



22 November 2022

The Manager – Listings
Australian Securities Exchange Limited
Exchange Centre
20 Bridge Street
Sydney NSW 2000

2022 EGM Notice of Meeting and Proxy

COG Financial Services Limited (COG) attaches the following documents in relation to a General Meeting (EGM):

- EGM Notice of Meeting; and
- Proxy Form.

Announcement authorised by: Andrew Bennett, Chief Executive Officer

For further information please contact:

Andrew Bennett
Chief Executive Officer
M 0405 380 241

Who we are:

COG Financial Services Limited (COG) has two complementary businesses:

1. Finance Broking & Aggregation: Through its membership group of independent and equity owned brokers (brokers in which COG has invested), COG is Australia's largest asset finance group, representing over \$6 billion per annum of Net Assets Finance (NAF). Further growth is being achieved through organic growth in equipment finance, insurance broking, novated leasing, and through equity investment in brokers.
2. Funds Management & Lending: Through broker distribution, COG provides equipment finance to SMEs, and real property loans via its subsidiary Westlawn Finance Limited. Growth in Funds Management is a key focus, and through its subsidiary Westlawn, COG has approximately \$680m currently under management, including mortgage-backed lending arrangements.

In both businesses COG's market share is small relative to the market size in which it operates, and there are significant growth opportunities through consolidation and organic growth.

**COG Financial Services
Limited**

Level 5, 126 Phillip Street,
Sydney NSW 2000
ACN: 100 854 788

www.coglimited.com.au



COG FINANCIAL SERVICES LIMITED

Notice of 2022 General Meeting

Explanatory Statement | Proxy Form

Thursday, 22 December 2022

10:00AM AEDT

As a **Hybrid Meeting**

Held at:

Level 5
126 Phillip Street
Sydney
NSW 2000

as a **virtual meeting** at:

https://us02web.zoom.us/webinar/register/WN_eHEVMTDmSYq4GgeyPvsl3A

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

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Important Information for Shareholders about the Company's 2022 EGM

This Notice is given based on circumstances as at 18 November 2022. Should circumstances change, the Company will make an announcement on the ASX market announcements platform and on the Company's website at <https://cogfs.com.au/>. Shareholders are urged to monitor the ASX announcements platform and the Company's website.

Venue and Voting Information

The General Meeting of the Shareholders to which this Notice of Meeting relates will be held as a **hybrid meeting** at 10:00AM AEDT on Thursday, 22 December 2022 at the Automic Group Offices, Level 5, 126 Phillip Street, Sydney, NSW 2000 and as a **virtual meeting**.

If you wish to virtually attend the EGM (which will be broadcast as a live webinar), please **pre-register** in advance for the virtual meeting here:

https://us02web.zoom.us/webinar/register/WN_eHEVMTDmSYq4GgeyPvsl3A

After registering, you will receive a confirmation containing information on how to attend the virtual meeting on the day of the EGM.

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

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

Questions must be submitted in writing to David Franks at david.franks@automicgroup.com.au at least 5 business days before the EGM.

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

Your vote is important

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

Voting virtually at the Meeting

Shareholders who wish to vote virtually on the day of the EGM will need to login to the online meeting platform powered by Automic.

Shareholders who do not have an account with Automic are strongly encouraged to register for an account **as soon as possible and well in advance of the Meeting** to avoid any delays on the

day of the Meeting. An account can be created via the following link investor.automic.com.au and then clicking on "register" and following the prompts. Shareholders will require their holder number (Securityholder Reference Number (SRN) or Holder Identification Number (HIN)) to create an account with Automic.

To access the virtual meeting on the day:

1. Open your internet browser and go to investor.automic.com.au
2. Login with your username and password or click "register" if you haven't already created an account. **Shareholders are encouraged to create an account prior to the start of the meeting to ensure there is no delay in attending the virtual meeting**
3. After logging in, a banner will display at the bottom of your screen to indicate that the meeting is open for registration, click on "Register" when this appears. Alternatively, click on "Meetings" on the left-hand menu bar to access registration.
4. Click on "Register" and follow the steps
5. Once the Chair of the Meeting has declared the poll open for voting click on "Refresh" to be taken to the voting screen
6. Select your voting direction and click "confirm" to submit your vote. Note that you cannot amend your vote after it has been submitted

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

Voting by proxy

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

Online	Lodge the Proxy Form online at https://investor.automic.com.au/#/loginsah by following the instructions: Login to the Automic website using the holding details as shown on the Proxy Form. Click on 'View Meetings' – 'Vote'. To use the online lodgement facility, Shareholders will need their holder number (Securityholder Reference Number (SRN) or Holder Identification Number (HIN)) as shown on the front of the Proxy Form. For further information on the online proxy lodgment process please see the Online Proxy Lodgment Guide at https://www.automicgroup.com.au/virtual-agms/
By post	Completing the enclosed Proxy Form and posting it to: Automic, GPO Box 5193, Sydney NSW 2001
By hand	Completing the enclosed Proxy Form and delivering it by hand to: Automic, Level 5, 126 Phillip Street, Sydney NSW 2000
By email	Completing the enclosed Proxy Form and emailing it to: meetings@automicgroup.com.au

Your Proxy instruction must be received not later than 48 hours before the commencement of the Meeting.

Proxy Forms received later than this time will be invalid.

Power of Attorney

If the proxy form is signed under a power of attorney on behalf of a shareholder, then the attorney must make sure that either the original power of attorney or a certified copy is sent with the proxy form, unless the power of attorney has already provided it to the Share Registry.

Corporate Representatives

If a representative of a corporate shareholder or a corporate proxy will be attending the Meeting, the representative should bring to the Meeting adequate evidence of their appointment, unless this has previously been provided to the Share Registry.

Asking Questions

We encourage you to submit questions in advance of the Meeting on any matter that may be relevant to the Meeting. You can do this by sending your question to the Company Secretary by email to david.franks@automicgroup.com.au

To allow time to collate questions and prepare answers, you must submit any questions by 10:00AM AEDT on Thursday, 15 December 2022.

Questions will be collated and, during the Meeting, the Chair of the Meeting will seek to address as many of the more frequently raised topics as possible. However, there may not be sufficient time available at the Meeting to address all topics raised. Please note that individual responses will not be sent to shareholders.

Shareholders and proxy holders will also have the ability to listen to the discussion at the Meeting and ask questions during the Meeting via the online meeting platform.

Technical difficulties

Technical difficulties may arise during the course of the General Meeting. The Chair has discretion as to whether and how the Meeting should proceed in the event that a technical difficulty arises. In exercising his discretion, the Chair will have regard to the number of Shareholders impacted and the extent to which participation in the business of the Meeting is affected. Where he considers it appropriate, the Chair may continue to hold the Meeting and transact business, including conducting a poll and voting in accordance with valid proxy instructions. For this reason, Shareholders are encouraged to lodge a proxy not later than 48 hours before the commencement of the Meeting.

Notice of General Meeting

Notice is hereby given that a General Meeting of Shareholders of COG Financial Services Limited ACN 100 854 788 will be held at held as a hybrid meeting at 10:00AM AEDT on Thursday, 22 December 2022 at the Automic Group Offices, Level 5, 126 Phillip Street, Sydney, NSW 2000 and as a **virtual meeting**.

The Explanatory Statement to this Notice of Meeting provides additional information on matters to be considered at the General Meeting. The Explanatory Statement and the Proxy Form forms part of this Notice of Meeting.

The Directors have determined pursuant to Regulation 7.11.37 of the *Corporations Regulations 2001* (Cth) that the persons eligible to vote at the General Meeting are those who are registered Shareholders at 7:00PM AEDT on Tuesday, 20 December 2022.

In accordance with clause 5.7(b) of the Company's Constitution, the Chair intends to call a poll on each of the resolutions proposed at the EGM. Each resolution considered at the EGM will therefore be conducted by a poll, rather than on a show of hands. The Chair considers voting by poll to be in the interests of the shareholders as a whole and is a way to ensure the views of as many shareholders as possible are represented at the meeting.

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

Resolutions

Cancellation of Options for Consideration

1. Resolution 1 – Cancellation of Options for Consideration

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

"That, for the purposes of ASX Listing Rule 6.23.2 and for all other purposes, Shareholders approve the cancellation of 418,410 unlisted options issued to Mr Andrew Bennett, CEO of the Company, for \$401,682, on the terms and conditions set out in the Explanatory Statement which accompanies and forms part of this Notice of Meeting."

Voting Exclusion Statement: The Company will disregard any votes cast in favour of Resolution 1 by or on behalf of:

- (a) Andrew Bennett; or
- (b) an Associate of Andrew Bennett.

However, this does not apply to a vote cast in favour of Resolution 1 by:

- (i) a person as proxy or attorney for a person who is entitled to vote on the Resolution, in accordance with directions given to the proxy or attorney to vote on the Resolution in that way; or
- (ii) the Chair of the Meeting as proxy or attorney for a person who is entitled to vote on the Resolution, in accordance with a direction given to the Chair to vote on the Resolution as the Chair decides; or
- (iii) a holder acting solely in a nominee, trustee, custodial or other fiduciary capacity on behalf of a beneficiary provided the following conditions are met:

- For personal use only
- the beneficiary provides written confirmation to the holder that the beneficiary is not excluded from voting, and is not an associate of a person excluded from voting, on the Resolution; and
 - the holder votes on the Resolution in accordance with directions given by the beneficiary to the holder to vote in that way.

Voting Prohibition Statement: In accordance with section 250BD of the Corporations Act, a person appointed as a proxy must not vote, on the basis of that appointment, on Resolution 1 if:

- (a) the proxy is either:
 - (i) a member of the Company's Key Management Personnel; or
 - (ii) a Closely Related Party of a member of the Company's Key Management Personnel; and
- (b) the appointment does not specify the way the proxy is to vote on the resolution.

However, the above prohibition does not apply if:

- (a) the proxy is the Chair of the Meeting; and
- (b) the appointment expressly authorises the Chair to exercise the proxy even if the Resolution is connected directly or indirectly with remuneration of a member of the Company's Key Management Personnel.

BY ORDER OF THE BOARD



David Franks
Company Secretary
18 November 2022

Explanatory Statement

This Explanatory Statement has been prepared for the information of the Shareholders in connection with the business to be conducted at the General Meeting to be held as a hybrid meeting at 10:00AM AEDT on Thursday, 22 December 2022 at the Automic Group Offices, Level 5, 126 Phillip Street, Sydney, NSW 2000 and as a **virtual meeting**.

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

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

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

Resolutions

Cancellation of Options for Consideration

Resolution 1 – Cancellation of Options for Consideration

Background

On 23 December 2020, the Company issued 418,410 (4,184,100 on a pre-consolidation basis, with the consolidation occurring on 7 July 2021) unlisted Options to Mr Andrew Bennett, CEO of the Company pursuant to the terms of his services agreement (**Management Options**). The Management Options are each exercisable at \$0.48863 per Management Option (\$0.048863 on a pre-consolidation basis, with the consolidation occurring on 7 July 2021) and expire on the earlier of 3 months after Mr Bennett's cessation of employment and 5.00pm AEST 30 June 2023.

The purpose for the cancellation of the options for consideration is:

- (a) the Management Options have created a material tax liability for the holder, Mr Bennett;
- (b) Mr Bennett is entitled to exercise the Management Options into shares, with a resultant outcome requiring Mr Bennett to sell a substantial portion of those shares to cover the tax liability; and
- (c) It was considered by the Board, and agreed with Mr Bennett, that the cancellation for consideration would be in the best interest of shareholders, as a similar net value would be realised by Mr Bennett, allowing the tax liability to be paid, without the need to sell on-market the shares to realise the consideration.

The Company's share price at the close of trading on 11 November 2022 was \$1.44, and therefore the Management Options are in the money. Instead of converting the Management Options into Shares, Mr Bennett has agreed to cancel the Management Options in exchange for consideration based on an independent valuation dated on 11 November 2022 ("Valuation Date") prepared by Titan Partners.

ASX Listing Rule 6.23.2 provides that a change which has the effect of cancelling an option for consideration can only be made if the holders of ordinary securities approve the change.

Accordingly, this Resolution seeks Shareholder approval for the cancellation of the Management Options for consideration for the purposes of Listing Rule 6.23.2.

If this Resolution is passed, the Company will be able to proceed with the cancellation of the Management Options and Mr Bennett will receive \$401,682 as consideration for the cancellation.

If this Resolution is not passed, the Company will not be able to proceed with the cancellation of the Management Options.

Independent Valuation

Titan Partners has undertaken an independent valuation of the Management Options using a binomial valuation methodology and the following assumptions:

- (a) Closing share price as at Valuation Date: \$1.44 and exercise price of \$0.49;
- (b) Time to expiry of option, being 231 days from Valuation Date to 30 June 2023;
- (c) Risk free rate: 3.66%, based on 10 year Australian Commonwealth Government bonds on Valuation Date;
- (d) Volatility range: 33% to 63%, based on assessment of volatility over the last 12 months and 36 months respectively; and
- (e) Dividend: Based on the interim dividends paid for FY2022 in March 2022, we have assumed a low of nil (i.e. no interim dividend will be paid) and a high of 4.8 cents, being the interim dividend for FY2022, to be paid in March 2023.

The low and high valuation and midpoint valuation are summarised below:

	Units	Low	High
Volatility	%	33%	63%
Assessed Value per Management Option			
No interim dividend	Cents	96.12	96.32
Dividend of 4.8 cents in March 2023	Cents	95.68	95.71
Number of Management Options	Number	418,410	418,410
Total Value Management Options			
Total Value - no interim dividends	\$	402,184	403,017
Total Value - dividend in March 2023	\$	400,347	400,470
Midpoint Value	\$		401,682

Directors' recommendation

The Directors recommend that Shareholders vote for this Resolution.

The Chair intends to vote in favour of this resolution.

Enquiries

Shareholders are asked to contact the Company Secretary, Mr David Franks, on +612 8072 1400 if they have any queries in respect of the matters set out in these documents.

Glossary

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

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

ASIC means Australian Securities and Investment Commission.

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

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

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

Board means the current board of Directors of the Company.

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

Chair means the person chairing the Meeting.

Closely Related Party of a member of the KMP means:

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

Company means COG Financial Services Limited ACN: 100 854 788

Constitution means the Company's constitution.

Consolidation means the consolidation of the Company's securities on a 10 for 1 basis, for which Shareholders approved on 30 June 2022, with the consolidation occurring on 7 July 2022.

Corporations Act means the *Corporations Act 2001* (Cth) as amended or replaced from time to time.

Director means a current director of the Company.

Dollar or "\$" means Australian dollars.

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

KMP means key management personnel (including the Directors) whose remuneration details are included in the Remuneration Report.

Notice of Meeting or **Notice of General Meeting** means this notice of General Meeting dated 18 November 2022 including the Explanatory Statement.

Ordinary Resolution means a resolution that can only be passed if at least 50% of the total votes cast by Shareholders entitled to vote on the resolution are voted in its favour at the meeting.

Option means an option which, subject to its terms, could be exercised into a Share in the Company at a future date, subject to the satisfaction of applicable exercise conditions.

Proxy Form means the proxy form attached to this Notice of Meeting.

Resolutions means the resolutions set out in this Notice of Meeting, or any one of them, as the context requires.

Restricted Voter means a member of the Company's KMP and any Closely Related Parties of those members.

Securities mean Shares and/or Options (as the context requires).

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

Shareholder means a holder of a Share.

Share Registry means Automic Pty Ltd.

Proxy Voting Form

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

Holder Number:

Your proxy voting instruction must be received by **10:00am (AEDT) on Tuesday, 20 December 2022**, being **not later than 48 hours** before the commencement of the Meeting. Any Proxy Voting instructions received after that time will not be valid for the scheduled Meeting.

SUBMIT YOUR PROXY

Complete the form overleaf in accordance with the instructions set out below.

YOUR NAME AND ADDRESS

The name and address shown above is as it appears on the Company's share register. If this information is incorrect, and you have an Issuer Sponsored holding, you can update your address through the investor portal: <https://investor.automic.com.au/#/home> Shareholders sponsored by a broker should advise their broker of any changes.

STEP 1 – APPOINT A PROXY

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

DEFAULT TO THE CHAIR OF THE MEETING

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

STEP 2 - VOTES ON ITEMS OF BUSINESS

You may direct your proxy how to vote by marking one of the boxes opposite each item of business. All your shares will be voted in accordance with such a direction unless you indicate only a portion of voting rights are to be voted on any item by inserting the percentage or number of shares you wish to vote in the appropriate box or boxes. If you do not mark any of the boxes on the items of business, your proxy may vote as he or she chooses. If you mark more than one box on an item your vote on that item will be invalid.

APPOINTMENT OF SECOND PROXY

You may appoint up to two proxies. If you appoint two proxies, you should complete two separate Proxy Voting Forms and specify the percentage or number each proxy may exercise. If you do not specify a percentage or number, each proxy may exercise half the votes. You must return both Proxy Voting Forms together. If you require an additional Proxy Voting Form, contact Automic Registry Services.

SIGNING INSTRUCTIONS

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

Joint holding: Where the holding is in more than one name, all Shareholders should sign.

Power of attorney: If you have not already lodged the power of attorney with the registry, please attach a certified photocopy of the power of attorney to this Proxy Voting Form when you return it.

Companies: To be signed in accordance with your Constitution. Please sign in the appropriate box which indicates the office held by you.

Email Address: Please provide your email address in the space provided.

By providing your email address, you elect to receive all communications despatched by the Company electronically (where legally permissible) such as a Notice of Meeting, Proxy Voting Form and Annual Report via email.

CORPORATE REPRESENTATIVES

If a representative of the corporation is to attend the Meeting the appropriate 'Appointment of Corporate Representative' should be produced prior to admission. A form may be obtained from the Company's share registry online at <https://automic.com.au>.

Lodging your Proxy Voting Form:

Online:

Use your computer or smartphone to appoint a proxy at

<https://investor.automic.com.au/#/login>

or scan the QR code below using your smartphone

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



BY MAIL:

Automic
GPO Box 5193
Sydney NSW 2001

IN PERSON:

Automic
Level 5, 126 Phillip Street
Sydney NSW 2000

BY EMAIL:

meetings@automicgroup.com.au

BY FACSIMILE:

+61 2 8583 3040

All enquiries to Automic:

WEBSITE: <https://automicgroup.com.au/>

PHONE: 1300 288 664 (Within Australia)
+61 2 9698 5414 (Overseas)



Further information on how to do this is set out in the Notice of Meeting. The Explanatory Notes that accompany and form part of the Notice of Meeting describe the various matters to be considered.

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