

30 October 2019
ASX Announcement (ASX:AFL)

Market Announcements Office
ASX Limited
20 Bridge Street
Sydney NSW 2000

SHARE SALE FACILITY FOR HOLDERS OF UNMARKETABLE PARCELS

The Board of Directors of AF Legal Group Limited (**AFL** or the **Company**) are pleased to advise that the Company has established an Unmarketable Parcel Sale Facility (**Facility**) for holders with parcels of fully paid ordinary shares in AFL (**Shares**) valued at less than A\$500 (each an **Unmarketable Parcel**).

The Facility will enable Unmarketable Parcel Shareholders (**UMP Shareholders**) to sell their shares without incurring any brokerage or handling costs. Consistent with the Company's Constitution and recognising that the cost to shareholders of selling small holdings can be prohibitive, shareholders with an Unmarketable Parcel will shortly receive a letter in the form attached.

The letter explains that, unless UMP Shareholders advise the Company's Share Registry otherwise, their Shares will be sold on market and the proceeds remitted to them at no cost to them. UMP Shareholders who wish to retain their Unmarketable Parcels of Shares must return the form enclosed with the letter, otherwise their Shares will be sold.

Any tax consequence arising from the participation in the Facility will be the responsibility of UMP Shareholders.

If you have any queries, please contact the undersigned on +61 2 8072 1400.

Yours sincerely



Maggie Niewidok
Company Secretary

30 October 2019

Dear Shareholder

IMPORTANT NOTICE – INTENTION TO SELL SHARES OF LESS THAN MARKETABLE PARCEL

The Board of Directors of AF Legal Group Ltd (ASX:AFL) (**AFL** or the **Company**) are pleased to advise that the Company has established an Unmarketable Parcel Sale Facility (**Facility**) for holders with parcels of fully paid ordinary shares in the Company (**Shares**) valued at less than A\$500 (each an **Unmarketable Parcel**). The Facility will enable Unmarketable Parcel Shareholders (**UMP Shareholders**) to sell their shares without incurring any brokerage or handling costs.

The Facility will be available to UMP Shareholders, recorded on the Company's register of members (**Register**) who at 5.00pm (AEDT) on 25 October 2019 (**Record Date**) were holders of an Unmarketable Parcel in the Company.

Based on a price of \$0.17 per share, being the closing price of the Company's shares on the ASX on the Record Date, a holding of less than 2,941 Shares represented an Unmarketable Parcel. Our records show that you are recorded on the Register as a UMP Shareholder as at the Record Date and accordingly are eligible to participate in the Facility.

As at the Record Date, the Company has approximately 4,182 shareholders of which approximately 3,608 hold Unmarketable Parcels, that in aggregate represent approximately 0.38% of all issued Shares.

Pursuant to Schedule 5 of the Company's Constitution and ASX Listing Rule 15.13, the Company may notify eligible shareholders that it intends to sell their holdings unless they complete and return the enclosed Share Sale Election Form by 5.00pm (AEDT) on Wednesday 11 December 2019 (**Closing Date**).

Your options

As a UMP Shareholder of AFL Shares, your options are set out below:

1. Sell your Unmarketable Parcel

If you wish to sell your AFL Shares through the Facility without incurring any brokerage or handling costs, you do not need to take any action. The Company is authorised under paragraph 4 of Schedule 5 of its Constitution to sell your AFL Shares immediately following the expiry of a 6 week period from the date this letter was sent to you, the Closing Date, unless the Company receives a completed Share Sale Election Form from you within such time, as contemplated in section 2 below.

Your shares will be pooled with other shares that are eligible to be sold under this Facility and sold within 90 days after this notice is given. All costs associated with the sale of your shares will be borne by the Company. You do not need to appoint a broker nor pay the brokerage and handling costs associated with the sale of shares under the Facility. Any tax consequences arising from the sale of your shares will be your responsibility.

The price at which shares will be sold under the Facility will be at the best price reasonably available for the shares, as determined by the Directors at their sole discretion. Accordingly, you will receive a proportionate share of the sale proceeds from all shares sold under the Facility.

Australian residents will ONLY be paid their sale proceeds in Australian dollars by direct credit to an account held with an Australian financial institution as recorded on the Register. You must complete and return the enclosed Share Sale Facility Election Form, including your direct credit of payments instruction in Section B.

Non-resident holders who do not have an account with an Australian financial institution will be paid in Australian dollars by cheque.

If the Company does not sell the shares within 90 days after this notice is given, the Company's right to sell any shares lapses, and the Company will notify you accordingly.

2. Retain your existing holding

If you wish to retain your AFL Shares, **YOU MUST** either:

- (i) lodge your election online at: <https://investor.automic.com.au/#/home> or correctly complete, sign and return the enclosed Share Sale Election Form so that it is received by 5.00pm (AEDT) on 11 December 2019, being the Closing Date of this Facility; or
- (ii) Make your own arrangements outside of this Facility to increase your holdings by purchasing additional Shares so that your registered holding is at least 2,942 Shares on the Closing Date. The increase must be under the same name and address and with the same holder number (SRN or HIN) as set out in this letter; or
- (iii) If you hold Shares in multiple holdings, arrange to have those holdings merged into one holding of at least \$500 so that this is reflected on AFL's Register on the Closing Date.

If you successfully take one of these steps, the Company will not be entitled to sell your shares under the Facility.

Important Information

The Company is not bound to sell all or any of the shares that may be available for it to sell under the Facility, and there is no guarantee that the Company will be able to sell your shares. If the Company does not sell the shares under the Facility within 90 days after this notice is given, the Company's right to sell any shares lapses, and the Company will notify you accordingly.

In addition, the sale proceeds may differ from the market value of your shares on the Record Date depending on movements in the market price of the shares and on the Company appointed brokers' ability to procure purchasers.

Neither the Company nor any other person involved in the Facility shall be liable for failure to sell the shares or at a particular price. The price of AFL Shares is subject to change and an up-to-date price can be obtained from ASX website (www.asx.com.au) under the code "AFL".

The Company will determine whether a shareholder has an Unmarketable Parcel as at the Record Date. The Company will not have any reference to any increase in the price of shares *after* the Record Date in determining whose shares may be sold pursuant to this Facility.

The Company does not make any recommendation or provide any advice to you regarding whether to sell your holding under the Facility or retain your existing holding.

If you have an Unmarketable Parcel as at the Record Date, then, unless you take one of the steps outlined in section 2 of this letter, the Company will be entitled to sell your shares under the Facility.

Please read the instructions on your personalised Share Sale Election Form carefully before completing it. If you need help deciding what to do, or if you require information regarding the financial, legal or tax consequences of participating in the Facility you should consult your financial, legal or taxation adviser.

The attached terms and conditions set out further details of the Facility which you should read before making any decision.

Yours faithfully

A handwritten signature in black ink, appearing to read "M. Niewidok".

Maggie Niewidok
Company Secretary

Terms and Conditions of the Unmarketable Share Sale Facility (Facility)

1. What is a less than Marketable Parcel?

A less than Marketable Parcel of shares is a holding of the Company's shares valued at less than \$500 (each an **Unmarketable Parcel**) as at 5.00pm (AEDT) on 25 October 2019 (**Record Date**). Based on the Company's share price of \$0.17 as at close of trade on the Record Date, this is a holding of 2,941 shares or less.

As the determination of an Unmarketable Parcel is undertaken at the Record Date, any increase in the Company's share price after that date will not impact what constitutes an Unmarketable Parcel.

2. Why have I been sent this letter?

You have been sent this letter because your shareholding on the Record Date was an Unmarketable Parcel.

3. Why did AFL establish the Facility?

The Company recognises that shareholders of Unmarketable Parcels may find it difficult or expensive to dispose of their shares in the usual way. The Company is offering the Facility to assist holders of Unmarketable Parcels to sell their shares without incurring brokerage or handling costs.

The Company is also seeking to reduce the Company's administrative costs associated with maintaining a large number of shareholders with Unmarketable Parcels.

4. What if I want to retain my shares?

If you want to retain your Shares, you must either:

- (i) lodge your Share Sale Election Form online at <https://investor.automic.com.au/#/home> or complete and return the **attached** Share Sale Election Form so that it is received by 5:00pm (AEDT) on 11 December 2019, being the Closing Date of this Facility; or
- (ii) increase your holdings so that by 5.00pm (AEDT) on the Closing Date, you are the registered holder of at least is at least 2,942 Shares. The increase must be under the same name and address and with the same holder number (SRN or HIN) as set out in this letter.

If you currently have more than one holding on the AFL share register, you may wish to consider amalgamating your holdings so that they are registered as one holding by the Closing Date. This may result in your amalgamated holding no longer being an Unmarketable Parcel. Under these circumstances your shares will not be sold as part of this Facility.

5. What price will I receive for shares sold through the Facility?

The price at which shares will be sold under the Facility will be determined at the Directors sole discretion, being the best price reasonably available at the time and the date on which the market price was determined. The price ultimately received will be determined by market conditions and may be different from the market price prevailing at the time.

You will receive the same sale price per share and will receive a proportionate share of the sale proceeds from all shares sold under the Facility.

The Company does not give any assurance as to the likely sale price of the shares that may be achieved.

In addition, if the Company does not sell the shares under the Facility within 90 days after this notice is given, the Company's right to sell any shares lapses, and the Company will notify you accordingly.

6. When will the proceeds from the sale of shares be sent to me?

Payment will be sent to you within 30 days following the last sale under the Facility. Payment will be made in Australian dollars by electronic funds transfer as per your existing bank details recorded on the register. You will be notified by way of a transaction confirmation statement of the number of your shares sold, the sale price and your sale proceeds. The transaction statement will be sent by post to your address as shown in the share register at the time the payment is made.

7. What if my shares are held in a CHESS holding?

If your shares remain in a CHESS holding at 5:00pm (AEDT) on the Closing Date, the Company may move those shares to an issuer sponsored holding and the shares will be sold through the Facility.

8. Where can I get further information concerning the Facility?

If you have any questions concerning the Facility, please contact the Company's Company Secretary on +61 2 8072 1400 during normal office hours.

Important notes

The Facility has been established in accordance with the Company's Constitution and ASX Listing Rules.

This letter does not constitute advice nor a recommendation to buy, sell or hold shares nor that the Facility is the best way to sell AFL shares. If you are in any doubt about what to do, you should consult your legal, financial or taxation adviser.

AFL reserves the right to vary the Facility, to change any of the dates referred to in this letter by notice to the ASX or not to proceed with the sales under the Facility.

[EntityRegistrationDetailsLine1Envelope]
[EntityRegistrationDetailsLine2Envelope]
[EntityRegistrationDetailsLine3Envelope]
[EntityRegistrationDetailsLine4Envelope]
[EntityRegistrationDetailsLine5Envelope]
[EntityRegistrationDetailsLine6Envelope]

No. of Securities Held: [Securities]

Security Code: AFL

Holder Reference (SRN/HIN): [HolderNumber]

LESS THAN MARKETABLE PARCEL: SHARE SALE ELECTION FORM

IMPORTANT: YOUR ELECTION MUST BE RECEIVED BY NO LATER THAN 5.00PM (AEDT) ON WEDNESDAY 11 DECEMBER 2019.

This is an important document and requires your immediate attention. This document should be read in conjunction with the enclosed shareholder letter. If you are in any doubt as to how to deal with this form, you should consult your professional advisor.

Option A: Elect Online (Recommended)

Visit <https://investor.automic.com.au/#/home>

To elect online, simply scan the barcode to the right with your tablet or mobile device or enter the above link into your browser. Instructions lodging your election online and accessing this portal are provided in the section overleaf.



- ✓ **It's fast and simple:** Electing online is very easy to do, it eliminates any postal delays and removes any potential risk of it being lost in transit.
- ✓ **It's secure and confirmed:** Electing online provides you with greater privacy over your instructions and provides you with confirmation that your Election has been successfully processed.

Option B: Paper Election

Step 1: Make your election below:

A PLEASE TICK THE BOX TO INDICATE YOU WISH TO RETAIN YOUR SHARES

☐

B REQUEST FOR DIRECT CREDITING OF PAYMENTS – SELL YOUR SHARES

Please provide your EFT details below.

BSB Number

Account Number



DO NOT USE YOUR CARD NUMBER

If you are unsure of your account or BSB number, please check with your bank, building society or credit union.

Name in which account is held (e.g.: John Smith)

Note: Do not complete section B if you wish to retain your shares. By completing your details online OR above you are agreeing to the sale of your shares even if you tick the above box in section A.

Step 2: Provide your contact details:

Telephone Number

Contact Name (PLEASE PRINT)

Email Address

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

Step 3: Sign and return the form in accordance with the instructions provided:

I/We authorise you to act in accordance with my/our instructions set out above. I/We acknowledge that these instructions supersede and have priority over all previous instructions relating to payments to which I/we am/are entitled to be paid in cash.

Individual or Securityholder 1

Securityholder 2

Securityholder 3

Sole Director or Sole Director &
Sole Company Secretary

Director

Director/Company Secretary



INSTRUCTIONS FOR COMPLETION OF THIS FORM

ELECTION OPTIONS

A: RETENTION OF SHARES

If you wish to retain your shares, please place a tick in the box provided. Should you validly sign the form but fail to place a tick in the box, it will be at the Company's discretion as to whether or not it is your intention to retain your shares.

B: SELLING YOUR SHARES - REQUEST FOR DIRECT CREDITING OF PAYMENTS

If you wish to sell your shares, please provide your bank details in this section. Do not complete this section if you wish to retain your shares. If you provide your direct credit instruction details, you are agreeing to the sale of your shares even if you have placed a tick in Box A.

SIGNING REQUIREMENTS

Individual:	Where the holding is in one name, the Shareholder must sign.
Joint holding:	Where the holding is in more than one name, all of the Shareholders must sign.
Power of Attorney:	If any signatory signs under Power of Attorney, please attach an originally certified photocopy of the Power of Attorney to this Form when you return it.
Companies:	To be signed in accordance with your Constitution. Please sign in the box which indicates the office held by you.
Estates:	If any signatory signs in the capacity of Executor/s, please attach to this Form when you return it, a certified photocopy of the Probate or Death Certificate together with the Will.

LODGING YOUR SHARE SALE FACILITY FORM



IMPORTANT! Election Forms cannot be returned by fax or email.
Your Acceptance Form must be returned via one of the return methods provided below.

Due to recent changes to delivery times by Australia Post, standard delivery may now take up to six Business Days, or longer from regional areas. Shareholders should bear this in mind when returning Election Forms using Australia Post.

ONLINE

Visit <https://investor.automic.com.au>
Login with your existing Username and Password
Once you are logged in, select "Offers" from the left-hand vertical menu and follow the prompts.

If you have not yet established an online account, visit <https://investor.automic.com.au/#/signup>

1. Select "AF Legal Group Ltd" from the dropdown list in the Issuer Name Field
2. Enter your Holder Reference (SRN/HIN) as shown on the top of this letter
3. Enter your postcode OR country of residence (only if outside Australia)
4. Tick the box "I'm not a robot" and then select "Next"
5. Complete the prompts to set up your username and password details

Once you are logged in, select "Offers" from the left-hand vertical menu and follow the prompts.

BY MAIL

AF Legal Group Ltd – Small Share Sale Facility
C/- Automic Group
GPO Box 5193
Sydney NSW 2001

BY HAND DELIVERY (Between Sydney office hours 9.00am – 5.00pm AEDT)

Automic Group
Level 5
126 Phillip Street
Sydney NSW 2000

**YOUR SHARE SALE FACILITY FORM MUST BE RECEIVED BY NO LATER THAN
5.00PM (AEDT) ON WEDNESDAY 11 DECEMBER 2019**