



Notice of Meeting 2020

Chairman's Letter

Dear Fellow Shareholder

Invitation to attend our virtual AGM

I am writing to invite you, as a shareholder in OFX Group Limited (OFX), to attend our Annual General Meeting (AGM) at 2pm on Tuesday, 11 August 2020.

Our AGM will be held virtually this year to maximise the opportunity for shareholders to participate notwithstanding uncertainties regarding gatherings and restrictions on travel imposed by governments in the context of the COVID-19 pandemic. Only those Directors who are able to attend safely will attend in person at the OFX offices in Sydney.

All OFX shareholders are encouraged to participate in the AGM virtually through an online platform.

How to participate in the AGM

You will be able to view the webcast of the AGM live via the online AGM platform at <https://www.ofx.com/en-au/investors/aggm>. Further details on how to participate in the AGM online are set out in the Notice of Meeting and the OFX Online AGM Guide (Guide) which will be lodged with the ASX and is will also be available on our website at <https://www.ofx.com/en-au/investors/aggm/>.

Voting

You will be able to vote online during the meeting (refer to details in the Guide). If you are unable to attend the AGM I encourage you to lodge your vote in advance using the attached Voting/Proxy Form. Alternatively, you can use the Voting/Proxy Form to appoint a proxy to vote on your behalf. To be effective, direct votes or proxy appointments must be received no later than 2.00pm on Sunday 09 August 2020 in one of the ways specified in the Notice of Meeting and on the Voting/Proxy Form.

Questions

Shareholders participating in the AGM will have the opportunity to submit questions to the Board and OFX's external auditors during the AGM through the online platform. I strongly encourage you to submit questions on any shareholder matters that may be relevant to the AGM prior to the AGM using the enclosed Question Form.

I look forward to the opportunity to engage with you at the AGM and thank you for your ongoing support of OFX.

Yours sincerely



Steven Sargent
Chairman

Notice of Meeting

The Annual General Meeting (AGM) of OFX Group Limited (Company) will be held:

Date: Tuesday, 11 August 2020

Time: 2:00pm (Sydney time)

All shareholders are invited to attend the AGM virtually through our online platform at <https://www.ofx.com/en-au/investors/agm> or use the Voting/Proxy Form to lodge a direct vote in advance of the AGM or appoint a proxy.

Items of Business

Item 1. Financial statements and Reports of the Directors and Auditors

To receive and consider the financial statements of the Company and the reports of the Directors and Auditors for the year ended 31 March 2020. There is no vote on this item.

Item 2. Re-election of Mr Steven Sargent

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

"That, Mr Steven Sargent, who retires in accordance with Article 47(a) of the Company's Constitution, and being eligible for re-election, be re-elected as a Director of the Company."

Details of Mr Sargent's qualifications and experience and the recommendation of the Board in relation to his election are set out in the Explanatory Memorandum that forms part of this Notice of Meeting (**Explanatory Memorandum**).

Item 3. Re-election of Mr Grant Murdoch

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

"That, Mr Grant Murdoch, who retires in accordance with Article 47(a) of the Company's Constitution, and being eligible for re-election, be re-elected as a Director of the Company."

Details of Mr Murdoch's qualifications and experience and the recommendation of the Board in relation to his election are set out in the Explanatory Memorandum.

Item 4. Remuneration Report

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

"That the OFX Group Limited Remuneration Report for the year ended 31 March 2020 be adopted."

The Remuneration Report is contained in the 2020 OFX Group Limited Annual Report which is available on the Investors page at <https://www.ofx.com/en-au/investors/reports-presentations>.

Please note that in accordance with Section 250R(3) of the *Corporations Act 2001* (Cth), the vote on this resolution is advisory only and does not bind the Directors or the Company.

This resolution is subject to voting exclusions as set out in the Voting Exclusion Statement of this Notice of Meeting.

Notice of Meeting

Item 5. Approval of Issue of Shares and loan to Mr John Alexander ('Skander') Malcolm under the Executive Share Plan

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

"That, for the purposes of ASX Listing Rule 10.14; sections 200B and 200E of the *Corporations Act 2001* (Cth); and for all other purposes, approval is given for:

- a) the issue to Mr John Alexander Malcolm, Chief Executive Officer and Managing Director, of 937,352 ordinary shares under the OFX Group Limited Executive Share Plan on the terms described in the Explanatory Memorandum; and
- b) the provision of a loan to Mr John Alexander Malcolm to assist him to acquire the shares under the OFX Group Limited Executive Share Plan on the terms described in the Explanatory Memorandum."

This resolution is subject to voting exclusions as set out in the Voting Exclusion Statement of this Notice of Meeting.

Item 6. Approval of Issue of Performance Rights to Mr John Alexander ('Skander') Malcolm under the Global Equity Plan

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

"That, for the purposes of ASX Listing Rule 10.14 and for all other purposes, approval is given for:

- a) the issue to Mr John Alexander Malcolm, Chief Executive Officer and Managing Director, of 166,738 performance rights under the OFX Group Limited Global Equity Plan on the terms described in the Explanatory Memorandum; and
- b) the transfer or allocation of securities to Mr Malcolm upon vesting of the performance rights."

This resolution is subject to voting exclusions as set out in the Voting Exclusion Statement of this Notice of Meeting.

Item 7. Approval of Grant of Shares to Mr John Alexander ('Skander') Malcolm under the Global Equity Plan

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

"That, for the purposes of ASX Listing Rule 10.14 and for all other purposes, approval is given for the grant to Mr John Alexander Malcolm, Chief Executive Officer and Managing Director, of 80,398 ordinary shares under the OFX Group Limited Global Equity Plan on the terms described in the Explanatory Memorandum."

This resolution is subject to voting exclusions as set out in the Voting Exclusion Statement of this Notice of Meeting.

Voting Exclusion Statement

Item 4. Remuneration Report

A vote on the resolution relating to Item 4 must not be cast (in any capacity) by or on behalf of:

- any member of the key management personnel whose remuneration details are included in the Remuneration Report for the year ended 31 March 2020 (KMP); or
- any associate of a KMP (including close family members and companies the KMP controls), (each a **Restricted Person**).

The Company will disregard any votes cast in favour of the resolution relating to Item 4 in any capacity by or on behalf of a Restricted Person.

However, the Company need not disregard a vote cast by a Restricted Person as a proxy if the vote is not cast on behalf of a Restricted Person and the vote is cast:

- by a Restricted Person as proxy for a person who is entitled to vote, in accordance with their directions on a proxy form that specifies the way the proxy is to vote on the resolution (eg for, against, abstain); or
- by the Chairman of the meeting as proxy for a person who is entitled to vote, in accordance with their directions on a proxy form that either:
 - a) does not specify the way the proxy is to vote on the resolution; or
 - b) expressly authorises the Chair to exercise the proxy even if the resolution is connected directly or indirectly with the remuneration of a member of the KMP; or
- by a holder acting solely in a nominee, trustee, custodial or other fiduciary capacity on behalf of a beneficiary provided the following conditions are met:
 - a) 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
 - b) the holder votes on the resolution in accordance with the directions given to the holder to vote in that way.

'Key management personnel' and 'associate' each have the meaning given to that term in the *Corporations Act (2001)* (Cth).

Item 5. Approval of Issue of Shares and loan to Mr John Alexander ('Skander') Malcolm under the Executive Share Plan

In accordance with ASX Listing Rule 14.11, a vote on the resolutions relating to Item 5 must not be cast by or on behalf of any Director who is eligible to participate in the employee incentive scheme in respect of which the approval is sought or by or on behalf of any associate of such Director.

Mr John Alexander ('Skander') Malcolm is the only Director eligible to participate in the Executive Share Plan. The Company will disregard any votes cast in favour of the resolutions relating to Item 5 by or on behalf of:

- Mr John Alexander ('Skander') Malcolm; or
- an associate of Mr John Alexander ('Skander') Malcolm.

However, the Company need not disregard a vote if it is cast:

- by a person as proxy for a person who is entitled to vote, in accordance with their directions on a proxy form that specifies the way the proxy is to vote on the resolution (eg for, against, abstain);
- by the Chairman of the meeting 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; or
- by a holder acting solely in a nominee, trustee, custodial or other fiduciary capacity on behalf of a beneficiary provided the following conditions are met:
 - a) 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
 - b) the holder votes on the resolution in accordance with the directions given to the holder to vote in that way.

Voting Exclusion Statement

Item 6. Approval of Issue of Performance Rights to Mr John Alexander ('Skander') Malcolm under the Global Equity Plan

In accordance with ASX Listing Rule 14.11, a vote on the resolutions relating to Item 6 must not be cast by or on behalf of any Director who is eligible to participate in the employee incentive scheme in respect of which the approval is sought or by or on behalf of any associate of such Director.

Mr John Alexander ('Skander') Malcolm is the only Director eligible to participate in the Company's STI Plan under the Global Equity Plan. The Company will disregard any votes cast in favour of the resolutions relating to Item 6 by or on behalf of:

- Mr John Alexander ('Skander') Malcolm; or
- an associate of Mr John Alexander ('Skander') Malcolm.

However, the Company need not disregard a vote if it is cast:

- by a person as proxy for a person who is entitled to vote, in accordance with their directions on a proxy form that specifies the way the proxy is to vote on the resolution (eg for, against, abstain);
- by the Chairman of the meeting 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; or
- by a holder acting solely in a nominee, trustee, custodial or other fiduciary capacity on behalf of a beneficiary provided the following conditions are met:
 - a) 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
 - b) the holder votes on the resolution in accordance with the directions given to the holder to vote in that way.

Item 7. Approval of Issue of Shares to Mr John Alexander ('Skander') Malcolm under the Global Equity Plan

In accordance with ASX Listing Rule 14.11, a vote on the resolutions relating to Item 7 must not be cast by or on behalf of any Director who is eligible to participate in the employee incentive scheme in respect of which the approval is sought or by or on behalf of any associate of such Director.

Mr John Alexander ('Skander') Malcolm is the only Director eligible to participate in the Company's employee incentive scheme under the Global Equity Plan. The Company will disregard any votes cast in favour of the resolutions relating to Item 7 by or on behalf of:

- Mr John Alexander ('Skander') Malcolm; or
- an associate of Mr John Alexander ('Skander') Malcolm.

However, the Company need not disregard a vote if it is cast:

- by a person as proxy for a person who is entitled to vote, in accordance with their directions on a proxy form that specifies the way the proxy is to vote on the resolution (eg for, against, abstain);
- by the Chairman of the meeting 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; or
- by a holder acting solely in a nominee, trustee, custodial or other fiduciary capacity on behalf of a beneficiary provided the following conditions are met:
 - a) 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
 - b) the holder votes on the resolution in accordance with the directions given to the holder to vote in that way.

Notes

Discussion and shareholder questions

Discussion will take place on all items of business to be considered at the AGM. All shareholders will have a reasonable opportunity to ask questions during the AGM via the online platform, including an opportunity to ask questions of OFX's External Auditor, PwC. To ensure that as many shareholders as possible have the opportunity to speak, shareholders are requested to observe the following requests:

- all shareholder questions should be stated clearly and should be relevant to the business of the AGM, including matters arising from the Financial Report, the Directors' Report (including the Remuneration Report) and the Auditor's Report, and general questions about the performance, business or management of OFX;
- if a shareholder has more than one question on an item of business, all questions should be asked together; and
- shareholders should not ask questions at the AGM relating to any matters that are personal to the shareholder or commercial in confidence.

Shareholders who prefer to register questions in advance of the AGM are invited to do so. A Shareholder Question Form has been included with this Notice of Meeting and is also available on OFX's website: <https://www.ofx.com/en-au/investors/agm>. Written questions must be received by Link Market Services Limited by 8.00pm (AEST) on Tuesday 4 August 2020, and can be submitted online, by email, by mail, by fax or in person to the addresses as set out below.

Webcast

The AGM will be webcast live via the online platform at <https://www.ofx.com/en-au/investors/agm>. To participate you will need a desktop or mobile/tablet device with internet access. When you log onto the online platform to register to attend the AGM, you will need to provide your details (including SRN or HIN) to be verified as a shareholder. Proxyholders will need their proxy code which will be provided by Link Market Services no later than 24 hours before the meeting. Upon registration you will be given details as to how to vote and ask questions during the AGM.

More information about how to use the online platform (including how to ask questions and how to vote online during the AGM) is available in the Guide, will be lodged with the ASX and will be available at <https://www.ofx.com/en-au/investors/agm>. If you intend to use the online platform, including if you intend to vote online during the meeting, we recommend that you test to see that the platform works on your device before the AGM commencement at 2pm.

In addition to the above, Shareholders can also watch an archived recording of the webcast after the Meeting at <https://www.ofx.com/en-au/investors/agm>.

Corporate representatives

A body corporate that is a shareholder, or that has been appointed as a proxy, must appoint an individual to act as its representative at the AGM. The appointment must comply with the requirements of section 250D of the *Corporations Act 2001* (Cth). The representative should register on behalf of a body corporate and must provide evidence of their appointment, to OFX.

Voting information

Entitlement to vote

Pursuant to *Regulation 7.11.37 of the Corporations Regulations 2001* (Cth), the Directors have determined that for the purpose of the AGM (including voting at the AGM), 'Shareholders' are those persons who are the registered holders of OFX shares at 7.00pm (AEST) on Sunday, 09 August 2020. Share transfers registered after that time will be disregarded in determining entitlements to vote at the AGM.

Shareholders may vote on all items of business, subject to the voting restrictions described in this Notice of Meeting.

Voting by poll

As Shareholders are asked to participate virtually in the AGM, each resolution considered at the AGM will be conducted by a poll. The Directors consider voting by poll to be in the interests of the shareholders as a whole and ensures the views of as many shareholders as possible are represented at the AGM.

Notes

Direct voting

In accordance with clause 37(b) the OFX Constitution (**Constitution**), the Directors:

- have determined that at the AGM, a shareholder who is entitled to vote on a resolution at the AGM is entitled to a direct vote in respect of that resolution; and
- have approved the use of either:
 - a) the direct Voting/Proxy Form enclosed with this Notice of Meeting for use for direct voting prior to the AGM; or
 - b) the online voting platform as the means by which shareholders or proxyholders can deliver their direct vote in real time during the AGM.

Direct voting prior to the AGM

If a shareholder is unable to participate in the AGM, they are entitled to vote their shares directly by marking Section A 'Vote Directly' on the Voting/Proxy Form that accompanies this Notice of Meeting. They will then not need to appoint a proxy to act on their behalf. The Shareholder should mark either the 'for' or 'against' boxes next to each item on the Voting/Proxy Form. The 'abstain' box should not be marked – if a Shareholder does mark the abstain box, then their vote for that item will be invalid.

If a Shareholder does not give a direction on all of the items, or if they complete both Section A 'Vote Directly' and Section B 'Appoint a Proxy', their vote will be passed to the Chairman of the AGM as their proxy.

In accordance with clause 37(b) of the Company's Constitution, the Directors have resolved that Shareholders will be able to vote directly prior to the AGM on resolutions to be considered at the AGM at any time between the date of this Notice of Meeting and 2.00pm (AEST) on Sunday, 09 August 2020.

Direct voting during the AGM

Shareholders will be able to log into the online voting platform to vote directly at any time between the start of the AGM at 2.00pm (AEST) and the closure of voting as announced by the Chairman during the AGM.

Appointing a Proxy

Shareholders who are unable to attend the AGM and do not choose to vote prior to the AGM are entitled to appoint a proxy to attend the AGM virtually on their behalf, and to vote in accordance with their instructions on the Voting/Proxy Form.

To appoint a proxy, mark Section B 'Appoint a Proxy' on the Voting/Proxy Form to appoint the Chairman as proxy, or insert the name of an alternate proxy in the space provided.

A proxy need not be a shareholder of the Company and may be an individual or a body corporate. If a body corporate is appointed as proxy, it must appoint an individual as its corporate representative in accordance with section 250D of the *Corporations Act 2001* (Cth) to exercise its power as proxy at the AGM.

Subject to the voting exclusions set out above, if no voting instructions are given, the proxy may vote as they see fit.

The Chairman intends to vote all available and undirected proxies in favour of each item of business.

If a shareholder appoints a KMP (which includes each of the Directors) as proxy, the KMP will not be able to cast the shareholder's votes on Items 4, 5, 6 and 7 unless the shareholder directs the KMP how to vote or the Chairman is the shareholder's proxy. If a shareholder appoints the Chairman as their proxy or the Chairman is appointed as the shareholder's proxy by default and the shareholder does not mark a voting box for Items 4, 5, 6 and/or 7, then by signing and returning the Voting/Proxy Form the shareholder will be expressly authorising the Chairman to exercise the proxy in respect of the relevant item even though the item is connected directly or indirectly with the remuneration of KMP.

If you are a shareholder entitled to cast two or more votes, you may appoint up to two proxies and specify the proportion of voting rights or the number of votes each proxy is appointed to exercise. If a shareholder appoints two proxies but does not specify the proportion of the number of votes each proxy may exercise, each proxy may exercise half of that shareholder's votes.

Notes

How to appoint a proxy

For an appointment of proxy to be effective, the Voting/Proxy Form with Section B 'Appoint a Proxy' marked to indicate your appointment of a proxy (and the power of attorney or other authority, if any, under which the Voting/Proxy Form is signed or a certified copy of the power or other authority) must be received at the Share Registry of the Company no later than 2:00 pm (Sydney time) on Sunday, 09 August 2020 (48 hours before the AGM).

If your Voting/Proxy Form is signed by an attorney, or in the case of a Voting/Proxy Form submitted electronically, authenticated by an attorney, the power of attorney (or a certified copy of the power of attorney) must be received by the Share Registrar.

How to submit a Voting/Proxy Form

Voting/Proxy Forms (and, if applicable, authorities) may be lodged by one of the following methods:

Online at www.linkmarketservices.com.au

If you wish to submit your appointment of proxy and voting instructions electronically, visit the share registry website. You will need your Security Holder Reference Number (SRN) or Holder Identification Number (HIN) which is shown on the Proxy Form.

By mail

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

By delivery in person

Link Market Services Limited
1A Homebush Bay Drive
Rhodes NSW 2138

By facsimile to +61 2 9287 0309

The Company reserves the right to declare invalid any direct vote or proxy appointment not received in this manner.

Explanatory Memorandum

This Explanatory Memorandum forms part of the Notice of Meeting and is intended to provide shareholders of the Company with information to assess the merits of the proposed resolutions.

The Directors recommend that shareholders read this Explanatory Memorandum in full before making any decision in relation to the resolutions.

Item 1: Financial Statements and Reports of the Directors and Auditors

In accordance with the *Corporations Act 2001* (Cth), the Financial Report, Directors' Report and Auditor's Report for the year ended 31 March 2020 (together the Reports) will be put before the Annual General Meeting (AGM). These Reports are in the Company's 2020 Annual Report and can be accessed on the Company's website at <https://www.ofx.com/en-au/investors/reports-presentations/>.

This item does not require a formal resolution and accordingly, no vote will be held on this item.

Following consideration of the Reports, the Chair will give shareholders a reasonable opportunity to ask questions about or comment on the management of the Company.

The Chair will also give shareholders a reasonable opportunity to ask the Auditor questions relevant to:

- the conduct of the audit;
- the preparation and content of the Independent External Auditor's Report;
- the accounting policies adopted by the Company in relation to the preparation of the financial statements; and
- the independence of the Auditor in relation to the conduct of the audit.

The Chair will also give the Auditor a reasonable opportunity to answer questions submitted by shareholders prior to the AGM that are relevant to the content of the Independent External Auditor's Report or the conduct of the audit. The questions must be submitted in accordance with the directions in the Shareholder Question Form by 5.00pm (AEST) on Tuesday 4 August 2020.

A list of relevant written questions submitted by shareholders will be made available at the start of the AGM and any written answer tabled by the Auditor at the AGM will be made available as soon as practicable after the AGM.

Printed copies of the Annual Report have only been mailed to those shareholders who have elected to receive a printed copy. We encourage all shareholders to reconsider the receipt of printed materials and encourage you to change your election to receive these electronically. Please update your preference regarding communications at www.linkmarketservices.com.au.

Item 2: Re-election of Mr Steven Sargent

Mr Sargent was last elected as a Director of the Company at the Company's 2017 AGM. He will retire under Article 47(a) of the Company's Constitution and, being eligible under Article 47(c) of the Company's Constitution, offers himself for re-election as a Director of the Company.

In accordance with Article 47(a) of the Company's Constitution a Director of the Company must retire from office no later than the longer of the third annual general meeting of the Company or 3 years following that Director's last election or appointment.

In accordance with ASX Listing Rule 14.4, a Director of an entity must not hold office (without re-election) past the third AGM following the Director's appointment or three years. Whichever is longer.

Steven Sargent (BBus, FAICD, FTSE)

Mr Sargent joined the Company on 4 August 2016. He is currently the Chairman of the Company and is a member of the Audit, Risk and Compliance Committee and the Remuneration and Nomination Committee.

Skills and experience

Mr Sargent has over 41 years' of global corporate experience in industries including financial services, mining, energy, healthcare, aerospace and defence. His prior executive experience includes 22 years at General Electric, where he led businesses in the USA, Europe, Asia and across the globe.

Explanatory Memorandum

Other Board Appointments

Non-Executive Director and Chair of the Nominations and Remuneration Committee: Origin Energy Limited

Deputy Chairman and Chair of the Remuneration and People Committee: Nanosonics Limited

Non-Executive Director and Co Chair of the Partnership Management Committee: The Great Barrier Reef Foundation

Chairman of the Origin Energy Foundation.

Previous Directorships

Non-Executive Director: Veda Group

Non-Executive Director: Bond University Limited

Non-Executive Director: Business Council of Australia

Interest in shares: 100,000 ordinary shares

Board recommendation

The Board considers that Mr Sargent, if re-elected, will be an Independent Non-Executive Director.

The Board supports the re-election of Mr Sargent and (Mr Sargent abstaining) unanimously recommends that shareholders vote in favour of the re-election of Mr Sargent as a Director.

The Chairman of the AGM intends to vote all available and undirected proxies in favour of this resolution.

Item 3: Re-election of Mr Grant Murdoch

Mr Murdoch was last elected as a Director of the Company at the Company's 2017 AGM. He will retire under Article 47(a) of the Company's Constitution and, being eligible under Article 47(c) of the Company's Constitution, offers himself for re-election as a Director of the Company.

In accordance with Article 47(a) of the Company's Constitution a Director of the Company must retire from office no later than the longer of the third annual general meeting of the Company or 3 years following that Director's last election or appointment.

In accordance with ASX Listing Rule 14.4, a Director of an entity must not hold office (without re-election) past the third AGM following the Director's appointment or three years. Whichever is longer.

Grant Murdoch (MCom (Hons), FAICD, FCAANZ)

Mr Murdoch joined the Company on 19 September 2013. He is currently the Chairman of the Audit, Risk and Compliance Committee.

Skills and experience

Mr Murdoch has over 36 years' experience in accounting and corporate finance. Mr Murdoch's prior professional experience includes Head of Corporate Finance for Ernst & Young Queensland and he is a graduate of the Kellogg Advanced Executive Program at the North Western University, Chicago, United States.

Other Board appointments

Director: ALS Limited, UQ Holdings Limited, Lynas Corporation Limited

Other: Senator of the University of Queensland; Adjunct Professor at the University of Queensland School of Business; member of Queensland State Council of Australian Institute of Company Directors.

Previous directorships

Director: Cardno Limited (January 2013 - November 2015); QIC Limited (November 2011 - September 2017); Redbubble Limited (December 2016 - November 2019); The Endeavour Foundation (September 2007 to November 2015)

Trustee of the Endeavour Foundation Disability Research Fund.

Interest in shares: 345,000 ordinary shares

Explanatory Memorandum

Board recommendation

The Board considers that Mr Murdoch, if re-elected, will be an Independent Non-Executive Director.

The Board supports the re-election of Mr Murdoch and (Mr Murdoch abstaining) unanimously recommends that shareholders vote in favour of the re-election of Mr Murdoch as a Director.

The Chairman of the AGM intends to vote all available and undirected proxies in favour of this resolution.

Item 4: Remuneration Report

In accordance with section 250R(2) of the *Corporations Act 2001* (Cth), the Board is presenting the Company's Remuneration Report to shareholders for consideration and adoption by a non-binding vote.

The Remuneration Report was published on 21 May 2020 in the Company's 2020 Annual Report and has also been available on the Company's website since that date.

The Remuneration Report:

- Explains the Board's policies in relation to the objectives and structure of the Company's remuneration schemes;
- Discusses the relationship between the remuneration outcomes and the returns to shareholders;
- Provides details of performance conditions, why they were chosen and how performance is measured against them;
- Describes the governance framework of the Company's remuneration arrangements; and
- Sets out the remuneration arrangements for each of the Key Management Personnel (KMP).

Under the *Corporations Act 2001* (Cth), the vote on this Resolution is advisory only and does not bind the Board or the Company. However, the Board will take the outcome of the vote into account when considering future remuneration for KMP.

A voting exclusion applies to this resolution, as set out in the Notice of Meeting.

In the interests of corporate governance, the Directors abstain from making a recommendation in relation to this resolution.

The Chairman of the AGM intends to vote all available and undirected proxies in favour of this resolution.

Item 5: Approval of issue of shares and loan to Mr John Alexander ('Skander') Malcolm under the Company's Executive Share Plan

Current remuneration framework

Under his employment agreement Mr Malcolm's remuneration consists of:

- **Fixed remuneration:** Mr Malcolm's fixed remuneration for FY20 was \$680,531 inclusive of statutory superannuation.
- **Short Term Incentives:** Target is 115% of total fixed remuneration, 50% of which is deferred remuneration and delivered in performance rights which vest after 1 year. The grant of these performance rights is subject to achievement of performance conditions by both the Company and Mr Malcolm personally; and
- **Long Term Incentives:** Target is 92% of total fixed remuneration, all of which is deferred remuneration and delivered in shares, which vest after 3 years subject to achieving performance hurdles, with a loan provided by the Company, subject to loan forgiveness upon achievement of performance hurdles.

In February 2020 the Non-Executive Directors undertook the annual review of the remuneration for all executives, including the Chief Executive Officer and Managing Director.

The market benchmark reference considered was the remuneration of CEO roles in companies of a similar size (companies in the ASX ranked from 200 to 300). The Board (excluding Mr Malcolm) determined that the CEO and Managing Director's remuneration should be increased by 2.5% to \$697,003 (inclusive of superannuation). However, given the uncertainties regarding the impact of the COVID-19 pandemic on the business, this increase will not take effect until 1 December 2020.

Explanatory Memorandum

FY21 LTI grant under the Executive Share Plan

Item 5 seeks shareholder approval under ASX Listing Rule 10.14 and sections 200B and 200E of the *Corporations Act 2001* (Cth) for the proposed issue of ordinary shares to Mr Malcolm under the Executive Share Plan (ESP) and for the proposed loan to Mr Malcolm to assist him to acquire such shares under the ESP as part of Mr Malcolm's Long-Term Incentive (LTI).

ASX Listing Rule 7.1 provides that shareholder approval is required for an issue of securities if the securities will, when aggregated with the securities issued by the entity during the previous 12 months, exceed 15% of the number of securities on issue at the commencement of that 12-month period.

Exception 9 of ASX Listing Rule 7.2 allows the Company to issue securities without shareholder approval and without reducing the 15% capacity under ASX Listing Rule 7.1 where the securities are issued under an employee incentive scheme within 3 years of shareholder approval of that scheme.

The Company's ESP and future issues of securities under the ESP was approved by shareholders at the Company's 2018 AGM.

The ESP is designed to encourage sustainable, long-term value creation and align Executive KMP, including Mr Malcolm, with shareholders. This form of incentive delivers immediate share ownership, linking a significant portion of Mr Malcolm's remuneration to the Company's share price and returns generated for shareholders.

Why approval is required

Under ASX Listing Rule 10.14, shareholder approval is required for the issue of securities to any Director under an employee incentive scheme.

The ESP provides that shares acquired under the plan may be satisfied by the issue of new shares or the acquisition of shares (whether on-market or off-market). Item 5 is being put to shareholders to preserve the flexibility for the Company to satisfy the grant of shares to Mr Malcolm by the issue of new shares.

The Company's Non-Executive Directors receive fixed fees and are not eligible to participate in any incentive scheme. As Chief Executive Officer and Managing Director, Mr Malcolm is the only Director entitled to participate in the ESP.

If shareholder approval is given for this resolution under ASX Listing Rule 10.14, separate approval is not required under ASX Listing Rule 7.1. Accordingly, approval is sought for the grant of 937,352 shares (ie the maximum amount that could vest) to Mr Malcolm under the ESP. If shareholder approval is not provided, the Directors will exercise their discretion pursuant to the terms of the ESP which, subject to achievement of performance measures and other conditions described below, may include the grant of shares to Mr Malcolm in accordance with the terms of the ESP being satisfied by the Company acquiring shares on market to be transferred to Mr Malcolm and/or the payment of cash.

Under section 200B of the *Corporations Act 2001* (Cth), a company may only give a person a benefit in connection with their ceasing to hold a managerial or executive office in the company or a related body corporate if it is approved by shareholders or an exemption applies. Section 200B applies to managerial and executive officers of the Company and any of its subsidiaries, which includes Mr Malcolm.

Approval is sought for the purposes of section 200E of the *Corporations Act 2001* (Cth) to allow the Company to deal with any unvested shares upon Mr Malcolm ceasing employment in accordance with the terms of the ESP (refer "Cessation of employment" in the table below) including where to do so would involve the giving of a "benefit" to Mr Malcolm in connection with him ceasing to hold a managerial or executive office.

What changes have been made since the FY20 LTI grant?

Each year, the Directors review the existing performance measures to ensure they align with shareholder expectations and the current OFX strategy.

The terms of the FY2021 LTI grant to Mr Malcolm under the ESP are the same as the FY2020 LTI grant approved by shareholders at the 2019 AGM, except:

- shares will be granted in 2 tranches (50% in each), with different performance conditions for vesting and loan forgiveness for each tranche:
 - Tranche 1: Total Share holder Return Compound Annual Growth; and
 - Tranche 2: EBITDA per share (underlying) Compound Annual Growth; and
- the maximum number of shares that Mr Malcolm may receive has been increased to reflect the approved salary increase.

Explanatory Memorandum

Proposed FY2021 LTI Grant to Mr Malcolm

Number of Shares	<p>The value of Mr Malcolm's FY2021 grant is determined by reference to a percentage of his fixed remuneration.</p> <p>The number of shares that Mr Malcolm will receive will be determined using the following formula:</p> $\text{Fixed Remuneration} \times \text{Grant \%} \times \text{Gross-up Factor (2)} \text{ divided by the share acquisition price (being the five-day VWAP for the period up to but not including 09 June 2021).}$ $= (\$697,003 \times 92\% \times 2) / \1.3682^1 <p>This calculation results in the following share award being made:</p> <p>FY2021 grant – maximum of 937,352 shares²</p> <p>A Gross-up Factor of 2 has been used for simplification and transparency.</p> <p>These shares will be issued in 2 equal tranches (Tranche 1: 468,676 shares and Tranche 2: 468,676 shares) with different performance conditions applying to each tranche.</p>										
Issue Price	<p>The shares will be issued at a price equal to the five-day VWAP for the period up to but not including 09 June 2020 for nil consideration. A loan will be provided equal to the issue price multiplied by the total number of shares to be issued.</p>										
Date of issue	<p>If shareholder approval is obtained, the shares are expected to be issued to Mr Malcolm in the Company's open trading window after the AGM and, in any event, no later than 12 months after the AGM.</p> <p>Shares will be issued using an effective grant date of 09 June 2020.</p>										
Performance Conditions	<p>Vesting condition: There are 2 separate vesting conditions:</p> <ul style="list-style-type: none"> • Tranche 1: 10% Absolute Total Shareholder Return Compound Annual Growth over a 3 year performance period commencing 1 April 2020 (Performance Period); and • Tranche 2: 5% EBITDA per share (underlying) Compound Annual Growth. <p>Loan forgiveness metrics: The loan forgiveness metrics for each Tranche of shares over the Performance Period are as follows:</p> <table border="1" style="width: 100%; border-collapse: collapse;"> <thead> <tr> <th style="text-align: left;">Absolute TSR (50%)</th> <th style="text-align: left;">EBITDA per share (underlying) (50%)</th> </tr> </thead> <tbody> <tr> <td>10% loan forgiveness: 10% TSR CAGR</td> <td>10% loan forgiveness: 5% EBITDA per share CAGR</td> </tr> <tr> <td>20% loan forgiveness: 15% TSR CAGR</td> <td>20% loan forgiveness: 10% EBITDA per share CAGR</td> </tr> <tr> <td>30% loan forgiveness: 20% TSR CAGR</td> <td>30% loan forgiveness: 15% EBITDA per share CAGR</td> </tr> <tr> <td></td> <td>EBITDA per share CAGR above 15% attracts 1% loan forgiveness for each 1% EBITDA per share CAGR above 15%</td> </tr> </tbody> </table> <p>The percentage loan forgiveness awarded is on a sliding scale.</p> <p>The starting point for EBITDA per share for FY21 will be \$0.148 (being the average EBITDA per share for the immediately preceding 3 years (ie FY18, FY19, FY20)).</p>	Absolute TSR (50%)	EBITDA per share (underlying) (50%)	10% loan forgiveness: 10% TSR CAGR	10% loan forgiveness: 5% EBITDA per share CAGR	20% loan forgiveness: 15% TSR CAGR	20% loan forgiveness: 10% EBITDA per share CAGR	30% loan forgiveness: 20% TSR CAGR	30% loan forgiveness: 15% EBITDA per share CAGR		EBITDA per share CAGR above 15% attracts 1% loan forgiveness for each 1% EBITDA per share CAGR above 15%
Absolute TSR (50%)	EBITDA per share (underlying) (50%)										
10% loan forgiveness: 10% TSR CAGR	10% loan forgiveness: 5% EBITDA per share CAGR										
20% loan forgiveness: 15% TSR CAGR	20% loan forgiveness: 10% EBITDA per share CAGR										
30% loan forgiveness: 20% TSR CAGR	30% loan forgiveness: 15% EBITDA per share CAGR										
	EBITDA per share CAGR above 15% attracts 1% loan forgiveness for each 1% EBITDA per share CAGR above 15%										
Rights attaching to the Shares	<p>Subject to the terms of the ESP, the Shares will carry the same rights as other ordinary shares in the Company.</p>										

1. VWAP is rounded to 4 decimal places.
2. Rounded to the nearest whole share.

Explanatory Memorandum

Performance testing	<p>Testing of the loan forgiveness metrics for Mr Malcolm's FY2021 grant will occur once the results for FY23 (being the relevant financial year in the last year of the Performance Period) have been approved by the Board.</p> <p>There is no retesting of the loan forgiveness metrics.</p>
Loan terms	<p>The Company or a subsidiary of the Company will provide an interest free limited recourse loan to Mr Malcolm equal to the full value of the shares to be acquired in accordance with the terms of the ESP. The loan must be repaid on the earlier of 2 years after the end of the Performance Period and the occurrence of:</p> <ol style="list-style-type: none"> in the case of vested shares, the date being 12 months after Mr Malcolm ceases to be an employee of the Company for any reason; in the case of unvested shares which are not forfeited as a result of Mr Malcolm ceasing to be an employee of the Company and which subsequently become vested shares, the date being 12 months after those shares become vested shares; or if determined by the Board, any date after the date on which Mr Malcolm has been notified by the Company that some or all of the shares have vested; if Mr Malcolm sells some or all vested shares to which the loan relates, the date on which Mr Malcolm is entitled to receive the proceeds of the sale of those shares; if determined by the Board to be repayable as a result of a Control Event (as defined below) or Mr Malcolm transferring to work for the Company or any of its subsidiaries outside Australia; or any material breach by Mr Malcolm where the breach is not remedied within 30 days of the Company's notice to Mr Malcolm to do so. <p>Subject to the above, Mr Malcolm may repay the loan at any time after the shares are vested but in no case, more than 2 years after the end of the Performance Period.</p> <p>A debt forgiveness schedule has been approved by Directors in accordance with the ESP to allow mandatory debt forgiveness if minimum TSR and EBITDA per share (underlying) performance is achieved in accordance with the loan forgiveness metrics set out above.</p> <p>Until the loan is repaid in full, the Company has a lien over all the shares held by Mr Malcolm to which the loan relates and all securities issued in respect of those shares as part of a bonus or entitlement issue.</p> <p>Mr Malcolm is not required to provide a mortgage, charge or other security interest over the shares to secure the loan.</p> <p>If Mr Malcolm does not repay the outstanding balance of the loan when due, the Company may sell the shares on behalf of Mr Malcolm. If the amount received on the sale of the shares is less than the outstanding balance of the loan, the net proceeds of sale will be accepted in full satisfaction of the loan, and Mr Malcolm will have no further liability under the loan. If Mr Malcolm forfeits his interest in the shares to the Company, Mr Malcolm's liability to repay the loan will be satisfied.</p>
Dividends	<p>While a loan remains outstanding, dividends must be applied to making part repayment of the loan (53.5%), after subtracting a portion to offset Mr Malcolm's tax liability (46.5%).</p>
Trading restrictions	<p>Mr Malcolm must not transfer, encumber, hedge or otherwise deal with shares acquired under the ESP until the loan in respect of those shares has been paid in full or arrangements satisfactory to the Board are made for repayment of the loan in full from the proceeds of sale of the shares.</p>

Explanatory Memorandum

Cessation of employment	<p>In accordance with the terms of the ESP, if Mr Malcolm ceases employment with the Company, his unvested shares are not forfeited (and remain subject to the ESP) and his vested shares are not forfeited. However, the Board may determine within 60 days of the cessation of his employment that:</p> <ul style="list-style-type: none"> a) some or all of his unvested shares vest or are forfeited (or that the vesting conditions or performance periods applicable to those unvested shares are amended or waived); or b) some or all of his vested shares are forfeited. <p>In determining whether a different treatment should apply to that set out above on cessation of Mr Malcolm's employment, the Board may have regard to any matter the Board considers relevant, including the extent to which the vesting conditions have been satisfied at the time of cessation of employment or the proportion of the Performance Period during which the vesting conditions are tested has passed at the time of cessation of employment.</p>
Control Event	<p>The Board has absolute discretion to determine that some or all of the unvested shares will vest if there is a takeover or scheme of arrangement of the Company or a proposed winding up of the Company (Control Event). In exercising this discretion, the Board may have regard to any matter the Board considers relevant, including the extent to which the vesting conditions have been satisfied (or estimated to have been satisfied) at the time the Control Event occurs or the proportion of the Performance Period during which the vesting conditions are tested has passed at the time the Control Event occurs.</p>
Forfeiture Conditions	<p>Shares may be forfeited if the vesting conditions are not satisfied, with the forfeited shares treated as full consideration for the repayment of the loan. In this case, Mr Malcolm would forfeit any value attached to the shares.</p> <p>Subject to law, the Board is also able to take action to prevent Mr Malcolm obtaining unfair benefits where shares vest as a result of fraud, dishonesty or breach of obligations of any person or a material misstatement of the financial statements of the Company or its subsidiaries.</p>
Buy back	<p>Subject to the requirements of the <i>Corporations Act 2001</i> (Cth) and the Company's constitution, the Company in its discretion may buy back shares held by Mr Malcolm if the shares are forfeited in accordance with the terms of the ESP; if Mr Malcolm fails to repay the loan when due; if Mr Malcolm ceases to be employed (where the shares have not been forfeited); or if Mr Malcolm requests that the Company buy-back shares. Any forfeited shares or shares the subject of a loan non-repayment which are bought back will be bought back at a price equal to purchase price less any repayments of the loan. Any other shares which are bought back will be bought back at a price equal to the weighted average price of shares traded on the ASX on the five trading days up to and including the day of the buy-back.</p>
Additional information	<p>Details of the shares issued to Mr Malcolm under the ESP will be published in the Company's annual report for FY21, along with a statement that approval for the issue of those shares was obtained under ASX Listing Rule 10.14.</p> <p>Mr Malcolm is the only Director currently entitled to participate in the ESP. If any additional person(s) covered by ASX Listing Rule 10.14 become entitled to participate in the ESP, they will not participate until shareholder approval is obtained under that rule.</p>

Explanatory Memorandum

Issues of securities under the ESP since it was approved by shareholders

Since the ESP was approved by shareholders at the 2018 AGM the following shares have been issued to Mr Malcom under the ESP:

Grant of shares	Number of shares	Issue price per share
At the 2018 AGM, shareholders approved the issue of shares to Mr Malcolm under the ESP for nil consideration. These shares were issued to Mr Malcolm on 29 August 2018 (with an effective grant date of 22 June 2018) and are subject to the vesting and performance conditions as explained in the 2018 Notice of Meeting.	691,603	\$1.7725
At the 2019 AGM, shareholders approved the issue of shares to Mr Malcolm under the ESP for nil consideration. These shares were issued to Mr Malcolm on 29 August 2019 (with an effective grant date of 11 June 2019) and are subject to the vesting and performance conditions as explained in the 2019 Notice of Meeting.	801,763	\$1.5618
Total	1,493,366	

The average issue price per share granted to Mr Malcolm under the ESP is: \$1.6627

No other securities have been issued to Directors or their associates under the ESP since the ESP was approved by Shareholders.

Other considerations

The Directors (excluding Mr Malcolm) have considered whether it is appropriate to proceed with seeking approval and making the proposed FY2021 LTI Grant to Mr Malcolm pursuant to the ESP.

The impact of COVID-19 on OFX's business is unknown. Given the long-term nature of this type of remuneration, the Board's view is that this award remains appropriate. Long-term incentives encourage a focus on the future success of the business and are aligned with the long-term interests of shareholders.

Aligned to our normal practice, the Board will carefully monitor the grant, and use its available discretion to ensure the outcomes from the grant are aligned to Shareholder outcomes. If any discretion is applied this will be clearly disclosed to shareholders.

Directors' recommendation

The Board (Mr Malcolm abstaining) considers that the proposed issue of shares to Mr Malcolm under the ESP is appropriate and is in the best interests of the Company and its shareholders.

The Board also considers that obtaining shareholder approval to allow the Company to deal with shares under the ESP upon Mr Malcolm ceasing employment in accordance with the ESP is appropriate and in the best interests of the Company and its shareholders. It will provide the Company with the ability to ensure its ongoing compliance with section 200B of the Corporations Act 2001 (Cth) and with the terms of the issue of those shares.

Mr Malcolm makes no recommendation on how to vote on Item 5 in light of his direct interest in Item 5.

A voting exclusion applies to this resolution and is set out in the Notice of Meeting.

The Board (Mr Malcolm abstaining) recommends that shareholders vote in favour of this resolution.

The Chairman of the AGM intends to vote all available and undirected proxies in favour of this resolution.

Explanatory Memorandum

Item 6: Approval of Issue of Performance Rights to Mr John Alexander ('Skander') Malcolm under the Global Equity Plan

The Company is seeking approval under ASX Listing Rule 10.14 for the grant of performance rights to Mr Malcolm pursuant to Mr Malcolm's achievement under the Company's Short-Term Incentive (STI) Plan for the 2020 financial year.

For certain employees, including Mr Malcolm, there will be a component of the total STI award that is deferred. The purpose of the STI deferral is to drive further alignment between employee and shareholder interests, and to provide a clear focus on long-term sustainable growth.

Deferred STI is granted in the form of performance rights issued under the Company's Global Equity Plan, as approved by shareholders at the 2018 AGM.

Why approval is required

A performance right is the right, for no payment, to receive securities on the vesting of that performance right.

ASX Listing Rule 10.14 requires a listed entity to obtain shareholder approval for the acquisition of securities under an employee incentive scheme by specified persons, including a Director of the Company. If shareholder approval is obtained under Listing Rule 10.14, the issue of performance rights to Mr Malcolm will not count towards the Company's capacity to issue equity securities under ASX Listing Rule 7.1.

Accordingly, approval is sought for the grant of 166,738 performance rights (ie the maximum amount that could vest) to Mr Malcolm under the STI Plan. This proposal for the grant of performance rights is consistent with the Company's remuneration framework and Mr Malcolm's remuneration structure since his appointment as CEO and Managing Director and as previously disclosed to shareholders. If shareholder approval is not provided, the Directors will exercise their discretion pursuant to the terms of the Global Equity Plan which, subject to the vesting conditions described below, may include the grant of shares to Mr Malcolm in accordance with the terms of the STI Plan at the end of the one year vesting period being satisfied by the Company acquiring shares on-market to be transferred to Mr Malcolm and/or the payment of cash.

FY2020 STI Plan

The Company's STI plan for FY2020 was the same as for FY19. The STI Plan was amended in FY19 to feature a Company multiplication factor, driven by four Company performance measures to be reviewed and reset annually with Threshold/Target/Maximum levels for each metric (**Company Performance Measures**).

FY2020 Company Performance Measures were set at:

- Underlying EBT (40%);
- NOI (20%);
- Active Clients (20%); and
- Leadership and Culture (20%).

With this model, more weight is given to financial measures with a heavier EBT weighting.

All staff, including Executive KMP, also have individual performance measures to be equally weighted.

Proposed FY2020 STI grant to Mr Malcolm

For the 2020 financial year Mr Malcolm's STI target was AU\$782,611 and his STI achievement, as assessed by the Board was 58%. This was calculated based on a 53% funding from the Company Performance Measures and an individual performance of "Exceeds Expectations" measured against his individual KPIs.

The Board exercised its discretion not to pay STI against the leadership and culture metric due to the unintended dilutive effect on EBT. The Board note that this determination was made to avoid this unintended consequence notwithstanding that management performed well in FY20 for leadership and culture.

Mr Malcolm's STI payment is settled 50% cash and the remaining 50%, subject to shareholder approval, deferred equity to be delivered in performance rights to vest one year after issue with a holding lock applied for a further one year after vesting.

Explanatory Memorandum

Mr Malcolm's STI equity grant for FY2020 is \$228,131 equating to a maximum of 166,738³ performance rights, each with a value of \$1.3682 determined on the following basis:

Proposed FY2020 Deferred STI grant to Mr Malcolm

Number of Performance Rights	Maximum of 166,738 performance rights determined as at 09 June 2020 by dividing the dollar value of Mr Malcolm's deferred equity grant by the fair value of a performance right
Issue Price	The performance rights will be issued using the volume weighted average price of the ordinary shares of the Company during the five trading days prior to but not including 09 June 2020, being \$1.3682 ⁴ .
Date of issue	If shareholder approval is obtained, the performance rights are expected to be issued to Mr Malcolm in the Company's open trading window after the AGM and, in any event, no later than 12 months after the AGM. Performance rights will be issued using an effective grant date of 09 June 2020.
Vesting	The performance rights will vest on 9 June 2021. In accordance with the terms of the Global Equity Plan, the performance rights will not confer any legal or equitable interest in shares represented by the performance rights until the vesting date. The Board may determine that a vested performance right will be satisfied by the Company making a cash payment to Mr Malcolm in lieu of allocating shares.
Trading restrictions	The shares granted to Mr Malcolm upon vesting of the performance rights will be subject to a one year holding lock. The trading restrictions will lift on 9 June 2022.
Dividends	Mr Malcolm has no right to receive dividends or distributions in respect of unvested performance rights.
Cessation of employment	Unless the Board determines otherwise, where Mr Malcolm ceases to be an employee, all unvested performance rights will lapse or be forfeited. In the event that Mr Malcolm ceases employment due to death, permanent disability or any other reason determined by the Board from time to time, Mr Malcolm will continue to hold the performance rights on a pro-rata basis.
Control Event	If there is a Control Event, the Board may in its discretion convert all or any of the performance rights to ordinary shares in the Company and may remove the disposal conditions whether or not all vesting requirements have been satisfied.
Claw back	Where in the opinion of the Board Mr Malcolm acts fraudulently or dishonestly, or is in material breach of his obligations to the Company any unvested performance rights will lapse or are deemed forfeited immediately unless determined otherwise by the Board.
Additional information	Details of the performance rights issued to Mr Malcolm under the Global Equity Plan will be published in the Company's annual report for FY21, along with a statement that approval for the issue of those Performance rights was obtained under ASX Listing Rule 10.14. Mr Malcolm is the only Director currently entitled to participate in the Global Equity Plan. If any additional person(s) covered by ASX Listing Rule 10.14 become entitled to participate in the Global Equity Plan, they will not participate until shareholder approval is obtained under that rule.

There is no loan repayable by Mr Malcolm in relation to the performance rights. Performance rights will be issued for nil consideration.

Performance rights are expected to be issued to Mr Malcolm in the Company's open trading window after the AGM and, in any event, no later than 12 months after the AGM.

3. Rounded to the nearest whole performance right.

4. VWAP is rounded to 4 decimal places.

Explanatory Memorandum

Issues of securities under the Global Equity Plan since the last approval by shareholders

Since the Global Equity Plan was approved by shareholders at the 2018 AGM the following performance rights have been issued to Mr Malcom under the Global Equity Plan (pursuant to the STI Plan):

Grant of Performance Rights	Number of Performance Rights
At the 2018 AGM, shareholders approved the issue of performance rights to Mr Malcolm under the Global Equity Plan for nil consideration. These performance rights were issued with an effective grant date of 24 May 2018.	172,850
At the 2019 AGM, shareholders approved the issue of performance rights to Mr Malcolm under the Global Equity Plan for nil consideration. These performance rights were issued with an effective grant date of 11 June 2019.	134,810
Total	307,660

Note that it is proposed that Mr Malcolm will also be issued 80,398 ordinary shares under the Global Equity Plan on the terms set out in Item 7 below.

No other securities have been issued to Directors or their associates under the Global Equity Plan since the Global Equity Plan was approved by Shareholders.

Current remuneration framework

Under his employment agreement Mr Malcolm's remuneration consists of:

- **Fixed remuneration:** Mr Malcolm's fixed remuneration for FY20 was \$680,531 inclusive of statutory superannuation;
- **Short Term Incentives:** Target is 115% of total fixed remuneration 50%, of which is deferred remuneration and delivered in performance rights which vest after 1 year. The grant of these performance rights is subject to achievement of performance conditions by both the Company and Mr Malcolm personally; and
- **Long Term Incentives:** Target is 92% of total fixed remuneration, all of which is deferred remuneration and delivered in shares, which vest after 3 years subject to achieving performance hurdles, with a loan provided by the Company, subject to loan forgiveness upon achievement of performance hurdles.

Other considerations

The Board (excluding Mr Malcolm) considered whether it is appropriate to proceed with seeking approval and making the FY20 STI grant to Mr Malcolm under the Global Equity Plan given the uncertainties regarding the impact of COVID-19 on our business at the date of this Notice of Meeting.

The Board's view is that this award remains appropriate to reflect the Company's performance in FY20 under Mr Malcolm's guidance. The grant of performance rights will encourage a focus on the future success of the business and are aligned with the long-term interests of Shareholders.

Directors' recommendation

The Board (Mr Malcolm abstaining) considers that the proposed issue of performance rights under the Global Equity Plan to Mr Malcolm is appropriate and is in the best interests of the Company and its shareholders, as the issue of performance rights strengthens the alignment of Mr Malcolm's interests with shareholders, and the performance rights provide a strong link between the reward for Mr Malcolm's performance and Company performance.

Mr Malcolm makes no recommendation on how to vote on Item 6 in light of his direct interest in Item 6.

A voting exclusion applies to this resolution and is set out in the Notice of Meeting.

The Board (Mr Malcolm abstaining) recommends that shareholders vote in favour of this resolution.

The Chairman of the AGM intends to vote all available and undirected proxies in favour of this resolution.

Explanatory Memorandum

Item 7: Approval of grant of Shares to Mr John Alexander ('Skander') Malcolm under the Global Equity Plan

The Company is seeking approval under ASX Listing Rule 10.14 for the grant of ordinary shares to Mr Malcolm by way of deferred equity as a retention payment. This grant is the same as the grant made to all other key executives of the Company on 9 June 2020. It is consistent with a commitment made by the Board as part of the unsolicited M&A proposal which the Company was considering over the closing months of 2019 and early 2020 in recognition of the fact that the acquisition of the Company was conditional on the continuity of key executives including Mr Malcolm and could take up to 12 months to complete.

Why approval is required

ASX Listing Rule 10.14 requires a listed entity to obtain shareholder approval for the acquisition of securities under an employee incentive scheme by specified persons, including a Director of the Company.

If shareholders approve this grant of shares, this grant of shares to Mr Malcolm will not have a dilutive impact on shareholders as it does not require the issue of new shares. Rather, the shares to be granted to Mr Malcolm were issued subject to vesting conditions on 22 September 2017 pursuant to the OFX Group Limited Executive Share Plan. Those shares did not vest and were forfeited on 7 June 2020 in accordance with the terms of the Executive Share Plan. If shareholder approval is not provided, the Directors will exercise their discretion pursuant to the terms of the Global Equity Plan which, subject to Mr Malcolm continuing to be employed by the Company 9 June 2021, may include the grant of shares to Mr Malcolm in accordance with the terms of the Global Equity Plan being satisfied by the Company acquiring shares on market to be transferred to Mr Malcolm and/or the payment of cash.

Proposed grant to Mr Malcolm

This grant will be made pursuant to the Global Equity Plan approved by shareholders at the 2018 AGM by way of deferred equity. A summary of the terms of the Global Equity Plan (as set out in the Notice of Meeting for the 2018 AGM) is included in Annexure A.

Mr Malcolm's retention grant is \$110,000 equating to 80,398 ordinary shares.

The number of ordinary shares that Mr Malcolm will be granted has been determined as at 09 June 2020 by dividing the dollar value of Mr Malcolm's grant by the volume weighted average price of the ordinary shares of the Company during the five trading days prior to but not including 09 June 2020, being \$1.3682⁵.

The shares will be issued for nil consideration. The shares will vest on 09 June 2021, with the only vesting condition being Mr Malcolm's continued employment. There will be no further holding lock.

There is no loan repayable by Mr Malcolm in relation to these shares.

Shares are expected to be issued to Mr Malcolm in the Company's open trading window after the AGM and, in any event, no later than 12 months after the AGM.

Details of the shares issued to Mr Malcolm will be published in the Company's annual report for FY21, along with a statement that approval for the issue of those shares was obtained under ASX Listing Rule 10.14.

Issues of securities under the Global Equity Plan since the last approval by shareholders

Since the Global Equity Plan was approved by shareholders at the 2018 AGM the only securities issued to Directors or their associates under the Global Equity Plan are the performance rights described in Item 6 above. It is proposed that Mr Malcolm will also be issued 166,738 performance rights under the Global Equity Plan on the terms set out in Item 6 above.

No other securities have been issued to Directors or their associates under the Global Equity Plan since it was approved at the 2018 AGM.

The Company's Non-Executive Directors receive fixed fees and are not eligible to participate in any incentive scheme. As Managing Director and Chief Executive Officer, Mr Malcolm is the only Director entitled to participate in the Global Equity Plan. If any additional person(s) covered by ASX Listing Rule 10.14 become entitled to participate in the Global Equity Plan, they will not participate until shareholder approval is obtained under that rule.

5. VWAP is rounded to 4 decimal places.

Explanatory Memorandum

Current remuneration framework

Under his employment agreement Mr Malcolm's remuneration consists of:

- **Fixed remuneration:** Mr Malcolm's fixed remuneration for FY20 was \$680,531 inclusive of statutory superannuation;
- **Short Term Incentives:** Target is 115% of total fixed remuneration, 50% of which is deferred remuneration and delivered in performance rights which vest after 1 year. The grant of these performance rights is subject to achievement of performance conditions by both the Company and Mr Malcolm personally; and
- **Long Term Incentives:** Target is 92% of total fixed remuneration, all of which is deferred remuneration and delivered in shares, which vest after 3 years subject to achieving performance hurdles, with a loan provided by the Company, subject to loan forgiveness upon achievement of performance hurdles.

Other considerations

In determining that this retention payment should be made to executives, including Mr Malcolm, pursuant to the Global Equity Plan consideration was given by Directors to macro-economic issues, including the impact of COVID-19. However, Directors considered that adhering to the commitment already made to the Global Executive Team, including Mr Malcolm, and having regard to the importance of ensuring the continued stability of the Global Executive Team via share ownership meant this grant is appropriate, particularly as this retention grant can be achieved without diluting shareholder interests as new shares do not need to be issued.

Directors' recommendation

The Board (Mr Malcolm abstaining) considers that the proposed issue of ordinary shares under the Global Equity Plan to Mr Malcolm as a retention payment is appropriate and is in the best interests of the Company and its shareholders having regard to the importance of ensuring the continued stability of the Global Executive Team via share ownership.

Mr Malcolm makes no recommendation on how to vote on Item 7 in light of his direct interest in Item 7.

A voting exclusion applies to this resolution and is set out in the Notice of Meeting.

The Board (Mr Malcolm abstaining) recommends that shareholders vote in favour of this resolution.

The Chairman of the AGM intends to vote all available and undirected proxies in favour of this resolution.

Annexure A

OFX GROUP LIMITED ACN 165 602 273

SUMMARY OF TERMS AND CONDITIONS OF THE GLOBAL EQUITY PLAN

NB: Defined terms have the same meaning as provided in the Global Equity Plan rules.

1. Purpose

The purpose of the Global Equity Plan (GEP) is to:

- provide Eligible Persons with an opportunity to participate in an incentive plan which recognises ongoing contribution to the achievement by OFX of its strategic objectives;
- establish an employee share scheme within the meaning of Division 83A of the Tax Act and ASIC Class Order 14/1000 (as applicable) (to the extent the employee share scheme provisions of the Tax Act and ASIC Class Order 14/1000 may be applicable to current or future grants);
- facilitate the grant of equity by the Company to Eligible Persons through either a:
 - i) Deferred Grant; or
 - ii) Exempt Grant;
- align the interests of participants with Shareholders through the sharing of a personal interest in the future growth and development of OFX;
- encourage Eligible Persons to improve the performance of OFX and its total return to Shareholders; and
- provide a means of attracting and retaining skilled and experienced Eligible Persons.

2. Eligibility

An Eligible Person means a director, employee, contractor or consultant of OFX or any other person whom the Board determines to be eligible to participate in the GEP and who is invited to participate in the GEP by OFX.

3. Types of securities

The GEP rules provide flexibility for the Board of OFX to grant an Eligible Person one or more of the following Plan Interests on receipt of a completed Application:

- Right
- Option
- Restricted Share

An Option and a Right means a right to acquire a Share or Restricted Share (by transfer or issue at the discretion of OFX) on the terms specified in the Invitation.

A Restricted Share means a Share allocated under the GEP on the terms specified in the Invitation.

4. Offers under the GEP

The Board may in its unfettered discretion make an Invitation to an Eligible Person to acquire Plan Interests. An Invitation will expressly state whether the grant is an Exempt Grant or Deferred Grant and otherwise will be in such form and content and subject to such terms as the Board determines.

Any grant of Plan Interests to a director of OFX will be subject to shareholder approval.

Restricted Shares or Shares may be delivered to a Participant located in various jurisdictions by the issue, transfer and/or purchase of Restricted Shares or Shares in the absolute discretion of the Board.

5. Issue price

The amount payable by the Eligible Person (if any) to acquire Plan Interests will be determined by the Board.

Annexure A

6. Limitation on issues

No Invitation will be made if the number of Shares which have been or would be issued in any of the following circumstances in aggregate would exceed 5% of the total number of Shares on issue at the date of the Invitation:

- a) the number of Shares that may be issued as a result of the Rights and Options granted under the GEP; and
- b) the number of Shares which were or may be issued as a result of offers made at any time during the previous 3 year period under:
 - i) an employee incentive scheme covered by ASIC Class Order 14/1000; or
 - ii) an ASIC exempt arrangement of a similar kind to an employee incentive scheme as defined in ASIC Class Order 14/1000.

7. Vesting

A grant of Rights or Options does not confer any legal or equitable interests in Restricted Shares or Shares (as applicable) represented by the Rights or Options until the relevant Vesting Date and any exercise or conversion to Restricted Shares or Shares (as applicable) has been completed.

Unless the Board determines otherwise, the vesting, exercise and conversion of any Plan Interests under the GEP will only occur in accordance with the terms specified in the Invitation.

The Board may determine that a vested and exercised Right or Option will be satisfied by OFX making a cash payment to the Participant in lieu of allocating Shares.

The Board may waive, amend or replace any performance measure in a Vesting Condition attaching to a Right or Option if the Board determines that the specific measure is no longer appropriate or applicable, provided that the interests of the relevant Participant are not, in the opinion of the Board, materially prejudiced or advantaged relative to the position reasonably anticipated at the time of the grant.

8. Restrictions

Participants must not Dispose of any Restricted Share until the removal of any Holding Lock or the satisfaction of any other restrictions.

Participants must comply with OFX's Securities Trading Policy at all times. This includes that Participants are prohibited at all times from entering into transactions in financial products which operate to limit the economic risk of a Plan Interest.

9. Cessation of employment

Unless the Board determines otherwise, where a Participant ceases to be an employee, all unvested Plan Interests will lapse or be forfeited.

In the event that a Participant ceases employment due to death, Permanent Disability or any other reason determined by the Board from time to time, a Participant will continue to hold unvested Plan Interests on a pro-rata basis.

10. Clawback and preventing inappropriate behaviours

Where in the opinion of the Board, a Participant acts fraudulently or dishonestly, or is in material breach of his or her obligations to OFX and/or its subsidiaries, any unvested Plan Interests, vested but unexercised Options or Rights and/or any Restricted Shares will lapse or are deemed forfeited (as applicable) immediately, unless the Board determines otherwise.

11. Takeovers

If there is a Control Event, the Board may in its discretion convert all or any of a Participant's Rights to Shares or permit the exercise of some or all Rights or Options, whether or not Vesting Conditions have been satisfied. Further, the Board may remove any Disposal Restrictions, whether or not all requirements have been satisfied.

Annexure A

12. Power of the Board

The Board may amend the GEP Rules at any time in its absolute unfettered discretion. The GEP will be administered by the Board which will have the power to amend existing Rules, resolve conclusively all questions of fact or interpretation in connection with the GEP, delegate to any one or more persons the exercise of any of its functions, powers or discretions arising under the GEP and appoint/remove an Administrator of the GEP.

13. Dividends and Voting Rights

A Participant has no right to receive dividends or distributions in respect of unvested or lapsed Rights or Options.

At the Board's discretion and subject to: the terms specified in the Invitation; the Vesting Conditions that apply to a Right or Option being satisfied; and the Exercise Price being paid, a Participant may be entitled to receive a payment equal to a dividend or distribution made in respect of Shares during the period between the Date of Registration and the Vesting Date as though the Participant had been holding Shares during that period on a one-for-one basis, instead of Rights or Options.

14. Ranking of Restricted Shares

Restricted Shares will rank equally with all existing Shares on and from the Date of Registration in respect of all Shareholder entitlements (including rights issues, bonus issues and dividends) which have a record date for determining entitlements on or after the date of issue of those Restricted Shares.

Where Restricted Shares or Shares are not yet quoted on the official list of the ASX, OFX must apply for quotation as soon as practicable.

15. Legal compliance

Notwithstanding any rule in the GEP, securities will not be allocated, issued, acquired, transferred or otherwise dealt with under the GEP if to do so would:

- a) contravene the *Corporations Act 2001* (Cth), the ASX Listing Rules, or any other applicable laws (including any applicable foreign law); or
- b) require OFX or its related bodies corporate to pay, provide, or procure the payment or provision of, any money or benefits to the Participant which would require shareholder approval under Part 2D.2, Division 2 of the *Corporations Act 2001* (Cth).

Contact Information

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Shareholder information

www.ofx.com/en-au/investors/

Share Register

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Annual report

To request a copy of the Annual Report, please call Link Market Services Limited or email: registrars@linkmarketservices.com.au.

Electronic versions of OFX's Annual Report are available at <https://www.ofx.com/en-au/investors/reports-presentations>.

Australian Securities Exchange Listing

OFX