



Notice of 2020 Annual General Meeting

EXPLANATORY STATEMENT | PROXY FORM

Tuesday, 24 November 2020

11.00 am AEDT

**This is an important document
and requires your attention**

This Notice of Meeting should be read in its entirety. If Shareholders are in doubt as to how they should vote, they should seek advice from their professional advisers prior to voting.

IMPORTANT INFORMATION REGARDING COVID-19: Due to the COVID-19 pandemic, the AGM will be held as a virtual meeting. On 5 May 2020, the Commonwealth Treasurer introduced temporary modifications to the Corporations Act 2001 (Cth) to allow the Notice of Meeting and other information regarding the AGM to be provided electronically and to allow Shareholders to participate in the AGM using the online facility which facilitates direct voting and questions. This Notice of Meeting can be accessed on the Company's website at www.prospa.com. Should you wish to discuss the matters in this Notice of Meeting please do not hesitate to contact the Company Secretary on investors@prospa.com.

Letter to Shareholders

Dear Shareholder,

On behalf of the Directors of Prospa Group Limited (“Prospa” or “the Company”), I am pleased to invite you to attend the 2020 Annual General Meeting. Enclosed is the Notice of Meeting setting out the business of the AGM.

The AGM will be held on Tuesday 24 November 2020 at 11.00am (AEDT time) and will be a virtual meeting. Due to COVID-19 and in response to potential health risks, there will not be a physical meeting this year. The virtual meeting will be facilitated by Link Market Services using their virtual meeting platform which can be accessed by Shareholders wishing to attend at <https://agmlive.link/PGL20>.

Further instructions on how to access the AGM, as well as this Notice of Meeting and the Annual Report can be found at www.prospa.com/investor. I encourage you to read the Annual Report for information on how our Company performed in FY2020.

I also encourage you to read the Notice of Meeting (including the Explanatory Memorandum) and the Proxy Form and consider directing your proxy vote on each resolution. You may also submit questions about items of business in advance of the AGM by using the above link. Please note that your personalised Proxy Form should be submitted to Link Market Services by 11.00am on Sunday 22 November 2020.

Subject to the abstentions noted in the Notice of Meeting, the Directors of Prospa unanimously recommend that Shareholders vote in favour of all resolutions.

On behalf of the Board, I thank our Shareholders and our funding partners for their ongoing support.

Sincerely,



Gail Pemberton AO
Chairman
Prospa Group Limited

Notice of Annual General Meeting

Given the significant health concerns attributed to the COVID-19 pandemic, in addition to guidelines and restrictions issued by Australian state and federal governments, Prospa considers that it is appropriate to hold the 2020 AGM as a virtual meeting, in a manner that is consistent with the temporary modifications to the *Corporations Act 2001* (Cth) introduced by the Commonwealth Treasurer.

Accordingly, notice is given that the Annual General Meeting of the Shareholders of Prospa Group Limited ACN 625 648 722 will be held as a virtual meeting. Shareholders will not be able to attend the AGM at a physical venue. Details of the meeting are as follows:

Date: Tuesday, 24 November 2020

Time: 11.00am (AEDT)

Venue: Join the online meeting in real time at <https://agmlive.link/PGL20>. It is recommended that Shareholders wishing to attend the meeting log in from 10.45am (AEDT) on Tuesday, 24 November 2020.

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 form part of this Notice of Meeting.

The Directors have determined pursuant to Regulation 7.11.37 of the *Corporations Regulations 2001* (Cth) that the persons eligible to vote at the Annual General Meeting are those who are registered Shareholders at 11.00am AEDT on Sunday, 22 November 2020.

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

Agenda

— A. Consideration of Financial Statements and Reports

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

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

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

All Shareholders can view the Annual Report which contains the Financial Report for the year ended 30 June 2020 on the Company’s website at www.prospa.com/investor.

— B. Items for Approval

Remuneration Report

Resolution 1 – Adoption of Remuneration Report

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

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

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

Voting Exclusion Statement: In accordance with the Corporations Act, the Company will disregard any votes cast on Resolution 1 by or on behalf of a member of the Company’s key management personnel (including the Directors), whose remuneration details are included in the Remuneration Report (**KMP**), or any of that person’s Closely Related Parties (such as close family members and any controlled companies of those persons) (collectively referred to as **Restricted 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

Resolution 2 – Re-election of Beau Bertoli as Director

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

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

Resolution 3 – Re-election of Greg Ruddock as Director

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

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

ASX Listing Rule 7.1A (Additional 10% Capacity)

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

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

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

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

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

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

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

Ratification of Prior Issue of Equity Securities

Resolution 5 – Ratification of Prior Issue of Performance Rights

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 324,088 Performance Rights issued on 13 April 2020 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.

Resolution 6 – Ratification of Prior Issue of Options

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 4,695,000 Options issued on 14 April 2020 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.

Resolution 7 – Ratification of Prior Issue of Performance Rights

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 222,280 Performance Rights issued on 13 July 2020 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 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 7 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.

Resolution 8 – 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 500,000 Fully Paid Ordinary Shares issued on 31 July 2020 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 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 8 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.

BY ORDER OF THE BOARD



Nicole Johnschwager
General Counsel & Company Secretary

Your vote is important

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

Shareholders will be able to participate in the Meeting:

- by joining the online meeting in real time at <https://agmlive.link/PGL20>;
- by asking questions of the Directors or our external auditor before the Meeting using the Question Form enclosed with the Notice of Meeting, by asking questions through the online platform during the meeting, or by lodging questions online at <https://www.linkmarketservices.com.au>; and
- by voting on the resolutions to be considered at the Meeting either by lodging the enclosed Voting Form before the meeting or by direct voting during the online meeting, or by a combination of these steps.

Further details of how to join the online meeting, how to ask questions and how to vote are set out in the Online Meeting Guide which can be accessed at www.prospa.com/investor. The Online Meeting Guide includes details of how to ensure your browser is compatible with the online platform, and a step-by-step guide to logging in, navigating the site and asking questions and voting at the meeting.

Voting in person

To vote in person, attend the virtual Annual General Meeting on the date set out above and ask questions through the online platform during the Meeting.

Voting by proxy

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

Online	https://www.linkmarketservices.com.au
By post	Prospa Group Limited C/- Link Market Services Limited Locked Bag A14 Sydney South NSW 1235 Australia
By hand	Link Market Services Limited 1A Homebush Bay Drive Rhodes NSW 2138

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 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 to the Share Registry evidence of their appointment, at least 48 hours prior to the Meeting.

Explanatory Statement

This Explanatory Statement has been prepared for the information of the Shareholders in connection with the business to be conducted at the virtual Annual General Meeting to be held online at 11.00am AEDT on Tuesday, 24 November 2020.

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

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

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

Agenda

Ordinary business

Financial statements and reports

In accordance with the Constitution and the Corporations Act, the business of the Annual General Meeting will include receipt and consideration of the Annual Financial Report of the Company for the financial year ended 30 June 2020 together with the declaration of the Directors, the 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 www.prospa.com/investor.

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 available 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 log onto www.linkmarketservices.com.au, select Voting then click 'Ask a Question'. 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 17 November 2020. The Chairman will seek to address as many of the more frequently raised topics as possible. However, there may not be sufficient time to address all topics raised and individual responses will not be sent to Shareholders.

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 Remuneration Report covers remuneration arrangements and outcomes for the FY20 period together with highlights of our remuneration arrangements for FY21.

Key points from the Remuneration Report are as follows:

- As a result of disruptions caused by COVID-19, the targets for the FY20 incentive programs were not met by the Executive Key Management Personnel ("KMP") or the senior management team.
- On 20 April 2020, the Board approved a combined retention program and bring forward of the FY21 incentive scheme. This included an issue of share rights to those staff who took voluntary income reductions and the issue of share options to non-KMP Executives. For further information on issues of employee equity incentives, please see the explanatory memorandum in relation to Resolutions 5-8.
- For the avoidance of doubt, there will be no further issuance of equity to the recipients of the brought forward FY21 incentives during FY21.
- As a result of the poor performance of the business since listing and to ensure there was sufficient capacity for the rest of the team who had voluntarily sacrificed income during this time, Greg Moshal and Beau Bertoli elected not to receive any of the abovementioned equity incentives. They also elected not to receive their approved FY19 short term incentive payments.

- The Board sees the elections made by Greg and Beau as mature and shareholder focused, and as founders and significant Shareholders, they remain strongly aligned to the long-term performance of Prospa.
- The Board is confident it has provided the team with balanced financial incentives for the medium to long term so our people can participate alongside our Shareholders in any recovery.

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 www.prospa.com/investor.

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

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

Voting

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

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

Directors' recommendation

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

Re-election of Directors

The Company's Constitution requires that to the extent that the Listing Rules require an election of Directors to be held at the Company's AGM and no Director would otherwise be required by the rules of the Constitution to submit for election or re-election the Director to retire is any Director who wishes to retire, otherwise it is the Director who has been longest in office since their last election or appointment (excluding the Managing Director).

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

At this AGM, Mr Beau Bertoli and Mr Greg Ruddock present themselves for re-election.

Resolution 2 – Re-election of Beau Bertoli as Director

Beau Bertoli was appointed as a Director of the Company on 18 April 2018 and has since served as a Director of the Company.

Under this Resolution, Beau Bertoli seeks re-election as a Director of the Company at this AGM.

Biography

Beau is a Co-Founder of Prospa and has been an Executive Director of Prospa Advance Pty Ltd since 2014 and a Director of the Company since April 2018. Beau was originally a Joint CEO of Prospa but assumed the role of Chief Revenue Officer in February 2020, so he can focus on continuing his instrumental role in driving the growth of Prospa.

Beau has 16 years' experience in financial services and has founded a technology start-up and managed a consumer product retailer.

Beau is passionate about building and growing high performing teams and creating cash flow products and services that keep small business moving.

In 2017 Beau was jointly awarded Fintech Leader of the Year by Fintech Australia and was jointly awarded the NSW Pearcey Tech Entrepreneur of the Year Special Recognition award.

Prior to co-founding Prospa, Beau held senior positions including National Sales Manager at financial services Company FlexiGroup (ASX:FXL).

Beau has a BCom in Economics and Finance from Sydney University.

Directors' recommendation

The Directors (excluding Beau Bertoli) recommend that Shareholders vote for this Resolution.

Resolution 3 – Re-election of Greg Ruddock as Director

Greg Ruddock was appointed as a Director of the Company on 18 April 2018 and has since served as a Director of the Company.

Under this Resolution, Greg Ruddock seeks re-election as a Director of the Company at this AGM.

Biography

Greg has been a Director of Prospa Advance Pty Ltd since October 2015 and a Director of the Company since April 2018.

Greg has more than 30 years' experience in private equity and operations management and specialises in investment strategy, business development and mergers & acquisitions.

Greg is a founder and Joint Chief Executive Officer of Ironbridge where he co-leads Investment and Portfolio Management activities. Since 2003 Greg has led many of its successful financial services investments including Prospa, Judo Capital, Eclipx Group and Stardex Insurance. Greg also led and served on the Boards of Easternwell, Super A-mart, BBQs Galore, Tandem Group, and AOS.

Prior to this role, Greg spent 7 years with leading Australian industrial group Wesfarmers in mergers and acquisitions and 5 years with Gresham Partners and Gresham Private Equity where he led the development of financial services payments provider Cashcard Australia. Greg also spent 5 years with diversified listed Company Avatar Limited, where he was Finance Director and Managing Director of one of its major subsidiaries.

Greg is currently a Director of Ironbridge Capital Holdings Pty Ltd, Judo Capital Limited, Workclub Australia Pty Ltd and AOS Pty Ltd.

Greg is a qualified accountant and holds a Bachelor of Commerce degree from the University of Western Australia and post graduate qualifications from the Financial Services Institute of Australasia and the Australian Society of Accountants.

Greg is the Chair of the Remuneration, People and Nomination Committee and a member of the Audit and Risk Committee.

Directors' recommendation

The Directors (excluding Greg Ruddock) recommend that Shareholders vote for this Resolution.

ASX Listing Rule 7.1A

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

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

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

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

As of the date of this Notice of Meeting, the Company has a market capitalisation of approximately \$120 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).

Shareholders should note that even if approval is granted under this Resolution, the expanded capacity may not be used by the Company.

Accordingly, approval is simply being sought to provide the Company with the additional flexibility throughout the relevant period.

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

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

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

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

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

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

As at the date of this Notice, the Company has not formed an intention to offer any equity securities under Listing Rule 7.1A during the Listing Rule 7.1A mandate period, if Shareholders approve this Resolution.

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

- a. raising funds to further develop the Company's business; and/or
- b. raising funds for possible acquisitions, joint ventures or strategic alliances.

Risk of economic and voting dilution to existing ordinary Shareholders

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 (which is entirely theoretical and indicative only) shows the potential dilution of existing Shareholders on the basis of 3 different assumed issue prices and values for the variable “A” in the formula in rule 7.1A.2, as required by the ASX.

Theoretical scenarios table – indicative only

Variable “A” ASX Listing Rule 7.1A.2		Potential Dilution and Funds Raised		
		\$0.37 50% decrease in issue price	\$0.74 issue price ^(b)	\$1.48 100% increase in issue price
“A” is the number of shares on issue, being 161,850,437 Shares^(a)	10% voting dilution ^(c)	16,185,043	16,185,043	16,185,043
	Funds raised	\$5,988,466	\$11,976,932	\$23,953,864
“A” is a 50% increase in shares on issue, being 242,775,655 Shares	10% voting dilution ^(c)	24,277,565	24,277,565	24,277,565
	Funds raised	\$8,982,699	\$17,965,398	\$35,930,796
“A” is a 100% increase in shares on issue, being 323,700,874 Shares	10% voting dilution ^(c)	32,370,087	32,370,087	32,370,087
	Funds raised	\$11,976,932	\$23,953,864	\$47,907,729

Notes:

- Based on the total number of fully paid ordinary Shares on issue as at 6 October 2020. As the Company’s share capital could increase during the relevant period, for **illustrative purposes only**, the table above sets out what the possible expanded share capital could be, which in turn would impact the 10% additional capacity under Listing Rule 7.1A.
- Based on the closing price of the Company’s Shares on ASX as at 6 October 2020. As the Company’s share price will change during the relevant period, for **illustrative purposes only**, the table above sets out what the possible funds raised could be at 50% below the indicated closing price, and 100% increase in the indicated closing price.
- The table assumes that the Company issues the maximum number of ordinary Shares available to be issued under Listing Rule 7.1A.
- 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.
- 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 Shareholders has 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 reserves 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.

The Company has not previously sought Shareholder approval under Listing Rule 7.1A and therefore has not issued or agreed to issue equity securities under Listing Rule 7.1A.2 in the 12 months preceding the AGM.

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

Resolutions 5-8 – Ratification of Prior Issue of Equity Securities

Background

As announced by the Company on 20 April 2020, 14 July 2020 and 31 July 2020, the Company issued the following securities using the 15% placement capacity under ASX Listing Rule 7.1:

- 324,088 Performance Rights on 13 April 2020;
- 4,695,000 Options on 14 April 2020;
- 222,280 Performance Rights on 13 July 2020; and
- 500,000 Fully Paid Ordinary Shares on 31 July 2020

(collectively the **Equity Securities**).

The Equity Securities (excluding the 500,000 fully paid ordinary shares) were issued to Employees under the Company's Equity Incentive Plan (**Incentive Plan**). The Performance Rights issued in July 2020 were issued to staff in accordance with Prospa's standard incentive plan. The Performance Rights and Options issued in April 2020 were for staff who sacrificed salary and for senior management as a combined retention incentive and a bring forward of the FY21 incentive program. None of the Performance Rights and Options were issued to the KMPs, who elected not to receive any incentives. For the avoidance of doubt, there will be no further issuance of equity to the recipients of the brought forward FY21 incentives during FY21.

Prospa believes these initiatives ensured our team remained stable and focused during this very disruptive period and aligned to the long-term interests of our Shareholders.

The 500,000 Fully Paid Ordinary Shares were issued under the Incentive Plan to be held in trust for future transfer to Employees upon vesting and exercise of Options and/or conversion of Performance Rights.

The Incentive Plan was established prior to the Company listing on the ASX. The key terms of the Incentive Plan and the maximum number of equity securities to be issued under the Incentive Plan were disclosed in the Company's Prospectus which was released to the ASX on 11 June 2019.

The Equity Securities the subject of resolutions 5 – 8 were issued in addition to the maximum number of securities to be issued under the Incentive Plan as disclosed in the Prospectus and as such the Company was unable to rely upon Listing Rule 7.2 exception 13. The Equity Securities were therefore issued by utilising the Company's existing capacity under Listing Rule 7.1.

ASX Listing Rule 7.1

Resolutions 5 – 8 propose that Shareholders of the Company approve and ratify the prior issue and allotment of 5,741,368 Equity Securities, which were issued on 13 April 2020, 14 April 2020, 13 July 2020 and 31 July 2020 (**Issue Dates**).

All of the Equity Securities were 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 the Equity Securities 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. This reduces 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, Resolutions 5 – 8 seek Shareholder approval to subsequently approve the issue of the Equity Securities for the purposes of Listing Rule 7.4.

If Resolutions 5 – 8 are passed, the issue of the Equity Securities 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 any of Resolutions 5 – 8 are not passed, the issue of the Equity Securities subject to the Resolution which is not passed 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 Performance Rights and Options detailed in Resolution 5 – 7 were issued to Employees of the Company under the Company's Incentive Plan. The Shares detailed in Resolution 8 were issued to be held in trust for future transfer to Employees upon vesting and exercise of Options and/or conversion of Performance Rights also under the Company's Incentive Plan.
- b. The Company issued:
 - i. 324,088 Performance Rights on 13 April 2020;
 - ii. 4,695,000 Options on 14 April 2020;
 - iii. 222,280 Performance Rights on 13 July 2020; and
 - iv. 500,000 Fully Paid Ordinary Shares on 31 July 2020.
- 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 full terms of the Performance Rights and Options (and a summary of the Incentive Plan) are set out in Annexure A of this Notice.
- e. Each of the Equity Securities was issued for nil cash consideration.
- f. Funds were not raised from the issue of the Equity Securities as the Performance Rights and Options were issued to Employees under the Company's Incentive Plan designed to assist in the motivation, reward and retention of senior management and other Prospa employees and to align the interests of senior management and other employees with the interests of Shareholders by providing an opportunity for employees to receive an equity interest in the Company subject to the satisfaction of certain performance conditions.

Directors' recommendation

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

Enquiries

Shareholders are asked to contact the Company Secretary on 02 8599 3899 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 2020 Annual Report to Shareholders for the period ended 30 June 2020 as lodged by the Company with ASX on 25 September 2020.

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

ASIC means Australian Securities and Investment Commission.

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

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

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

Auditor's Report means the auditor's report 24 September 2020 as included in the Annual Financial Report.

Board means the current board of Directors of the Company.

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

Chair means the person chairing the Meeting.

Closely Related Party of a member of the KMP means:

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

Company means Prospa Group Limited ACN 625 648 722.

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.

Equity Securities means the securities issued under the Company’s Incentive Plan and the subject of Resolutions 5 – 8.

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

Incentive Plan means the employee incentive scheme entitled “Equity Incentive Plan”.

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 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.

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.

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

Shareholder means a holder of a Share.

Share Registry means Link Market Services.

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

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

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

Annexure A

Terms of Performance Rights and Options

A summary of the material terms of the Performance Rights and Options are as follows:

1. Performance Rights issued on 13 April 2020

Type of securities: Unlisted rights

Vesting requirements: Rights will vest provided the relevant employee is still employed by the Group and has not given notice of their resignation as at the Vesting Date

Vesting Date: 13 April 2021

Conversion: Each right will convert on the Vesting Date to one fully paid ordinary share

Cost: There is no cost to the employee to convert the rights into ordinary shares

Dividend and voting rights: Rights do not carry any dividend or voting rights. Shares allocated on vesting carry the same dividend and voting rights as other shares issued by the Company

Dealing: Rights cannot be dealt with. Shares allocated on vesting and exercise of Rights can be dealt with subject to the Company's Securities Dealing Policy

2. Options issued on 14 April 2020

Type of securities: Unlisted options

Vesting requirements: Options within a given Tranche will vest provided the relevant employee is still employed by the Group and has not given notice of their resignation as at the relevant Vesting Date

Vesting Dates: Options will vest in two equal tranches:

- Tranche 1: 14 April 2021 (50%)
- Tranche 2: 14 April 2022 (50%)

Exercise Price:

- Tranche 1 Options: \$0.88 per option
- Tranche 2 Options: \$0.95 per option

Conversion: Each vested Option will be convertible to one fully paid ordinary share upon exercise by the holder

Exercise: Vested Options will be exercisable up until the Expiry Date at the election of a participant by payment of the applicable exercise price

Expiry: 14 April 2024

Dividend and voting rights: Options do not carry any dividend or voting rights. Shares allocated on exercise carry the same dividend and voting rights as other shares issued by the Company

Dealing: Options cannot be dealt with. Shares allocated on exercise of Options can be dealt with subject to the Company's Securities Dealing Policy

3. Performance Rights issued on 13 July 2020

Type of securities: Unlisted rights

Performance conditions: Vesting is subject to the satisfaction of performance conditions including overall company performance and individual performance, as determined by the Board

Performance period: 1 July 2020 to 30 June 2021

Vesting: Following testing of the performance conditions at the end of the performance period, any Rights that remain on foot will vest as follows: (i) 50% will vest on the day following the release of the Company's full year audited results for FY2022; and (ii) the remaining 50% will vest on the day following the release of the Company's full year audited results for FY2023

Conversion: Each right will convert to one fully paid ordinary share upon exercise

Exercise: Each right will automatically be exercised upon vesting

Cost: Rights are issued and will convert to shares at no cost to participants

Dividend and voting rights: Rights do not carry any dividend or voting rights. Shares allocated on vesting carry the same dividend and voting rights as other shares issued by the Company

Dealing: Rights cannot be dealt with. Shares allocated on vesting and exercise of Rights can be dealt with subject to the Company's Securities Dealing Policy

Summary of Equity Incentive Plan

The Company's Equity Incentive Plan Rules (the "Plan Rules") provide flexibility for the Company to grant Rights, Options and/or Restricted Shares subject to the terms of individual offers. Capitalised terms used but not defined have the meaning given to them in the Plan Rules.

A summary of the key features of the Plan Rules are outlined below.

In 2019, the Company established an Executive Incentive Plan ("EIP") and an Employee Equity Plan ("EEP") under the Plan Rules to assist in the motivation, reward and retention of Prospa employees. An offer may be made under the EIP or EEP, and/or on any additional or alternative terms as the Board determines, as specified in the terms of an offer in accordance with the Plan Rules.

Eligibility: Offers may be made at the Company's discretion to Non-Executive Directors, employees of Prospa or any other person the Company determines to be eligible to receive a grant under the Plan Rules.

Types of securities: Prospa may grant Rights, Options and/or Restricted Shares as incentives, subject to the terms of individual offers.

Rights are an entitlement to receive Shares subject to the satisfaction of applicable conditions. The Rights may vest automatically or become exercisable upon satisfaction of the applicable conditions.

Options are an entitlement to receive Shares upon satisfaction of applicable conditions and payment of an applicable exercise price.

Restricted Shares are Shares that are subject to dealing restrictions, vesting conditions or other restrictions or conditions.

Unless otherwise specified in an offer document, the Company has the discretion to settle Rights or Options with a cash equivalent payment.

Offers under the Plan Rules: Under the Plan Rules, the Company may make offers at its discretion, subject to any requirements for Shareholder approval. The Company has the discretion to set the terms and conditions on which it will offer incentives in individual offer documents. An offer must be accepted by the participant and can be made on an opt-in or opt-out basis.

Information to be provided to Participants: In connection with an offer, each Participant should be provided with the following information:

- the type and number of incentives and any cash award being offered, or the method by which the number and amount will be calculated;
- the amount (if any) that will be payable for the grant of incentives;
- any vesting or other conditions, including any vesting period;
- the period(s) during which an Option or (if exercisable) Right may be exercised;
- the period(s) when payment of a cash award may be made;
- the circumstances in which Rights and/or Options may lapse, Shares (including Restricted Shares) or cash awards may be forfeited or a Participant's entitlement to incentives may be reduced;
- how incentives and/or cash awards may be treated if the employee ceases employment; and
- any restrictions on dealing (including the period on restriction) in relation to a Restricted Share or Share.

Issue price: Unless the Company determines otherwise, no payment is required for a grant of a Right, Option or Restricted Share allocated under the Plan Rules.

Vesting: Vesting of the incentives is subject to any vesting or performance conditions determined by the Company and specified in the offer document. Subject to the Plan Rules and the terms of the specific offer document, incentives will either lapse or be forfeited if the relevant vesting and performance conditions are not satisfied. Options must be exercised by the participant and the participant is required to pay any applicable exercise price.

Cessation of employment: Under the Plan Rules, the Company has a broad discretion in relation to the treatment of entitlements on cessation of employment. Individual offer documents will provide more specific information on how the entitlements will be treated if the participant ceases employment (or in the case of a Non-Executive Director, ceases to hold office).

Clawback and preventing inappropriate benefits: The Plan Rules provide the Company with broad clawback powers if, for example, the participant has acted fraudulently or dishonestly or there is a material financial misstatement.

Change of control: The Company may determine that all or a specified number of a participant's incentives will vest or cease to be subject to restrictions where there is a change of control event in accordance with the Plan Rules.

Reconstructions, corporate action, rights issues, bonus issues etc: The Plan Rules include specific provisions dealing with rights issues, bonus issues, and corporate actions and other capital reconstructions. These provisions are intended to ensure that there is no material advantage or disadvantage to the participant in respect of their incentives as a result of such corporate actions. Participants are not entitled to participate in new issues of securities by the Company prior to the vesting (and exercise if applicable) of their Options or Rights. In the event of a bonus issue, Options or Rights will be adjusted in the manner allowed or required by the ASX Listing Rules.

Restrictions on dealing: Prior to vesting, the Plan Rules provide that participants must not sell, transfer, encumber, hedge or otherwise deal with their incentives. After vesting, participants will be free to deal with their incentives, subject to the Securities Dealing Policy.

Other terms: The Plan Rules contain customary and usual terms for dealing with administration, variation, suspension and termination of any incentive plan.

LODGE YOUR VOTE

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

 **BY MAIL**
Prospa Group Limited
C/- Link Market Services Limited
Locked Bag A14
Sydney South NSW 1235 Australia

 **BY FAX**
+61 2 9287 0309

 **BY HAND**
Link Market Services Limited
1A Homebush Bay Drive, Rhodes NSW 2138; or
Level 12, 680 George Street, Sydney NSW 2000

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



X99999999999

PROXY FORM

I/We being a member(s) of Prospa Group Limited and entitled to attend and vote hereby appoint:

APPOINT A PROXY

the Chairman of the Meeting (mark box)

OR if you are **NOT** appointing the Chairman of the Meeting as your proxy, please write the name and email of the person or body corporate you are appointing as your proxy (an email will be sent to your appointed proxy with details on how to access the virtual meeting)

Name

Email

or failing the person or body corporate named, or if no person or body corporate is named, the Chairman of the Meeting, as my/our proxy to act on my/our behalf (including to vote in accordance with the following directions or, if no directions have been given and to the extent permitted by the law, as the proxy sees fit) at the Annual General Meeting of the Company to be held at **11:00am on Tuesday, 24 November 2020 (the Meeting)** and at any postponement or adjournment of the Meeting.

The Meeting will be conducted as a virtual meeting and you can participate by logging in online at <https://agmlive.link/PGL20> (refer to details in the Notice of Meeting).

Important for Resolution 1: If the Chairman of the Meeting is your proxy, either by appointment or by default, and you have not indicated your voting intention below, you expressly authorise the Chairman of the Meeting to exercise the proxy in respect of Resolution 1, even though the Resolution is connected directly or indirectly with the remuneration of a member of the Company's Key Management Personnel (**KMP**).

The Chairman of the Meeting intends to vote undirected proxies in favour of each item of business.

VOTING DIRECTIONS

Proxies will only be valid and accepted by the Company if they are signed and received no later than 48 hours before the Meeting.

Please read the voting instructions overleaf before marking any boxes with an .

Resolutions

	For	Against	Abstain*		For	Against	Abstain*
1 Adoption of Remuneration Report	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	5 Ratification of Prior Issue of Performance Rights	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
2 Re-election of Beau Bertoli as Director	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	6 Ratification of Prior Issue of Options	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
3 Re-election of Greg Ruddock as Director	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	7 Ratification of Prior Issue of Performance Rights	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
4 ASX Listing Rule 7.1A Approval of Future Issue of Securities	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	8 Ratification of Prior Issue of Shares	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

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

SIGNATURE OF SHAREHOLDERS – THIS MUST BE COMPLETED

Shareholder 1 (Individual)

Joint Shareholder 2 (Individual)

Joint Shareholder 3 (Individual)

Sole Director and Sole Company Secretary

Director/Company Secretary (Delete one)

Director

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



HOW TO COMPLETE THIS SHAREHOLDER PROXY FORM

YOUR NAME AND ADDRESS

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

APPOINTMENT OF PROXY

If you wish to appoint the Chairman of the Meeting as your proxy, mark the box in Step 1. If you wish to appoint someone other than the Chairman of the Meeting as your proxy, please write the name and email address of that individual or body corporate in Step 1. A proxy need not be a shareholder of the Company.

DEFAULT TO CHAIRMAN OF THE MEETING

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

VOTES ON ITEMS OF BUSINESS – PROXY APPOINTMENT

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

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

To appoint a second proxy you must:

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

SIGNING INSTRUCTIONS

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

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

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

Power of Attorney: to sign under Power of Attorney, you must lodge the Power of Attorney with the registry. If you have not previously lodged this document for notation, please attach a certified photocopy of the Power of Attorney to this form when you return it.

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

CORPORATE REPRESENTATIVES

If a representative of the corporation is to attend the Meeting Virtually the appropriate "Certificate of Appointment of Corporate Representative" must be received at vote@linkmarketservices.com.au prior to admission in accordance with the Notice of Annual General Meeting. A form of the certificate may be obtained from the Company's share registry or online at www.linkmarketservices.com.au.

LODGEMENT OF A PROXY FORM

This Proxy Form (and any Power of Attorney under which it is signed) must be received at an address given below by **11:00am on Sunday, 22 November 2020**, being not later than 48 hours before the commencement of the Meeting. Any Proxy Form received after that time will not be valid for the scheduled Meeting.

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



ONLINE

www.linkmarketservices.com.au

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



BY MOBILE DEVICE

Our voting website is designed specifically for voting online. You can now lodge your proxy by scanning the QR code adjacent or enter the voting link www.linkmarketservices.com.au into your mobile device. Log in using the Holder Identifier and postcode for your shareholding.

QR Code



To scan the code you will need a QR code reader application which can be downloaded for free on your mobile device.



BY MAIL

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



BY FAX

+61 2 9287 0309



BY HAND

delivering it to Link Market Services Limited*
1A Homebush Bay Drive
Rhodes NSW 2138
or
Level 12
680 George Street
Sydney NSW 2000

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

LODGE YOUR QUESTIONS

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

 **BY MAIL**
Prospa Group Limited
C/- Link Market Services Limited
Locked Bag A14
Sydney South NSW 1235 Australia

 **BY FAX**
+61 2 9287 0309

 **BY HAND**
Link Market Services Limited
1A Homebush Bay Drive, Rhodes NSW 2138; or
Level 12, 680 George Street, Sydney NSW 2000

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



X999999999999

Please use this form to submit any questions about Prospa Group Limited ("the Company") that you would like us to respond to at the Company's 2020 Annual General Meeting. Your questions should relate to matters that are relevant to the business of the meeting, as outlined in the accompanying Notice of Meeting and Explanatory Memorandum. If your question is for the Company's auditor it should be relevant to the content of the auditor's report, or the conduct of the audit of the financial report.

This form must be received by the Company's share registrar, Link Market Services Limited, by **Thursday, 19 November 2020**.

Questions will be collated. During the course of the Annual General Meeting, the Chairman of the Meeting will endeavour to address as many of the more frequently raised shareholder topics as possible and, where appropriate, will give a representative of the Company's auditor, the opportunity to answer written questions submitted to the auditor. However, there may not be sufficient time available at the meeting to address all topics raised. Please note that individual responses will not be sent to shareholders.

My question relates to *(please mark the most appropriate box)*

- | | | |
|---|--|--------------------------------|
| <input type="checkbox"/> Performance or financial reports | <input type="checkbox"/> A resolution being put to the AGM | <input type="checkbox"/> Other |
| <input type="checkbox"/> Remuneration Report | <input type="checkbox"/> Future direction | |
| <input type="checkbox"/> My question is for the auditor | <input type="checkbox"/> General suggestion | |

SAVED

- | | | |
|---|--|--------------------------------|
| <input type="checkbox"/> Performance or financial reports | <input type="checkbox"/> A resolution being put to the AGM | <input type="checkbox"/> Other |
| <input type="checkbox"/> Remuneration Report | <input type="checkbox"/> Future direction | |
| <input type="checkbox"/> My question is for the auditor | <input type="checkbox"/> General suggestion | |
