

ASX Announcement
29 October 2021

Notice of 2021 Annual General Meeting ("Notice") and related documents

AF Legal Group Ltd (ASX: AFL) ("**Company**") attaches the following documents in relation to its 2021 Annual General Meeting:

1. Letter to Shareholders in relation to the Notice;
2. Notice; and
3. Proxy Form.

The Company advises that the Letter to Shareholders and Proxy Form is being dispatched to Shareholders today.

-ENDS-

This announcement has been authorised for release by the Board.

Yours faithfully

A handwritten signature in black ink, appearing to read "Grant Dearlove".

Grant Dearlove
Executive Chairman

For Further information, please contact:

Grant Dearlove – Executive Chairman
investorrelations@aflegal.com.au

Maggie Niewidok – Company Secretary
+61 2 8072 1400

Automatic Registry Services

Ph: 1300 288 664 (callers within Australia) or +61 2 9698 5414 (callers outside of Australia)

29 October 2021

Dear Shareholder,

Important Information for Shareholders about the Annual General Meeting

AF Legal Group Ltd (ASX: AFL) (**Company**) advises that its 2021 Annual General Meeting of Shareholders will be held at 3.00PM AEDT on Monday, 29 November 2021 (**Meeting**) as a virtual meeting.

In accordance with the *Treasury Laws Amendment (2021 Measures No.1) Act 2021* which came into force on 14 August 2021, the Company will not be dispatching physical copies of the Notice of Meeting (**Notice**) to Shareholders. The Notice is being made available to Shareholders electronically and can be viewed and downloaded online at the following link: <https://www.australianfamilylawyers.com.au/about-us/investor-announcements>. Alternatively, the Notice will also be available on the Company's ASX market announcements page (ASX: AFL)

Given the health concerns and restrictions attributed to the COVID19 pandemic, the Company considers that it is appropriate to hold this Meeting as a virtual meeting. Details on how to attend and participate in the virtual meeting can be found below and in the Notice of Meeting.

Given the uncertainty surrounding the COVID-19 pandemic, by the time this letter is received by Shareholders, circumstances may have changed but the Notice is given based on circumstances as at the date of this letter. 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.australianfamilylawyers.com.au/>. Shareholders are urged to monitor the ASX announcements platform and the Company's website.

Venue - Virtual Meeting

The Company is pleased to provide shareholders with the opportunity to attend and participate in the virtual Meeting through an online meeting platform powered by Automic.

Shareholders that have an existing account with Automic will be able to watch, listen, and vote online.

Shareholders who do not have an account with Automic are strongly encouraged to register for an account **as soon as possible and well in advance of the Meeting** to avoid any delays on the day of the Meeting. An account can be created via the following link investor.automic.com.au and then clicking on "**register**" and following the prompts. Shareholders will require their holder number (Securityholder Reference Number (SRN) or Holder Identification Number (HIN)) to create an account with Automic.

All resolutions will be decided on a poll. The poll will be conducted based on votes submitted by proxy and at the Meeting.

Your vote is important

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

Shareholders attending the meeting virtually and wishing to vote on the day of the meeting can find

further instructions on how to do so in the Notice of Meeting. Alternatively, shareholders are strongly encouraged to complete and submit their vote by proxy by using one of the following methods:

Online	Lodge the Proxy Form online at https://investor.automic.com.au/#/loginsah by following the instructions: Log into 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.
By post	Completing the enclosed Proxy Form and posting it to: Automic, GPO Box 5193, Sydney NSW 2001
By email	Completing the enclosed Proxy Form and emailing it to: meetings@automicgroup.com.au

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.**

The Chair intends to vote all open proxies in favour of all resolutions, where permitted.

Shareholders will be able to vote and ask questions at the virtual meeting. Shareholders are also encouraged to submit questions in advance of the Meeting to the Company. Questions must be submitted in writing to Grant Dearlove at investorrelations@aflegal.com.au at least 48 hours before the Meeting.

This letter has been authorised for release by the Board.

Yours faithfully



Grant Dearlove
Executive Chairman

For further information, please contact:

Grant Dearlove – Executive Chairman
investorrelations@aflegal.com.au

Maggie Niewidok – Company Secretary
+61 2 8072 1400

Automic Registry Services

Ph: 1300 288 664 (callers within Australia) or +61 2 9698 5414 (callers outside of Australia)

AF Legal Group Limited

Level 3, 411 Collins Street
Melbourne VIC 3000

ACN: 063 366 487

<https://www.australianfamilylawyers.com.au/>



AF Legal Group Ltd

Notice of 2021 Annual General Meeting

Explanatory Statement | Proxy Form

Monday, 29 November 2021

3:00PM AEDT

Address

The AGM will be conducted as a virtual meeting, accessible online.

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.

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Important Information for Shareholders about the Company's 2021 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 29 October 2021.

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.australianfamilylawyers.com.au/>. Shareholders are urged to monitor the ASX announcements platform and the Company's website.

Given the significant health concerns attributed to the COVID-19 pandemic, in addition to guidelines and restrictions issued by Australian state and federal governments, the Company considers that it is appropriate to hold the 2021 AGM as a virtual meeting, in a manner that is consistent with the *Treasury Laws Amendment (2021 Measures No. 1) Act 2021*.

Venue and Voting Information

The company is pleased to provide shareholders with the opportunity to attend and participate in a virtual Meeting through an online meeting platform powered by Automic.

Shareholders that have an existing account with Automic will be able to watch, listen, and vote online.

Shareholders who do not have an account with Automic are strongly encouraged to register for an account **as soon as possible and well in advance of the Meeting** to avoid any delays on the day of the Meeting. An account can be created via the following link investor.automic.com.au and then clicking on “**register**” and following the prompts. Shareholders will require their holder number (Securityholder Reference Number (SRN) or Holder Identification Number (HIN)) to create an account with Automic.

To access the virtual meeting on the day:

1. Open your internet browser and go to investor.automic.com.au
2. Login with your username and password or click “**register**” if you haven't already created an account. **Shareholders are encouraged to create an account prior to the start of the meeting to ensure there is no delay in attending the virtual meeting**
3. After logging in, a banner will display at the bottom of your screen to indicate that the meeting is open for registration, click on “**Register**” when this appears. Alternatively, click on “**Meetings**” on the left-hand menu bar to access registration.
4. Click on “**Register**” and follow the steps

5. Click on the URL to join the webcast where you can view and listen to the virtual meeting. Note that the webcast will open in a separate window.

Shareholders will be able to vote (see the "Voting virtually at the Meeting" section of this Notice of Meeting below) and ask questions at the virtual meeting.

Shareholders are also encouraged to submit questions in advance of the Meeting to the Company.

Questions must be submitted in writing to investorrelations@aflegal.com.au at least 48 hours before the AGM.

The Company will also provide Shareholders with the opportunity to ask questions during the Meeting in respect to the formal items of business as well as general questions in respect to the Company and its business.

Your vote is important

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

Voting virtually at the Meeting

Shareholders who wish to vote virtually on the day of the AGM can do so through the online meeting platform powered by Automic.

Once the Chair of the Meeting has declared the poll open for voting click on "Refresh" within the platform to be taken to the voting screen.

Select your voting direction and click "confirm" to submit your vote. Note that you cannot amend your vote after it has been submitted

For further information on the live voting process please see the **Registration and Voting Guide** at <https://www.automicgroup.com.au/virtual-agms/>

Voting by proxy

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

Online	Lodge the Proxy Form online at https://investor.automic.com.au/#/loginsah 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 lodgment process please see the Online Proxy Lodgment Guide at https://www.automicgroup.com.au/virtual-agms/
By post	Automic, GPO Box 5193, Sydney NSW 2001

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 provided it 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 provide the Share Registry with 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 AF Legal Group Ltd ACN 063 366 487 will be held at 3.00PM AEDT on Monday, 29 November 2021 as a **virtual meeting (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 7.00pm AEDT on 27 November 2021.

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 2021 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 2021.”

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 Dr Sarah Kelly as Director

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

“That Dr Sarah Kelly, 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.”

ASX Listing Rule 7.1A (Additional 10% Capacity)

3. Resolution 3 – 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 3 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 3 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.

Ratification of Prior Issue of Equity Securities

4. Resolution 4 – Ratification of Prior Issue of Placement Shares

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

“That, for the purposes of ASX Listing Rule 7.4 and for all other purposes, the Shareholders ratify the allotment and prior issue of 1,030,341 Placement Shares issued on 7 April 2021 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 participated in the issue or is a counterparty to the agreement being approved; 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.

5. **Resolution 5** – Ratification of Prior Issue of Consideration Shares to the Vendors of Watts McCray

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

“That, for the purposes of ASX Listing Rule 7.4 and for all other purposes, the Shareholders ratify the allotment and prior issue of 308,948 Shares to the Vendors of Watts McCray (NSW) Pty Ltd issued on 15 June 2021 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 participated in the issue or is a counterparty to the agreement being approved; 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** – Ratification of Prior Issue of Consideration Shares to the Vendor of Kordos Lawyers

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

“That, for the purposes of ASX Listing Rule 7.4 and for all other purposes, the Shareholders ratify the allotment and prior issue of 209,697 Shares to the Vendor of Kordos Lawyers issued on 5 July 2021 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 by or on behalf of:

- (a) a person who participated in the issue or is a counterparty to the agreement being approved; 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 votes on the Resolution in accordance with directions given by the beneficiary to the holder to vote in that way.

Issue of Performance Rights to Related Parties

7. Resolution 7 – Approval of Issue of Performance Rights to Grant Dearlove, Director of the Company

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

“That, for the purposes of ASX Listing Rule 10.11 and for all other purposes, the Shareholders of the Company approve the issue and allotment of 1,950,000 Performance Rights to Grant Dearlove, Director of the Company (or his 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 7 by or on behalf of:

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

However, this does not apply to a vote cast in favour of Resolution 7 by:

- (i) a person as proxy or attorney for a person who is entitled to vote on the Resolution, in accordance with direction 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 7 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.

8. **Resolution 8** – Approval of Issue of Performance Rights to Glen Dobbie, Director of the Company

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

“That, for the purposes of ASX Listing Rule 10.11 and for all other purposes, the Shareholders of the Company approve the issue and allotment of 1,600,000 Performance Rights to Glen Dobbie, Director of the Company (or his 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 8 by or on behalf of:

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

However, this does not apply to a vote cast in favour of Resolution 8 by:

- (i) a person as proxy or attorney for a person who is entitled to vote on the Resolution, in accordance with direction 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 8 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.

9. **Resolution 9** – Approval of Issue of Performance Rights to Kevin Lynch, Director of the Company

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

“That, for the purposes of ASX Listing Rule 10.11 and for all other purposes, the Shareholders of the Company approve the issue and allotment of 200,000 Performance Rights to Kevin Lynch, Director of the Company (or his 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 9 by or on behalf of:

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

However, this does not apply to a vote cast in favour of Resolution 9 by:

- (i) a person as proxy or attorney for a person who is entitled to vote on the Resolution, in accordance with direction 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 9 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.

10. **Resolution 10** – Approval of Issue of Performance Rights to Dr Sarah Kelly, Director of the Company

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

“That, for the purposes of ASX Listing Rule 10.11 and for all other purposes, the Shareholders of the Company approve the issue and allotment of 140,000 Performance Rights to Dr Sarah Kelly, Director of the Company (or her 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 10 by or on behalf of:

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

However, this does not apply to a vote cast in favour of Resolution 10 by:

- (i) a person as proxy or attorney for a person who is entitled to vote on the Resolution, in accordance with direction 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 10 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

Maggie Niewidok
Company Secretary

29 October 2021

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 3.00PM AEDT on Monday, 29 November 2021 as a **virtual meeting**.

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 2021 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.australianfamilylawyers.com.au/>.

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 Monday, 22 November 2021.

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.australianfamilylawyers.com.au/>.

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 2022 Annual General Meeting (**2022 AGM**), the Company will be required to put to the vote a resolution (**Spill Resolution**) at the 2022 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 2022 AGM. All of the Directors who were in office when the 2022 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 Dr Sarah Kelly as Director

Rule 4.7 of the Company's Constitution provides that a director appointed by the Board in addition to the existing Directors must retire at 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.

Dr Sarah Kelly was appointed as an additional Director of the Company on 30 August 2021 and has since served as a Director of the Company.

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

Dr Sarah Kelly OAM had a successful career as a commercial lawyer and is an experienced non-executive director with various roles across sport, tourism, technology, education, start-ups and not for profit sectors with a focus on marketing and governance. Most notably, Sarah is currently an Associate Professor at the University of Queensland Business School and is the Deputy Chair

of the Brisbane Lions, Deputy Chair of Tourism and Events Queensland and the state leader for the Minerva Network.

Directors' recommendation

The Directors (excluding Dr Kelly) recommend that Shareholders vote for this Resolution.

ASX Listing Rule 7.1A

Resolution 3 – 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 at 27 September 2021, the Company has a market capitalisation of approximately \$35.3 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) for an acquisition of new assets or investments (including expenses associated with such acquisition); and
- (b) continued execution of the Company's growth strategy.

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		
		\$0.235 50% decrease in issue price	\$0.47 issue prices ^(b)	\$0.94 100% increase in issue price
"A" is the number of shares on issue, being 75,172,899 Shares^(a)	10% voting dilution^(c)	7,517,290	7,517,290	7,517,290
	Funds raised	\$ 1,766,563	\$ 3,533,126	\$ 7,066,253
"A" is a 50% increase in shares on issue, being 112,759,349 Shares	10% voting dilution^(c)	11,275,935	11,275,935	11,275,935
	Funds raised	\$ 2,649,845	\$ 5,299,689	\$ 10,599,379
"A" is a 100% increase in shares on issue, being 150,345,798 Shares	10% voting dilution^(c)	15,034,580	15,034,580	15,034,580
	Funds raised	\$ 3,533,126	\$ 7,066,253	\$ 14,132,505

Notes:

- (a) Based on the total number of fully paid ordinary Shares on issue as at 27 September 2021.

- (b) Based on the closing price of the Company's Shares on ASX as at 27 September 2021.
- (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 time frame 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 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) or agreement to issue	Consideration details	Allottees of the Securities
<i>Issued on 7 April 2021</i>				
1,030,341 fully paid ordinary shares	Issue of shares to institutional and sophisticated	Issue price of 50 cents per share.	Cash consideration of \$515,170.50.	Institutional and other sophisticated investors

	investors as a result of the Company taking oversubscriptions under the Entitlement Offer announced by the Company on 18 February 2021.	Closing market price on the date of issue was 52 cents, which represents a discount of 4%.	Funds have been used by the Company to fund the acquisition of Watts McCray and Kordos Lawyers.	
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Total equity securities issued or agreed to be issued under Listing Rule 7.1A.2 in the 12 months prior to AGM ("A")	1,030,341
Percentage that "A" represents based on the total number of equity securities on issue at the commencement of that 12 month period (fully diluted)	1.70%

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.

Ratification of Prior Issue of Equity Securities

Resolution 4 – Ratification of Prior Issue of Placement Shares

Background

On 18 February 2021, the Company announced a non-renounceable, pro-rata entitlement offer of 10,003,571 fully paid ordinary shares in the Company on the basis of 1 new Share at an issue price of \$0.50 per Share for every 6.15 existing Shares to raise \$5 million (before costs and subject to rounding) (**Entitlement Offer**). Under the terms of the Entitlement Offer, any Shares not subscribed for by eligible shareholders (**Shortfall Shares**) may be placed to new investors.

On 23 March 2021, the Company announced the results of the Entitlement Offer, which disclosed a shortfall of 5,099,659 Shortfall Shares. On 7 April 2021, the Company announced that it had placed the Shortfall Shares with institutional and sophisticated investors and in addition, accepted oversubscriptions totalling \$515,170.50.

Accordingly, on 7 April 2021, the Company issued an additional 1,030,341 Shares (**Placement Shares**) under the Company's existing capacity under Listing Rule 7.1A as a result of the oversubscriptions.

ASX Listing Rules 7.1 and 7.1A

This Resolution proposes that Shareholders of the Company approve and ratify the prior issue and allotment of 1,030,341 Placement Shares, which were issued on 7 April 2021 (**Issue Date**).

1,030,341 Placement Shares were issued under Listing Rule 7.1A.

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.

At last year's AGM, the Company sought and obtained approval of its Shareholders under Listing Rule 7.1A to increase this 15% limit by an extra 10% to 25%.

The issue of Placement Shares did not fit within any of the exceptions (to Listing Rules 7.1 and 7.1A) and, as it has not been approved by the Company's Shareholders, it effectively uses up part of the expanded 25% limit in Listing Rule 7.1 and 7.1A, reducing the Company's capacity to issue further equity securities without Shareholder approval under Listing Rule 7.1 and 7.1A for the 12 month period following the Issue Date (noting that the extra 10% under Listing Rule 7.1A will expire unless re-approved by the Company's Shareholders on an annual basis).

Listing Rule 7.4 allows the Shareholders of a listed company to approve an issue of equity securities after it has been made or agreed to be made. If they do, the issue is taken to have been approved under Listing Rule 7.1 and so does not reduce the Company's capacity to issue further equity securities without Shareholder approval under Listing Rule 7.1.

A note to Listing Rule 7.4 also provides that an issue made in accordance with Listing Rule 7.1A can be approved subsequently under Listing Rule 7.4 and, if it is, the issue will then be excluded from variable "E" in Listing Rule 7.1A.2 (which means that the Company's capacity to issue further equity securities without Shareholder approval under Listing Rule 7.1A is not reduced).

The Company wishes to retain as much flexibility as possible to issue additional equity securities into 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 subsequently approve the issue of the Placement Shares for the purposes of Listing Rule 7.4.

If this Resolution is passed, the issue of the Placement Shares will be excluded in calculating the Company's 25% capacity to issue equity securities under Listing Rules 7.1 (15%) and 7.1A (10%) without Shareholder approval over the 12 month period following the Issue Date.

If this Resolution is not passed, the issue of the Placement Shares will be included in calculating the Company's 25% capacity to issue equity securities under Listing Rules 7.1 (15%) and 7.1A (10%) without Shareholder approval over the 12 month period following the Issue Date.

Information required by ASX Listing Rule 7.5

The following information is provided to Shareholders for the purposes of Listing Rule 7.5.

- (a) The Placement Shares were issued to sophisticated and intuitional investors.
- (b) The Company issued 1,030,341 Placement Shares.
- (c) The Placement Shares were fully paid on issue and ranked equally in all aspects with all existing fully paid ordinary shares previously issued by the Company.
- (d) The Placement Shares were issued on 7 April 2021.
- (e) Each of the Placement Shares were issued at an issue price of \$0.50 per Share, which raised \$515,170.50.
- (f) Funds raised from the issue of the Placement Shares have been and will be used by the Company to fund acquisitions including the Watts McCray and Kordos Lawyers acquisitions.

Directors' recommendation

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

Resolution 5 – Ratification of Prior Issue of Consideration Shares to the Vendors of Watts McCray

Background

On 11 March 2021, the Company announced that it had agreed to acquire 100% of the shares of Watts McCray (NSW) Pty Ltd (**Watts McCray**), an Australian leading family law firm.

The aggregate consideration payable by the Company to the vendors of Watts McCray comprise:

- (a) \$0.375 million in upfront share consideration; and
- (b) \$0.375 million in deferred share consideration, to be paid in three equal instalments subject to minimum performance conditions at the completion of the financial periods ending 30 June 2021, 30 June 2022 and 30 June 2023.

Accordingly, on 15 June 2021, the Company issued 308,948 fully paid ordinary shares to the vendors of Watts McCray at a deemed issue price of \$0.61 per Share (**Watts McCray Shares**) which represents half of the upfront share consideration, by utilising the Company's existing capacity under Listing Rule 7.1. The balance of the upfront share consideration will be paid subject to post completion working capital adjustments.

ASX Listing Rule 7.1

This Resolution proposes that Shareholders of the Company approve and ratify the prior issue and allotment of 308,948 Watts McCray Shares, which were issued on 15 June 2021 (**Issue Date**).

All of the Watts McCray Shares was issued by utilising the Company's existing capacity under 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.

The issue of Watts McCray Shares did not fit within any of the exceptions to Listing Rule 7.1 and, as it has not been approved by the Company's Shareholders, it effectively uses up part of the 15% limit in Listing Rule 7.1, reducing the Company's capacity to issue further equity securities without Shareholder approval under Listing Rule 7.1 for the 12 month period following the Issue Date.

Listing Rule 7.4 allows the Shareholders of a listed company to approve an issue of equity securities after it has been made or agreed to be made. If they do, the issue is taken to have been approved under Listing Rule 7.1 and so 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 into 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 subsequently approve the issue of the Watts McCray Shares for the purposes of Listing Rule 7.4.

If this Resolution is passed, the issue of the Watts McCray Shares will be excluded in calculating the Company's 15% capacity to issue equity securities under Listing Rule 7.1 without Shareholder approval over the 12 month period following the Issue Date.

If this Resolution is not passed, the issue of the Watts McCray Shares will be included in calculating the Company's 15% capacity to issue equity securities under Listing Rule 7.1 without Shareholder approval over the 12 month period following the Issue Date.

Information required by ASX Listing Rule 7.5

The following information is provided to Shareholders for the purposes of Listing Rule 7.5.

- (a) The Watts McCray Shares were issued to the vendors of Watts McCray (NSW) Pty Ltd.
- (b) The Company issued 308,948 Watts McCray Shares.
- (c) The Watts McCray Shares were fully paid on issue and ranked equally in all aspects with all existing fully paid ordinary shares previously issued by the Company.
- (d) The Watts McCray Shares were issued on 15 June 2021.
- (e) Each of the Watts McCray Shares were issued at a deemed issue price of \$0.61.
- (f) Funds were not raised from the issue of the Watts McCray Shares as the Watts McCray Shares were issued as part of the upfront share consideration payable by the Company for the acquisition of 100% of the shares of Watts McCray.

Directors' recommendation

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

Resolution 6 – Ratification of Prior Issue of Consideration Shares to the Vendor of Kordos Lawyers

Background

On 23 June 2021, the Company announced that it had agreed to acquire 100% of the assets of Kordos Lawyers, a leading Melbourne family law firm.

The aggregate consideration payable by the Company to the vendor of Kordos Lawyers comprise:

- (a) \$125,000 in upfront cash consideration;
- (b) \$125,000 in upfront share consideration; and
- (c) a total of \$375,000 cash consideration and \$375,000 deferred share consideration, to be paid in three annual instalments subject to minimum performance conditions at the completion of the financial periods ending 30 June 2022, 30 June 2023 and 30 June 2024.

Accordingly, on 5 July 2021, the Company issued 209,697 fully paid ordinary shares to the vendor of Kordos Lawyers at a deemed issue price of \$0.60 per Share (**Kordos Shares**) in satisfaction of the upfront share consideration, by utilising the Company's existing capacity under Listing Rule 7.1.

ASX Listing Rule 7.1

This Resolution proposes that Shareholders of the Company approve and ratify the prior issue and allotment of 209,697 Kordos Shares, which were issued on 5 July 2021 (**Issue Date**).

All of the Kordos Shares was issued by utilising the Company's existing capacity under 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.

The issue of Kordos Shares did not fit within any of the exceptions to Listing Rule 7.1 and, as it has not been approved by the Company's Shareholders, it effectively uses up part of the 15% limit in Listing Rule 7.1, reducing the Company's capacity to issue further equity securities without Shareholder approval under Listing Rule 7.1 for the 12 month period following the Issue Date.

Listing Rule 7.4 allows the Shareholders of a listed company to approve an issue of equity securities after it has been made or agreed to be made. If they do, the issue is taken to have been approved under Listing Rule 7.1 and so 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 into 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 subsequently approve the issue of the Kordos Shares for the purposes of Listing Rule 7.4.

If this Resolution is passed, the issue of the Kordos Shares will be excluded in calculating the Company's 15% capacity to issue equity securities under Listing Rule 7.1 without Shareholder approval over the 12 month period following the Issue Date.

If this Resolution is not passed, the issue of the Kordos Shares will be included in calculating the Company's 15% capacity to issue equity securities under Listing Rule 7.1 without Shareholder approval over the 12 month period following the Issue Date.

Information required by ASX Listing Rule 7.5

The following information is provided to Shareholders for the purposes of Listing Rule 7.5.

- (a) The Kordos Shares were issued to the vendor of Kordos Lawyers.
- (b) The Company issued 209,697 Kordos Shares.
- (c) The Kordos Shares were fully paid on issue and ranked equally in all aspects with all existing fully paid ordinary shares previously issued by the Company.
- (d) The Kordos Shares were issued on 5 July 2021.
- (e) Each of the Kordos Shares were issued at a deemed issue price of \$0.60 per Share.
- (f) Funds were not raised from the issue of the Kordos Shares as the Kordos Shares were issued in satisfaction of the upfront share consideration payable by the Company for the acquisition of 100% of the assets of Kordos Lawyers.

Directors' recommendation

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

Resolutions 7 - 10 – Issue of Performance Rights to Related Parties

Resolutions 7, 8, 9 and 10 seek Shareholder approval to issue and allot 3,890,000 Performance Rights to Directors of the Company (or their nominees) to preserve cash resources and to incentivise them in their role as Directors of the Company.

The milestone dates and full terms of Performance Rights are set out in Annexure A.

Accordingly, Shareholder approval is being sought to issue and allot:

- (a) 1,950,000 Performance Rights to Grant Dearlove (**Resolution 7**);
- (b) 1,600,000 Performance Rights to Glen Dobbie (**Resolution 8**);
- (c) 200,000 Performance Rights to Kevin Lynch (**Resolution 9**); and
- (d) 140,000 Performance Rights to Dr Sarah Kelly (**Resolution 10**).

Listing Rule 10.11

ASX Listing Rule 10.11 provides that unless one of the exceptions in Listing Rule 10.12 applies, the Company, as a listed company, must not issue equity securities to persons in a position of influence without Shareholder approval.

A person in a position of influence for the purposes of Listing Rule 10.11 includes:

- (a) a related party;
- (b) a person who is, or was at any time in the 6 months before the issue of agreement, a substantial (30%+) holder in the Company;
- (c) a person who is, or was at any time in the 6 months before the issue or agreement, a substantial (10%+) holder in the Company and who has nominated a director to the board of the Company pursuant to a relevant agreement which gives them a right or expectation to do so;
- (d) an Associate of a person referred to in (a) to (c) above; and
- (e) a person whose relationship with the Company or a person referred to in (a) to (d) above is such that, in the ASX's opinion, the issue or agreement should be approved by Shareholders.

As each Grant Dearlove, Glen Dobbie, Kevin Lynch and Dr Sarah Kelly are Directors of the Company, each of them is a person in a position of influence for the purposes of Listing Rule 10.11. The proposed issue does not fall within any of the exceptions in Listing Rule 10.12, and therefore requires the approval of the Company's Shareholders under Listing Rule 10.11.

To this end, Resolutions 7, 8, 9 and 10 seek the required Shareholder approval to issue the Performance Rights to Grant Dearlove, Glen Dobbie, Kevin Lynch and Dr Sarah Kelly under and for the purposes of Listing Rule 10.11.

If approval is obtained under Listing Rule 10.11, in accordance with Listing Rule 7.2 (exception 14), separate approval is not required under Listing Rule 7.1.

If Resolutions 7, 8, 9 and 10 are passed, the Company will be able to proceed with the proposed issue of Performance Rights.

If Resolutions 7, 8, 9 and 10 are not passed, the Company will not be able to proceed with the proposed issue and this may impact the Company's ability to retain its Directors as the Performance Rights form an integral part of the Company's remuneration and retention strategy.

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 Performance Rights (which is a type of equity security, for the purposes of the Chapter 2E of the Corporations Act) 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.

For each Director for whom the issue of Performance Rights were considered, the other non-conflicted Directors considered the proposed issue, and formed the view that the giving of the financial benefit to that Director was reasonable remuneration, given the circumstances of the Company, the quantum of the Performance Rights, the terms of the Performance Rights and the responsibilities held by that Director in the Company. The Directors believe that part of each Directors remuneration should be performance based and at risk, as this assists in aligning their interests with those of Shareholders of the Company. This approach reflects accepted practice in executive remuneration and corporate governance in Australia and abroad. In structuring the terms of the Performance Rights, the Board has carefully considered market practice among comparable companies listed on the ASX. In addition, it was considered that the issue of these

Performance Rights is a more cost effective way to remunerate and incentivise as opposed to other forms of remuneration, such as further cash payments.

Accordingly, the non-conflicted Directors of the Company believe that the issue of these Performance Rights to each of the Directors under Resolutions 7, 8, 9 and 10 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 Resolutions 7, 8, 9 and 10 of this Notice of Meeting.

Therefore, the proposed issue of Performance Rights to Grant Dearlove, Glen Dobbie, Kevin Lynch and Dr Sarah Kelly under Resolutions 7, 8, 9 and 10, respectively, require Shareholder approval under and for the purposes of Listing Rule 10.11 only.

Information required by ASX Listing Rule 10.13

The following information in relation to the issue of Performance Rights to Directors of the Company under Resolutions 7, 8, 9 and 10 is provided to Shareholders for the purposes of ASX Listing Rule 10.13:

- (a) The allottees are:
- (a) Grant Dearlove (or his nominee) (**Resolution 7**);
 - (b) Glen Dobbie (or his nominee) (**Resolution 8**);
 - (c) Kevin Lynch (or his nominee) (**Resolution 9**); and
 - (d) Dr Sarah Kelly (or her nominee) (**Resolution 10**).
- (a) Grant Dearlove, Glen Dobbie, Kevin Lynch and Dr Sarah Kelly are each Directors of the Company and fall within the category referred to in ASX Listing Rule 10.11.1.
- (b) The maximum number of Performance Rights that may be acquired by each of the allottees are as follows:
- (i) 1,950,000 Performance Rights to Grant Dearlove (or his nominee), Director of the Company (**Resolution 7**);
 - (ii) 1,600,000 Performance Rights to Glen Dobbie (or his nominee), Director of the Company (**Resolution 8**);
 - (iii) 200,000 Performance Rights to Kevin Lynch (or his nominee), Director of the Company (**Resolution 9**); and
 - (iv) 140,000 Performance Rights to Dr Sarah Kelly (or her nominee), Director of the Company (**Resolution 10**).
- (b) The milestone dates and full terms of the Performance Rights are set out in Annexure A of this Notice of Meeting.
- (c) The Performance Rights will be issued within 1 month of Shareholder approval being obtained by the Company (or otherwise, as determined by the ASX in the exercise of their discretion).
- (d) The Performance Rights will be offered for nil cash consideration.
- (e) Funds will not be raised from the issue of these Performance Rights as the issue is proposed to be made for the purposes of incentivising and remunerating the Directors of the Company.
- (f) The current total remuneration package received by each relevant Director is as follows:

Name	Current total remuneration package
Grant Dearlove (Resolution 7)	Grant's base remuneration for the year ending 30 June 2022 is \$325,000. Grant is also eligible to participate in the Company's Short Term Incentive

	Plan and may be granted a discretionary cash bonus subject to performance measures and Nomination and Remuneration Committee approval.
Glen Dobbie (Resolution 8)	Glen's base remuneration for the year ending 30 June 2022 is \$270,000. Glen is also eligible to participate in the Company's Short Term Incentive Plan and may be granted a discretionary cash bonus subject to performance measures and Nomination and Remuneration Committee approval.
Kevin Lynch (Resolution 9)	Kevin's non-executive director fees for the year ending 30 June 2022 are \$35,000. Kevin is also eligible to participate in the Company's Short Term Incentive Plan and may be granted a discretionary cash bonus subject to performance measures and Nomination and Remuneration Committee approval.
Dr Sarah Kelly (Resolution 10)	Dr Kelly was appointed as a Director on 30 August 2021. Dr Kelly's non-executive director fees for the year ending 30 June 2022 are \$35,000.

Directors Recommendation

The Board of Directors do not make any recommendations in respect of Resolution 7, 8, 9 and 10.

The Chairman intends to vote all undirected proxies in favour of Resolutions 7, 8, 9 and 10.

Enquiries

Shareholders are asked to contact the Company Secretary on +61 2 8072 1400 if they have any queries in respect of the matters set out in these documents.

Glossary

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

Annual Financial Report means the 2021 Annual Report to Shareholders for the period ended 30 June 2021 as lodged by the Company with ASX on 30 September 2021.

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 PKF Brisbane Audit dated 30 September 2021 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 AF Legal Group Limited ACN 063 366 487.

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 29 October 2021 including the Explanatory Statement.

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 Performance Rights (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 2022 AGM if a threshold of votes is cast against the adoption of the Remuneration Report at the Meeting and the 2022 AGM.

Spill Resolution means the resolution required to be put to Shareholders at the 2022 AGM if a threshold of votes is cast against the adoption of the Remuneration Report at the Meeting and the 2022 AGM.

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

Annexure A - Terms of Performance Rights

Milestone Dates

Director	Tranche 1 Milestone Date	Tranche 1 Number of Performance Rights	Tranche 2 Milestone Date	Tranche 2 Number of Performance Rights
Grant Dearlove	30 June 2023	975,000	30 June 2024	975,000
Glen Dobbie	30 June 2023	800,000	30 June 2024	800,000
Kevin Lynch	30 June 2023	100,000	30 June 2024	100,000
Sarah Kelly	30 June 2023	70,000	30 June 2024	70,000

Terms of Performance Rights

1. Performance Rights will only vest upon the satisfaction of continued employment or contract with the Company each year, or in a capacity as agreed by the Board.
2. The number of Performance Rights for each Tranche that will vest will be determined by the EBITDA growth rate per annum compared to the prior Financial Year at the applicable Milestone Date based on the following table:

EBITDA growth per annum	Performance Rights
At or above 15%	25%
At or above 20%	50%
At or above 25%	75%
At or above 30%	100%

For the purposes of this item 2:

EBITDA means statutory earnings, before interest, tax, depreciation and amortisation adjusted to include the removal of non recurring, non cash or unusual costs.

Financial Year means the period of twelve months ending on 30 June.

3. The Performance Rights will automatically vest and the Company will automatically convert the Performance Rights upon the occurrence of any of the following events, whichever is earliest:

- (i) A transaction that which enlivens the Australian Securities Exchange's (**ASX**) discretions under Listing Rule 11.1.2 and 11.1.3 and is approved by shareholders of the Company;
- (ii) A Change of Control; or
- (iii) A Delisting.

For the purposes of this item 3:

Change of Control means:

- (i) a bona fide Takeover Bid (as defined in the *Corporations Act 2001* (Cth) (**Corporations Act**)) is declared unconditional and the bidder has acquired a Relevant Interest (as defined in the Corporations Act) in at least 50.1% of the Company's issued Shares;
- (ii) a court approves, under Section 411(4)(b) of the Corporations Act, a proposed compromise or arrangement for the purposes of, or in connection with, a scheme for the reconstruction of the Company or its amalgamation with any other company or companies; or
- (iii) in any other case, a person obtains Voting Power (as defined in Section 9 of the Corporations Act) in the Company which the Board (which for the avoidance of doubt will comprise those Directors immediately prior to the person acquiring that Voting Power) determines, acting in good faith and in accordance with their fiduciary duties, is sufficient to control the composition of the Board.

Delisting means the Company's removal from the ASX's official list.

4. Each Performance Right is exercisable at nil price for one fully paid ordinary share.
5. The Performance Rights expire on the earlier of:
 - (i) if vested, 3 years from the date of issue; or
 - (ii) a determination being made by the Board of the Company (in its sole discretion) that the Vesting Conditions have not been met by their applicable due date or have become incapable of vesting pursuant to the terms,

the '**Expiry Date**'.

6. A Performance Right may only be converted at any time after the date that the Performance Rights have vested, and on or prior to the Expiry Date.
7. Subject to item 2, conversion of vested Performance Rights is at the election of the holder.
8. No application for quotation of the Performance Rights will be made by the Company.
9. Shares issued on the conversion of the Performance Rights rank equally with the then Shares of the Company.
10. If the Shares of the Company are quoted on the ASX at the time of conversion of the Performance Rights, an application will be made by the Company to the ASX for quotation of the Shares issued upon the conversion of the Performance Rights.
11. The Performance Rights may not be transferred, assigned, encumbered, or otherwise disposed of without prior consent of the Board.
12. The Performance Rights do not confer any right to participate in new issues of securities such as bonus issues or entitlement issues.
13. The Performance Rights do not confer any right to vote, except as otherwise required by law.

14. The Performance Rights do not confer any entitlement to a dividend, whether fixed or at the discretion of the Board.
15. The Performance Rights do not confer rights to receive a return of capital, whether in a winding up, upon a reduction of capital or otherwise
16. The Performance Rights do not confer any right to participate in the surplus profit or assets of the entity upon a winding up.
17. The Performance Rights must be treated in accordance with the ASX Listing Rules if the Company undertakes a reorganisation of its Shares

If you are attending the virtual Meeting please retain this Proxy Voting Form for online Securityholder registration.

Holder Number:

Your proxy voting instruction must be received by 3.00pm (AEDT) on Saturday, 27 November 2021, 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

BY FACSIMILE:

+61 2 8583 3040

All enquiries to Automic:

PHONE: 1300 288 664 (Within Australia)

+61 2 9698 5414
(Overseas)

