A mandate period, although this cannot be guaranteed. As of the date of this Notice, no specific intention to issue equity securities in relation to any parties, investors or existing Securityholders have been formed. In addition, no intentions have been formed in relation to the possible number of issues, or the timeframe in which the issues could be made. Subject to the requirements of the Listing Rules and the Corporations Act, the Board of Directors reserve the right to determine at the time of any issue of equity securities under Listing Rule 7.1A, the allocation policy that the Company will adopt for that issue.

If and when the determination is made to proceed with an issue of equity securities during the Listing Rule 7.1A mandate period, details regarding the allottees and purposes of issue will be disclosed pursuant to the Company's obligations under Listing Rules 3.10.3 and 7.1A.4.

Offers made under Listing Rule 7.1A may be made to parties (excluding any related parties) including professional and sophisticated investors, existing Shareholders of the Company, clients of Australian Financial Service Licence holders and/or their nominees, or any other person to whom the Company is able to make an offer of equity securities.

Issue or agreement to issue equity securities under Listing Rule 7.1A in the 12 months prior to AGM

The Company last sought Shareholder approval under Listing Rule 7.1A at the 2019 AGM. Accordingly, the Company has issued or agreed to issue equity securities under Listing Rule 7.1A.2 in the 12 months preceding the AGM. Details of these issues or agreements to issue are set out in the table below:

Number/Class of equity securities issued	Terms of the securities issued	Price and discount to closing market price on the date of issue (if any)	Consideration details	Allottees of the Securities
<i>Issued on 18 December 2019</i>				
35,538,613 fully paid ordinary shares	Issue of shares to institutional, sophisticated and professional investors under a placement announced by the Company on 12 December 2019. The placement was completed by utilising existing capacity under ASX Listing Rule 7.1 and 7.1A, of which 35,538,613 shares were issued under ASX Listing Rule 7.1A.  The shares were fully paid on issue and rank equally in all aspects with all existing fully paid ordinary shares previously issued by the Company.	Issue price of 6.5 cents per share.  No discount as closing market price on the date of issue was 2.8 cents.	Cash consideration of \$2,310,009  Funds have been used to support the Company's growth strategy, including additional sales and marketing capabilities, technology development, working capital requirements and other general corporate purposes.	Institutional and other sophisticated investors
<b>Total equity securities issued or agreed to be issued under Listing Rule 7.1A.2 in the 12 months prior to AGM ("A")</b>		35,538,613		
<b>Percentage that "A" represents based on the total number of equity securities on issue at the commencement of that 12-month period (fully diluted)</b>		10%		

This Resolution is a Special Resolution. For a Special Resolution to be passed, at least 75% of the votes validly cast on the resolution by Shareholders (by number of ordinary shares) must be in favour of this Resolution.

## Directors' recommendation

The Board of Directors recommend that Shareholders vote for this Resolution.

## Resolution 5 – Approval of Issue of Options to TMT Partners

### Background

The Company has engaged TMT Partners to provide corporate advisory and other services. Pursuant to the arrangement, as part of their fees, the Company has agreed, subject to Shareholder approval being obtained, issue the following unlisted options:

- (a) 713,413 unlisted options, each with an exercise price of 6 cents (\$0.06) per option, expiring on 1 July 2022; and
  - (b) 142,850 unlisted options, each with an exercise price of 9.75 cents (\$0.0975) per option, expiring on 2 January 2023,
- (collectively **TMT Fee Options**).

The effect of this Resolution is for Shareholders to approve the issue of these TMT Fee Options to fall within an exception to ASX Listing Rule 7.1, which will allow the Company to issue these without using the Company's 15% capacity under Listing Rule 7.1.

### ASX Listing Rule 7.1

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

An issue of equity securities that is approved by the Company's Shareholders under Listing Rule 7.1 will not use up the Company's 15% limit and therefore does not reduce the Company's capacity to issue further equity securities without Shareholder approval under Listing Rule 7.1.

The Company wishes to retain as much flexibility as possible to issue additional equity securities in the future without having to obtain Shareholder approval for such issues under Listing Rule 7.1.

To this end, this Resolution seeks Shareholder approval to approve the issue of the Options under and for the purposes of Listing Rule 7.1.

If this Resolution is passed, the issue of the Options will be excluded in calculating the Company's 15% limit in Listing Rule 7.1 to issue equity securities without Shareholder approval over the 12-month period following the date on which the TMT Fee Options are issued.

If this Resolution is not passed, and the Company proceeds with the issue, the TMT Fee Options will be included in calculating the Company's 15% limit in Listing Rule 7.1 to issue equity securities without Shareholder approval over the 12-month period following the date on which the Options are issued.

### Information Required by ASX Listing Rule 7.3

The following information in relation to the issue of these Options is provided to Shareholders for the purposes of ASX Listing Rule 7.3:

- (a) The maximum number of TMT Fee Options to be issued is 713,413.
- (b) The TMT Fee Options will be issued within 3 months of Shareholder approval being obtained by the Company (or otherwise, as determined by the ASX in the exercise of their discretion).
- (c) The TMT Fee Options will be offered for nil cash consideration.
- (d) The TMT Fee Options will be issued to TMT Partners Pty Limited (or its nominee), corporate advisor to the Company.
- (e) The material terms of the TMT Fee Options are set below.

Number of TMT Fee Options	Exercise Price	Expiry Date
713,413	6 cents (\$0.06)	1 July 2022
142,850	9.75 cents (\$0.0975)	2 January 2023

- (f) Funds will not be raised from the issue of these TMT Fee Options, as they are proposed to be issued as part of the fees payable to TMT Partners for corporate advisory services provided to the Company.
- (g) Under the terms of the engagement with TMT Partners, the Company pays a monthly cash retainer, and other fees may be payable on the outcome of corporate activities. A summary of the other material terms of the engagement with TMT Partners is noted above.
- (h) A voting exclusion statement is included in Resolution 5 of the Notice.

#### Directors' recommendation

The Board of Directors recommend that Shareholders vote for Resolution 5.

## Resolution 6 – Approval of Issue of Options to Ms Louise McElvogue, Director of the Company

### Background

The Company's 1ST Option Plan was approved by Shareholders of the Company on 14 November 2018.

This Resolution seeks Shareholder approval to issue and allot 500,000 unlisted and unvested options under the 1ST Option Plan (**Incentive Options**) to Ms Louise McElvogue, a Director of the Company, as part her remuneration. Ms McElvogue was appointed as an additional Director of the Company on 1 September 2020 and has since served as a Director of the Company.

The material terms of the Incentive Options are as follows:

Terms	Description
Exercise price	10.5 cents (\$0.105) per Option.
Vesting conditions	The Incentive Options will vest as follows: <ul style="list-style-type: none"> <li>- one third of the Options (166,666) will vest 12 months after the date of issue;</li> <li>- a further one third of the Options (166,667) will vest 24 months after the date of issue; and</li> <li>- the remaining one third of the Options (166,667) will vest 36 months after the date of issue.</li> </ul>
Expiry date	5 years from the date of issue

### Director and Related Party Approvals

ASX Listing Rule 10.14 provides that a listed company must not permit any of the following persons to acquire securities under an employee incentive scheme unless it obtains the approval of its shareholders:

- (a) a director of the Company;
- (b) an associate of a director of the Company; or
- (c) a person whose relationship with the Company or a person referred to in Listing Rule 10.14.1 or 10.14.2 is such that, in ASX's opinion, the acquisition should be approved by its shareholders.

As Ms Louise McElvogue is a director of the Company, the proposed issue of Incentive Securities constitutes the acquisition of securities under an employee incentive scheme for the purposes of Listing Rule 10.14 and therefore requires the approval of the Company's shareholders under Listing Rule 10.14.

To this end, this Resolution seeks the required Shareholder approval to issue the Incentive Securities to Ms Louise McElvogue under and for the purposes of Listing Rule 10.14.

If approval is obtained under Listing Rule 10.14, in accordance with Listing Rule 10.12 (exception 8), separate approval is not required under Listing Rule 10.11.

If this Resolution is passed, the Company will be able to proceed with the proposed issue of Incentive

Securities.

If this Resolution is not passed, the Company will not be able to proceed with the proposed issue.

### Chapter 2E of the Corporations Act

Chapter 2E of the Corporations Act prohibits the Company from giving a financial benefit to a related party of the Company unless either:

- (a) the giving of the financial benefit falls within one of the exceptions to the provisions; or
- (b) Shareholder approval is obtained prior to the giving of the financial benefit.

The proposed issue of Incentive Securities constitutes the giving of a financial benefit.

A “related party” for the purposes of the Corporations Act and the Listing Rules is widely defined and includes a director of a public company, a spouse of a director of a public company or an entity controlled by a director of a public company. The definition of “related party” also includes a person whom there is reasonable grounds to believe will become a “related party” of a public company.

The non-conflicted Directors of the Company carefully considered the issue of these Incentive Securities to Ms Louise McElvogue, and formed the view that the giving of this financial benefit as part of their remuneration would be reasonable, given the circumstances of the Company, the quantum and terms of the Incentive Securities, and the responsibilities held by Ms Louise McElvogue in the Company.

Accordingly, the non-conflicted Directors of the Company believe that the issue of these Incentive Securities to Ms Louise McElvogue fall within the “reasonable remuneration” exception as set out in section 211 of the Corporations Act and relies on this exception for the purposes of this Resolution. Therefore, the proposed issue of Incentive Options to Ms Louise McElvogue requires Shareholder approval under and for the purposes of Listing Rule 10.11 only.

### Information Required by ASX Listing Rule 10.15

The following information in relation to the issue of Incentive Options to Ms Louise McElvogue is provided to Shareholders for the purposes of ASX Listing Rule 10.15:

- (a) Ms Louise McElvogue is a Non-Executive Director of the Company.
- (b) The maximum number of Incentive Options that may be acquired by Ms Louise McElvogue is 500,000.
- (c) The current total remuneration package received by the Director is \$40,000 (excluding superannuation) per annum.
- (d) Since the 1ST Option Plan was last approved by Shareholders on 14 November 2018, the Company has issued the following Incentive Options to Directors:

Name	Number of securities received	Acquisition price for each security
Mr Klaus Bartosch	3,000,000 unlisted options	Nil
Mr. Michael Emmett	500,000 unlisted options	Nil

- (e) The material terms of the Incentive Options are set out in the above Background section.
- (f) The Incentive Options will be issued within 3 years from the date of this Meeting, if approved by Shareholders of the Company.
- (g) The Incentive Options are being issued for nil consideration pursuant to the terms of the 1ST Option Plan.
- (h) The material terms of the 1ST Option Plan are set out in Annexure A of this Notice of Meeting.
- (i) Details of any securities issued under the 1ST Option Plan will be published in each annual report of the Company relating to a period which securities have been issued, and that approval for the issue of securities was obtained under ASX Listing Rule 10.14. Any additional persons who become entitled to participate in the 1ST Option Plan after the resolution was approved and who were not named in the notice of meeting will not participate until approval is obtained under ASX Listing Rule 10.14.



# Enquiries

Shareholders are asked to contact the Company Secretary on +61 (02) 8072 1400 if they have any queries in respect of the matters set out in these documents.

# Annexure A – Summary of 1ST Option Plan

Summary of the 1ST Option Plan is as follows:

- Eligible participants include full or part-time employees, directors and contractors, including any related body corporate.
- The Board will have discretion to determine the terms of the Options which includes the number of Options, the first exercise date, the last exercise date, the exercise price, the option purchase price (if applicable), the vesting conditions, and the forfeiture conditions (if any);
- Options under the Plan carry no entitlements to voting rights or dividends of the Company.
- The number of Options that may be issued by the Company under the Plan must not exceed 5% of the total number of Shares on issue disregarding the following unregulated offers:
  - an offer to a person situated at the time of receipt of the offer outside Australia; or
  - an offer that is an excluded offer or invitation within the meaning of the Corporations Act or any relevant ASIC class order; or
  - an offer that does not need disclosure to investors under the Corporations Act.
- Treatment of unvested and vested Options will depend on whether the participant is a good leaver or other leaver.
- Options are forfeited automatically after the holder ceases to be employed by the Company, unless the Board determines otherwise.

# Glossary

**AEDT** means Australian Eastern Daylight Time as observed in Sydney, New South Wales.

**Annual Financial Report** means the 2020 Annual Report to Shareholders for the period ended 30 June 2020 as lodged by the Company with ASX on 30 September 2020.

**Annual General Meeting** or **AGM** or **Meeting** means an Annual General Meeting of the Company and, unless otherwise indicated, means the meeting of the Company's members convened by this Notice of Meeting.

**ASIC** means Australian Securities and Investment Commission.

**Associate** has the meaning given to it by the ASX Listing Rules.

**ASX** means ASX Limited ACN 008 624 691 or the financial market operated by it, as the context requires, of 20 Bridge Street, Sydney, NSW 2000.

**ASX Listing Rules** or **Listing Rules** means the official ASX Listing Rules of the ASX and any other rules of the ASX which are applicable while the Company is admitted to the official list of the ASX, as amended or replaced from time to time, except to the extent of any express written waiver by the ASX.

**Auditor's Report** means the auditor's report of Bentleys NSW Audit Pty Ltd dated 30 September 2020 as included in the Annual Financial Report.

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

**Business Day** means a day on which trading takes place on the stock market of ASX.

**Chair** means the person chairing the Meeting.

**Closely Related Party** of a member of the KMP means:

- (a) a spouse or child of the member;
- (b) a child of the member's spouse;
- (c) a dependant of the member or of the member's spouse;
- (d) anyone else who is one of the member's family and may be expected to influence the member, or be influenced by the member, in the member's dealings with the Company;
- (e) a company the member controls; or
- (f) a person prescribed by the *Corporation Regulations 2001* (Cth).

**Company** means 1st Group Limited ACN 138 897 533.

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

**Corporations Act** means the *Corporations Act 2001* (Cth) as amended or replaced from time to time.

**Director** means a current director of the Company.

**Directors' Report** means the report of Directors as included in the Annual Financial Report.

**Dollar** or "\$" means Australian dollars.

**Explanatory Statement** means the explanatory statement accompanying this Notice of Meeting.

**KMP** means key management personnel (including the Directors) whose remuneration details are included in the Remuneration Report.

**Notice of Meeting** or **Notice of Annual General Meeting** means this notice of annual general meeting dated 16 October 2020 including the Explanatory Statement.

**Option** means an option which, subject to its terms, could be exercised into a Share.

**Ordinary Resolution** means a resolution that can only be passed if at least 50% of the total votes cast by Shareholders entitled to vote on the resolution are voted in its favour at the meeting.

**Performance Right** means a performance right which, subject to its terms, could convert to a Share.

**Proxy Form** means the proxy form attached to this Notice of Meeting.

**Remuneration Report** means the remuneration report as set out in the Annual Financial Report.

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

**Restricted Voter** means a member of the Company's KMP and any Closely Related Parties of those members.

**Securities** mean Shares and/or Options (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 Registry** means Automatic Registry Services.

**Special Resolution** means a resolution that can only be passed if at least 75% of the total votes cast by Shareholders entitled to vote on the resolution are voted in its favour at the meeting.

**Spill Meeting** means the meeting that will be convened within 90 days of the 2021 AGM if a threshold of votes is cast against the adoption of the Remuneration Report at the Meeting and the 2021 AGM.

**Spill Resolution** means the resolution required to be put to Shareholders at the 2021 AGM if a threshold of votes is cast against the adoption of the Remuneration Report at the Meeting and the 2021 AGM.

**Trading Day** has the meaning given to that term in ASX Listing Rule 19.12.

**VWAP** means the volume weighted average market (closing) price, with respects to the price of Shares.

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

Holder Number:

Your proxy voting instruction must be received by **11:00AM (AEDT) on Sunday, 15 November 2020**, being **not later than 48 hours** before the commencement of the Meeting. Any Proxy Voting instructions received after that time will not be valid for the scheduled Meeting.

## SUBMIT YOUR PROXY

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

### YOUR NAME AND ADDRESS

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

### STEP 1 – APPOINT A PROXY

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

### DEFAULT TO THE CHAIR OF THE MEETING

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

### STEP 2 - VOTES ON ITEMS OF BUSINESS

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

### APPOINTMENT OF SECOND PROXY

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

### SIGNING INSTRUCTIONS

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

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

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

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

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

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

### CORPORATE REPRESENTATIVES

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

### Lodging your Proxy Voting Form:

#### Online:

Use your computer or smartphone to appoint a proxy at

<https://investor.automic.com.au/#/login>

or scan the QR code below using your smartphone

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



#### BY MAIL:

Automic  
GPO Box 5193  
Sydney NSW 2001

#### IN PERSON:

Automic  
Level 5, 126 Phillip Street  
Sydney NSW 2000

#### BY EMAIL:

[meetings@automicgroup.com.au](mailto:meetings@automicgroup.com.au)

#### BY FACSIMILE:

+61 2 8583 3040

**All enquiries to Automic:**

**WEBCHAT:** <https://automicgroup.com.au/>

**PHONE:** 1300 288 664 (Within Australia)  
+61 2 9698 5414 (Overseas)

