



LIBERTY FINANCIAL GROUP
2021 Notice of Annual General Meeting

The 2021 Annual General Meeting will be held as a virtual meeting.

Wednesday, 17 November 2021 at 12.30pm (AEDT)

If you are unable to attend the AGM, you can lodge your vote by proxy using the instructions in this Notice of Meeting.

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Letter from the Chairman



Dear Securityholder,

On behalf of the Board, I am pleased to invite you to attend the Liberty Group 2021 Annual General Meeting, which will comprise the Annual General Meeting of the shareholders of Liberty Financial Group Limited and a meeting of unitholders of the Liberty Financial Group Trust, to be held concurrently (**Meeting**).

In light of the travel restrictions and continued uncertainty created by the COVID-19 pandemic, the Meeting will be held virtually (<https://agmlive.link/LFG21>) on Wednesday, 17 November 2021 starting at 12.30pm (AEDT).

Your views are important to us, and we encourage all Securityholders to participate in the Meeting by watching the event, voting and asking questions.

For instructions and further information on how to attend and participate at the Meeting, please refer to the Notice of Meeting and the Virtual Meeting Online Guide available at www.lfgroup.com.au/reports/agm.

The business of the Meeting is to consider the 2021 Financial Report, Directors' Report, Remuneration Report and Auditor's Report as well as my re-election. We will also seek approval for the grant of equity securities to our Executive Directors, Mr James Boyle and Mr Sherman Ma, and for potential termination benefits in connection with operating the Equity Incentive Plan.

Thank you for your continued support and I look forward to welcoming you at the 2021 Meeting.

Yours sincerely,

A handwritten signature in dark ink, appearing to read 'Richard Longes', written in a cursive style.

Richard Longes
Chairman



Attending and Participating in the Meeting Online

1. Participating at the Meeting

You will be able to participate in the Meeting online using your computer or other device by entering this link in your browser:

<https://agmlive.link/LFG21>

To participate in the Meeting, you will need to log in to the platform using your full name, mobile number, email address and participant type. Please refer to the Virtual Online Meeting Guide on our website www.lfgroup.com.au. We recommend logging in to the platform at least 15 minutes prior to the scheduled start of the Meeting.

2. How to Vote

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

Nominate a Proxy before the Meeting

If you are unable to participate in the virtual Meeting, you are encouraged to appoint a proxy to vote on your behalf. Your nomination must be received before 12.30pm on 15 November 2021.

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, Securityholders will need their "Holder Identifier" (Securityholder Reference Number (SRN) or Holder Identification Number (HIN) as shown on the front of the Proxy Form).

By mail: Liberty Financial Group
C/- Link Market Services
Locked Bag A14
Sydney South NSW 1235
Australia

By fax: +61 2 9287 0309

By hand: delivering it to Link Market Services Limited*
Level 12, 680 George Street
Sydney NSW 2000
*during business hours Monday to Friday (9:00am - 5:00pm)
and subject to public health orders and restrictions.

Live voting at the Virtual Meeting

If you attend the Meeting virtually you will be able to vote directly during the Meeting. Please refer to the Virtual Online Meeting Guide on our website at www.lfgroup.com.au for voting instructions.

Voting on all resolutions will be conducted by a poll. Securityholders and proxy holders will be able to vote on all resolutions until the Chairman closes the polls, which will be around the time the Meeting closes.

Securityholders are encouraged to submit their vote in advance of the meeting by appointing a proxy (preferably the Chairman of the Meeting) at www.linkmarketservices.com.au.

3. Voting Eligibility and Joint Holdings

The Directors of the Company and the Responsible Entity have determined that pursuant to Regulation 7.11.37 of the Corporations Regulations 2001 (Cth) persons holding Securities in the Liberty Group at 7:00pm (AEST) on 16 November 2021 will, for the purposes of determining voting entitlements at the Meeting, be taken to be the Securityholders of the Liberty Group.

In the case Securities are held by joint holders, only the person whose name stands first in the register may vote.

4. Proxies and Authorised Representatives

A Securityholder who is entitled to attend and vote at the Meeting has the right to appoint a proxy to attend and vote for them. The proxy does not have to be a Securityholder of the Liberty Group.

Securityholders holding two or more Securities can appoint either one or two proxies. Where two proxies are appointed, the appointing Securityholder can specify the number of votes or the proportion of the Securityholder's votes they want each proxy to exercise. If no number or proportion is specified, each proxy may exercise half of the Securityholder's votes. Neither proxy may vote on a show of hands.

Corporate Securityholders must provide the Liberty Group with satisfactory evidence of the appointment of any corporate representative, prior to the commencement of the Meeting.

A proxy can be either an individual or a body corporate. Should you appoint a body corporate as your proxy, that body corporate will need to ensure that it:

- appoints an individual as its corporate representative to exercise its powers at meetings; and
- provides the Liberty Group with satisfactory evidence of the appointment of its corporate representative prior to commencement of the Meeting.

If a proxy appointment is signed by the Securityholder but does not name the proxy or proxies in whose favour it is given, the Chair may either act as proxy or complete the proxy appointment by inserting the name or names of one or more Directors or the Secretary. In addition, if you direct your proxy how to vote and your nominated proxy does not attend the Meeting or attends but does not vote on a poll on a resolution, the Chair of the Meeting will act in place of the nominated proxy and vote in accordance with any instructions.



Notice of 2021 Annual General Meeting

Liberty Group (LFG)

NOTICE IS GIVEN that:

- the annual general meeting of the shareholders of Liberty Financial Group Limited (ACN 125 611 574) (**Company**); and
- a general meeting of the unitholders of the Liberty Financial Group Trust (ARSN 644 813 847) (**Trust**),

will be held concurrently on the 17th day of November 2021 at 12.30pm as a virtual meeting (the **Meeting**).

This Notice of Meeting is issued by the Company and by Liberty Fiduciary Limited (ACN 119 884 623) (**Responsible Entity**) in its capacity as responsible entity for the Trust.

Each of the constitutions of the Company and the Trust provide that, while the shares in the Company are stapled to units in the Trust, meetings of shareholders of the Company and unitholders of the Trust may be held concurrently. Accordingly, the Meeting will be a general meeting of Securityholders of both the Company and the Trust (together **LFG** or the **Liberty Group**).

Resolutions which are referred to below as being “in respect of the Company only” will be voted on by Securityholders in their capacity as shareholders of the Company. The other resolutions will be voted on by Securityholders both in their capacity as shareholders of the Company and as unitholders of the Trust.

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

For further information please refer to the Explanatory Statement which accompanies and forms part of this Notice of Meeting.

Business of the Meeting

Items of Business

1. Financial Statements and Reports

To receive and consider the Financial Report, Directors' Report and Auditor's Report for the Liberty Group for the year ended 30 June 2021.

There is no requirement for Securityholders to approve these reports.

2. Non-binding Advisory Vote on Remuneration Report

To consider the Remuneration Report for the financial year ended 30 June 2021 and, if thought fit, to pass the following non-binding resolution as an ordinary resolution of the Company:

"THAT pursuant to and in accordance with 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 Annual Report for the financial year ended 30 June 2021."

This resolution is in respect of the Company only.

Voting Exclusion Statement for Item 2

Item 2 is a resolution which directly or indirectly relates to the remuneration of Key Management Personnel.

In accordance with the requirements of the Corporations Act and the ASX Listing Rules, the Company will disregard any votes cast in favour of Item 2 by or on behalf of a member of the Key Management Personnel named in the Remuneration Report for the year ended 30 June 2021, or that KMP's Closely Related Party (together, **Item 2 Excluded Persons**).

However, this does not apply to a vote cast in favour of Item 2 by:

- an Item 2 Excluded Person as proxy for a person entitled to vote on Item 2 in accordance with their direction on the proxy form; or
- the Chairman of the Meeting as proxy for a person entitled to vote on Item 2, where the proxy appointment expressly authorises the Chairman to vote undirected proxies as the Chairman sees fit.

If the Chairman is your proxy or is appointed as your proxy by default, and you do not direct the Chairman how to vote on Item 2 on your proxy form, you will be expressly authorising the Chairman to vote on Item 2 as the Chairman sees fit. The Chairman intends to vote undirected proxies in favour of Item 2.

3. Re-election of Director

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

"THAT Richard Longes, having retired from his office as Director in accordance with clause 23.2 of the Constitution and ASX Listing Rule 14.5, and being eligible, having offered himself for re-election, be re-elected as a Director of the Company."

This resolution is in respect of the Company only.



4. Appointment of Auditor

To consider and, if thought fit, to pass the following resolution as an ordinary resolution of the Liberty Group:

“THAT, pursuant to, and in accordance with, section 327B of the Corporations Act and for all other purposes, KPMG, having been nominated by a Securityholder of Liberty Financial Group and having given its consent to act as auditor in accordance with the Corporations Act, be appointed as auditor of Liberty Financial Group.”

5. Approval of MTI award to Mr James Boyle

To consider and, if thought fit, to pass the following resolution as an ordinary resolution of the Liberty Group:

“THAT approval be given, for the purposes of ASX Listing Rule 10.14, and for all other purposes, for the grant to the CEO of the Liberty Group, Mr James Boyle (and/or his nominee(s)), equity securities under the LFG Equity Incentive Plan and as set out in the Explanatory Statement to this Notice of Meeting.”

Voting Exclusion Statement for Item 5

In accordance with the requirements of the Corporations Act and the ASX Listing Rules, the Company will disregard any votes cast in favour of Item 5 by or on behalf of any director who is eligible to participate in the Liberty Group's Equity Incentive Plan and any of their associates or Closely Related Parties (together, **Item 5 Excluded Persons**).

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

- a person as proxy or attorney for a person entitled to vote on the resolution in accordance with directions given to the proxy or attorney to vote on the resolution in that way;
- the Chairman of the Meeting as proxy or attorney for a person entitled to vote on the resolution, in accordance with a direction given to the Chairman to vote on the resolution as the Chairman sees fit; or
- 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 the directions given by the beneficiary to the holder to vote in that way.

If the Chairman is your proxy or is appointed as your proxy by default, and you do not direct the Chairman how to vote on Item 5 on your proxy form, you will be expressly authorising the Chairman to vote on Item 5 as the Chairman sees fit. The Chairman intends to vote undirected proxies in favour of Item 5.

6. Approval of MTI award to Mr Sherman Ma

To consider and, if thought fit, to pass the following resolution as an ordinary resolution of the Liberty Group:

“THAT approval be given, for the purposes of ASX Listing Rule 10.14, and for all other purposes, for the grant to Mr Sherman Ma, Executive Director of the Liberty Group (and/or his nominee(s)), equity securities under the LFG Equity Incentive Plan and as set out in the Explanatory Statement to this Notice of Meeting.”

Voting Exclusion Statement for Item 6

In accordance with the requirements of the Corporations Act and the ASX Listing Rules, the Company will disregard any votes cast in favour of Item 6 by or on behalf of any director who is eligible to participate in the Liberty Group's Equity Incentive Plan and any of their associates or Closely Related Parties (together, **Item 6 Excluded Persons**).

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

- a person as proxy or attorney for a person entitled to vote on the resolution in accordance with directions given to the proxy or attorney to vote on the resolution in that way;
- the Chairman of the Meeting as proxy or attorney for a person entitled to vote on the resolution, in accordance with a direction given to the Chairman to vote on the resolution as the Chairman sees fit; or
- 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 the directions given by the beneficiary to the holder to vote in that way.

If the Chairman is your proxy or is appointed as your proxy by default, and you do not direct the Chairman how to vote on Item 6 on your proxy form, you will be expressly authorising the Chairman to vote on Item 6 as the Chairman sees fit. The Chairman intends to vote undirected proxies in favour of Item 6.

7. Approval of Termination Benefits

To consider and, if thought fit, to pass the following resolution as an ordinary resolution of the Liberty Group:

"THAT for all purposes, including section 200B and section 200E of the Corporations Act, the giving of benefits to any current or future holder of a managerial or executive office in the Liberty Group to which sections 200B and 200E of the Corporations Act apply, in connection with that person ceasing to hold that office on the terms set out in the Explanatory Statement to this Notice of Meeting, be approved. If this resolution is approved, it will have effect in relation to benefits given between the conclusion of this Meeting and the conclusion of the third annual general meeting of the Liberty Group after this Meeting."

Voting Exclusion Statement for Item 7

In accordance with the requirements of the Corporations Act and the ASX Listing Rules, the Company will disregard any votes cast in favour of Item 7 by or on behalf of any member of the Key Management Personnel, or any person who holds managerial or executive office in the Liberty Group, on the date of this Meeting and a Closely Related Party of those members who are entitled to participate in a termination benefit (together, **Item 7 Excluded Persons**).

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

- an Item 7 Excluded Person as proxy for a person entitled to vote on the resolution in accordance with their direction on the proxy form; or
- the Chairman of the Meeting as proxy for a person entitled to vote on the resolution, where the proxy appointment expressly authorises the Chairman to vote undirected proxies as the Chairman sees fit.

If the Chairman is your proxy or is appointed as your proxy by default, and you do not direct the Chairman how to vote on Item 7 on your proxy form, you will be expressly authorising the Chairman to vote on Item 7 as the Chairman sees fit. The Chairman intends to vote undirected proxies in favour of Item 7.

If any Securityholder is a current or potential employee or director of the Liberty Group and wishes to preserve their ability to receive benefits under this approval, then that Securityholder and their associates should not vote on this Item 7.

By Order of the Board.



Peter Riedel
Company Secretary

18 October 2021

Explanatory Statement

This Explanatory Statement has been prepared to provide information that the Directors believe to be material to Securityholders in deciding whether or not to pass a Resolution.

1. Financial Statements and Reports (Item 1)

The Corporations Act requires the Financial Report (which includes the Directors' Declaration, Directors' Report and Auditor's Report (**Annual Report**)) to be received and considered at the Meeting.

The Company will not provide a hard copy of the Annual Report to Securityholders unless specifically requested to do so. Liberty Group's Annual Report is available on its website at www.lfgroup.com.au. Those Securityholders who have specifically requested a hard copy of the 2021 Annual Report will receive it by mail.

Questions and Comments

Securityholders will be given a reasonable opportunity to ask questions about, and make comments on, the Annual Report and the audit and the management of Liberty Group at the Meeting. Neither the Corporations Act nor the Constitution requires Securityholders to vote on the Annual Report.

Securityholders will also have a reasonable opportunity at the Meeting to ask KPMG, Liberty Group's auditor, questions about their Auditor's Report. Alternatively, you can submit written questions to the auditor about their Auditor's Report. Written questions must be received by the share registry no later than 12.30pm (AEDT) on 10 November 2021 at the postal address, web site address or fax number for lodgement of proxies. A list of questions for the auditor will be available at the Meeting.

As there is no requirement for a formal resolution on this item, a resolution will not be put to the Meeting.

2. Adoption of Remuneration Report (Item 2)

The Remuneration Report of the Company for the financial year ended 30 June 2021 is set out in the Liberty Group 2021 Annual Report.

The Remuneration Report includes:

- details of the remuneration provided to the non-executive Directors and other Key Management Personnel for the year ended 30 June 2021;
- discussion of the Board's policy in relation to the nature and level of remuneration of the Directors, Chief Executive Officer and other Key Management Personnel, including in relation to performance hurdles; and
- discussion of the relationship between the Board's remuneration policy and the Company's financial performance.

Securityholders will be requested to vote on the Remuneration Report. However, the Securityholder vote is advisory only and does not bind the Directors or the Company. Nevertheless, the Board will take into account the outcome of the vote when considering the future remuneration arrangements of the Company.

The Chair will allow a reasonable opportunity for Securityholders to ask questions about, or make comments on, the Remuneration Report at the Meeting.

Recommendation

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



3. Re-election of Mr Richard Longes (Item 3)

The ASX Listing Rules and the Constitution require that an election of Directors must take place each year.

In accordance with the requirements of the ASX Listing Rules and the terms of the Constitution, Mr Richard Longes retires by rotation at the close of the Meeting and, being eligible, offers himself for re-election as a Director.

Biography

Richard Longes was appointed as Chair in 2005. Richard was a Partner in the leading law firm Freehill Hollingdale & Page (now Herbert Smith Freehills) from 1971 to 1988 and a founding principal of the corporate advisory and private equity group Wentworth Associates.

His prior directorships have included Chairperson of Investa Office Fund, MLC Limited, GPT Group, Investec Bank Australia and Austbrokers, Deputy Chairperson of Lend Lease Corporation and a non-executive director of Boral Limited and Metcash Limited.

Richard holds, and has held, positions with Government advisory boards as well as significant non-profit organisations, including Pain Management Research Institute, Bangarra Dance and NIDA. Richard is currently the independent Chair of Irongate Group. Richard has Arts and Law degrees from the University of Sydney and an MBA from the University of New South Wales.

Recommendation

The Board (other than Mr Richard Longes, who has abstained from making a recommendation on this Resolution due to his personal interest) recommends that you vote in favour of this Resolution.

4. Appointment of Auditor (Item 4)

Liberty Group has appointed KPMG as its auditor. Section 327B(1)(a) of the Corporations Act requires a public company to appoint an auditor at its first annual general meeting. Accordingly, the Liberty Group is seeking Securityholder approval of the appointment of KPMG as Liberty Group's auditor.

KPMG has been duly nominated for appointment as the Company's auditor by a Securityholder, as required by section 328B of the Corporations Act.

A copy of the Securityholder's written notice of nomination is set out at Annexure A.

Recommendation

The Board recommends that you vote in favour of this Resolution.

5. Approval of MTI Awards to Mr James Boyle and Mr Sherman Ma (Items 5 and 6)

5.1 General

The Company is seeking approval for all purposes, including ASX Listing Rule 10.14 for the following awards under the Equity Incentive Plan (**Plan**):

- a) \$892,000 worth of Medium Term Incentive (**MTI**) Security Rights to the CEO, Mr James Boyle (and/or his nominee(s)); and
- b) \$266,000 worth of MTI Security Rights to Executive Director, Mr Sherman Ma (and/or his nominee(s)), (together, the **Executive Directors**).

The maximum number of MTI Security Rights that may be granted to the Executive Directors is calculated by dividing:

- a) \$892,000 in the case of Mr James Boyle; and
- b) \$266,000 in the case of Mr Sherman Ma,

by the Allocation Value of the MTI Security Rights. The Allocation Value will be determined using a conventional Black Scholes Model (**BSM**). The BSM is accepted by AASB 2: *Share-based Payments* for instruments subject to non-market hurdles (as defined by AASB 2). The Security price used as an input into the BSM will be the volume weighted average price of the Securities over the 5 trading days prior to the date of grant of the MTI Security Rights.

The Company is not seeking to grant any long-term incentive awards under the Plan (to the Executive Directors or otherwise) in respect of the financial year ended 30 June 2021.

A summary of the material terms of the Plan, under which the MTI Security Rights will be offered, is contained in section 6.4.4.1 of the Liberty Group Offer Document.

Any issue of securities in respect of the MTI Security Rights granted to the Executive Directors (and/or their nominee(s)) requires the approval of Securityholders. If Securityholders do not approve Items 5 and 6, the Liberty Group will consider alternative arrangements to appropriately remunerate and incentivise the Executive Directors.

5.2 Regulatory requirements of ASX Listing Rule 10.14

ASX Listing Rule 10.14 provides that a listed entity must not permit any of the following persons to acquire equity securities under an employee incentive scheme without the approval of the holders of its ordinary securities:

- a) a director of the entity (ASX Listing Rule 10.14.1);
- b) an associate of a director of the entity (ASX Listing Rule 10.14.2); or
- c) a person whose relationship with the entity or a person referred to in ASX Listing Rule 10.14.1 or 10.14.2 is such that, in ASX's opinion, the acquisition should be approved by its securityholders (ASX Listing Rule 10.14.3).

If approval is given for the issue of MTI Security Rights to the Executive Directors as contemplated by Items 5 and 6 under ASX Listing Rule 10.14, further approval is not required (and will not be sought) under ASX Listing Rule 7.1 for any resulting securities to be issued or transferred to or on behalf of the Executive Directors (and/or their nominee(s)) following the vesting and exercise of those MTI Security Rights.

5.3 Information required by ASX Listing Rule 10.15

Pursuant to and in accordance with the requirements of ASX Listing Rule 10.15, in addition to the information set out above, the following information is provided for the purposes of Items 5 and 6:

- a) Item 5 seeks Securityholder approval for the issue of MTI Security Rights to Mr James Boyle (and/or his nominee(s));
- b) Item 6 seeks Securityholder approval for the issue of MTI Security Rights to Mr Sherman Ma (and/or his nominee(s));
- c) Both Mr James Boyle and Mr Sherman Ma are Executive Directors of the Company, and therefore fall within ASX Listing Rule 10.14.1;



- d) The total number of MTI Security Rights proposed to be issued to the Executive Directors are to be calculated in accordance with the formula set out at 5.1 above;
- e) The current total remuneration package for the Executive Directors (excluding the equity securities the subjects of Items 5 and 6) is set out below:
 - i. Mr James Boyle receives \$840,000 (inclusive of superannuation) as a total fixed remuneration (**TFR**) and a cash bonus of up to a maximum of \$280,000 (being one-third of TFR);
 - ii. Mr Sherman Ma receives \$420,000 (inclusive of superannuation) as a TFR and a cash bonus of up to a maximum of \$140,000 (being one-third of TFR);
- f) The number of securities that have been previously issued to the Executive Directors under the Plan is set out below:
 - i. 668,077 IPO Bonus Security Rights were previously issued to Mr James Boyle (and/or his nominee(s)) under the Plan; and
 - ii. 334,039 IPO Bonus Security Rights were previously issued to Mr Sherman Ma under the Plan,

in each case, prior to completion of the IPO. Each IPO Bonus Security Right gives the Executive Directors the right to be issued or transferred one Security at an exercise price of \$6.00. The fair value of each IPO Bonus Security Right at the grant date was \$0.90. A summary of the material terms of the IPO Bonus Security Rights is contained in section 6.4.4.2 of the Liberty Group Offer Document, and a summary of the material terms of the Plan under which the IPO Bonus Security Rights were offered is contained in section 6.4.4.1 of the Liberty Group Offer Document;
- g) A summary of the material terms of the MTI Security Rights is set out at 5.4 below;
- h) The Board considers that the MTI Security Rights are an appropriate form of incentive on the basis that:
 - i. the MTI Security Rights retain and reward the Executive Directors for the achievement of medium-term business objectives;
 - ii. the Executive Directors will only obtain value from the MTI Security Rights upon satisfaction of the relevant vesting conditions; and
 - iii. MTI Security Rights are simple to understand, likely to be highly valued by executives (and therefore retentive and incentivising) and are designed to attract, retain and reward quality executives for successfully delivering medium-term objectives of the Liberty Group;
- i) The Board has attributed a value of:
 - i. \$892,000 for the MTI Security Rights proposed to be issued to Mr James Boyle under Item 5; and
 - ii. \$266,000 for the MTI Security Rights proposed to be issued to Mr Sherman Ma under Item 6,

in each case calculated using the BSM;
- j) The MTI Security Rights will be issued to the Executive Directors (and/or their nominee(s)) as soon as practicable following Securityholder approval, and no later than 1 year after the date of the Meeting;
- k) The MTI Security Rights will be issued to the Executive Directors for no consideration. No exercise price will apply to the MTI Security Rights;
- l) A summary of the material terms of the Plan, under which the MTI Security Rights will be offered, is set out below:

Restrictions on dealing Participants may not enter into any arrangement which hedges or otherwise affects the participant's economic exposure to the MTI Security Rights granted to them under the Plan.

Distribution rights MTI Security Rights will not carry any rights to distributions.

Voting rights	MTI Security Rights will not carry any voting rights.
Change of control	If a change of control event in relation to the Company or the Trust occurs (or if the Board resolves for the purpose of the Plan that a change of control event will occur), the Board will have the absolute discretion to determine the manner in which MTI Security Rights (whether vested or unvested) will be dealt with.
Lapse, forfeiture and claw-back	<p>The Plan contains provisions which set out the treatment of MTI Security Rights and any Securities issued, allocated or transferred following the exercise of MTI Security Rights, including in the event that:</p> <ul style="list-style-type: none"> the participant ceases employment with the Liberty Group; the vesting conditions or exercise conditions attaching to the relevant MTI Security Rights are not satisfied or the Board forms the view they cannot be satisfied; a participant acts fraudulently or dishonestly, or wilfully breaches the obligations that they owe to the Liberty Group; or a participant becomes insolvent. <p>The Plan also contains provisions which provide the Board with the ability to reduce MTI Security Rights and/or impose claw-back in the following circumstances:</p> <ul style="list-style-type: none"> if the participant joins a competitor of the Liberty Group; and in the event of fraudulent or dishonest actions to ensure that no benefit is obtained by the participant.

Further detail on the terms of the Plan is contained in section 6.4.4.1 of the Liberty Group Offer Document;

- m) No loan will be made to the Executive Directors (and/or their nominee(s)) in respect of the grant of MTI Security Rights;
- n) Details of the MTI Security Rights issued under Items 5 and 6, along with any other securities issued under the Plan, will be published in the Annual Report of the Liberty Group relating to the period in which they are issued, along with a statement that they were issued pursuant to approval obtained under ASX Listing Rule 10.14;
- o) Any additional persons covered by ASX Listing Rule 10.14 who become entitled to participate in any issue of securities under the Plan after these Items 5 and 6 are passed and who was not named in this Notice will not participate in the Plan until approval is obtained under that rule;
- p) Voting exclusion statements in respect of Items 5 and 6 are included in the Notice.

5.4 Summary of the material terms of the MTI Security Rights

The Company provides for a variable remuneration opportunity which seeks to promote individual accountability and performance on a medium-term basis. At the end of each financial year, the Company Board undertakes a process that includes the consideration of Company key performance indicators and employee behaviour and performance for the prior year and determines the value that eligible participants receive in respect of their MTI variable remuneration opportunity (**MTI Outcome**). The key performance indicators (**KPIs**) currently considered by the Company Board in undertaking this process are NPAT growth, Broker NPS, Customer NPS, Proud Team and Specialty Share.

The MTI Outcome is paid as follows:

- one-third of the MTI Outcome delivered via a cash payment; and
- two-thirds of the MTI Outcome delivered in a combination of cash and/or Security Rights granted under the Plan (**MTI Security Rights**) at the discretion of the Company Board.



The terms specific to the MTI Security Rights proposed to be issued to the Executive Directors pursuant to Items 5 and 6 are set out below.

Eligibility	<p>Participation in the MTI is open to employees in Australia and New Zealand at the Company Board's discretion.</p> <p>Participants are able to nominate a third party to be issued the MTI Security Rights on their behalf.</p>
Participation and frequency of grants	<p>The number of MTI Security Rights to be granted to each Executive Director is determined in accordance with the formula set out at 5.1 above.</p> <p>The Company intends to grant MTI Security Rights annually.</p>
Security right vehicle	<p>MTI Security Rights granted have a nil exercise price. Unexercised MTI Security Rights expire on the earlier of:</p> <ul style="list-style-type: none"> the 15th anniversary of the date of grant; and if a participant ceases employment with the Company, the second anniversary of the date of cessation (or such later date that the Company Board may determine). <p>Once vested, an MTI Security Right may be exercised by the participant subject to the Securities Trading Policy.</p> <p>A vested MTI Security Right that has been exercised may be settled by way of an issue, allocation or transfer of a Security or by way of a cash payment (equal to the value of a Security that would have been issued, allocated or transferred had the MTI Security Right been settled with a Security).</p>
Vesting conditions, exercise conditions	<p>MTI Security Rights granted to Mr James Boyle pursuant to Item 5 will vest as follows:</p> <ul style="list-style-type: none"> 64,982 will vest in two equal tranches of 32,491 on 15 December 2021 and 15 December 2022, subject only to Mr James Boyle's continued employment at the relevant vesting date; and the remaining MTI Security Rights granted to Mr James Boyle pursuant to Item 5 will vest in two equal tranches on 15 December 2022 and on 15 December 2023, subject to the satisfaction of the Gateway Vesting Conditions at the relevant vesting date as set out below (Gateway MTI Security Rights). <p>MTI Security Rights granted to Mr Sherman Ma pursuant to Item 6 will vest in two equal tranches on 15 December 2022 and 15 December 2023, subject to the satisfaction of the Gateway Vesting Conditions at the relevant vesting date as set out below.</p>

Gateway Vesting Conditions

The Gateway MTI Security Rights granted to Mr James Boyle pursuant to Item 5 and the MTI Security Rights granted to Mr Sherman Ma pursuant to Item 6 will vest, subject to the satisfaction of the following 'gateway' vesting conditions:

- no serious regulatory breaches, infringements or compliance issues having occurred in relation to the Liberty Group as assessed by the Risk, Audit and Compliance Committee against consequence framework;
- achievement of a minimum diversity measures of Group Managers, Leaders and all staff of the Liberty Group as determined by the Remuneration and Nomination Committee; and
- continued employment of the participant at the relevant vesting date.



Once an MTI Security Right has vested, the MTI Security Right will not be subject to any further exercise condition and, subject to the Securities Trading Policy, may be exercised at any time prior to the relevant expiry date.

Cessation of employment

If a participant ceases to be employed with Liberty prior to their MTI Outcome being determined, they will not be entitled to receive any value in respect of their MTI variable remuneration opportunity unless the Company Board determines otherwise.

If a participant ceases to be employed with Liberty while they hold MTI Security Rights, unless the Board determines otherwise, all of their unvested MTI Security Rights will be forfeited, and they will be entitled to retain all of their vested but unexercised MTI Security Rights.

5.5 Reasonable remuneration under the Corporations Act

Chapter 2E of the Corporations Act regulates the provision of financial benefits to related parties by a public company. Section 208 of the Corporations Act prohibits a public company giving a financial benefit to a related party unless a relevant exception applies.

A “financial benefit” is defined in the Corporations Act in broad terms and includes the grant of equity incentives by a public company.

Under the Corporations Act, a director of a company is a related party of that company. As both of the Executive Directors are recipients under the Plan and a Director, MTI Security Rights granted to the Executive Directors (and/or their nominee(s)) will constitute a financial benefit being given by the Company to a related party.

Section 211 of the Corporations Act provides an exception to the prohibition in section 208 of the Corporations Act where the financial benefit is remuneration given to a related party as an officer of the company and to give the remuneration would be reasonable given the circumstances of the company and the related party’s circumstances (including the responsibilities involved in the office or employment) (**Reasonable Remuneration Exemption**).

It is the view of the Directors that the proposed grants of MTI Security Rights to:

- a) Mr James Boyle (and/or his nominee(s)) as contemplated in Item 5; and
- b) Mr Sherman Ma (and/or his nominee(s)) as contemplated in Item 6,

fall within the Reasonable Remuneration Exemption given the circumstances of the Company and the positions held by Mr James Boyle and Mr Sherman Ma respectively.

Accordingly, the Directors have determined not to seek Securityholder approval for the purposes of section 208 of the Corporations Act for the grant of MTI Security Rights contemplated by Items 5 and 6.

Recommendation

The Board (other than the Executive Directors given their interests in the outcome of Items 5 and 6) recommends that you vote in favour of these Resolutions.

6. Approval of Termination Benefits (Item 7)

6.1 General

The Liberty Group is seeking approval to give certain termination benefits in connection with a person ceasing to hold a managerial or executive office in the Company or a related body corporate for the purposes of Part 2D.2 of the Corporations Act and for all other purposes.



6.2 Regulatory Requirements – Part 2D.2 of the Corporations Act and the ASX Listing Rules

Under section 200B of the Corporations Act, an entity may only give a person a benefit in connection with them ceasing to hold a 'managerial or executive office' (as defined in the Corporations Act) in the entity or a related body corporate if an exemption applies or if the benefit is approved by securityholders in accordance with section 200E of the Corporations Act.

The term "benefit" has wide operation and could include early vesting of awards granted under the Plan upon the exercise of the Board's discretion or the Board determining to provide that the awards do not lapse but will continue and be vested in the ordinary course.

Under the terms and conditions of the Plan, a vesting condition may, subject to applicable laws, be waived by the Board on such terms and conditions as determined by the Board. Examples of circumstances in which the early vesting or exercise of awards may be permitted at the Board's discretion could include, amongst other things, termination of a participant's employment, engagement or office with the Company due to any reason the Board decides, or in other circumstances where the Board exercises its discretion to allow early vesting as well as change of control events, notwithstanding that the Company will comply with its obligations under ASX Listing Rules 10.18 and 10.19.

Item 7 therefore seeks securityholder approval for the exercise of the Board's discretion in respect of any future participant in the Plan. The approval, if obtained, is intended to facilitate the Board's discretion to determine termination benefits (if any) that may be awarded and, does not of itself, guarantee that any person will receive such termination benefits.

6.3 Information required by section 200E(2) of the Corporations Act

The value of the potential termination benefits that may be given to a person in connection with ceasing to hold managerial or executive office cannot be determined in advance. This is because various matters will or are likely to affect that value. In particular, the value of a particular benefit will depend on factors such as the security price at the time of vesting and the number of awards that will vest or otherwise be affected (which could be all of the awards held by the person). The following additional factors may also affect the benefit's value:

- a) the date when, and the circumstances in which the person ceases employment; and
- b) the number of awards held by the person prior to cessation of employment or office.

Recommendation

The Board (other than the Executive Directors given their interest in the outcome of Item 7) recommends that you vote in favour of this Resolution.

Glossary

AEDT	means Australian Eastern Daylight Time
Allocation Value	means the value of the MTI Security Rights calculated in accordance with the BSM as set out in 5.1 of the Explanatory Statement
Annual Report	means the Directors' Report, the Financial Report and Auditor's Report, in respect of the year ended 30 June 2021
ASX	means ASX Limited (ACN 008 624 691) or the securities market which it operates, as the context requires
Auditor's Report	Means the auditor's report contained in the Annual Report
Board	means the board of Directors of the Company or the Responsible Entity, or both as the context requires
BSM	means Black Scholes Model
Chair	means the chairperson of the Meeting
Closely Related Party	of a member of the KMP means: <ul style="list-style-type: none">a) a spouse or child of the member;b) a child of the member's spouse;c) a dependent of the member or 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 dealing with the entity;e) a company the member controls; orf) a person prescribed by the Corporations Regulations 2001 (Cth)
Company	means Liberty Financial Group Limited (ACN 125 611 574)
Constitution	means the constitution of the Company
Corporations Act	means the Corporations Act 2001 (Cth)
Director	means a director of the Company or the Responsible Entity
Directors' Report	means the directors' report contained in the Annual Report
Executive Directors	means Mr Sherman Ma and Mr James Boyle
Explanatory Statement	means this explanatory statement which forms part of the Notice
Financial Report	means the annual financial report prepared under Chapter 2M of the Corporations Act for the Company and its controlled entities
Group Managers	means staff with the title "Group Manager"



IPO	means the initial public offering of Securities
Key Management Personnel or KMP	means those persons described as Key Management Personnel in the Remuneration Report and includes all Directors (whether executive or otherwise)
Leaders	means staff with the title “Team Leader” or “Team Coach”
Liberty Group	means the stapled entity comprised of the Company and the Trust
Listing Rules	means the ASX listing rules
Meeting	means the annual general meeting of the Company and the concurrent general meeting of unitholders of the Trust on 17 November 2021
Notice	means the notice of Meeting which accompanies this Explanatory Statement
NPAT	means net profit after tax
NPS	means net promoter score
Offer Document	means the Liberty Group offer document, being both a prospectus for the purpose of Chapter 6D of the Corporations Act and a product disclosure statement for the purpose of Part 7.9 of the Corporations Act, lodged with ASIC on 26 November 2020
Plan	means the Liberty Group Equity Incentive Plan
Proud Team	means the percentage of team members that agree they are proud to work for the Liberty Group in a quarterly team survey
Proxy Form	means the proxy form attached to the Notice
Remuneration Report	means the remuneration report of the Company contained in the Directors’ Report
Responsible Entity	means Liberty Fiduciary Limited (ACN 119 884 623)
Resolution	means a resolution proposed pursuant to the Notice
Security	means a stapled security in the Liberty Group comprising one share in the Company and one unit in the Trust
Securityholder	means a holder of a share in the Company and a unit in the Trust which are stapled together
Specialty Share	means non-prime business as reported to the Board each month
Trust	means Liberty Financial Group Trust (ARSN 644 813 847)

ANNEXURE A



Annexure A

The Directors
Liberty Group (ASX:LFG)
Level 16, 535 Bourke Street
Melbourne VIC 3000

Nomination of Auditor

For the purpose of Section 328B(1) of the Corporations Act, I, Peter Riedel, being a Securityholder of the Liberty Group hereby nominate KPMG for appointment as Auditor of the Liberty Group at the Meeting of the Liberty Group convened for 12.30pm on 17 November 2021.

Signed and dated 14 October 2021

Peter Riedel
Securityholder

