

1st Group Limited

'2C' Level 2,
2-12 Foveaux Street,
SURRY HILLS NSW 2010
ACN: 138 897 533

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



1st Group Limited

Notice of 2019 Annual General Meeting

Explanatory Statement | Proxy Form

19 November 2019

1:00PM 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.

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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 1:00pm AEDT on 19 November 2019 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:

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.
By post	Automic, GPO Box 5193, Sydney NSW 2001
By hand	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 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 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 1:00pm AEDT on 19 November 2019 at 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 1:00pm AEDT on 17 November 2019.

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 2019 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 2019"

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 Voters). 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** – Re-election of Mr. Trevor Matthews as Director

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

"That Mr. Trevor Matthews, 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, be elected as a Director of the Company, effective immediately."

3. **Resolution 3** – Election of Mr. Michael Emmett as Director

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

"That Mr. Michael Emmett, a Director appointed as an additional Director and holding office until the next general meeting of the Company after his 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)

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 those persons.

However, the Company will not disregard a vote if:

- (i) it is cast by a person as proxy for a person who is entitled to vote, in accordance with the directions on the proxy form; or
- (ii) it is cast by the Chair as proxy for a person who is entitled to vote, in accordance with a direction on the proxy form to vote as the proxy decides.

Ratification of Prior Issue of Equity Securities

5. Resolution 5 – Ratification of Prior Issue of 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 65,362,500 Shares issued on 17 May 2019 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
- (b) an Associate of those persons.

However, the Company will not disregard a vote if:

- (i) it is cast by a person as proxy for a person who is entitled to vote, in accordance with the directions on the proxy form; or
- (ii) it is cast by the Chair as proxy for a person who is entitled to vote, in accordance with a direction on the proxy form to vote as the proxy decides.

Issue of Options under the 1ST Option Plan

6. Resolution 6 – Approval of Issue of Options to Mr. Klaus Bartosch, 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 10.14 and for all other purposes, the Shareholders of the Company approve the issue and allotment of 3,000,000 options under the Company's 1ST Option Plan to Mr. Klaus Bartosch, 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 by or on behalf of:

- (a) any Director of the Company who is eligible to participate in the employee incentive scheme in respect of which the approval is sought; or
- (b) an Associate of those persons.

However, the Company will not disregard a vote if:

- (i) it is cast by a person as proxy for a person who is entitled to vote, in accordance with the directions on the proxy form; or
- (ii) it is cast by the Chair as proxy for a person who is entitled to vote, in accordance with a direction on the proxy form to vote as the proxy decides.

7. Resolution 7 – Approval of Issue of Options to Mr. Michael Emmett, 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 10.14 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 Mr. Michael Emmett, 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 7 by or on behalf of:

- (c) any Director of the Company who is eligible to participate in the employee incentive scheme in respect of which the approval is sought; or
- (d) an Associate of those persons.

However, the Company will not disregard a vote if:

- (iii) it is cast by a person as proxy for a person who is entitled to vote, in accordance with the directions on the proxy form; or
- (iv) it is cast by the Chair as proxy for a person who is entitled to vote, in accordance with a direction on the proxy form to vote as the proxy decides.

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 1:00pm AEDT on 19 November 2019 at 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 2019 together with the declaration of the Directors, the Directors' 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/investors>.

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 12 November 2019.

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/investors>.

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 2020 Annual General Meeting (**2020 AGM**), the Company will be required to put to the vote a resolution (**Spill Resolution**) at the 2020 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 2020 AGM. All of the Directors who were in office when the 2020 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 – Re-election of Mr. Trevor Matthews as Director

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 three, then the number nearest one third (rounded upwards in case of doubt), shall retire from office. The Directors to retire at an annual general meeting are those who have been longest in office since their last election and are not a Managing Director.

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. Trevor Matthews was last re-elected as a Director at the 2017 AGM.

Under this Resolution, Mr. Trevor Matthews has elected to retire by rotation, and being eligible, seeks re-election as a Director of the Company at this AGM.

Trevor has more than 40 years' experience in the financial services industry in Australia, North America, Asia and Europe. He is currently a board member of AMP Limited, AMP Bank, Bupa Australia and New Zealand, FNZ Asia Pacific, Edelweiss Tokio Life and chairman of the State Insurance Regulatory Authority,

AMP Life and CMC Markets Australia. He was previously an executive director of Aviva Plc, a leading global life and general insurer and chairman of the UK and French businesses. Prior to that, he held CEO level positions in life and general insurance companies in the UK, Japan, Canada and Australia. Trevor has been a commissioner of the UK Commission for Employment and Skills, Chairman of the Financial Services Skills Council in the United Kingdom, President of the Chartered Insurance Institute, President of the Institute of Actuaries of Australia and has served on the boards of several national life industry associations.

Directors' recommendation

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

Resolution 3 – Election of Mr. Michael Emmett as Director

The Company's Constitution provides that any Director appointed in addition to the existing Directors will hold office 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 general meeting and is then eligible for election as a Director of the Company.

Mr. Michael Emmett was appointed as an additional Director of the Company on 1 January 2019 and has since served as a Director of the Company.

Under this Resolution, Mr. Michael Emmett seeks election as a Director of the Company at this AGM.

Michael is Chief Executive Officer and Managing Director at AUB Group an ASX-listed provider of insurance broking, underwriting and risk services in Australia and New Zealand. Prior to that Mike was Group CEO for Cover-More, previously an ASX-listed global travel insurer and now part of the Zurich Group. Mike also held senior roles in Australia and QBE as Group Executive, Operations and at EY leading the Financial Services Advisory business. Before moving to Australia, Mike spent several years working in London including at IBM leading the Insurance and Banking consulting teams and at Morse PLC (Application Services) as Managing Director. Mike's earlier career in South Africa included senior roles in consulting at IBM, Accenture and PricewaterhouseCoopers Australia.

Directors' recommendation

The Directors (excluding Mr. Michael Emmett) 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

ASX Listing Rule 7.1A enables eligible entities to seek Shareholder approval by Special Resolution passed at an annual general meeting to issue equity securities (which must be in the same class as an existing quoted class of equity securities of the Company) which do not exceed 10% of the existing ordinary share capital without further Shareholder approval. The ability of the Company to make an issue under Listing Rule 7.1A is in addition to its 15% placement capacity under Listing Rule 7.1.

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 is an eligible entity. If at the time of the Meeting the Company is no longer an eligible entity this Resolution will be withdrawn.

Approval under this Resolution is sought for the Company to issue equity securities under Listing Rule 7.1A.

If this Resolution is approved the Company may make an issue of equity securities under Listing Rule 7.1A at any time (either on a single date or progressively) up until the earlier of:

- (a) the date which is 12 months after the date of the 2019 Annual General Meeting; or
the 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).

Accordingly, the approval given if this Resolution is passed will cease to be valid on the earlier of 19 November 2020 or the date on which holders of the Company's ordinary securities approve a transaction under Listing Rules 11.1.2 or 11.2.

The maximum number of equity securities which may be issued in the capital of the Company under the approval sought by this Resolution will be determined in accordance with the following formula prescribed in Listing Rule 7.1A.2:

(A x D) – E

where:

- A** is the number of fully paid ordinary securities on issue 12 months before the date of issue or agreement to issue:
 - (i) plus the number of fully paid ordinary securities issued in the 12 months under an exception in Listing Rule 7.2;
 - (ii) plus the number of partly paid ordinary securities that became fully paid in the 12 months;
 - (iii) plus the number of fully paid ordinary securities issued in the 12 months with approval of the holders of ordinary securities under Listing Rules 7.1 and 7.4 (this does not include an issue of fully paid ordinary securities under the entity's 15% placement capacity without Shareholder approval); and
 - (iv) less the number of fully paid ordinary securities cancelled in the 12 months.
- D** is 10%.
- E** is the number of equity securities issued or agreed to be issued under Listing Rule 7.1A.2 in the 12 months before the date of the issue or agreement to issue that are not issued with the approval of holders of ordinary securities under Listing Rules 7.1 or 7.4.

The ability of the Company to make an issue under Listing Rule 7.1A is in addition to its 15% placement

capacity under Listing Rule 7.1. The effect of this Resolution will be to allow the Company to issue equity securities under Listing Rule 7.1A without using the Company's 15% placement capacity under Listing Rule 7.1.

As at 9 October 2019, the Company has on issue 355,386,134 fully paid ordinary securities and therefore has capacity to issue:

- (a) 53,307,920 equity securities under Listing Rule 7.1; and
- (b) subject to Shareholder approval being sought under this Resolution, 35,538,613 equity securities under Listing Rule 7.1A.

The issue price of the equity securities issued under Listing Rule 7.1A will be determined at the time of issue. The minimum price at which the equity securities, the subject of this Resolution, will be issued is 75% of the volume weighted average market (closing) price (**VWAP**) of the Company's equity securities over the 15 days on which trades in that class were recorded immediately before either:

- (a) the date on which the price at which the equity securities are to be issued is agreed; or
- (b) if the equity securities are not issued within 5 ASX trading days of the date in paragraph (a) the date on which the securities are issued.

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 of this Resolution; and
- (b) the equity securities issued under Listing Rule 7.1A 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.

The table set out below shows the dilution of existing Shareholders on the basis of:

- The market price of the Company's ordinary shares and the number of ordinary shares as at 9 October 2019.
- Two examples where the number of ordinary shares on issue ("A") has increased, by 50% and 100%. The number of ordinary shares on issue may increase as a result of issues of ordinary shares that do not require Shareholder approval (for example, pro-rata entitlements issues) or as a result of future specific placements under Listing Rule 7.1 that are approved by Shareholders.
- Two examples of where the issue price of ordinary shares has decreased by 50% and increased by 100% as against the market price as at 9 October 2019.

Variable "A" ASX Listing Rule 7.1A.2		Dilution		
		\$0.03 50% decrease in issue price	\$0.06 issue price **	\$0.12 100% increase in issue price
"A" is the number of shares on issue, being 355,386,134 *** shares	10% voting dilution	35,538,613	35,538,613	35,538,613
	Funds raised	\$1,066,158	\$2,132,317	\$4,264,634
"A" is a 50% increase in shares on issue, being 533,079,201 *** shares	10% voting dilution	53,307,920	53,307,920	53,307,920
	Funds raised	\$1,599,238	\$3,198,475	\$6,396,950
"A" is a 100% increase in shares on issue, being 710,772,268 *** shares *	10% voting dilution	71,077,226	71,077,226	71,077,226
	Funds raised	\$2,132,317	\$4,264,634	\$8,529,267

Notes:

- (i) The table assumes that "A" is the number of fully paid ordinary shares that the Company has on issue as of the date of this Notice.
- (ii) The table assumes that the Company issues the maximum number of equity securities available under Listing Rule 7.1A.
- (iii) The table assumes that no options are exercised in ordinary shares before the date of the issue of equity securities under Listing Rule 7.1A.
- (iv) 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.
- (v) The table shows the effect of an issue of equity securities under Listing Rule 7.1A, not under the Company's 15% placement capacity under Listing Rule 7.1.
- (vi) The issue of equity securities under the Listing Rule 7.1A consists only of ordinary shares. If the issue of equity securities includes Options and/or Performance Rights, it is assumed that those Options and/or Performance Rights are exercised (or converted) into ordinary shares for the purposes of calculating the voting dilution effect on existing Shareholders.
- * Any issue of equity securities is required to be made in accordance with the Listing Rules. Any issue made other than under the Company's 15% capacity (Listing Rule 7.1) or the Company's additional 10% capacity (Listing Rule 7.1A) and not otherwise made under an exception in Listing Rule 7.2 (for example, a pro-rata rights issue) would require Shareholder approval.
- ** Based on the closing price of the Company's Shares on ASX on 9 October 2019.
- *** Based on the Company's Share structure as at 9 October 2019.

If this Resolution is approved the Company will have the ability to issue up to 10% of its issued capital without further Shareholder approval and therefore allow it to take advantage of opportunities to obtain further funds if required and available in the future.

As at the date of this Explanatory Statement, the Company has not formed an intention to offer any equity securities under Listing Rule 7.1A to any particular person or at any particular time. The total amount that may be raised by the issue of equity securities under Listing Rule 7.1A will depend on the issue price of the equity securities which will be determined at the time of issue. In some circumstances, the Company may issue equity securities under Listing Rule 7.1A for non-cash consideration (for example, in lieu of cash payments to consultants, suppliers or vendors). While the Company has not formed an intention to offer any equity securities under Listing Rule 7.1A, some of the purposes for which the Company may issue equity securities under Listing Rule 7.1A include (but are not limited to):

- (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.

Details regarding the purposes for which any particular issue under Listing Rule 7.1A is made will be more fully detailed in an announcement to the ASX made pursuant to Listing Rule 7.1A.4 and Listing Rule 3.10.5A at the time the issue is made. The identity of the allottees of equity securities under Listing Rule 7.1A will be determined at the time the Company decides to make an issue having regard to a number of factors including:

- (a) the capital raising and acquisition opportunities available to the Company and any alternative methods for raising funds or acquiring assets that are available to the Company;
- (b) the potential effect on the control of the Company;
- (c) the Company's financial situation and the likely future capital requirements; and
- (d) advice from the Company's corporate or financial advisors.

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.

The allocation policy the Company may adopt for a particular issue of equity securities under Listing Rule 7.1A and the terms on which those equity securities may be offered will depend upon the circumstances existing at the time of the proposed capital raising under Listing Rule 7.1A. Subject to the requirements of the Listing Rules and the Corporations Act, the 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.

As the Company has previously obtained Shareholder approval under Listing Rule 7.1A, it is required by Listing Rule 7.3A.6 to provide details of all issues of equity securities in the 12 months preceding the date of the Meeting. The details of all issues of equity securities by the Company during the 12 months preceding the date of the Meeting are detailed 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 19 December 2018</i>				
54,569,226 fully paid ordinary shares	Issue of shares to eligible shareholders under a 2-for-5 non-renounceable pro-rata entitlement offer announced by the Company on 14 November 2018. The shares were fully paid on issue and ranked equally in all aspects with all existing fully paid ordinary shares previously issued by the Company.	Issue price of \$0.03 per Share. No discount.	Cash consideration of \$1,637,076.78. Funds were used to reduce the debt owed to Mr. John Plummer by the Company under a convertible debt facility and the remaining balance, after paying the costs of the Offer was used to fund ongoing working capital and expansion of the business.	Eligible Shareholders and Underwriters.
<i>Issued on 17 May 2019</i>				
65,362,500 fully paid ordinary shares	Issue of shares to institutional, sophisticated and	39,112,500 Shares at an issue price of \$0.04 per Share.	Cash consideration of \$2,640,750.	Institutional, sophisticated and professional investors

	professional investors under a placement announced by the Company on 13 May 2019. The shares were fully paid on issue and ranked equally in all aspects with all existing fully paid ordinary shares previously issued by the Company.	26,250,000 Shares at an issue price of \$0.041 per Share. The share price on the date of issue was 0.05 cents, which represents a discount of 20%.	The majority of the funds were used to support further growth including additional sales and marketing capability, technology development and working capital requirements and other general corporate purposes. The remaining funds will be used for the same purposes.	as well as key staff members.
<i>Issued on 11 June 2019</i>				
28,750,000 fully paid ordinary shares	Shares issued under the Share Purchase Plan pursuant to the Share Purchase Plan Booklet lodged with ASX on 20 May 2019. The shares were fully paid on issue and ranked equally in all aspects with all existing fully paid ordinary shares previously issued by the Company.	28,570,000 Shares at an issue price of \$0.04 per Share. The share price on the date of issue was \$0.05, which represents a discount of 20%.	Cash consideration of \$1,142,800. None of these funds have been used. These funds will be used to support further growth including additional sales and marketing capability, technology development and working capital requirements and other general corporate purposes.	Eligible Shareholders under the Purchase Plan.
<i>Issued on 15 August 2019</i>				
3,000,000 unlisted and unvested options	Issue of unlisted and unvested options to Senior Management, pursuant to the Company's Employees Option Plan, exercisable at \$0.105 per option, expires on 15 August 2024.	N/A – issued for nil consideration.	N/A – issued for nil consideration.	Senior Management of the Company.

Total equity securities issued in previous 12 months* ("A")	151,681,726
Percentage that "A" represents based on the total number of equity securities on issue at the commencement of that 12-month period	73.31%

*Based on Company's fully diluted capital structure as at the date of the Company's 2018 Annual General Meeting

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 5 – Ratification of Prior Issue of Shares

Background

As announced by the Company on 17 May 2019, the Company successfully completed a placement to sophisticated and professional investors (**Placement**) of 39,112,500 new fully paid ordinary shares at an issue price of \$0.04 per Share and 26,250,000 new fully paid ordinary shares at an issue price of \$0.041 per Share, raising a total of \$2,640,750 (before costs) for the Company.

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 65,362,500 Shares, which was issued on 17 May 2019.

39,217,137 Shares were issued under Listing Rule 7.1 and 26,145,363 Shares were issued under Listing Rule 7.1A.

Listing Rule 7.1 allows an entity to issue (or agree to issue) up to 15% of the Company's fully paid ordinary shares on issue in any 12-month period without the approval of the Shareholders of the Company.

Listing Rule 7.1A provides that, in addition to issues permitted without prior Shareholder approval under Listing Rule 7.1, an entity that is eligible and obtains Shareholder approval under Listing Rule 7.1A may issue (or agree to issue) during the period for which the approval is valid a number of quoted equity securities which represents 10% of the number of fully paid ordinary securities on issue at the commencement of that 12 month period as adjusted in accordance with the formula in Listing Rule 7.1A. The Company is an eligible entity and sought and received Shareholder approval for this additional 10% capacity at the Company's annual general meeting last year.

Listing Rule 7.4 provides that where an entity in a general meeting ratifies the previous issue of securities made pursuant to Listing Rule 7.1 (and provided that the previous issue did not breach Listing Rule 7.1), those securities will be deemed to have been made with Shareholder approval under Listing Rule 7.1, thereby "refreshing" the Company's capacity under Listing Rule 7.1. A note to Listing Rule 7.4 also provides it can also be used to ratify previous issue of securities made with approval pursuant to Listing Rule 7.1A.

Therefore, the effect of approval of this Resolution is to allow the entity to retain the flexibility to issue additional securities within the 15% capacity under Listing Rule 7.1 and the additional 10% capacity under Listing Rule 7.1A, after this Resolution is adopted.

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 Company issued 65,362,500 Shares.
- (b) 39,112,500 Shares were issued at \$0.04 per Share and 26,250,000 Shares were issued at \$0.041 per Share.
- (c) The 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 Shares were issued to institutional, sophisticated and professional investors as well as key staff members who are not related parties.
- (e) Funds raised from the issue of the Shares have been used by the Company to support further

growth including additional sales and marketing capability, technology development and working capital requirements and other general corporate purposes.

Directors' recommendation

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

Issue of Options under the 1ST Option Plan

Resolution 6 – Approval of Issue of Options to Mr. Klaus Bartosch, Director of the Company

Background

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

As announced by the Company on 16 July 2019, subject to Shareholder approval that is sought under this Resolution, the Company agreed to grant Mr Klaus Bartosch, Managing Director of the 3,000,000 unlisted options under the 1ST Option Plan (**Incentive Options**).

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: - one third of the Options (1,000,000) will vest immediately upon the date of issue; - a further one third of the Options (1,000,000) will vest 12 months after the date of issue; and - the remaining one third of the Options (1,000,000) will vest 24 months after the date of issue.
Expiry date	16 July 2024

Director and Related Party Approvals

ASX Listing Rule 10.14 provides that a listed company must not permit a Director of the Company to acquire securities under an employee incentive scheme without Shareholder approval.

If approval is obtained under Listing Rule 10.14, in accordance with Listing Rule 10.12 (exception 4), separate approval is not required under Listing Rule 10.11.

The proposed issue of Incentive Options under the 1ST Option Plan to Mr. Bartosch, constitutes the acquisition of securities under an employee incentive scheme for the purposes of Listing Rule 10.14.

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 Options 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 Options to Mr. Bartosch, and formed the view that the giving of this financial benefit as part of his remuneration would be reasonable, given the circumstances of the Company, the quantum and terms of the Incentive Options, and the responsibilities held by Mr. Bartosch in the Company.

Accordingly, the non-conflicted Directors of the Company believe that the issue of these Incentive Options to Mr. Bartosch 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.

Information Required by ASX Listing Rule 10.15

The following information in relation to the issue of Incentive Options to Mr. Bartosch is provided to Shareholders for the purposes of ASX Listing Rule 10.15:

- (a) Mr. Klaus Bartosch is Managing Director of the Company.
- (b) The maximum number of Incentive Options that may be acquired by Mr. Bartosch is 3,000,000.
- (c) The Incentive Options are being issued for nil consideration pursuant to the terms of the 1ST Option Plan.
- (d) Since the 1ST Option Plan was last approved by Shareholders on 14 November 2018, the Company has not issued any securities to persons referred to in Listing Rule 10.14. If Shareholder approval is obtained for Resolutions 6 and 7, this would be the first time that Incentive Options have been issued to persons referred to in Listing Rule 10.14. The Directors of the Company are all persons referred to in Listing Rule 10.14 who are eligible to participate in the 1ST Option Plan.
- (e) The Incentive Options will be issued within 12 months from the date of this Meeting.

Resolution 7 – Approval of Issue of Options to Mr. Michael Emmett, Director of the Company

Background

This Resolution seeks Shareholder approval to issue and allot 500,000 unlisted and unvested options under the 1ST Option Plan (**Incentive Options**) to Mr. Michael Emmett, a Director of the Company, as part his remuneration. Mr. Emmett was appointed as an additional Director of the Company on 1 January 2019 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: - one third of the Options (166,666) will vest 12 months after the date of issue; - a further one third of the Options (166,667) will vest 24 months after the date of issue; and - the remaining one third of the Options (166,667) will vest 36 months after the date of issue.
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 a Director of the Company to acquire securities under an employee incentive scheme without Shareholder approval.

If approval is obtained under Listing Rule 10.14, in accordance with Listing Rule 10.12 (exception 4), separate approval is not required under Listing Rule 10.11.

The proposed issue of Incentive Options under the 1ST Option Plan to Mr. Emmett, constitutes the acquisition of securities under an employee incentive scheme for the purposes of Listing Rule 10.14.

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 Options 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 Options to Mr. Emmett and formed the view that the giving of this financial benefit as part of his remuneration would be reasonable, given the circumstances of the Company, the quantum and terms of the Incentive Options, and the responsibilities held by Mr. Emmett in the Company.

Accordingly, the non-conflicted Directors of the Company believe that the issue of these Incentive Options to Mr. Emmett 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.

Information Required by ASX Listing Rule 10.15

The following information in relation to the issue of Incentive Options to Mr. Emmett is provided to Shareholders for the purposes of ASX Listing Rule 10.15:

- (a) Mr. Michael Emmett is a Non-Executive Director of the Company.
- (b) The maximum number of Incentive Options that may be acquired by Mr. Emmett is 500,000.
- (c) The Incentive Options are being issued for nil consideration pursuant to the terms of the 1ST Option Plan.
- (d) Since the 1ST Option Plan was last approved by Shareholders on 14 November 2018, the Company has not issued any securities to persons referred to in Listing Rule 10.14. If Shareholder approval is obtained for Resolutions 6 and 7, this would be the first time that Incentive Options have been issued to persons referred to in Listing Rule 10.14. The Directors of the Company are all persons referred to in Listing Rule 10.14 who are eligible to participate in the 1ST Option Plan.
- (e) The Incentive Options will be issued within 12 months from the date of this Meeting.

Enquiries

Shareholders are asked to contact the Company Secretary on +61 (0)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 2019 Annual Report to Shareholders for the period ended 30 June 2019 as lodged by the Company with ASX on 27 September 2019.

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 Bentley's NSW Audit Pty Ltd dated 27 September 2019 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 18 October 2019 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 Automic Pty Ltd.

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 2020 AGM if a threshold of votes is cast against the adoption of the Remuneration Report at the Meeting and the 2020 AGM.

Spill Resolution means the resolution required to be put to Shareholders at the 2020 AGM if a threshold of votes is cast against the adoption of the Remuneration Report at the Meeting and the 2020 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:

Vote by Proxy: 1ST

Your proxy voting instruction must be received by **1.00pm (AEDT) on Sunday, 17 November 2019**, 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 VOTE ONLINE

Vote online at <https://investor.automic.com.au/#/loginsah>

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

- ✓ **Save Money:** help minimise unnecessary print and mail costs for the Company.
- ✓ **It's Quick and Secure:** provides you with greater privacy, eliminates any postal delays and the risk of potentially getting lost in transit.
- ✓ **Receive Vote Confirmation:** instant confirmation that your vote has been processed. It also allows you to amend your vote if required.



SUBMIT YOUR PROXY VOTE BY PAPER

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.

VOTING UNDER STEP 1 - APPOINTING A PROXY

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

DEFAULT TO THE CHAIRMAN OF THE MEETING

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

VOTES ON ITEMS OF BUSINESS – PROXY APPOINTMENT

You may direct your proxy how to vote by 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

You must sign this form as follows in the spaces provided

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

Joint holding: Where the holding is in more than one name, all of the 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>.

ATTENDING THE MEETING

Completion of a Proxy Voting Form will not prevent individual Shareholders from attending the Meeting in person if they wish. Where a Shareholder completes and lodges a valid Proxy Voting Form and attends the Meeting in person, then the proxy's authority to speak and vote for that Shareholder is suspended while the Shareholder is present at the Meeting.

POWER OF ATTORNEY

If a representative as power of attorney of a Shareholder of the Company is to attend the Meeting, a certified copy of the Power of Attorney, or the original Power of Attorney, must be received by the Company in the same manner, and by the same time as outlined for proxy forms.



Contact	Return your completed form		All enquiries to Automic	
	 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	 WEBCHAT https://automic.com.au/
			 PHONE 1300 288 664 (Within Australia) +61 2 9698 5414 (Overseas)	

[illegible]

Resolutions		For	Against	Abstain
1.	Adoption of Remuneration Report	☐	☐	☐
2.	Re-election of Mr. Trevor Matthews as Director	☐	☐	☐
3.	Election of Mr. Michael Emmett as Director	☐	☐	☐
4.	ASX Listing Rule 7.1A Approval of Future Issue of Securities	☐	☐	☐
5.	Ratification of Prior Issue of Shares	☐	☐	☐
6.	Approval of Issue of Options to Mr. Klaus Bartosch, Director of the Company	☐	☐	☐
7.	Approval of Issue of Options to Mr. Michael Emmett, Director of the Company	☐	☐	☐

Please note: If you mark the abstain box for a particular Resolution, you are directing your proxy not to vote on that Resolution on a show of hands or on a poll and your votes will not be counted in computing the required majority on a poll.

STEP 3: Sign Here + Contact Details

SIGNATURE OF SECURITYHOLDERS – THIS MUST BE COMPLETED

Individual or Securityholder 1 Securityholder 2 Securityholder 3

Sole Director and Sole Company Secretary Director Director / Company Secretary

Contact Name:

Email Address:

Contact Daytime Telephone Date (DD/MM/YY)

By providing your email address, you elect to receive all of your communications despatched by the Company electronically (where legally permissible).