

SPRING FG LIMITED  
ABN 87 169 037 058

NOTICE OF EXTRAORDINARY GENERAL MEETING AND  
EXPLANATORY MEMORANDUM

For a meeting to be held on  
11.30AM AEDT  
Friday 8 November 2019  
at Level 11, 95 Pitt Street  
Sydney NSW 2000

## NOTICE OF EXTRAORDINARY GENERAL MEETING

Notice is hereby given that the Extraordinary General Meeting of Shareholders of Spring FG Limited ABN 87 169 037 058 (Company) will be held at Level 11, 95 Pitt Street, Sydney NSW 2000, commencing 11.30AM AEDT on Friday 8 November 2019.

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Refer to the Explanatory Memorandum for further information on the proposed Resolutions.

Date: 4 October 2019

By order of the Board of Spring FG Limited

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Ian Morgan  
Company Secretary

## 1. ITEMS OF SPECIAL BUSINESS

### 1.1. Resolution 1 – Approval of Company Name Change

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

*"That, for the purpose of section 157(1) of the Corporations Act and all other purposes, approval is given for the name of the Company to be changed from Spring FG Limited to WT Financial Group Limited."*

The Chairman of the Meeting intends to vote all available proxies **in favour** of approving Resolution 1.

### 1.2. Resolution 2 – Approval to issue Convertible Notes

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

*"That, for the purpose of Listing Rule 7.1 and all other purposes, Shareholders approve the issue of up to 2,600,000 Convertible Notes with face values totalling \$2,600,000, convertible up to a maximum of 40,000,000 Shares at between \$0.065 and \$0.085 per Share to persons unrelated to the Company, or their nominees, as is more particularly described in the Explanatory Memorandum."*

The Chairman of the Meeting intends to vote all available proxies **in favour** of approving Resolution 2.

**Voting exclusion statement:** The Company will disregard any votes cast in favour of Resolution 2 by or on behalf of any person who will obtain a material benefit as a result of the proposed issue (except a benefit solely in the capacity of a holder of ordinary securities), if the relevant Resolution is passed, or any person who is an Associate of those persons.

However, the Company need not disregard a vote if:

- (a) it is cast by a person as proxy for a person who is entitled to vote, in accordance with the directions on the proxy form; or
- (b) it is cast by the person chairing 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.

## 2. VOTING RIGHTS AND PROXIES

- A Shareholder entitled to attend and vote at the Meeting has a right to appoint a proxy.
- This appointment may specify the proportion or number of votes that the proxy may exercise.
- The proxy need not be a Shareholder of the Company.
- A Shareholder who is entitled to cast two or more votes may appoint two proxies and may specify the proportion or number of votes that each proxy is appointed to exercise. If the Shareholder appoints two proxies and the appointment does not specify the proportion or number of the Shareholder's votes that each proxy may exercise, each proxy may exercise half of the votes.

## 3. HOW THE CHAIRMAN OF THE MEETING WILL VOTE UNDIRECTED PROXIES

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

## 4. LODGING YOUR PROXY

Completed and signed proxies must be sent by:

- Hand delivery to the Company's share registry, Boardroom Pty Limited, at Level 12, 225 George Street, Sydney NSW 2000
- Fax to the fax of Boardroom Limited on 02 9290 9655
- Posting to Boardroom Pty Limited, PO Box 3993 Sydney NSW 2001; so that it is received not later than 11.30AM AEDT, Wednesday 6 November 2019.
- Alternatively, you can vote online at <https://www.votingonline.com.au/sflegm2019>
- For the purposes of regulation 7.11.37 of the Corporations Act and ASX Settlement Operating Rule 5.6.1, the Directors have set **End of Day on Wednesday 6 November 2019** as the time and date to determine holders of the Company's ordinary fully paid shares for the purposes of the Extraordinary General Meeting.

Share transfers registered after that deadline will be disregarded in determining entitlements to attend and vote at the Extraordinary General Meeting.

## 5. EXPLANATORY MEMORANDUM

### 5.1. Approval of Company Name Change (Resolution 1)

#### Background

To date the Group's head company has been known as Spring FG Limited.

At the time of incorporation of the head Company, the Group's business was primarily the provision of financial services on a "direct-to-consumer" basis through the various Group subsidiaries operating under the Spring Financial Group banner.

To reflect the evolution of the business and operations of the Group to include a much greater focus on the provision of licensing and support services on a "business-to-business" basis for financial advisers under its Wealth Today Pty Ltd dealer group, the Directors propose changing the name of the head company from Spring FG Limited to WT Financial Group Limited.

The Group intends to continue its direct-to-consumer operations under the *Spring Financial Group* banner (in a significantly rationalised format) in both the immediate and longer term.

#### Recommendation

The Board unanimously recommends that Shareholders **vote in favour** of Resolution 1.

### 5.2. Approval to Issue Convertible Notes (Resolution 2)

#### 5.2.1. Background

Resolution 2 seeks Shareholder approval for the purpose of Listing Rule 7.1 and for all other purposes for the issue of Convertible Notes to persons unrelated to the Company, or their nominees, for cash.

#### 5.2.2. Proposed Terms of Convertible Notes

The proposed terms of the Convertible Note are:

<b>Subscription Amount</b>	Up to a maximum of \$2,600,000 with up to 2,600,000 Convertible Notes to be issued with a face value of \$1.00 each.
<b>Coupon</b>	Nil
<b>Interest Rate</b>	8.25% to 8.75% per annum (subject to Maturity Date)
<b>Security</b>	Secured
<b>Maturity date</b>	Not less than 2 years and not more than 3 years after the issue date.
<b>Maturity and Redemption rights</b>	Redeemable at the face value on the date which is from 2 to 3 years after the Issue Date Early repayment is available at the election of the Company.
<b>Conversion mechanism</b>	Convertible, at the option of the holder, at any time during the term, into Ordinary Shares on the basis that conversion price will be determined by reference to the volume weighted average price (VWAP) of the Company's shares over the 30-days immediately prior to the exercise of the option to convert. If the VWAP is equal to or greater than \$0.085 then the conversion price will be \$0.085. If the VWAP is less than \$0.085 then the conversion price will be the greater of the VWAP and \$0.065 (subject to capital reconstruction adjustments).

Listing Rule 7.1 requires Shareholder approval for the proposed issue of the Convertible Notes. Listing Rule 7.1 broadly provides, subject to certain exceptions, that Shareholder approval is required for any issue of, or agreement to issue, securities by a listed company, where the securities proposed to be issued represent more than 15% of the Company's securities then on issue. The Company seeks approval for the purposes of Listing Rule 7.1 to enable it to issue the Convertible Notes without using the Company's 15% placement capacity.

The effect of the issue of the Convertible Notes on the capital structure of the Company if all Convertible Notes are converted to shares at the minimum conversion price (and therefore the maximum total of 40,000,000 Shares are issued) is summarised in the table set out on page 4 of this Explanatory Memorandum.

The effect of the issue of the Convertible Note on Convertible Noteholders' voting powers is summarised in the table set out on page 5 of the Explanatory Memorandum.

### 5.2.3. Listing Rule 7.3 Information

The following information is provided to Shareholders in relation to Resolution 2 for the purposes of Listing Rule 7.3:

Maximum number of securities	A maximum of 2,600,000 Convertible Notes (if issued) are convertible into a maximum of 40,000,000 Shares.		
The date by which the Company will issue the securities	The Company will issue the Convertible Notes no later than three months after the date of the Meeting.		
The issue price of the securities	The Convertible Notes will be issued for cash consideration but will be issued at a deemed issue price of \$1.00 per convertible note and will be convertible into one Share, for a conversion price of not less than \$0.065 and not more than \$0.085 per Share		
The names of the persons to whom the Company will issue the securities (if known) or the basis upon which those persons will be identified or selected	<b>Persons</b>	<b>Number of Convertible Notes</b>	<b>\$</b>
	Various professional and sophisticated investors unrelated to the Company	Up to a maximum of 2,600,000	Up to a maximum of \$2,600,000
The terms of the securities	The key terms of the Convertible Notes are set out above on page 3 of the Explanatory Memorandum. Any Shares allotted and issued on conversion of the Convertible Notes will rank equally in all respects with the existing Shares on issue.		
The intended use of the funds raised	The funds raised by the issue of the Convertible Notes will be used for business development, and investment in systems to further the Company's transition to be primarily focussed on business-to-business services, and the repayment of existing debt.		
The issue date	The Convertible Notes would be issued on a single date.		
Voting exclusion statement	A voting exclusion statement is included in the Notice in relation to Resolution 2.		

#### *Recommendation*

The Board unanimously recommends that Shareholders **vote in favour** of Resolution 2.

### 5.2.4. Impact of Resolution 2 on capital structure

Resolution 2 seeks Shareholder approval for the issue of securities in the Company. If passed, Resolution 2 will have an impact on the capital structure of the Company. This impact is summarised in the table below and assumes that Resolution 2 is passed by Shareholders.

	Number of Shares	Number of Convertible Notes	Number of Equity Securities	% of Shares on an Undiluted Basis	Percentage of Shares on a Fully Diluted Basis
Equity Securities on issue as at the date of the Notice	142,590,868	2,055,112	144,645,980	100.00%	78.34%
Maximum Shares that may be issued under new Convertible Notes (Resolution 1)	-	2,600,000	40,000,000	-	21.66%
<b>TOTAL</b>	<b>142,590,868</b>	<b>4,655,112</b>	<b>184,645,980</b>	<b>100.00%</b>	<b>100.00%</b>

### 5.2.5. Impact of Resolution 2 on voting power

Resolution 2 seeks Shareholder approval for the issue of securities in the Company. If passed, this Resolution will have an impact on the voting power of the following shareholders in the Company who could have 5% or more of the voting power following passage of the Resolution. This impact is summarised in the table below, is based on information available to the Company via its list of Top 20 shareholders as at the date of this Notice and the substantial shareholder notices that have been lodged with the Company and assumes that Resolution 2 is passed by Shareholders.

	Shares on Issue at date of Notice (undiluted basis)		Max. Shares issuable under existing Convertible Notes	Max. Shares issuable under new Convertible Notes (Resolution 2)	Total Shares that may be issued if Resolution 2 is passed (fully diluted basis)	
	Number	Voting Power	Number	Number	Number	Voting Power
Keith Robert Cullen and KRC Investments Pty Ltd	34,760,010	24.38%	-	-	34,760,010	18.83%
Christos Kelesis and C.A.K. Investments Pty Ltd	20,828,646	14.61%	-	-	20,828,646	11.28%
IFM Pty Ltd	14,740,264	10.34%	-	-	14,740,264	7.98%
DAM Enterprise Services Pty Ltd	7,200,000	5.05%	-	-	7,200,000	3.90%
Ariadne Australia Limited	7,172,642	5.03%	-	-	7,172,642	3.88%
<b>Sub-total</b>	<b>84,701,562</b>	<b>59.40%</b>	-	-	<b>84,701,563</b>	<b>45.87%</b>
Other	57,889,306	40.60%	2,055,112	40,000,000	99,944,418	54.13%
<b>Total</b>	<b>142,590,868</b>	<b>100.0%</b>	<b>2,055,112</b>	<b>40,000,000</b>	<b>184,645,981</b>	<b>100.0%</b>

## 6. INTERPRETATION

For the purposes of interpreting the Explanatory Memorandum and the Notice:

- (a) the singular includes the plural and vice versa;
- (b) words importing any gender include the other genders;
- (c) reference to any statute, ordinance, regulation, rule or other law includes all regulations and other instruments and all consolidations, amendments, re-enactments or replacements for the time being in force;
- (d) all headings, bold typing and italics (if any) have been inserted for convenience of reference only and do not define limit or affect the meaning or interpretation of the Explanatory Memorandum and the Notice;
- (e) reference to persons includes bodies corporate and government authorities and in each and every case, includes a reference to the person's executors, administrators, successors, substitutes (including without limitation persons taking by novation and assignment); and
- (f) reference to cents, \$, A\$, Australian Dollars or dollars is a reference to the lawful tender for the time being and from time to time of the Commonwealth of Australia.

## 7. GLOSSARY

**AEDT** means Australian Eastern Daylight Time.

**Board** or **Board of Directors** means the board of Directors of the Company.

**Company** means Spring FG Limited (ABN 87 169 037 058).

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

**Director** means a director of the Company and **Directors** has a corresponding meaning.

**EGM** or **Extraordinary General Meeting** means the extraordinary general meeting to commence 11.30AM AEDT on Friday 8 November 2019 and notified to the Company's Shareholders by this Notice.

**End of Day** means on any Trading Day, 7.00pm Sydney time or such other time as ASX Settlement may from time to time determine.

**Explanatory Memorandum** means the notes included in the Notice which convened the Meeting.

**Group** means the Company and the entities the Company controls.

**Meeting** means the EGM.

**Notice** means this notice of Extraordinary General Meeting.

**Shareholder** means shareholder of the Company and **Shareholders** has a corresponding meaning.

**Trading Day** means a day determined by the ASX to be a trading day, notified to market participants, and otherwise as defined by the ASX Listing Rules.

**Wealth Today** means Wealth Today Pty Ltd ACN 133 393 263.

## 8. REGISTERED OFFICE

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