

16 October 2018

Dear Shareholder,

On behalf of the Directors of Xenith IP Group Limited (**Xenith**), I am pleased to invite you to attend the 2018 Annual General Meeting (**AGM**) of Xenith. Enclosed is the Notice of Meeting setting out the business of the AGM.

Xenith's 2018 AGM will be held on Wednesday, 28 November 2018 commencing at 10.00am (Sydney time) at the offices of Grant Thornton, Level 17, 383 Kent Street, Sydney NSW.

If you are attending the AGM, please bring your Proxy Form with you to facilitate a faster registration. If you are unable to attend the AGM, I encourage you to complete and return the enclosed Proxy Form no later than 10.00am (Sydney time) on Monday, 26 November 2018 in one of the ways specified in the Notice of Meeting and Proxy Form.

I also encourage you to read the enclosed Notice of Meeting (including the Explanatory Memorandum) and the Proxy Form and consider directing your proxy how to vote on each resolution by marking the "for" box, the "against" box or the "abstain" box on the Proxy Form.

Subject to the abstentions noted in the Explanatory Memorandum, the Directors of Xenith unanimously recommend that shareholders of Xenith vote in favour of all resolutions.

Following the conclusion of the AGM, you are welcome to join the Board and Management for light refreshments.

Thank you for your continued support of Xenith and I look forward to your attendance and the opportunity to meet with you.

Yours faithfully,



Sibylle Krieger
Chair
Xenith IP Group Limited



NOTICE OF ANNUAL
GENERAL MEETING
2018

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Xenith IP Group Limited

ABN 88 607 873 209

Notice of Annual General Meeting

Notice is given that the Annual General Meeting (**AGM** or **Meeting**) of Shareholders of Xenith IP Group Limited (**Xenith** or **Company**) will be held:

Date: Wednesday, 28 November 2018

Time: 10.00am (Sydney time)

Venue: Grant Thornton, Level 17, 383 Kent Street, Sydney NSW

The Explanatory Memorandum accompanying this Notice of Meeting provides additional information on matters to be considered at the AGM. The Explanatory Memorandum, Entitlement to Attend and Vote section and Proxy Form are part of this Notice of Meeting.

A CONSIDERATION OF REPORTS

To receive and consider the Financial Report, the Directors' Report and the Independent Auditor's Report of the Company for the financial year ended 30 June 2018.

All Shareholders can view the Annual Report which contains the Financial Report, the Directors' Report and the Independent Auditor's Report for the year ended 30 June 2018 on the Company's website (www.xenithip.com).

B QUESTIONS AND COMMENTS

Following consideration of the Reports, the Chair will give Shareholders a reasonable opportunity to ask questions about, or comment on, the management of the Company.

The Chair will also give Shareholders a reasonable opportunity to ask the Auditor questions relevant to:

- a. the conduct of the audit;
- b. the preparation and content of the Independent Auditor's Report;
- c. the accounting policies adopted by the Company in relation to the preparation of the financial statements; and
- d. the independence of the Auditor in relation to the conduct of the audit.

The Chair will also give the Auditor a reasonable opportunity to answer written questions submitted by Shareholders that are relevant to the content of the Independent Auditor's Report or the conduct of the audit. A list of relevant written questions submitted by Shareholders will be made available at the start of the AGM and any written answer tabled by the Auditor at the AGM will be made available as soon as practicable after the Meeting.

C ITEMS FOR APPROVAL

Resolution 1. Re-election of Director – Robert Alexander

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

"That Robert Alexander, who retires in accordance with clause 3.3 of the Company's Constitution and being eligible for re-election, is re-elected as a Director of the Company."

Resolution 2. Re-election of Director – Sibylle Krieger

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

"That Sibylle Krieger, who retires in accordance with clause 3.6 of the Company's Constitution and being eligible for re-election, is re-elected as a Director of the Company."

Notice of Annual General Meeting (cont)

Resolution 3. Remuneration Report

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

“That the Company’s Remuneration Report for the financial year ended 30 June 2018, as set out in the Directors’ Report, is adopted.”

The Remuneration Report is contained in the 2018 Annual Report (available at www.xenithip.com). Please note that, in accordance with section 250R(3) of the Corporations Act 2001 (Cth) (the **Act**), the vote on this resolution is advisory only and does not bind the Directors or the Company.

Voting Exclusion Statement

A vote on Resolution 3 must not be cast (in any capacity) by, or on behalf of, the following persons:

- a. a member of the Key Management Personnel (**KMP**) whose remuneration details are included in the 2018 Remuneration Report; or
- b. a closely related party of such a KMP (including close family members and companies the KMP controls).

However, a person described above may cast a vote on Resolution 3 as a proxy if the vote is not cast on behalf of a person described above and either:

- a. the proxy appointment is in writing that specifies the way the proxy is to vote (e.g. for, against, abstain) on the resolution; or
- b. the vote is cast by the Chair of the Meeting and the appointment of the Chair as proxy:
 - i. does not specify the way the proxy is to vote on the resolution; and
 - ii. expressly authorises the Chair to exercise the proxy even if the resolution is connected directly or indirectly with the remuneration of a member of the KMP.

In accordance with section 250BD of the Corporations Act 2001 (Cth), a vote must not be cast on Resolution 3 as a proxy by a member of the KMP at the date of the AGM, or a closely related party of those persons, unless it is cast as proxy for a person entitled to vote in accordance with their directions. This restriction on voting undirected proxies does not apply to the Chairman of the Meeting where the proxy appointment expressly authorises the Chairman of the Meeting to exercise undirected proxies even if the resolution is connected, directly or indirectly, with the remuneration of the KMP.

“Key management personnel” and “closely related party” have the same meaning as set out in the Corporations Act 2001 (Cth).

Resolution 4. Approval to issue securities under the Employee Incentive Plan

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

“That for the purposes of ASX Listing Rule 7.2, exception 9 and all other purposes, the Xenith IP Employee Incentive Plan (XIPEIP), as described in the Explanatory Memorandum accompanying and forming part of this Notice of Meeting be approved for the issues of securities under the XIPEIP.”

Voting Exclusion Statement

In accordance with ASX Listing Rule 14.11, the Company will disregard any votes cast in favour of Resolution 4 by or on behalf of:

- a. any Director of the Company (except one who is ineligible to participate in any employee incentive scheme in relation to the Company); or
- b. an associate of any of those Directors.

However, the Company need not disregard a vote cast on Resolution 4 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 Chair of the AGM 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.

The Non-Executive Directors are ineligible to participate in the XIPEIP and this is the only employee incentive scheme. As a result, Non-Executive Directors will not be excluded from voting on Resolution 4.

Notice of Annual General Meeting (cont)

In accordance with section 250BD of the Corporations Act 2001 (Cth), a vote must not be cast on Resolution 4 as a proxy by a member of the KMP at the date of the AGM, or a closely related party of those persons, unless it is cast as proxy for a person entitled to vote in accordance with their directions. This restriction on voting undirected proxies does not apply to the Chair of the Meeting where the proxy appointment expressly authorises the Chair of the Meeting to exercise undirected proxies even if the resolution is connected, directly or indirectly, with the remuneration of the KMP.

Resolution 5. Issue of Performance Rights to Craig Dower

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

“That for the purposes of ASX Listing Rule 10.14 and for all other purposes approval is given for:

- 1. The grant of 217,445 Performance Rights (**Performance Rights**) under the Xenith IP Employee Incentive Plan (**XIPEIP**) to the CEO and Managing Director, Craig Dower, in accordance with the terms of the 2018 LTI award as described in the Explanatory Memorandum accompanying this Notice of Meeting;*
- 2. The grant of Performance Rights under the XIPEIP to the CEO and Managing Director, Craig Dower, in accordance with the terms of the deferred portion of the FY 2019 STI award under the formula as described in the Explanatory Memorandum accompanying this Notice of Meeting; and*
- 3. The pro rata vesting of the Performance Rights under the XIPEIP granted to Craig Dower in the event of cessation of his employment as described in the Explanatory Memorandum accompanying this Notice of Meeting.”*

Voting Exclusion Statement

In accordance with ASX Listing Rule 14.11, the Company will disregard any votes cast in favour of Resolution 5 by or on behalf of:

- any Director of the Company who is eligible to participate in the XIPEIP; or
- an associate of any of those Directors.

However, the Company need not disregard a vote cast on Resolution 5 if:

- 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
- it is cast by the Chair of the AGM 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.

The Non-Executive Directors are ineligible to participate in the XIPEIP and this is the only employee incentive scheme. As a result, Non-Executive Directors will not be excluded from voting on Resolution 5.

In accordance with section 200E(2A) of the Corporations Act, the Company will disregard any votes cast (in any capacity) on Resolution 5 by or on behalf of:

- Craig Dower; or
- an associate of Craig Dower.

However, the Company need not disregard a vote cast on Resolution 5 if:

- it is cast by a person as a proxy appointed by writing that specifies how the proxy is to vote on the resolution; and
- it is not cast on behalf of the retiree or an associate of the retiree.

In accordance with section 250BD of the Corporations Act 2001 (Cth), a vote must not be cast on Resolution 5 as a proxy by a member of the KMP at the date of the AGM, or a closely related party of those persons, unless it is cast as proxy for a person entitled to vote in accordance with their directions. This restriction on voting undirected proxies does not apply to the Chair of the Meeting where the proxy appointment expressly authorises the Chair of the Meeting to exercise undirected proxies even if the resolution is connected, directly or indirectly, with the remuneration of the KMP.

Notice of Annual General Meeting (cont)

Resolution 6. Amendment to Constitution

To consider and, if thought fit, to pass the following special resolution of the Company:

“That the Constitution of the Company be modified by:

- (1) deleting rule 3.3(b); and*
- (2) deleting rule 3.6 (One third of Directors retire annually) and inserting in its place the new rule 3.6 (Retirement of Directors)*

as set out in the Explanatory Memorandum accompanying this Notice of Meeting.”

Resolution 7. Proportional Takeover Provisions

To consider and, if thought fit, to pass the following special resolution of the Company:

“That, the proportional takeover approval provisions contained in rule 36 of the Constitution of Xenith IP Group Limited are renewed for a period of three years commencing on the date this resolution is passed.”

Resolution 8. Approval of Additional Share Issue Capacity under ASX Listing Rule 7.1A

To consider and, if thought fit, pass the following special resolution of the Company:

“That, pursuant to and in accordance with ASX Listing Rule 7.1A and for all other purposes, the Shareholders of the Company approve the issue of equity securities up to 10% of the issued capital of Xenith IP Group Limited (at the time of the issue) calculated in accordance with the formula prescribed in ASX Listing Rule 7.1A.2 and on the terms and conditions described in the Explanatory Memorandum which forms part of the Notice of Meeting.”

Voting Exclusion Statement

In accordance with ASX Listing Rule 14.11, the Company will disregard any votes cast in favour of Resolution 8 by or on behalf of:

- a. any person who may participate in the 10% placement facility, or who will obtain a material benefit as a result of the proposed issue, except a benefit solely by reason of being a holder of ordinary securities in the Company; or
- b. an associate of those persons.

As at the date of this Notice of Meeting, the Company has no specific plans to issue securities under the 10% placement facility under ASX Listing Rule 7.1A and therefore it is not known who (if any) may participate in a potential issue of securities under the placement facility (if any) under ASX Listing Rule 7.1A. On that basis, the Company is not aware of any person who would be excluded from voting on this resolution.

However, the Company need not disregard a vote cast on Resolution 8 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.

BY ORDER OF THE BOARD



Lesley Kennedy
Company Secretary
16 October 2018

Entitlement to Attend and Vote

In accordance with regulation 7.11.37 of the Corporations Regulations 2001 (Cth), the Board has determined that persons who are registered holders of shares of the Company as at 7.00pm (Sydney time) on Monday, 26 November 2018 will be entitled to attend and vote at the AGM as a Shareholder.

If more than one joint holder of shares is present at the AGM (whether personally, by proxy, by attorney or by representative) and tenders a vote, only the vote of the joint holder whose name appears first on the register will be counted.

Appointment of Proxy

If you are a Shareholder entitled to attend and vote, you may appoint an individual or a body corporate as a proxy. If a body corporate is appointed as a proxy, that body corporate must ensure that it appoints a corporate representative in accordance with section 250D of the Corporations Act 2001 (Cth) (the **Act**) to exercise its powers as proxy at the AGM. A proxy need not be a Shareholder of the Company.

A Shareholder may appoint up to two proxies and specify the proportion or number of votes each proxy may exercise. If the Shareholder does not specify the proportion or number of votes to be exercised, each proxy may exercise half of the Shareholder's votes.

To be effective, the proxy must be received at the Share Registry of the Company no later than 10.00am (Sydney time) on Monday, 26 November 2018. Proxies must be received before that time by one of the following methods:

By post:	Computershare Investor Services Pty Limited GPO Box 242 Melbourne VIC 3001 Australia
By facsimile:	1800 783 447 (within Australia) +61 3 9473 2555 (outside of Australia)
By delivery in person:	Level 4 60 Carrington Street Sydney NSW 2000
Online:	www.investorvote.com.au (for Shareholders) www.intermediaryonline.com (Intermediary Online subscribers only)

To be valid, a proxy form must be received by the Company in the manner stipulated above. The Company reserves the right to declare invalid any proxy not received in this manner.

Power of Attorney

A proxy form and the original power of attorney (if any) under which the proxy form is signed (or a certified copy of that power of attorney or other authority) must be received by the Company no later than 10.00am (Sydney time) on Monday, 26 November 2018, being 48 hours before the AGM.

Corporate Representatives

A body corporate that is a Shareholder, or that has been appointed as a proxy, is entitled to appoint any person to act as its representative at the AGM. The appointment of the representative must comply with the requirements under section 250D of the Corporations Act. The representative should bring to the AGM a properly executed letter or other document confirming its authority to act as the Company's representative.

A "Certificate of Appointment of Corporate Representative" form may be obtained from the Company's share registry or online at www.investorcentre.com under the help tab, "Printable Forms".

IMPORTANT: If you appoint the Chair of the Meeting as your proxy, or the Chair becomes your proxy by default, and you do not direct your proxy how to vote on Resolutions 3, 4 and 5 then by submitting the proxy form you will be expressly authorising the Chair to exercise your proxy on the relevant resolution, even though the resolutions are connected, directly or indirectly, with the remuneration of the KMP.

Shareholder Questions

Shareholders who are unable to attend the Meeting or who may prefer to register questions in advance are invited to do so. Please email any questions to Lesley Kennedy, CFO and Company Secretary at (lesley.kennedy@xenithip.com).

To allow time to collate questions and prepare answers, please submit any questions by 5.00pm (Sydney time) on Wednesday, 21 November 2018. Questions will be collated and, during the AGM, the Chair will seek to address as many of the more frequently raised topics as possible. However, there may not be sufficient time available at the AGM to address all topics raised. Please note that individual responses will not be sent to Shareholders.

Enclosures

Enclosed are the following documents:

- proxy form to be completed if you would like to be represented at the AGM by proxy. Shareholders are encouraged to use the online voting facility that can be accessed on Xenith's share registry's website at www.investorcentre.com.au to ensure the timely and cost effective receipt of your proxy; and
- a reply paid envelope for you to return your proxy form.

Explanatory Memorandum

This Explanatory Memorandum has been prepared for the information of Shareholders of the Company (**Shareholders**) in relation to the business to be conducted at the Company's AGM to be held on Wednesday, 28 November 2018.

The purpose of this Explanatory Memorandum is to provide Shareholders with information that is reasonably required by Shareholders to decide how to vote upon the resolutions.

Subject to the abstentions noted below, the Directors unanimously recommend Shareholders vote in favour of all resolutions. The Chair of the Meeting intends to vote all available undirected proxies in favour of each resolution.

Resolutions 1, 2, 4 and 5, are ordinary resolutions, which require a simple majority of votes cast by Shareholders present and entitled to vote on the resolution. Resolution 3, relating to the Remuneration Report, is advisory and does not bind the Directors or the Company. Resolutions 6, 7 and 8 are to be voted on as a special resolution. For a special resolution to be passed, at least 75% of the votes cast by Shareholders present and entitled to vote on the resolution must be in favour of the resolution.

Resolution 1. Re-election of Director – Robert Alexander

Robert Alexander was appointed by the Directors as an independent Non-Executive Director of the Company on 24 September 2018 pursuant to clause 3.3 of the Constitution and was appointed Chair of the Audit & Risk Committee on that date.

In accordance with clause 3.3 of the Constitution, Robert Alexander retires from office at the conclusion of the AGM and is eligible for re-election as a Director of the Company. The Board considers that Mr Alexander, if elected, will qualify as an independent Director.

Robert is an experienced senior finance and operations executive who has over 30 years' experience working in the commercial sector. Robert has worked for global organisations in industries such as media, entertainment, professional services and the print industry.

He has considerable experience in mergers and acquisitions, and has successfully led numerous transactions and the integration of acquired businesses. Previous roles included Global CFO of Eye Corp Pty Ltd, Global CFO of OPUS Group Limited and senior executive finance and operations roles with organisations including Universal Music and Hoyts Entertainment Ltd.

Robert is currently a Non-Executive Director of QMS Media Limited (ASX:QMS), an Advisory Board member of Tablo.io, a Board Member of the Cambodian Children's Fund (HK) Limited and Global COO of the Cambodian Children's Fund.

Robert holds a Bachelor of Commerce (Finance and Accounting) from UNSW and is a Chartered Accountant.

The Directors, with Robert Alexander abstaining, unanimously support the re-election of Robert Alexander.

The Directors, with Robert Alexander abstaining, unanimously recommend Shareholders vote in favour of this Resolution.

Resolution 2. Re-election of Director – Sibylle Krieger

Sibylle was appointed as an independent Non-Executive Director on 1 October 2015 and re-elected as a Director at the 2017 Annual General Meeting. In accordance with clause 3.6 of the Constitution, Sibylle retires from office at the conclusion of the AGM and is eligible for re-election as a Director of the Company. Sibylle is the Chair of the Board and a member of the Audit & Risk Committee and the People & Culture Committee. The Board considers that Ms Krieger, if elected, will qualify as an independent Director.

Sibylle is a professional independent Non-Executive Director with over 35 years' of broad commercial experience. Her early career was in professional services as a corporate lawyer in private practice, followed by a period as an economic regulator. Her particular focus as a Non-Executive Director has been on corporate governance, professional services, infrastructure and regulated industries, and sectors undergoing significant change or reform.

In her earlier professional career, Sibylle was a partner of two major commercial law firms (Baker & McKenzie, a global law firm, and Clayton Utz, a top tier Australian law firm) for a combined period of 22 years, holding several strategic planning and management roles. Her client work included corporate law, governance and Directors' duties. During this time, Sibylle faced many of the governance issues experienced by professional service firms transitioning from traditional partnerships to more corporate business models.

Explanatory Memorandum (cont)

Sibylle is currently a Non-Executive Director of MyState Limited (ASX:MYS), Vector Limited (NZX:VCT) and Australian Energy Market Operator Limited. She has previously served as a Director of Allconnex Water, Royal Botanic Gardens and Domain Trust, Sydney Ports Corporation and Sydney Grammar School. Sibylle served two terms as the part-time member of the Independent Pricing and Regulatory Tribunal of NSW and was a member of the Dispute Resolution Panel for the National Electricity and Gas Markets. Sibylle has served on various board committees dealing with People and Culture, Remuneration and Safety, Risk and Audit and Capital Works. She has also chaired People and Remuneration, Audit and Risk and Finance committees in unlisted entities.

Sibylle holds an MBA from Melbourne Business School as well as an LLM from Columbia University, New York. She is a Fellow of the Australian Institute of Company Directors (FAICD).

The Directors, with Sibylle Krieger abstaining, unanimously support the re-election of Sibylle Krieger.

The Directors, with Sibylle Krieger abstaining, unanimously recommend Shareholders vote in favour of this Resolution.

Resolution 3. Remuneration Report

Section 250R(2) of the Act requires that the section of the Directors' Report dealing with the remuneration of Directors and key management personnel (**KMP**) of the Company (**Remuneration Report**) be put to the vote of Shareholders for adoption by way of a non-binding vote.

Broadly, the Remuneration Report details the remuneration policy for the Company and:

- explains the structure and rationale behind the Company's remuneration practices and the link between the remuneration of executives and the Company's performance;
- sets out remuneration details for each Director and for each executive with authority and responsibility for directing the affairs of the Company; and
- discusses the relationship between the policy and Company performance.

Shareholders can view the full Remuneration Report in the Annual Report which is available on Xenith's website at www.xenithip.com.

Following consideration of the Remuneration Report, the Chair of the Meeting will give Shareholders a reasonable opportunity to ask questions about, or make comments on, the Remuneration Report. A resolution that the Remuneration Report be adopted will then be put to the vote. The vote on this resolution is advisory only and does not bind the Directors or the Company. However the Board will take the outcome of the vote into account in setting remuneration policy for future years.

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

Resolution 4. Approval to issue securities under the Employee Incentive Plan

The Company has established an employee incentive plan called the Xenith IP Employee Incentive Plan (**XIPEIP**). The XIPEIP replaces all other employee equity plans previously used by the Company.

The Company has established this plan to encourage employees to share in the ownership of the Company and to promote the long term success of the Company as a goal shared by all employees.

The XIPEIP incorporates both broad based equity participation for eligible Australian employees as well as key executive incentive schemes.

Background

A summary of the key terms of the XIPEIP is set out in Appendix 1, and a copy of the rules of the XIPEIP is available upon request from the Company.

Shareholder approval of the XIPEIP is being sought for all purposes under the Corporations Act and the ASX Listing Rules, including ASX listing Rule 7.2 (Exception 9), so that securities issued in accordance with the XIPEIP will be excluded from the calculation of the maximum number of securities that can be issued by the Company in any 12 month period (15% of shares previously on issue under ASX Listing Rule 7.1 and 10) for a period of three years from the date of approval.

Explanatory Memorandum (cont)

If this Resolution 4 is approved by Shareholders, it will have the effect of enabling the securities issued by the Company under the XIPEIP to be automatically excluded from the formula to calculate the number of securities which the Company may issue within the 15% in 12 months limit under Listing Rule 7.1 during the next three year period following approval. Exception 9 also applies to the Company's capacity to issue shares under ASX Listing Rule 7.1A (with approval being sought by the Company for the 12 months from the date of the Meeting under Resolution 8). However, exception 9 does not apply to Directors and their associates who are deemed related parties of the Company and issues to such persons will require separate approval under Listing Rule 10.14.

This is the first time Shareholders have been asked to approve the XIPEIP and accordingly no securities have been issued under the XIPEIP.

A voting exclusion statement is set out under Resolution 4 in the Notice of Meeting.

XIPEIP terms generally

The XIPEIP is an employee equity plan developed to meet contemporary equity design standards and to provide the greatest possible flexibility in the design and offer choices available in respect of various new equity schemes.

The XIPEIP enables the Company to offer employees a range of different employee share scheme (**ESS**) interests. These ESS interests or 'awards' include options, performance rights, service rights, deferred shares, exempt shares, cash rights and stock appreciation rights.

The type of ESS interest that may be offered to employees will be determined by a number of factors, including:

- the remuneration or incentive purpose of the award;
- the tax jurisdiction that the participating employee lives and/or works in;
- the laws governing equity incentives where the participating employee lives and/or works; and
- the logistics and compliance costs associated with offering equity incentives where the participating employee lives and/or works.

Whenever shares are acquired under the XIPEIP, they may be acquired and held by an Employee Share Trust (**EST**) established to manage the orderly acquisition and sale of securities. The EST is governed by a trust deed (**EST Trust Deed**) outlining the rules of the EST and the responsibilities of the Trustee, the Company and participants. A copy of any EST Trust Deed is available upon request from the Company.

Previous Offers

No previous offers have been made under XIPEIP. A summary of all offers made under the Xenith IP Performance Rights Plan and Exempt Employee Share Plan that are outstanding and remain unvested are as follows:

Date	Type of Offer	Number of Securities	Exercise Price	Number of Participants	First Available Date	Last Available Date
21 Dec 2017	LTI performance rights	309,655	nil	2	31 Aug 2020	31 Oct 2020
5 Feb 2016	LTI performance rights (service only)	360,287	nil	17	20 Nov 2018	20 Dec 2018

The above grants of Performance Rights were made subject to performance and/or service conditions details of which are disclosed in the Company's Directors Report (Remuneration Report).

The Directors unanimously recommend Shareholders vote in favour of this Resolution.

Resolution 5. Issue of Securities to Craig Dower

Resolution 5 seeks Shareholder approval for the granting of Performance Rights to the Company's CEO and Managing Director, Craig Dower under the 2018 Long Term Incentive (**LTI**) award and FY 2019 deferred Short Term Incentive (**STI**) award (**Dower Performance Rights**). Shareholder approval is also being sought for the pro rata vesting of the Dower Performance Rights in certain circumstances and in the event that Mr Dower ceases employment with the Company.

Explanatory Memorandum (cont)

Why Shareholder approval is being sought

ASX Listing Rule 10.14 states that a listed company must not permit a Director to acquire securities under an employee incentive scheme without Shareholder approval given by ordinary resolution. The purpose of Resolution 5 is to obtain Shareholder approval for the proposed grant of the Dower Performance Rights, pursuant to the XIPEIP and the 2018 LTI and FY 2019 deferred STI award terms and conditions.

In addition, the Company seeks Shareholder approval pursuant to section 200E of the Corporations Act (**Act**) for the pro rata vesting of the Dower Performance Rights in limited circumstances and in the event that Mr Dower ceases to be employed by the Company, as specified in the terms of the 2018 LTI and/or FY 2019 deferred STI award and the rules of the XIPEIP (**Plan Rules**). These circumstances include retirement, redundancy, death or permanent incapacity.

Under sections 200B of the Act, a Company may only give a person a benefit in connection with their ceasing to hold a managerial or executive office in the Company if it is approved by Shareholders under section 200E of the Act or an exemption applies. The term 'benefit' may include the pro rata vesting of Performance Rights in the limited circumstances outlined above where Mr Dower ceases to be employed by the Company. This pro rata vesting of the Dower Performance Rights, in these circumstances, may amount to the giving of a termination benefit requiring Shareholder approval, and as such, approval is sought for this purpose.

The number of Performance Rights that may vest on cessation of Mr Dower's employment can be calculated as follows:

$$\frac{(\text{Date of Grant} - \text{Date of termination}) \text{ (in days)}}{(\text{Date of Grant} - \text{Intended Vesting Date}) \text{ (in days)}} \times \text{No. of Performance Rights held on cessation}$$

The value of the termination benefit in respect of the Performance Rights may also be affected by:

- the market price of company shares at the time the employment ceases;
- the exercise price applicable to the Performance Rights;
- the performance against the performance conditions at the time the employment ceases;
- the part of the service period elapsed at the time the employment ceases; and
- the number of Performance Rights that lapse on cessation of employment.

LTI and deferred STI arrangements and the grant of Performance Rights to Mr Dower

Mr Dower commenced employment with Xenith on 9 August 2017 and is the CEO and Managing Director of the Company.

Mr Dower's executive service agreement provides that subject to Shareholder approval he will be awarded an annual long term incentive calculated at 50% of his fixed annual remuneration (FAR). Currently, his FAR is \$600,000, therefore the LTI award value is \$300,000. The number of Performance Rights is determined by dividing the LTI award value (\$300,000) by the five day Volume Weighted Average Market Price (**VWAMP**) of Xenith securities commencing the trading day following the release of the annual financial statements. For 2018 the Xenith financial statements were released on 29 August 2018. The five day VWAMP was independently calculated to be \$1.379658 per security. Therefore, the number of rights to be offered to Mr Dower for the 2018 LTI award is calculated to be 217,445 Performance Rights (\$300,000 divided by \$1.379658).

In addition, Mr Dower's executive service agreement provides that subject to Shareholder approval and subject to achieving the key performance indicators in respect of the financial year ended 30 June 2019, 50% of any STI award will be paid in Performance Rights (service only). The maximum STI award is \$300,000 being 50% of FAR. Therefore, the maximum value of Performance Rights (service only) available to Mr Dower is \$150,000. The number of Performance Rights (service only) is determined by dividing the maximum value of Performance Rights (service only) (\$150,000) by the five day VWAMP of Xenith securities for the five trading days prior to 1 July 2019. The five day VWAMP will be independently calculated and the resulting number of Performance Rights (service only) will be granted based on that value.

The Board of Directors concluded that the remuneration package for Mr Dower (including the proposed Dower Performance Rights) is reasonable and appropriate having regard to the circumstances of the Company and Mr Dower's duties and responsibilities. Full details of Mr Dower's remuneration entitlements are set out in the Company's 2018 Remuneration Report.

Explanatory Memorandum (cont)

Price of Dower Performance Rights

The Dower Performance Rights will be granted at no cost to Mr Dower. Once the performance and/or service conditions are met (or waived), the Dower Performance Rights will be exercisable at the applicable Exercise Price.

The Exercise Price for the Dower Performance Rights is \$0.00.

Importantly, no value will be received by Mr Dower if the Dower Performance Rights lapse prior to the vesting dates.

Information required for the purposes of the ASX Listing Rules

The following information is provided in accordance with ASX Listing Rule 10.15:

- Mr Dower is a Director of the Company.
- If Shareholder approval is granted, the maximum number of Performance Rights that may be granted to Mr Dower is 217,445 for the LTI award plus the number granted under the STI award. The number of Performance Rights that may be granted under the STI award will be determined by dividing the maximum value of Performance Rights (\$150,000) by five day VWAMP of XIP securities for the five trading days prior to 1 July 2019.
- The Dower Performance Rights will be issued for nil financial consideration and have an exercise price of \$0.00.
- No persons referred to in ASX Listing Rule 10.14 have received securities under the XIPEIP. As at the date of this Notice there were 669,942 unvested Performance Rights held by senior executives issued under the previous Xenith IP employee incentive plans. Of these 237,435 unvested Performance Rights were held by Mr Dower subject to performance and service restrictions. Details are contained in the Company's 2018 Remuneration Report.
- Craig Dower and Stuart Smith are the only persons referred to in Listing Rule 10.14 who are entitled to participate in the XIPEIP. Non-Executive Directors are not eligible to participate in the XIPEIP.
- No loan will be provided by the Company in relation to the grant or exercise of the Dower Performance Rights.
- A voting exclusion statement is set out under Resolution 5 in the Notice of Meeting.
- Subject to Shareholder approval, it is anticipated that the LTI Award portion of the Dower Performance Rights will be granted shortly after the AGM to coincide with the issue of long term incentive grants to other eligible Company executives. It is anticipated that the STI Award portion of the Dower Performance Rights will be granted after the release of the 2019 financial statements and assessment of the STI Award for that year. Irrespective of these intentions, Performance Right grants approved by Shareholders under this resolution will be issued within 12 months of the date of this Meeting.

If approval is given under ASX Listing Rule 10.14, Shareholder approval is not required under Listing Rule 7.1.

Conditions and Important Dates

The vesting dates will be:

- Dower Performance Rights (LTI award portion) - 31 August 2021, subject to meeting the performance and service conditions. These Performance Rights will lapse on 1 December 2021, if not lapsed or forfeited earlier;
- Dower Performance Rights (STI award portion) – 1 July 2021, subject to meeting the service conditions. Performance Rights will lapse 1 November 2021, if not lapsed or forfeited earlier.

Vesting Conditions – LTI Awards

The number of Performance Rights which will vest in accordance with the Plan Rules and the invitation is dependent on, and subject to, the 2018 LTI award service and performance vesting conditions as follows:

Service Condition and Performance Condition

In addition to meeting the service condition (continuous employment with the Company from Grant Date to 31 August 2021), the LTI award Performance Rights will vest if the Company's Earnings Per Share (EPS) presented on an underlying basis, achieves the following Compound Annual Growth Rate (CAGR) for the three financial years 2019 to 2021 inclusive:

EPS CAGR	% of Performance Rights to vest
Less than 10%	None
At least 10%	50%
Between 10% and 15%	Interpolated vesting on a straight line basis between 50% and 100%.
At least 15%	100%

Explanatory Memorandum (cont)

Calculation of EPS CAGR shall be based on the cumulative EPS results for the three financial years 2019 to 2021 inclusive using the underlying EPS result for the 2018 financial year as the base year (8.3 cents per share). Underlying EPS is defined as basic EPS released in the Company's audited financial statements adjusted at the discretion of the Board for material one off impacts to EPS to ensure the intent and integrity of the performance hurdle is preserved.

Any Performance Rights which fail to meet the relevant vesting conditions before the relevant vesting date shall immediately lapse. There will be no re-testing.

Vesting Conditions – Deferred STI Awards

The number of Performance Rights which will vest in accordance with the Plan Rules and the invitation is dependent on, and subject to, the FY 2019 STI award service vesting condition only. That is, Mr Dower must remain employed with Xenith up to and including 1 July 2021 at which point the Performance Rights will vest.

Other Conditions

Change of control: On the occurrence of a takeover or Change of Control (as defined in the Plan Rules), the Board will determine, in its sole and absolute discretion, the manner in which vested and unvested securities issued under the XIPEIP shall be dealt with.

On a takeover or change in control of the Company any unvested Performance Rights (STI award) will vest immediately.

Termination of employment: If Mr Dower ceases employment before the vesting conditions are met the Performance Rights will automatically lapse, unless the Board determines otherwise.

Other Information

- The Company will not apply to the ASX for official quotation of the Performance Rights granted under the XIPEIP.
- Shares issued pursuant to the vesting of Performance Rights will rank equally with shares then on issue.
- There is no loan scheme in relation to the Performance Rights or the XIPEIP.
- Performance Rights are not transferable.
- The holders of Performance Rights are prohibited from mortgaging or securing their interests or hedging the security interest of any unvested Performance Rights.
- Any dealing in shares is subject to the constraints of Australian insider trading laws and the Company's Share Trading Policy. Participants are specifically prohibited from hedging their Company share price exposure in respect of their Performance Rights during the vesting period.
- If, in the Board's opinion, Mr Dower has acted fraudulently or dishonestly or is in breach of his material obligations to the Company, the Board may determine that any or all of the Performance Rights which have not yet vested, lapse. In addition the Performance Rights will be subject to the Company's Clawback Policy as amended from time to time.
- Details of the Performance Rights granted to Mr Dower will be provided in the Remuneration Report in each relevant subsequent year.

The Board, with Craig Dower abstaining, consider the grant of Performance Rights to Craig Dower to be appropriate in all circumstances and unanimously recommends that Shareholders vote in favour of the grant of Performance Rights to Craig Dower.

Resolution 6. Amendment to Constitution

The Company's current constitution (**Constitution**) contains provisions dealing with the retirement of Directors. Together Rule 3.3(b) and Rule 3.6 of the Constitution require an annual election of one third of Directors, determined by excluding the Managing Director and any Directors appointed by the Board.

The ASX Listing Rules simply require that an election of Directors is considered at each AGM and that Directors not hold office (without re-election) past the third AGM following the Director's appointment or three years, whichever is longer. The Listing Rules further require that a Director appointed to fill a casual vacancy or as an addition to the board must not hold office (without re-election) past the next AGM. The Listing Rule does not apply to the Managing Director, however if there is more than one Managing Director only one is exempt from re-election.

Explanatory Memorandum (cont)

The relevant clauses are as follows:

“3.3(b) is not taken into account in deciding the rotation or retirement of Directors or the number of them to retire under rule 3.6 at that annual general meeting.”

“3.6 One third of Directors retire annually

At each annual general meeting:

- (a) *one third (or if that is not a whole number, the whole number nearest to one third) of the Directors who are not:
 - (i) *appointed, and required to retire, under rule 3.3;*
 - (ii) *the Managing Director (or if there is more than one, the one (if any) nominated under rule 6.3(a); and**
- (b) *subject to rule 6.2, any Director who would, if that Director remained in office until the next annual general meeting, have held that office for more than three years since last being elected or appointed, must retire from office and are eligible for re election.”*

It is proposed to replace rule 3.6 with wording that aligns with the ASX Listing Rules, simply requiring that a Director not hold office (without re-election) past the third annual general meeting following the Director’s appointment or three years, whichever is longer.

The proposed wording for the new rule 3.6 is set out below:

“3.6 Retirement of Directors

Subject to rules 3.3 and 6.2, a Director may not hold office for a continuous period in excess of three years or past the third annual general meeting following the Director’s appointment, whichever is longer, without submitting for election or re-election by the Company. If no Director would otherwise be required to submit for election or re-election and the Listing Rules require that an election of Directors be held, the Director to retire at the annual general meeting will be determined in accordance with rule 3.7.”

The effect of the proposed changes will require Directors to be re-elected every three years. Under the current wording Directors may be required to be re-elected every two years, depending on the exact date of the annual general meeting which can vary each year.

It is proposed to remove rule 3.3(b) which will give the Board greater flexibility in determining an appropriate Director rotation schedule to accommodate changes on the Board by including Directors already required to stand for re-election by virtue of their appointment by other Directors.

Section 136(2) of the Act requires the amendments to the Constitution to be approved by a special resolution of the Shareholders of the Company.

The Directors unanimously recommend Shareholders vote in favour of this Resolution.

Resolution 7. Renewal of Proportional Takeover Provisions

Rule 36 of the Company’s Constitution (**Rule 36**) currently contains provisions dealing with proportional takeover bids for shares in accordance the Corporations Act. Under the Corporations Act and Rule 36, the provisions must be renewed every three years or they will cease to have effect. The current provisions have not been renewed since the Company listed on the ASX on 19 November 2015 and accordingly, it is proposed to renew them in the Constitution. If renewed, Rule 36 will operate on the same basis as the existing Rule 36 for a period of three years from the date of the Meeting.

The Corporations Act requires that the following information be provided to Shareholders when they are considering the renewal of proportional takeover provisions in a constitution.

What is a proportional takeover bid, and why do we need the proportional takeover approval provisions?

A proportional takeover bid involves the bidder offering to buy a proportion only of each Shareholder’s shares in the Company. This means that control of the Company may pass to the bidder without members having the chance to sell all their shares to the bidder. It also means the bidder may take control of the Company without paying an adequate amount for gaining control.

Explanatory Memorandum (cont)

In order to deal with this possibility, a company may provide in its constitution that:

- in the event of a proportional takeover bid being made for shares in the Company, members are required to vote by ordinary resolution and collectively decide whether to accept or reject the offer; and
- the majority decision of the Company's members will be binding on all individual members.

The Directors consider that members should be able to vote on whether a proportional takeover bid ought to proceed given such a bid might otherwise allow control of the Company to change without members being given the opportunity to dispose of all of their shares for a satisfactory control premium. The Directors also believe that the right to vote on a proportional takeover bid may avoid members feeling pressure to accept the bid even if they do not want it to succeed.

What is the effect of the proportional takeover approval provisions?

If a proportional takeover bid is made, the Directors must ensure that members vote on a resolution to approve the bid more than 14 days before the bid period closes.

The vote is decided on a simple majority. Each person who, as at the end of the day on which the first offer under the bid was made, held bid class securities, is entitled to vote. However, the bidder and their associates are not allowed to vote.

If the resolution is not passed, transfers which would have resulted from the acceptance of a bid will not be registered and the bid will be taken to have been withdrawn. If the bid is approved (or taken to have been approved), the transfers must be registered if they comply with the Corporations Act and the Company's Constitution.

The bid will be taken to have been approved if the resolution is not voted on within the deadline specified under the Corporations Act. However, the Directors will breach the Corporations Act if they fail to ensure the approving resolution is voted on.

The proportional takeover approval provisions do not apply to full takeover bids, and only apply for three years after the date they are renewed. The provisions may be renewed, or reinserted upon expiry of the initial three-year period, but only by way of a special resolution passed by members.

Potential advantages and disadvantages

While the renewal of Rule 36 will allow the Directors to ascertain members' views on a proportional takeover bid, it does not otherwise offer any advantage or disadvantage to the Directors who remain free to make their own recommendation as to whether the bid should be accepted.

The provisions in Rule 36 ensure that all members have an opportunity to study a proportional bid proposal and vote on the bid at a general meeting. This is likely to ensure a potential bidder structures its offer in a way which is attractive to a majority of members, including appropriate pricing. Similarly, knowing the view of the majority of members may help individual members assess the likely outcome of the proportional takeover when determining whether to accept or reject the offer.

However, it is also possible that the inclusion of such provisions in the Constitution may discourage proportional takeover bids, and may reduce any speculative element in the market price of the Company's shares arising from the possibility of a takeover offer being made. The inclusion of the provisions may also be considered to constitute an unwarranted additional restriction of the ability of members to freely deal with their shares.

The Board considers that the potential advantages for members of the proportional takeover approval provisions outweigh the potential disadvantages.

As at the date on which this statement was prepared, no Director is aware of any proposal by any person to acquire, or to increase the extent of, a substantial interest in the Company.

The Directors unanimously recommend that Shareholders vote in favour of this resolution.

Explanatory Memorandum (cont)

Resolution 8. Approval of Additional Share Issue Capacity under ASX Listing Rule 7.1A

ASX Listing Rule 7.1A enables mid to small cap listed companies to seek Shareholder approval by special resolution to issue equity securities equivalent to an additional 10% of the number of ordinary securities on issue by way of placement over a 12 month period (**10% Placement Facility**). This is in addition to the existing 15% placement capacity permitted by ASX Listing Rule 7.1.

A company is eligible to seek Shareholder approval for this additional placement capacity if it satisfies both of the following criteria at the date of the AGM:

- a. it has a market capitalisation of \$300 million or less; and
- b. it is not included in the S&P/ASX 300 Index.

The Company currently satisfies both the above criteria, and it is anticipated that it will satisfy both these criteria at the date of the AGM.

Accordingly, Resolution 8 is seeking approval of ordinary Shareholders by special resolution for the issue of such number of equity securities as calculated under the formula in ASX Listing Rule 7.1A.2, at an issue price as permitted by ASX Listing Rule 7.1A.3 to such persons as the Board may determine, on the terms as described in this Explanatory Memorandum.

At the date of this Notice, the Company has on issue 88,717,931 fully paid ordinary shares and the Company has the capacity to issue:

- a. 13,307,689 equity securities under ASX Listing Rule 7.1; and
- b. 8,871,793 equity securities under ASX Listing Rule 7.1A.

The actual number of equity securities that the Company will have capacity to issue under ASX Listing Rule 7.1A will be calculated at the date of issue of the equity securities in accordance with the formula prescribed in ASX Listing Rule 7.1A.2.

The effect of Resolution 8 will be to allow the Directors to issue equity securities under ASX Listing Rule 7.1A during a 10% placement period, without using the Company's 15% placement capacity under ASX Listing Rule 7.1.

Information required by ASX Listing Rule 7.3A

For the purposes of ASX Listing Rule 7.3A, the following information is provided:

- The minimum price at which the equity securities will be issued will be no less than 75% of the volume weighted average price for ordinary shares calculated over the 15 trading days on which trades are recorded immediately before:
 - a. the date on which the price at which the shares are to be issued is agreed; or
 - b. if the shares are not issued within 5 trading days of the date in paragraph a, the date on which the shares are issued.
- If Resolution 8 is approved by Shareholders and the Company issues equity securities under the 10% Placement Facility, the existing ordinary Shareholders face the risk of economic and voting dilution as a result of the issue of equity securities which are the subject of this Resolution, to the extent that such equity securities are issued, including the risk that:
 - a. the market price of equity securities may be significantly lower on the issue date than on the date on which this approval is being sought; and
 - b. the equity securities may be issued at a price that is at a discount to the market price for those equity securities on the issue date, which may have an effect on the amount of funds raised by the issue of the equity securities.
- The following table gives examples of the potential dilution of existing ordinary Shareholders calculated using the current market price of shares and the current number of ordinary securities for variable "A" in the formula in ASX Listing Rule 7.1A.2.

The table also shows:

- a. two examples where variable "A" has increased by 50% and 100%. Variable "A" is based on the number of ordinary securities the Company has on issue. The number of ordinary securities on issue may increase as a result of issues of ordinary securities that do not require Shareholder approval (for example, a pro rata entitlements issue or scrip issued under a takeover offer) or future specific placements under ASX Listing Rule 7.1 that are approved at a future Shareholders' meeting; and
- b. two examples of where the issue price of ordinary securities has decreased by 50% and increased by 100% as against the current market price.

Explanatory Memorandum (cont)

Dilution

No. of Shares on Issue ¹	Issue price (per Share)	Dilution		
		\$0.685 50% decrease in Issue Price	\$1.37 Issue Price	\$2.74 100% increase in Issue Price
88,717,931	Shares issued	8,793,514	8,793,514	8,793,514
(Current)	Funds raised	\$6,023,557	\$12,047,114	\$24,094,228
133,076,896	Shares issued	13,190,271	13,190,271	13,190,271
(50% increase)	Funds raised	\$9,035,335	\$18,070,671	\$36,141,342
177,435,862	Shares issued	17,587,028	17,587,028	17,587,028
(100% increase)	Funds raised	\$12,047,114	\$24,094,228	\$48,188,456

- The table has been prepared on the following assumptions:
 - the Company issues the maximum number of equity securities available under the 10% Placement Facility in ASX Listing Rule 7.1A;
 - no performance rights over ordinary shares are exercised before the date of issue of ordinary shares under ASX Listing Rule 7.1A;
 - the 10% voting dilution reflects the aggregate percentage dilution against the issued share capital at the time of issue. This is why the voting dilution is shown in each example as 10%;
 - the table does not show an example of dilution that may be caused to a particular Shareholder by reason of placements under the 10% Placement Facility, based on that Shareholder's holding at the date of the AGM;
 - the table shows only the effect of issues of equity securities under ASX Listing Rule 7.1A, not under the 15% placement capacity under ASX Listing Rule 7.1;
 - the issue of equity securities under the 10% Placement Facility consists only of shares; and
 - the issue price is \$1.37 per share², being the closing price of the shares on ASX on 7 September 2018.
- If any of the shares being approved by this Resolution are issued, they will be issued during the placement period, that is, within 12 months of the date of the AGM (i.e. by 28 November 2019) and the approval being sought under Resolution 8 will cease to be valid if ordinary Shareholders approve a transaction under ASX Listing Rules 11.1.2 (a significant change to the nature or scale of activities) or 11.2 (disposal of main undertaking) prior to 28 November 2019.
- The Company may seek to issue the equity securities for the following purposes:
 - cash consideration. In such circumstances, the Company intends to use the funds raised towards an acquisition of new assets or investments (including expenses associated with such acquisition), continued development of the Company's current assets and/or general working capital; or
 - non-cash consideration for the acquisition of new assets and investments. In such circumstances the Company will provide a valuation of the non-cash consideration as required by ASX Listing Rule 7.1A.3.
- The Company will comply with the disclosure obligations under ASX Listing Rules 7.1A.4 and 3.10.5A upon issue of any equity securities.
- The Company's allocation policy is dependent on the prevailing market conditions at the time of any proposed issue pursuant to the 10% Placement Facility. The identity of allottees of any equity securities that may be issued have not been determined as at the date of this Notice, but may include existing Shareholders and/or parties who are not currently Shareholders and are not related parties or associates of the Company. Any potential allottees will be determined on a case-by-case basis having regard to factors including, but not limited to, the following:
 - the methods of raising funds available to the Company (including but not limited to, rights issue or other issues in which existing security holders can participate), while balancing interest from potential allottees with the interests of existing Shareholders;
 - the effect of the issue of equity securities on the control of the Company and balancing the interests of existing Shareholders. Allocation will be subject to takeover thresholds;
 - the financial situation and solvency of the Company and its need for working capital at any given time; and
 - advice from corporate, financial and broking advisors (if applicable).
- A Voting Exclusion Statement is set out under the Resolution in the Notice of Meeting. Potential allottees under the 10% Placement Facility (should it be approved) have not been identified as at the date of this Notice, but may include existing Shareholders and/or parties who are not currently Shareholders and are not related parties or associates of the Company.

Resolution 8 is a special resolution. For a special resolution to be passed, at least 75% of the votes cast by Shareholders present and entitled to vote on the resolution must be in favour of the resolution.

¹ Variable "A" in Listing Rule 7.1A.2

² Closing price on 7 September 2018 was \$1.37 per share

Explanatory Memorandum (cont)

Previous Approval under ASX Listing Rule 7.1A

- The Company previously obtained Shareholder approval under ASX Listing Rule 7.1A at its 2017 Annual General Meeting held on 21 November 2017.
- In the twelve months preceding the date of the 2018 Annual General Meeting, the Company issued 309,655 performance rights which represents 0.35% of the total number of equity securities on issue at the commencement of the 12 month period (being 28 November 2017). The specific disclosure required under ASX Listing Rule 7.3A.6 is included in the table below.

Details of all issues of Equity Securities during the twelve months preceding 28 November 2018

Date of Issue	21 December 2017
Number issued	309,655
Class of equity securities	Performance Rights
Names of persons to whom equity securities were issued	Performance Rights issued to senior executives Craig Dower, Managing Director and Lesley Kennedy, Chief Financial Officer and Company Secretary under the Xenith IP Group Limited Performance Rights Plan.
Issue price and discount to market price (if any)	Nil
Total cash consideration	Nil
Use of cash consideration	Not Applicable
Non-cash consideration	Not Applicable

The Directors unanimously recommend Shareholders vote in favour of this Resolution.

Explanatory Memorandum (cont)

Appendix 1 - Summary of Xenith IP Employee Incentive Plan (XIPEIP) Key Terms and Conditions

Eligibility

The Board has the discretion to determine which employees are eligible to participate in the XIPEIP. The definition of employee under the rules of the XIPEIP includes any full time or permanent part time employee or officer or Director of the Company or any related body corporate of the Company.

Vesting conditions

The vesting of any securities issued under the XIPEIP, excluding Exempt Shares, may be conditional on the satisfaction of performance and/or service conditions as determined by the Board and advised to the employee in the individual's offer documents.

Exercise of securities

Vested securities issued under the XIPEIP may not automatically trigger the exercise of the securities, but a participant will be entitled to exercise in accordance with the terms contained in the invitation to the individual.

Price

Securities issued under the XIPEIP may be issued at no cost to the participants. Options may be subject to payment of an exercise price by the participant which is determined by the Board and advised to the participant in the individual's offer documents.

Board may elect to settle in cash

If the Board determines that it is not appropriate for tax, legal, regulatory or compliance reasons to issue or transfer Shares upon satisfaction of its obligations under the plan, Xenith IP may make a cash payment to the participant in accordance with the terms of the XIPEIP for equivalent value.

Waiving the restricted period

The Board may waive or shorten the restriction period applicable to securities issued under the XIPEIP, as contained in the offer to the participant.

Change of Control

On the occurrence of a Change of Control (as defined in the rules of the XIPEIP), the Board will determine, in its sole and absolute discretion, the manner in which vested and unvested securities issued under the XIPEIP shall be dealt with.

No dealing or hedging

Dealing restrictions apply to securities issued under the XIPEIP in accordance with the rules of the XIPEIP and the Company's share trading policy. Participants are prohibited from hedging or otherwise protecting the value of unvested securities issued under the XIPEIP.

Rights attaching to Shares

Shares issued under the XIPEIP will rank equally for dividends and other entitlements, be subject to any restrictions imposed under these rules and otherwise rank equally with the existing Shares on issue at the time of allotment.

Company may issue or acquire shares

Company may, in its discretion, either issue new shares or acquire shares already on issue, or a combination of both, to satisfy the Company's obligations under the XIPEIP.

Adjustments

Prior to the allocation of shares to a participant upon vesting or exercise of securities issued under the XIPEIP, the Board may make any adjustment it considers appropriate to the terms of securities in order to minimise or eliminate any material advantage or disadvantage to a participant resulting from a corporate action such as a capital raising or capital reconstruction and to the extent necessary to comply with the ASX Listing Rules.

Explanatory Memorandum (cont)

Limits on securities issued

The number of shares that may be issued under the XIPEIP is set with regard to the limits prescribed under ASIC Class Order 14/1000 with respect to employee share scheme offers made without a prospectus. Currently these limits provide that the number of shares that may be issued, when aggregated with the number of shares issued during the previous 3 years from share issues under all employee share schemes established by the Company (including shares issued as a result of exercise of options granted in the previous five years under any such employee share scheme), must not exceed 5% of the total number of shares on issue, disregarding certain unregulated offers.

Continued operation of the XIPEIP

The XIPEIP may be suspended, terminated or amended at any time by the Board, subject to any resolution of the Company required by the listing rules.


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www.xenithip.com

Lodge your vote:

 **Online:**
www.investorvote.com.au

 **By Mail:**
Computershare Investor Services Pty Limited
GPO Box 242 Melbourne
Victoria 3001 Australia

Alternatively you can fax your form to
(within Australia) 1800 783 447
(outside Australia) +61 3 9473 2555

For Intermediary Online subscribers only
(custodians) www.intermediaryonline.com

For all enquiries call:
(within Australia) 1300 850 505
(outside Australia) +61 3 9415 4000

XIP
MR SAM SAMPLE
FLAT 123
123 SAMPLE STREET
THE SAMPLE HILL
SAMPLE ESTATE
SAMPLEVILLE VIC 3030

Proxy Form

XX



Vote and view the notice of meeting online

- Go to www.investorvote.com.au or scan the QR Code with your mobile device.
- Follow the instructions on the secure website to vote.



Your access information that you will need to vote:

Control Number: 999999

SRN/HIN: I9999999999 PIN: 99999

PLEASE NOTE: For security reasons it is important that you keep your SRN/HIN confidential.

 **For your vote to be effective it must be received by 10.00am (Sydney time) on Monday, 26 November 2018.**

Only Proxy Forms issued by the Company will be deemed valid and accepted by the Company.

How to Vote on Items of Business

All your securities will be voted in accordance with your directions.

Appointment of Proxy

If you wish to appoint the Chairman of the Meeting as your proxy, mark the box in Step 1. If you wish to appoint someone other than the Chairman of the Meeting as your proxy, please write the name of that individual or body corporate in Step 1. A proxy need not be a shareholder of the Company.

If you leave this section blank, or your named proxy does not attend the Meeting, the Chairman of the Meeting will be your proxy. If your named proxy attends the Meeting but does not vote on a poll on a resolution in accordance with your directions, the Chairman of the Meeting will become your proxy in respect of that resolution.

PROXY VOTING BY THE CHAIRMAN OF THE MEETING On a poll, the Chairman of the Meeting will vote directed proxies as directed and may vote undirected proxies as the Chairman of the Meeting sees fit. If the Chairman of the Meeting is your proxy or becomes your proxy by default, and you do not provide voting directions, then by submitting the Proxy Form you are expressly authorising the Chairman of the Meeting to exercise your proxy on resolutions that are connected directly or indirectly with the remuneration of key management personnel.

Voting 100% of your holding: Direct your proxy how to vote by marking one of the boxes opposite each item of business. If you do not mark a box your proxy may vote or abstain as they choose (to the extent permitted by law). If you mark more than one box on an item your vote will be invalid on that item.

Voting a portion of your holding: Indicate a portion of your voting rights by inserting the percentage or number of securities you wish to vote in the For, Against or Abstain box or boxes. The sum of the votes cast must not exceed your voting entitlement or 100%.

Appointing a second proxy: You are entitled to appoint up to two proxies to attend the meeting and vote on a poll. If you appoint two proxies you must specify the percentage of votes or number of securities for each proxy, otherwise each proxy may exercise half of the votes. When appointing a second proxy write both names and the percentage of votes or number of securities for each in Step 1 overleaf.

A proxy need not be a securityholder of the Company.

Signing Instructions for Postal Forms

Individual: Where the holding is in one name, the securityholder must sign.
Joint Holding: Where the holding is in more than one name, all of the securityholders 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 form when you return it.

Companies: Where the company has a Sole Director who is also the Sole Company Secretary, this form must be signed by that person. If the company (pursuant to section 204A of the Corporations Act 2001) does not have a Company Secretary, a Sole Director can also sign alone. Otherwise this form must be signed by a Director jointly with either another Director or a Company Secretary. Please sign in the appropriate place to indicate the office held. Delete titles as applicable.

Attending the Meeting

Bring this form to assist registration. If a representative of a corporate securityholder or proxy is to attend the meeting you will need to provide the appropriate "Certificate of Appointment of Corporate Representative" prior to admission. A form of the certificate may be obtained from Computershare or online at www.investorcentre.com under the help tab, "Printable Forms".

Comments & Questions: If you have any comments or questions for the company, please write them on a separate sheet of paper and return with this form.

**GO ONLINE TO VOTE,
or turn over to complete the form** →



MR SAM SAMPLE
 FLAT 123
 123 SAMPLE STREET
 THE SAMPLE HILL
 SAMPLE ESTATE
 SAMPLEVILLE VIC 3030

Change of address. If incorrect, mark this box and make the correction in the space to the left. Securityholders sponsored by a broker (reference number commences with 'X') should advise your broker of any changes.



I 9999999999

IND

Proxy Form

Please mark to indicate your directions

STEP 1 Appoint a Proxy to Vote on Your Behalf

XX

I/We being a member/s of Xenith IP Group Limited hereby appoint

the Chairman of the Meeting OR

PLEASE NOTE: Leave this box blank if you have selected the Chairman of the Meeting. Do not insert your own name(s).

or failing the individual or body corporate named, or if no individual or body corporate is named, the Chairman of the Meeting, will act as my/our proxy to act generally at the Meeting on my/our behalf and to vote in accordance with the following directions (or if no directions have been given, and to the extent permitted by law, as the proxy sees fit) at the Annual General Meeting of Xenith IP Group Limited to be held at the offices of Grant Thornton, Level 17, 383 Kent Street, Sydney NSW on Wednesday, 28 November 2018 at 10.00am (Sydney time) and at any adjournment or postponement of that Meeting.

Chairman authorised to exercise undirected proxies on remuneration related resolutions: Where I/we have appointed the Chairman of the Meeting as my/our proxy (or the Chairman becomes my/our proxy by default), I/we expressly authorise the Chairman to exercise my/our proxy on Items 3, 4 and 5 (except where I/we have indicated a different voting intention below) even though Items 3, 4 and 5 are connected directly or indirectly with the remuneration of a member of key management personnel, which includes the Chairman.

Important Note: If the Chairman of the Meeting is (or becomes) your proxy you can direct the Chairman to vote for or against or abstain from voting on Items 3, 4 and 5 by marking the appropriate box in step 2 below.

STEP 2 Items of Business

PLEASE NOTE: If you mark the **Abstain** box for an item, you are directing your proxy not to vote on your behalf on a show of hands or a poll and your votes will not be counted in computing the required majority.

		For	Against	Abstain
1	Re-election of Director – Robert Alexander	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
2	Re-election of Director – Sibylle Krieger	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
3	Remuneration Report	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
4	Approval to issue securities under the Employee Incentive Plan	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
5	Issue of Performance Rights to Craig Dower	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
6	Amendment to Constitution	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
7	Proportional Takeover Provisions	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
8	Approval of Additional Share Issue Capacity under ASX Listing Rule 7.1A	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

The Chairman of the Meeting intends to vote undirected proxies in favour of each item of business. In exceptional circumstances, the Chairman of the Meeting may change his/her voting intention on any resolution, in which case an ASX announcement will be made.

SIGN Signature of Securityholder(s) *This section must be completed.*

Individual or Securityholder 1

Sole Director and Sole Company Secretary

Securityholder 2

Director

Securityholder 3

Director/Company Secretary

Contact Name _____

Contact Daytime Telephone _____

Date / / _____

XIP

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