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A / F L E G A L

1 March 2023

Market Announcements Office
Australian Securities Exchange
Level 5, 20 Bridge Street
Sydney NSW 2000

CFO/COO Remuneration

AF Legal Group Ltd (**ASX: AFL**) (**Company** or **AFL**), refers to its previous announcement regarding the appointment of Mr Chris McFadden as the Chief Financial Officer and Chief Operating Officer (CFO/COO) of the Company. As part of Mr McFadden's remuneration, the Company has issued him 1,180,000 unlisted Performance Rights.

All 1,180,000 Performance Rights will vest if any one of the three performance hurdles below is satisfied. The Performance Rights will lapse if not exercised within the term of four years on 1 March 2027. The vesting conditions (continuous employment and specific share price performance) have been designed to align performance to the Company's strategic goals and increase of the Company's share price in the short-long term.

| Vesting Dates | Profit Before Tax <u>Attributable to AFL shareholders</u> Performance Hurdle |
|----------------|---|
| 31 August 2024 | 3.0 cents per share in FY24 |
| 31 August 2025 | 3.5 cents per share in FY25 |
| 31 August 2026 | 4.0 cents per share in FY26 |

The Board considers that the Share price performance hurdle is important to ensure that the interests of Shareholders are aligned with management of the Company.

The material terms of the Performance Rights are attached as **Annexure A**.

This announcement was approved for release to the ASX by AFL's Board of Directors.

-ENDS-

For any questions, please contact:

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About AFL

The Company and its subsidiaries (Group) principal activities is a tech enabled law firm that currently specialises in family and relationship law. The Group provides advice to clients in respect of divorce, separation, property and children's matters together with related and ancillary services such as litigation. For more information, please visit www.australianfamilylawyers.com.au.



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Annexure A Performance Rights – Material Terms

Term The Performance Rights will expire 4 years from the date of issue and if not exercised within the Term the Performance Rights will lapse.

Vesting conditions All 1,180,000 Performance Rights will vest if any one of the three performance hurdles is satisfied.

| Vesting Date | Profit Before Tax <u>Attributable to AFL shareholders</u> Performance Hurdle |
|----------------|---|
| 31 August 2024 | 3.0 cents per share in FY24 |
| 31 August 2025 | 3.5 cents per share in FY25 |
| 31 August 2026 | 4.0 cents per share in FY26 |

If the Profit Before Tax, Share Price Performance Hurdle is not satisfied, the Performance Rights will immediately lapse thereafter.

Mr McFadden must remain employed at all relevant times up until each applicable Vesting Date.

Performance Rights offered will be subject to strategic measures and satisfaction of each hurdle determined by the Board and measured over each 12-month period for the three financial years FY24 to FY26.

Termination of Employment In the case of a termination of Employment during Term, the Performance Rights will be dealt with at Board discretion.

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