



ASX Release Date: 23 October 2020

Notice of Annual General Meeting and Proxy Form

A Notice of Annual General Meeting, Shareholder Access Notice and Proxy Form of **Xplore Wealth Limited** (ASX: XPL) are attached.

The Annual General Meeting will be held virtually via a webinar conferencing facility at 11.00am (Sydney time) on Wednesday 25 November 2020.

The attached documents have been authorised for release by the Board.

About Xplore Wealth Limited

Xplore Wealth is one of Australia's longest serving independent Specialist Platform Providers (SPP) and investment administrators, with extensive expertise in managed accounts. Xplore Wealth also fully owns an APRA regulated Registrable Superannuation Entity (RSE) licensee, Aracon Superannuation Pty Ltd, the trustee of Aracon Superannuation Fund.

23 October 2020

Notice of Annual General Meeting

Notice is hereby given that an Annual General Meeting of Shareholders of Xplore Wealth Limited (Company) will be held virtually via a webinar conferencing facility at 11.00am (Sydney time) on Wednesday 25 November 2020 (General Meeting).

In accordance with subsection 5(1)(f) of the Corporations (Coronavirus Economic Response) Determination (No.3) 2020 made by the Commonwealth Treasurer on 21 September 2020, the Company will not be dispatching physical copies of the Notice of Annual General Meeting. Instead the Notice of Annual General Meeting and accompanying explanatory statement (Meeting Materials) are being made available to shareholders electronically. This means that:

- You can access the Meeting Materials online at the Company's website (<https://xplorewealth.com.au/shareholder-centre/financial-reports-and-announcements/#asx-announcements>) or at the Company's share registry's website (www.registrydirect.com.au/investor).
- A complete copy of the Meeting Materials has also been posted to the Company's ASX Market announcements page at www.asx.com.au under the Company's ASX code "XPL".
- If you have provided an email address and have elected to receive electronic communications from the Company, you will receive an email to your nominated email address with a link to an electronic copy of the Meeting Materials and the proxy voting instruction form.

If you would like to receive electronic communications from the Company in the future, please update your communication elections online at www.registrydirect.com.au/investor. If you have not yet registered, you will need your shareholder information including SRN/HIN details.

If you are unable to access the Meeting Materials online please contact the Company's share registry, Registry Direct on 1300 55 66 35 (within Australia) or +61 3 9909 9909 (outside Australia), to obtain a copy.

As a result of the potential health risks and government restrictions in response to the COVID-19 pandemic, the Annual General Meeting will be held via a webinar conferencing facility. Details of how to register to attend the Annual General Meeting are contained in the Meeting Materials.

Yours sincerely,



Alex Hutchison
Non-Executive Chairman
E: Alex.Hutchison@xplorewealth.com.au

Authorised by the Board

NOTICE OF 2020 ANNUAL GENERAL MEETING

XPLORE WEALTH LIMITED

ACN 128 316 441

11:00am (Sydney time)

Wednesday 25 November 2020

To be held virtually via a webinar conferencing facility

Due to the ongoing COVID-19 pandemic, the meeting will be held virtually via a webinar conferencing facility. If you are a shareholder who wishes to attend and participate in the virtual meeting, please register in advance as per the instructions outlined in this Notice of Annual General Meeting. Shareholders are strongly encouraged to lodge their completed proxy forms in accordance with the instructions in this Notice of Annual General Meeting.

Following recent modifications to the Corporations Act 2001 and the Corporations Regulations 2001 under the Corporations (Coronavirus Economic Response) Determination (No.3) 2020, no hard copy of the Notice of Annual General Meeting and Explanatory Statement will be circulated. The Notice of Annual General Meeting will be given to those entitled to receive it by use of one or more technologies. The Notice of Annual General Meeting is also available on the Australian Stock Exchange Announcement platform (XPL) and on the Company's website (<https://xplorewealth.com.au/shareholder-centre/financial-reports-and-announcements/#asx-announcements>).

This Notice of Annual General Meeting should be read in its entirety. If you are in doubt as to how you should vote, you should seek advice from your professional adviser.

Should you wish to discuss the matters in this Notice of Annual General Meeting, please contact the Company Secretary on (02) 8006 5900.

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GENERAL INFORMATION

The Annual General Meeting of the shareholders of Xplore Wealth Limited ACN 128 316 441 (**Company**) to which this Notice of Annual General Meeting relates will be held virtually via a webinar conferencing facility at 11:00am (Sydney time) on Wednesday 25 November 2020 (**Annual General Meeting**).

Based on the best information available to the Company at the time of preparing the Notice of Annual General Meeting, the Company intends to conduct a poll on the resolutions set out in the Notice of Annual General Meeting.

Shareholders are encouraged to submit their proxies as early as possible and in any event prior to the cut-off for proxy voting as set out in the Notice of Annual General Meeting. To lodge your proxy, please follow the directions set out below.

Shareholders attending the Annual General Meeting virtually will be able to ask questions and vote online during the Annual General Meeting. To vote online, shareholders will need to have set up a registered account with the Company's share registry, Registry Direct Limited, prior to the Annual General Meeting. Shareholders who do not have a registered account with the Company's share registry will be sent an invitation to register letter. The invitation letter will contain instructions on how to register. To vote online, shareholders need to log on to the registry system at www.registrydirect.com.au, select the Annual General Meeting and then enter an attendance verification code given to shareholders at the Annual General Meeting. Once the code is entered, shareholders will be able to vote on the resolutions. During the Annual General Meeting, if you have a registered account and have any issues casting your votes online you can call the Company's share registry on 1300 55 66 35 (within Australia) or +61 3 9909 9909 (outside Australia) for assistance.

The virtual meeting can be attended using the following details:

When: Wednesday 25 November 2020 at 11.00am (Sydney time)

Topic: XPL Annual General Meeting

Register in advance for this webinar:

https://zoom.us/webinar/register/WN_CAeY7RVaS3GaJZn5VU3syw

Webinar ID: 965 9469 5242

After registering, you will receive a confirmation email containing information about joining the meeting.

If the situation in relation to COVID-19 were to change in a way that affected the position above, the Company will provide a further update ahead of the Annual General Meeting by releasing an announcement to ASX.

Any shareholders who wish to attend the General Meeting online should therefore monitor the Company's website and its ASX announcements for any updates about the Annual General Meeting. If it becomes necessary or appropriate to make alternative arrangements for the holding or conducting of the meeting, the Company will make further information available through the ASX website at asx.com.au (ASX: XPL) and on its website at (<https://xplorewealth.com.au/shareholder-centre/financial-reports-and-announcements/#asx-announcements>).

OPPORTUNITY TO ASK QUESTIONS

The Annual General Meeting is an opportunity to ask questions of the board of the Company (**Board**) and management on the items of business before the Annual General Meeting and the management of the Company or questions of the auditor on the conduct of the audit and the auditor's report.

Shareholders are encouraged to direct questions to be addressed at the Annual General Meeting to the Company Secretary at Jillian.McGregor@xplorewealth.com.au so that they are received not later than 7.00pm Monday, 23 November 2020. Please use the email subject "2020 AGM Question". Questions may also be asked during the Annual General Meeting.

YOUR VOTE IS IMPORTANT

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

VOTING IN PERSON AND BY PROXY

To vote in person, attend the Annual General Meeting on the date and at the place set out above.

You have the right to appoint a proxy of your choice. The proxy need not be a shareholder of the Company. If you are entitled to vote two or more votes you may appoint two proxies and may specify the proportion or number of votes each proxy is appointed to exercise. If you appoint two proxies and the appointment does not specify the proportion or number of your votes, then each proxy may exercise half of the votes.

You may make your proxy appointment on-line at www.registrydirect.com.au/investor. If you have any problems accessing the on-line service, please contact the Company's share registry, Registry Direct on 1300 55 66 35 (within Australia) or +61 3 9909 9909 (outside Australia).

Alternatively, you may complete and sign a proxy form and return by:

- (a) post to Registry Direct, 10 Exon Street, Brighton, Victoria 3186 Australia;
- (b) facsimile on facsimile number +61 3 9111 5652;
- (c) email to registry@registrydirect.com.au; or
- (d) hand or courier delivery to Registry Direct, 10 Exon Street, Brighton, Victoria 3186 Australia.

Your proxy must be received by 11:00am (Sydney time) on Monday 23 November 2020.

Proxy forms and appointments received later than the above time will be invalid.

LETTER FROM THE CHAIRMAN

Dear shareholder

I am pleased to invite you to the Annual General Meeting of the Company which will be held via a webinar conferencing facility on Wednesday 25 November 2020, commencing at 11:00am (Sydney time).

The following pages contain details of the items of business that you have the opportunity to vote on at the Annual General Meeting.

A copy of the Company's Annual Report is available on the Company's website (www.xplorewealth.com.au).

The Board encourages you to vote in favour of all resolutions.

I look forward to welcoming you at the Annual General Meeting.

Yours sincerely,

A handwritten signature in black ink, appearing to read 'A P Hutchison', with a stylized flourish at the end.

Alex Hutchison
Non-Executive Chairman

NOTICE OF ANNUAL GENERAL MEETING

Notice is given that the Annual General Meeting of shareholders of the Company will be held virtually via a webinar conferencing facility at 11:00am (Sydney time) on Wednesday 25 November 2020.

The Explanatory Statement to this Notice of Annual General Meeting provides information on matters to be considered at the Annual General Meeting. The Explanatory Statement, General Information section and the proxy form are part of this Notice of Annual General Meeting.

The directors have determined pursuant to Regulation 7.11.37 of the Corporations Regulations 2001 (Cth) that the persons eligible to vote at the Annual General Meeting are those who are registered shareholders of the Company at 7pm (Sydney time) on Monday 23 November 2020.

AGENDA

ORDINARY BUSINESS

FINANCIAL STATEMENTS AND REPORTS

To consider the financial statements of the Company for the financial year ended 30 June 2020 together with the declaration of the directors, the directors' report, the remuneration report and the auditor's report.

RESOLUTION 1 – REMUNERATION REPORT

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

“That the remuneration report as contained in the directors' report of the Company for the financial year ended 30 June 2020 be adopted.”

RESOLUTION 2 – RE-ELECTION OF DIRECTOR – STEPHEN REED

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

“That Stephen Reed, who retires in accordance with clause 12.11(a) of the Company's constitution and being eligible, offers himself for re-election, be re-elected a director.”

RESOLUTION 3 – RE-ELECTION OF DIRECTOR – JULIE BERRY

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

“That Julie Berry, who retires in accordance with ASX Listing Rule 14.4 and clause 12.7(b) of the Company's constitution and being eligible, offers herself for re-election, be re-elected a director.”

SPECIAL BUSINESS

RESOLUTION 4 – APPROVAL OF EMPLOYEE SHARE OPTION PLAN

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

“That the Company's Employee Share Option Plan be approved by the Company for all purposes and that approval be given in accordance with ASX Listing Rule 7.2 Exception 13(b) for the issue of securities from time to time under the Employee Share Option Plan as an exception to the rule in ASX Listing Rule 7.1 and for all other purposes.”

RESOLUTION 5 – APPROVAL OF EXECUTIVE SHARE OPTION PLAN

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

“That the Company’s Executive Share Option Plan be approved by the Company for all purposes and that approval be given in accordance with ASX Listing Rule 7.2 Exception 13(b) for the issue of securities from time to time under the Executive Share Option Plan as an exception to the rule in ASX Listing Rule 7.1 and for all other purposes.”

RESOLUTION 6 – RATIFICATION OF PRIOR GRANT OF EMPLOYEE OPTIONS

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

“That for the purposes of ASX Listing Rule 7.4 and all other purposes, approval is given to the grant of 20,106,400 employee options under the Company’s Executive Share Option Plan or Employee Share Option Plan, as detailed in the Explanatory Statement.”

RESOLUTION 7 – RATIFICATION OF PRIOR GRANT OF CHIEF EXECUTIVE OFFICER OPTIONS

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

“That for the purposes of ASX Listing Rule 7.4 and all other purposes, approval is given to the grant of 2,000,000 options to the Company’s Chief Executive Officer (Michael Wright) under the Company’s Executive Share Option Plan, as detailed in the Explanatory Statement.”

RESOLUTION 8 – APPROVAL OF TERMINATION BENEFITS

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

“That, for the purposes of sections 200B and 200E of the Corporations Act 2001 (Cth) and for all other purposes, approval is given for the giving of benefits by the Company or any of its related bodies corporate under the Company’s Employee Share Option Plan or Executive Share Option Plan to persons who hold or during the three years prior to their retirement held a managerial or executive office in the Company or a related body corporate (or to a spouse, relative or associate of such persons), in connection with the relevant person ceasing to hold a managerial or executive office in the Company or a related body corporate, as set out in the Explanatory Statement.”

RESOLUTION 9 – APPROVAL OF ISSUE OF SECURITIES UNDER ASX LISTING RULE 7.1A

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

“That, pursuant to and for the purposes of ASX Listing Rule 7.1A and for all other purposes, shareholders approve the issue of (or the entry into agreements to issue) equity securities representing up to 10% of the issued capital of the Company (calculated in accordance with the formula prescribed in ASX Listing Rule 7.1A.2) on the terms and conditions set out in the Explanatory Statement.”

VOTING EXCLUSION STATEMENT

RESOLUTION 1 – REMUNERATION REPORT

As required by the Corporations Act 2001 (Cth) (**Corporations Act**), the Company will in accordance with section 250R, disregard any votes cast on Resolution 1 by or on behalf of a member of the key management personnel for the Company details of whose remuneration are included in the Remuneration Report, or a closely related party of any such a member. However, the Company need not disregard such a vote if the vote is not cast on behalf of such a person and is cast:

- (a) as a proxy by writing that specifies how the person is to vote on the resolution; or
- (b) by the chair of the meeting as a proxy, and the appointment does not specify the way the proxy is to vote and 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 key management personnel for the Company.

The term “closely related party” in relation to a member of the key management personnel includes a spouse, child, dependent and certain other close family members as well as any companies controlled by the member.

RESOLUTION 4 – APPROVAL OF EMPLOYEE SHARE OPTION PLAN

As required by the ASX Listing Rules, the Company will disregard any votes cast in favour of Resolution 4 by or on behalf of any person who is eligible to participate in the Employee Share Option Plan or by an associate of those persons. However, this does not apply to a vote cast in favour of Resolution 4 by:

- (a) a person as proxy or attorney for a person who is entitled to vote on the resolution, in accordance with the directions given to the proxy or attorney to vote on the resolution in that way; or
- (b) the chair of the meeting as proxy or attorney for a person who is entitled to vote on the resolution, in accordance with a direction given to the chair to vote on the resolution as the chair decides; or
- (c) the holder acting solely in a nominee, trustee, custodial or other fiduciary capacity on behalf of a beneficiary provided the following conditions are met:
 - a. the beneficiary provides written confirmation to the holder that the beneficiary is not excluded from voting, and is not an associate of a person excluded from voting on the resolution; and
 - b. the holder votes on the resolution in accordance with directions given by the beneficiary to the holder to vote in that way.

As required by the Corporations Act, no member of the Company’s key management personnel or a closely related party of any such member may vote as proxy on Resolution 4 unless:

- (a) the person votes as proxy appointed by writing that specifies how the person is to vote on Resolution 4; or
- (b) the person is the chair of the meeting and votes as a proxy appointed by writing that expressly authorises the chair to vote on Resolution 4 even though that resolution is connected with the remuneration of a member of the Company’s key management personnel.

RESOLUTION 5 – APPROVAL OF EXECUTIVE SHARE OPTION PLAN

As required by the ASX Listing Rules, the Company will disregard any votes cast in favour of Resolution 5 by or on behalf of any person who is eligible to participate in the Executive Share Option Plan or by an associate of those persons. However, this does not apply to a vote cast in favour of Resolution 5 by:

- (a) a person as proxy or attorney for a person who is entitled to vote on the resolution, in accordance with the directions given to the proxy or attorney to vote on the resolution in that way; or
- (b) the chair of the meeting as proxy or attorney for a person who is entitled to vote on the resolution, in accordance with a direction given to the chair to vote on the resolution as the chair decides; or

- (c) the holder acting solely in a nominee, trustee, custodial or other fiduciary capacity on behalf of a beneficiary provided the following conditions are met:
 - a. the beneficiary provides written confirmation to the holder that the beneficiary is not excluded from voting, and is not an associate of a person excluded from voting on the resolution; and
 - b. the holder votes on the resolution in accordance with directions given by the beneficiary to the holder to vote in that way.

As required by the Corporations Act, no member of the Company's key management personnel or a closely related party of any such member may vote as proxy on Resolution 5 unless:

- (a) the person votes as proxy appointed by writing that specifies how the person is to vote on Resolution 5; or
- (b) the person is the chair of the meeting and votes as a proxy appointed by writing that expressly authorises the chair to exercise the proxy even though that resolution is connected with the remuneration of a member of the Company's key management personnel.

RESOLUTION 6 – RATIFICATION OF PRIOR GRANT OF EMPLOYEE OPTIONS

In accordance with the ASX Listing Rules, the Company will disregard any votes cast in favour of Resolution 6 by or on behalf of a person who participated in the issue or an associate of those persons. However, this does not apply to a vote cast in favour of Resolution 6 by:

- (a) a person as proxy or attorney for a person who is entitled to vote on the resolution, in accordance with the directions given to the proxy or attorney to vote on the resolution in that way; or
- (b) the chair of the meeting as proxy or attorney for a person who is entitled to vote on the resolution, in accordance with a direction given to the chair to vote on the resolution as the chair decides; or
- (c) the holder acting solely in a nominee, trustee, custodial or other fiduciary capacity on behalf of a beneficiary provided the following conditions are met:
 - a. the beneficiary provides written confirmation to the holder that the beneficiary is not excluded from voting, and is not an associate of a person excluded from voting on the resolution; and
 - b. the holder votes on the resolution in accordance with directions given by the beneficiary to the holder to vote in that way.

Also as required by the Corporations Act, no member of the Company's key management personnel or closely related party of any such member may vote as proxy on Resolution 6 unless:

- (a) the person votes as proxy appointed by writing that specifies how the person is to vote on Resolution 6; or
- (b) the person is the chair of the meeting and votes as a proxy appointed by writing that expressly authorises the chair to exercise the proxy even though that resolution is connected with the remuneration of a member of the Company's key management personnel.

RESOLUTION 7 – RATIFICATION OF PRIOR GRANT OF CHIEF EXECUTIVE OFFICER OPTIONS

In accordance with the ASX Listing Rules, the Company will disregard any votes cast in favour of Resolution 7 by or on behalf of a person who participated in the issue (being Mike Wright, the Company's Chief Executive Officer) or his associates. However, this does not apply to a vote cast in favour of Resolution 7 by:

- (a) a person as proxy or attorney for a person who is entitled to vote on the resolution, in accordance with the directions given to the proxy or attorney to vote on the resolution in that way; or
- (b) the chair of the meeting as proxy or attorney for a person who is entitled to vote on the resolution, in accordance with a direction given to the chair to vote on the resolution as the chair decides; or
- (c) the holder acting solely in a nominee, trustee, custodial or other fiduciary capacity on behalf of a beneficiary provided the following conditions are met:
 - a. the beneficiary provides written confirmation to the holder that the beneficiary is not excluded from voting, and is not an associate of a person excluded from voting on the resolution; and
 - b. the holder votes on the resolution in accordance with directions given by the beneficiary to the holder to vote in that way.

Also as required by the Corporations Act, no member of the Company's key management personnel or closely related party of any such member may vote as proxy on Resolution 7 unless:

- (a) the person votes as proxy appointed by writing that specifies how the person is to vote on Resolution 7; or
- (b) the person is the chair of the meeting and votes as a proxy appointed by writing that expressly authorises the chair to exercise the proxy even though that resolution is connected with the remuneration of a member of the Company's key management personnel.

RESOLUTION 8 – APPROVAL OF TERMINATION BENEFITS

As required by the Corporations Act, no votes on Resolution 8 may be cast (in any capacity) by or on behalf of any person who may be entitled to receive a benefit in connection with that person's retirement from office or position of employment, the subject of Resolution 8, or an associate of such a person, except where there is a permitted proxy vote. A vote is a permitted proxy vote where it is:

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

Also as required by the Corporations Act, no member of the Company's key management personnel or closely related party of any such member may vote as proxy on Resolution 8 unless:

- (a) the person votes as proxy appointed by writing that specifies how the person is to vote on Resolution 8; or
- (b) the person is the chair of the meeting and votes as a proxy appointed by writing that expressly authorises the chair to exercise the proxy even though that resolution is connected with the remuneration of a member of the Company's key management personnel.

RESOLUTION 9 – APPROVAL OF ISSUE OF SECURITIES UNDER ASX LISTING RULE 7.1A

The Company will disregard any votes cast in favour of Resolution 9 by or on behalf of any person who is expected to participate in, 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 by an associate of those persons. However, this does not apply to a vote cast in favour of Resolution 9 by:

- (a) a person as proxy or attorney for a person who is entitled to vote on the resolution, in accordance with the directions given to the proxy or attorney to vote on the resolution in that way; or

- (b) the chair of the meeting as proxy or attorney for a person who is entitled to vote on the resolution, in accordance with a direction given to the chair to vote on the resolution as the chair decides; or
- (c) the holder acting solely in a nominee, trustee, custodial or other fiduciary capacity on behalf of a beneficiary provided the following conditions are met:
 - a. the beneficiary provides written confirmation to the holder that the beneficiary is not excluded from voting, and is not an associate of a person excluded from voting on the resolution; and
 - b. the holder votes on the resolution in accordance with directions given by the beneficiary to the holder to vote in that way.

GENERAL INFORMATION ON PROXY VOTING

Subject to the requirements of the Corporations Act in relation to Resolution 8, it is the intention of the Chairman to vote eligible undirected proxies in favour of the Resolutions.

In respect of Resolutions 1, 4, 5, 6, and 7, the proxy form contains an express authorisation for the Chairman to exercise undirected proxies even though this resolution is connected directly or indirectly with the remuneration of a member of key management personnel.

Those shareholders appointing a proxy who do not want the Chairman to cast their vote in favour of a Resolution should:

- (a) appoint the Chairman as proxy with a direction to cast votes in the manner directed; or
- (b) appoint a person other than the Chairman as proxy with or without a direction to cast votes 'for', 'against' or to 'abstain' from voting on these Resolutions (as the shareholder considers appropriate).

DATED: Friday 23 October 2020

BY ORDER OF THE BOARD

A handwritten signature in black ink, appearing to read 'A P Hutchison', with a long horizontal stroke extending to the right.

Alex Hutchison
NON-EXECUTIVE CHAIRMAN

EXPLANATORY STATEMENT

This Explanatory Statement has been prepared for the information of the shareholders of the Company in connection with the business to be conducted at the Annual General Meeting to be held virtually via a webinar conferencing facility on Wednesday 25 November 2020 at 11:00am (Sydney time).

The purpose of this Explanatory Statement is to provide information to assist shareholders in deciding whether or not to pass the Resolutions in this Notice of Annual General Meeting.

FINANCIAL STATEMENTS AND REPORTS

The business of the Annual General Meeting will include receipt and consideration of the annual financial report of the Company for the financial year ended 30 June 2020 together with the declaration of the directors, the directors' report, the remuneration report and the auditor's report.

RESOLUTION 1 – REMUNERATION REPORT

The remuneration report as set out in the directors' report in the Company's 2020 Annual Report must be put to the vote for its adoption in accordance with section 250R(2) of the Corporations Act. The vote on this resolution is advisory only and does not bind the directors or the Company.

The remuneration report sets out the Company's remuneration arrangements for the directors and senior management of the Company. The remuneration report is part of the directors' report for the financial year ended 30 June 2020. The 2020 Annual Report of the Company (containing the remuneration report) is available on the Company's website at www.xplorewealth.com.au.

Shareholders will be given a reasonable opportunity at the Annual General Meeting to ask questions about, or make comments on, the remuneration report.

If at least 25% of the votes cast are against the adoption of the remuneration report at this Annual General Meeting, and then again at the following annual general meeting, the Company will be required to put a resolution to the later annual general meeting to approve calling a further general meeting (**spill resolution**). If 50% or more of eligible votes cast are in favour of the spill resolution, the Company must convene a general meeting (**spill meeting**) within 90 days of the later annual general meeting. All of the directors who were in office when the directors' report considered at the later annual general meeting was approved, will need to stand for re-election at the spill meeting.

RESOLUTION 2 – RE-ELECTION OF DIRECTOR – STEPHEN REED

In general terms, clause 12.11(a) of the Company's constitution requires one-third of the directors to retire from office at the Company's Annual General Meeting.

The retiring director, Stephen Reed, is eligible for re-election and accordingly submits himself for re-election as a director of the Company.

The Board appointed Stephen Reed as an addition to the Board on 23 November 2017 and he was re-elected as a director at the Company's 2018 annual general meeting.

Mr Reed has extensive financial service experience including at Norwich Investments Management Ltd, as a Director and partner in Austock stockbroking companies and as founder and director of Austchoice Financial Services Ltd, listed on the ASX as DKN Ltd (ASX:DKN).

He has established a number of financial practices, acted as Responsible Manager on a number of others, and consulted to a number of financial services companies on strategy and marketing. He has also been a co-founder and past director of Manbulloo Ltd which over the past decade has grown into one of Australia's largest producers of mangoes.

Mr Reed's qualifications include Bachelor of Commerce (Melb), MBA (Monash) and Diploma of Financial Planning (Deakin).

He is currently a company secretary to one company and is on several private company boards.

Mr Reed held the position of non-executive director of Linear Financial Holdings Pty Ltd prior to the Company's merger with the Linear group. Given this position was a non-executive position, the Board considers Mr Reed to be an independent director despite his holding of this position.

Recommendation

The directors support the re-election of Mr Reed. They (other than Mr Reed) recommend that shareholders vote in favour of Resolution 2 due to Mr Reed's extensive financial services experience.

RESOLUTION 3 – RE-ELECTION OF DIRECTOR – JULIE BERRY

ASX Listing Rule 14.4 and clause 12.7(b) of the Company's constitution require that any director appointed as an addition to the Board or to fill a casual vacancy holds office only until the next annual general meeting of the Company and is eligible for re-election at that meeting.

The Board appointed Ms Julie Berry as a director to fill a casual vacancy on 9 December 2019. Accordingly, Ms Berry retires pursuant to ASX Listing Rule 14.4 and clause 12.7(b) of the Company's constitution and, being eligible, offers herself for re-election as a director.

Ms Berry is an accomplished director who has advised public listed entities and privately-owned businesses with an emphasis on advice and regulatory expertise. She is an experienced financial services director, with over 15 years of board experience.

Ms Berry currently serves as Director of the Tax Practitioner Board and as Director of the Future2 Foundation.

She was formerly Chair of a subsidiary company of ASX listed company CountPlus Ltd (ASX: CUP), Chair of the Financial Planning Association of Australia and Chair of the Institute of Financial Advisers in New Zealand.

Ms Berry was also an Australian representative to the international Financial Planning Standards Board Ltd, the Global Standards Body for financial planners comprising some 32 member countries.

Ms Berry holds a Diploma of Financial Planning, is a life member and fellow of Financial Planning Association of Australia and is a graduate of the Australian Institute of Company Directors.

She also owned a professional practice as a financial planner in a boutique fee-for-service model for over 12 years. In April 2018, Ms Berry sold equity and retired from full time work for the practice.

Ms Berry has received the Money Management Lifetime Achievement Award in 2018 as well as the FPA Distinguished Service Award.

The Company conducted appropriate checks into Ms Berry's background and experience and these checks did not reveal any information of concern.

The Board considers Ms Berry to be an independent director.

Recommendation

The directors support the re-election of Ms Berry. They (other than Ms Berry) recommend that shareholders vote in favour of Resolution 3 as Ms Berry is an experienced financial services director.

RESOLUTION 4 – APPROVAL OF EMPLOYEE SHARE OPTION PLAN

Broadly speaking, and subject to a number of exceptions, ASX Listing Rule 7.1 limits the amount of equity securities that a listed company can issue without the approval of its shareholders over any 12 month period to 15% of the fully paid ordinary shares it had on issue at the start of that period. ASX Listing Rule 7.1A permits eligible entities which have obtained shareholder approval by special resolution to issue equity securities representing up to an additional 10% of their issued capital by placements over a 12 month period after the annual general meeting. The Company is seeking shareholder approval under ASX Listing Rule 7.1A under Resolution 9 of this Notice.

ASX Listing Rule 7.2 Exception 13(b) excludes from the restrictions in ASX Listing Rules 7.1 and 7.1A an issue of securities under an employee incentive scheme if within 3 years before the issue date the holders of the Company's ordinary securities have approved the issue of securities under the scheme as an exception to ASX Listing Rule 7.2.

Accordingly, Resolution 4 seeks shareholder approval for the purposes of ASX Listing Rule 7.2 Exception 13(b).

If Resolution 4 is passed, grants of options under the Employee Share Option Plan (**Employee Plan**) in the 3 years following the approval, and the issue of the underlying shares on the exercise of such options (up to the maximum limits identified below), will not count towards the percentage limits described above.

If Resolution 4 is not passed, the Company will need to use its capacity under ASX Listing Rule 7.1 (and ASX Listing Rule 7.1A (if Resolution 9 is passed)) in order to grant options under the Employee Plan in the 3 years following the approval, and the issue of the underlying shares on the exercise of such options.

The maximum number of equity securities proposed to be issued under the Employee Plan following shareholder approval of Resolution 4 is 6.1 million options (and the issue of a maximum number of 6.1 million underlying ordinary shares on the exercise of such options).

The Employee Plan is governed by the Plan rules (**Employee Plan Rules**). Set out below is a summary of the Employee Plan Rules.

It is intended that the Employee Plan will enable the Company and its subsidiaries (**Group**) to retain and attract skilled and experienced employees, contractors and directors and provide them with the motivation to make the Group more successful. The Employee Plan is designed to support interdependence between the Company and eligible persons for their long-term mutual benefit.

Under the Employee Plan, an option is a right to subscribe for or acquire a fully paid ordinary share in the capital of the Company (**Share**).

The Board at its sole discretion may invite any eligible person selected by it to complete an application relating to a specified number of options allocated to that eligible person by the Board. The Board may offer options to any eligible person it determines and determine the extent of that person's participation in the Employee Plan (**Participant**). An offer by the Board shall specify the date of grant, the total number of options granted, exercise price and exercise period for the options and any other matters the Board determines, including exercise conditions attaching to the options.

Persons eligible to participate in the Employee Plan are, in relation to the Company or an associated body corporate of the Company, full-time or part-time employees (including executive directors), non-executive directors and contractors and casual employees who satisfy various conditions set out in the Employee Plan.

The Employee Plan has been prepared to comply with ASIC Class Order [CO14/1000]. As such, offers under the Employee Plan that are made in reliance on the Class Order are limited to the 5% capital limit set out in the Class Order.

Unless otherwise determined by the Board, no payment is required for the grant of options under the Employee Plan.

Options granted under the Employee Plan are not capable of being transferred or encumbered by a Participant, unless the Board determines otherwise.

Options do not carry any voting or dividend rights. Shares issued or transferred to Participants on exercise of an option carry the same rights and entitlements as other issued Shares, including dividend and voting rights.

The Company has no obligation to apply for quotation of the options on the ASX.

In general terms, options granted under the Employee Plan may only be exercised if the exercise conditions have been met, either the exercise price has been paid to the Company (or cashless exercise applies and is elected by the Participant) and the options are exercised within the exercise period relating to the option. An option granted under the Employee Plan may not be exercised once it has lapsed.

If cashless exercise applies to an option and a participant elects cashless exercise to apply to an option, then the Company will only issue that number of Shares (rounded down to the nearest whole number) as are equal in value to the difference between the exercise price otherwise payable for the options and the then market value of the Shares at the time of exercise (determined as the volume weighted average market price of the Shares sold on the ASX on the 5 business days immediately prior to the exercise date).

An option may be exercised, whether or not any or all applicable exercise conditions have been met, on the occurrence of a predominant control event, being, in general terms, where a person owns at least 90% of the issued ordinary share capital of the Company following an offer by the person for the whole of the issued share capital of the Company.

The Company will apply to ASX for official quotation of Shares issued upon exercise of options granted under the Employee Plan so long as the Shares are quoted on the official list of ASX at that time.

The Company may financially assist a person to pay any exercise price for an option, subject to compliance with the provisions of the Corporations Act and the ASX Listing Rules relating to financial assistance.

If a Participant ceases to be a director, an employee or a contractor of any member of the Group due to his or her resignation, dismissal for cause or poor performance or in any other circumstances determined by the Board:

- (i) all options held by the relevant Participant as at the date of cessation which are vested options will automatically lapse on the date of cessation, unless the Board determines otherwise, in which event the Board will determine the period within which those options may be exercised following the date of cessation (and the exercise period is amended accordingly), after which those options will immediately lapse; and
- (ii) all other options granted to that Participant will lapse as at the date of cessation.

If a Participant ceases to be a director, an employee or a contractor of any member of the Group for any other reason or in any other circumstances determined by the Board:

- (i) all options held by the relevant Participant as at the date of cessation which are vested options may be exercised by that Participant in the 6 month period following the date of cessation (and the exercise period is amended accordingly), after which those vested options will immediately lapse; and
- (ii) all other options granted to that Participant will lapse as at the date of cessation.

On liquidation of the Company, all options which are not vested options will automatically lapse.

If, in the opinion of the Board, a Participant has acted fraudulently or dishonestly, the Board may determine that any option granted to that Participant should lapse, and the option will lapse accordingly.

If an option has not lapsed earlier, it will lapse at the end of the exercise period.

In the event of any reconstruction of the share capital of the Company, the number of options to which each Participant is entitled and/or the exercise price of those Options must be reconstructed in accordance with the ASX Listing Rules. Options must be reconstructed in a manner which will not result in any additional benefits being conferred on Participants which are not conferred on other shareholders of the Company.

Holders of options issued under the Employee Plan may only participate in new issues of securities by the Company if they have first exercised their options within the relevant exercise period and become a shareholder of the Company prior to the relevant record date and are then only entitled to participate in relation to Shares of which they are the registered holder.

If there is a pro rata issue (except a bonus issue), the exercise price of an option will be reduced according to the formula in the Employee Plan Rules which reflects the formula in ASX Listing Rule 6.22.2.

If there is a bonus issue the number of Shares over which an option can be exercised will be increased by the number of Shares which the holder would have received if the option had been exercised before the record date for the bonus issue.

Options may not be granted and/or Shares may not be allotted and issued, acquired, transferred or otherwise dealt with under the Employee Plan if to do so would contravene the Corporations Act or any other applicable laws or regulations.

If and to the extent any rule of the Employee Plan is inconsistent with the ASX Listing Rules, if the ASX Listing Rules apply to the Company at the relevant time, the ASX Listing Rules will prevail in all respects to the extent of the inconsistency.

The Board may terminate or suspend the operation of the Employee Plan at any time. In passing a resolution to terminate or suspend the operation of the Employee Plan or to supplement or amend these rules, the Board must consider and endeavour to ensure that there is fair and equitable treatment of all Participants.

On termination of the Employee Plan, no compensation under any contract of employment, consultancy or directorship between an eligible person and a member of the Group will arise as a result.

The Employee Plan Rules also contain customary and usual terms having regard to Australian law for dealing with administration and costs of the Employee Plan.

As at the date of this Notice, the number of securities issued by the Company under the Employee Plan since the date of the last approval of the Employee Plan by shareholders on 24 November 2016 is 9,950,400 options and 163,000 shares issued upon exercise of options.

Voting restrictions in respect of this Resolution are set out in the Notice of Annual General Meeting, which this Explanatory Statement accompanies.

Recommendation

The directors recommend that shareholders vote in favour of Resolution 4.

RESOLUTION 5 – APPROVAL OF EXECUTIVE SHARE OPTION PLAN

Broadly speaking, and subject to a number of exceptions, ASX Listing Rule 7.1 limits the amount of equity securities that a listed company can issue without the approval of its shareholders over any 12 month period to 15% of the fully paid ordinary shares it had on issue at the start of that period. ASX Listing Rule 7.1A permits eligible entities which have obtained shareholder approval by special resolution to issue equity securities representing up to an additional 10% of their issued capital by placements over a 12 month period

after the annual general meeting. The Company is seeking shareholder approval under ASX Listing Rule 7.1A under Resolution 9 of this Notice.

ASX Listing Rule 7.2 Exception 13(b) excludes from the restrictions in ASX Listing Rules 7.1 and 7.1A an issue of securities under an employee incentive scheme if within 3 years before the issue date the holders of the Company's ordinary securities have approved the issue of securities under the scheme as an exception to ASX Listing Rule 7.2.

Accordingly, Resolution 5 seeks shareholder approval for the purposes of ASX Listing Rule 7.2 Exception 13(b).

If Resolution 5 is passed, grants of options under the Executive Share Option Plan (**Executive Plan**) in the 3 years following the approval, and the issue of the underlying shares on the exercise of such options (up to the maximum limits identified below), will not count towards the percentage limits described above.

If Resolution 5 is not passed, the Company will need to use its capacity under ASX Listing Rule 7.1 (and ASX Listing Rule 7.1A (if Resolution 9 is passed)) in order to grant options under the Executive Plan in the 3 years following the approval, and the issue of the underlying shares on the exercise of such options.

The maximum number of equity securities proposed to be issued under the Executive Plan following shareholder approval of Resolution 5 is 5.5 million options (and the issue of a maximum number of 5.5 million underlying ordinary shares on the exercise of such options).

The Executive Plan was first approved by shareholders at the Company's annual general meeting on 12 October 2017. The Executive Plan is governed by the Plan rules (**Executive Plan Rules**).

Offers under the Executive Plan will be made only to persons who are 'senior managers' within the meaning of the Corporations Act. As such, offers will not be made under the Executive Plan in reliance on ASIC Class Order [CO 14/1000] and are not subject to or included within the 5% limit set out in that Class Order.

Set out below is a summary of the Executive Plan Rules.

It is intended that the Executive Plan will enable the Group to retain and attract skilled and experienced senior employees, contractors and officers and provide them with the motivation to make the Group more successful.

Under the Executive Plan, an option is a right to subscribe for or acquire a fully paid ordinary share in the capital of the Company, subject to any adjustment required under the Executive Plan Rules.

Persons eligible to participate in the Executive Plan include an employee, contractor or officer of any member of the Group who is a senior manager of the Group for the purposes of section 708(12) of the Corporations Act and determined by the Board to be an eligible person for the purposes of the Executive Plan.

The Board at its sole discretion may invite any eligible person selected by it to complete an application relating to a specified number of options allocated to that eligible person by the Board. The Board may offer options to any eligible person it determines and determine the extent of that person's participation in the Executive Plan (**Participant**). An offer by the Board shall specify the date of grant, the total number of options granted, exercise price and exercise period for the options and any other matters the Board determines, including exercise conditions attaching to the options.

Unless otherwise determined by the Board, no payment is required for the grant of options under the Executive Plan.

Options granted under the Executive Plan are not capable of being transferred or encumbered by a Participant, unless the Board determines otherwise.

Options do not carry any voting or dividend rights. Shares issued or transferred to Participants on exercise of an option carry the same rights and entitlements as other issued Shares, including dividend and voting rights.

The Company has no obligation to apply for quotation of the options on the ASX.

In general terms, options granted under the Executive Plan may only be exercised if the exercise conditions have been met, the exercise price has been paid to the Company (or cashless exercise applies and is elected by the Participant) and the options are exercised within the exercise period relating to the option. An option granted under the Executive Plan may not be exercised once it has lapsed.

If cashless exercise applies to an option and a participant elects cashless exercise to apply to an option, then the Company will only issue that number of Shares (rounded down to the nearest whole number) as are equal in value to the difference between the exercise price otherwise payable for the options and the then market value of the Shares at the time of exercise (determined as the volume weighted average market price of the Shares sold on the ASX on the 5 business days immediately prior to the exercise date).

An option may be exercised, whether or not any or all applicable exercise conditions have been met, on the occurrence of a predominant control event, being, in general terms, where a person owns at least 90% of the issued ordinary share capital of the Company following an offer by the person for the whole of the issued share capital of the Company.

The Company will apply to ASX for official quotation of Shares issued upon exercise of options granted under the Executive Plan so long as the Shares are quoted on the official list of ASX at that time.

The Company may financially assist a person to pay any exercise price for an option, subject to compliance with the provisions of the Corporations Act and the ASX Listing Rules relating to financial assistance.

If a Participant ceases to be a director, an employee or a contractor of any member of the Group due to his or her resignation, dismissal for cause or poor performance or in any other circumstances determined by the Board:

- (i) all options held by the relevant Participant as at the date of cessation which are vested options will automatically lapse on the date of cessation, unless the Board determines otherwise, in which event the Board will determine the period within which those options may be exercised following the date of cessation (and the exercise period is amended accordingly), after which those options will immediately lapse; and
- (ii) all other options granted to that Participant will lapse as at the date of cessation, unless the Board determines otherwise.

If a Participant ceases to be a director, an employee or a contractor of any member of the Group for any other reason or in any other circumstances determined by the Board:

- (i) all options held by the relevant Participant as at the date of cessation which are vested options may be exercised by that Participant in the 6 month period following the date of cessation (and the exercise period is amended accordingly), after which those vested options will immediately lapse; and
- (ii) all other options granted to that Participant will lapse as at the date of cessation, unless the Board determines otherwise.

On liquidation of the Company, all options which are not vested options will automatically lapse.

If, in the opinion of the Board, a Participant has acted fraudulently or dishonestly, the Board may determine that any option granted to that Participant should lapse, and the option will lapse accordingly.

If an option has not lapsed earlier, it will lapse at the end of the exercise period.

In the event of any reconstruction of the share capital of the Company, the number of options to which each Participant is entitled and/or the exercise price of those options must be reconstructed in accordance with the ASX Listing Rules. Options must be reconstructed in a manner which will not result in any additional benefits being conferred on Participants which are not conferred on other shareholders of the Company.

Holders of options issued under the Executive Plan may only participate in new issues of securities by the Company if they have first exercised their options within the relevant exercise period and become a shareholder of the Company prior to the relevant record date and are then only entitled to participate in relation to Shares of which they are the registered holder.

If there is a pro rata issue (except a bonus issue), the exercise price of an option will be reduced according to the formula in the Executive Plan Rules which reflects the formula in ASX Listing Rule 6.22.2.

If there is a bonus issue the number of Shares over which an option can be exercised will be increased by the number of Shares which the holder would have received if the option had been exercised before the record date for the bonus issue.

Options may not be granted and/or Shares may not be allotted and issued, acquired, transferred or otherwise dealt with under the Executive Plan if to do so would contravene the Corporations Act or any other applicable laws or regulations.

If and to the extent any rule of the Executive Plan is inconsistent with the ASX Listing Rules, if the ASX Listing Rules apply to the Company at the relevant time, the ASX Listing Rules will prevail in all respects to the extent of the inconsistency.

The Board may terminate or suspend the operation of the Executive Plan at any time. In passing a resolution to terminate or suspend the operation of the Executive Plan or to supplement or amend these rules, the Board must consider and endeavour to ensure that there is fair and equitable treatment of all Participants.

On termination of the Executive Plan, no compensation under any contract of employment, consultancy or directorship between an eligible person and a member of the Group will arise as a result.

The Executive Plan Rules also contain customary and usual terms having regard to Australian law for dealing with administration and costs of the Executive Plan.

As at the date of this Notice, the number of securities issued by the Company under the Executive Plan since the date of the last approval of the Executive Plan by shareholders on 12 October 2017 is 18,075,000 options and zero shares issued upon exercise of options.

Voting restrictions in respect of this Resolution are set out in the Notice of Annual General Meeting, which this Explanatory Statement accompanies.

Recommendation

The directors recommend that shareholders vote in favour of Resolution 5.

RESOLUTION 6 – RATIFICATION OF PRIOR GRANT OF EMPLOYEE OPTIONS

Background

In March 2020, the Company used its capacity under ASX Listing Rule 7.1 to grant 5,781,400 staff options under the Employee Plan and 14,325,000 executive options under the Executive Plan.

The options were granted on the following terms, subject to the relevant plan rules:

- (a) each option gives the right to subscribe for or acquire one ordinary share in the Company;

- (b) nil consideration was payable for the option grant;
- (c) exercise price is \$0.18 per option;
- (d) 'cashless exercise' is permitted with respect to the options (in which case no cash is payable but a fewer number of shares is issued);
- (e) options vest on 31 August 2020 but subject to the satisfaction of specific exercise conditions associated with the performance of the relevant staff member; and
- (f) exercise period ends 4 years after the date of grant of the options.

It is noted that 2,759,668 of the granted staff options and 10,922,900 of the granted executive options lapsed on 31 August 2020 as specific exercise conditions were not met.

ASX Listing Rules

Broadly speaking, and subject to a number of exceptions, ASX Listing Rule 7.1 limits the amount of equity securities that a listed company can issue without the approval of its shareholders over any 12 month period to 15% of the fully paid ordinary shares it had on issue at the start of that period.

The issue of employee options under this Resolution 6 does not fall within any of these exceptions and as the issue has not yet been approved by the Company's shareholders, it effectively uses up the 15% limit in ASX Listing Rule 7.1, reducing the Company's capacity to issue further equity securities without shareholder approval under ASX Listing Rule 7.1 for the 12 month period following the relevant issue date in March 2020.

ASX Listing Rule 7.4 allows the shareholders of a listed company to approve an issue of equity securities after it has been made or agreed to be made. If they do, the issue is taken to have been approved under ASX Listing Rule 7.1 and so does not reduce the Company's capacity to issue further equity securities without shareholder approval under that rule.

The Company wishes to retain as much flexibility as possible to issue additional equity securities into the future without having to obtain shareholder approval for such issues under ASX Listing Rule 7.1.

To this end, Resolution 6 seeks shareholder approval to the issue of the employee options under and for the purposes of ASX Listing Rule 7.4 and for all other purposes.

If Resolution 6 is passed, the issue of the employee options will be excluded in calculating the Company's 15% limit in ASX Listing Rule 7.1, effectively increasing the number of equity securities it can issue without shareholder approval over the 12 month period following the relevant issue date.

If Resolution 6 is not passed, the issue of the employee options will be included in calculating the Company's 15% limit in ASX Listing Rule 7.1, effectively decreasing the number of equity securities it can issue without shareholder approval over the 12 month period following the relevant issue date.

ASX Listing Rule 7.5 requires the following information to be provided to shareholders:

- (a) the persons to whom the Company granted the options were staff and executives of the Group;
- (b) 5,781,400 staff options were granted under the Employee Plan and 14,325,000 executive options were granted under the Executive Plan and are covered by this Resolution 6;
- (c) a summary of the material terms of the granted options is set out above. A summary of the terms of each of the Employee Plan and the Executive Plan is set out in this Explanatory Statement in relation to Resolution 4 and Resolution 5 respectively;
- (d) the staff options were granted on 12 March 2020 or 13 March 2020;

- (e) as set out above nil consideration was payable for the option grants and the exercise price is \$0.18 per option;
- (f) no consideration was payable for the grant of options so the Company does not have an intended use of funds raised. Group-wide staff participation in the Company's Executive Plan and Employee Plan is intended to enable the Company and its subsidiaries to attract, retain and incentivise skilled employees. The intent is also to illicit a more collaborative, motivated and performance driven culture, thus facilitating the achievement by the Company of its significant business and strategic objectives. We want our people to care about the performance of the Company; and
- (g) Resolution 6 is subject to a voting exclusion statement (see the Notice of Annual General Meeting).

Recommendation

The directors recommend that shareholders vote in favour of Resolution 6.

RESOLUTION 7 – RATIFICATION OF PRIOR GRANT OF CHIEF EXECUTIVE OFFICER OPTIONS

Background

On 16 March 2020, the Company used its capacity under ASX Listing Rule 7.1 to grant 2,000,000 options to the Company's Chief Executive Officer (Michael Wright) under the Executive Plan (**CEO Options**) on the following terms, subject to the plan rules:

- (a) each option gives the right to subscribe for or acquire one ordinary share in the Company;
- (b) nil consideration was payable for the option grant;
- (c) exercise price is \$0.25 per option (for 50% of the options) and \$0.30 per option (for 50% of the options);
- (d) 'cashless exercise' is permitted with respect to the options (in which case no cash is payable but a fewer number of shares is issued);
- (e) options vest in 2 separate equal tranches on 31 August 2020 and 31 August 2021 but subject to the continued employment of Mr Wright with the group; and
- (f) exercise period ends 4 years after the date of grant of the options.

ASX Listing Rules

Broadly speaking, and subject to a number of exceptions, ASX Listing Rule 7.1 limits the amount of equity securities that a listed company can issue without the approval of its shareholders over any 12 month period to 15% of the fully paid ordinary shares it had on issue at the start of that period.

The issue of the CEO Options under this Resolution 7 does not fall within any of these exceptions and as the issue has not yet been approved by the Company's shareholders, it effectively uses up the 15% limit in ASX Listing Rule 7.1, reducing the Company's capacity to issue further equity securities without shareholder approval under ASX Listing Rule 7.1 for the 12 month period following the issue date on 16 March 2020.

ASX Listing Rule 7.4 allows the shareholders of a listed company to approve an issue of equity securities after it has been made or agreed to be made. If they do, the issue is taken to have been approved under ASX Listing Rule 7.1 and so does not reduce the Company's capacity to issue further equity securities without shareholder approval under that rule.

The Company wishes to retain as much flexibility as possible to issue additional equity securities into the future without having to obtain shareholder approval for such issues under ASX Listing Rule 7.1.

To this end, Resolution 7 seeks shareholder approval to the issue of the CEO Options under and for the purposes of ASX Listing Rule 7.4 and for all other purposes.

If Resolution 7 is passed, the issue of the CEO Options will be excluded in calculating the Company's 15% limit in ASX Listing Rule 7.1, effectively increasing the number of equity securities it can issue without shareholder approval over the 12 month period following the issue date on 16 March 2020.

If Resolution 7 is not passed, the issue of the CEO Options will be included in calculating the Company's 15% limit in ASX Listing Rule 7.1, effectively decreasing the number of equity securities it can issue without shareholder approval over the 12 month period following the issue date on 16 March 2020.

ASX Listing Rule 7.5 requires the following information to be provided to shareholders:

- (a) the CEO Options were granted to the Company's Chief Executive Officer (Mike Wright);
- (b) 2,000,000 CEO Options were granted under the Executive Plan and are covered by this Resolution 7;
- (c) a summary of the material terms of the CEO Options is set out above. A summary of the terms of the Executive Plan is set out in this Explanatory Statement in relation to Resolution 5;
- (d) the CEO Options were granted on 16 March 2020;
- (e) as set out above nil consideration was payable for the option grants and the exercise price is \$0.25 per option (for 50% of the options) and \$0.30 per option (for 50% of the options);
- (f) no consideration was payable for the grant of the CEO Options so the Company does not have an intended use of funds raised. Participation in the Company's Executive Plan is intended to enable the Company and its subsidiaries to attract, retain and incentivise skilled employees. The intent is also to illicit a more collaborative, motivated and performance driven culture, thus facilitating the achievement by the Company of its significant business and strategic objectives; and
- (g) Resolution 7 is subject to a voting exclusion statement (see the Notice of Annual General Meeting).

Recommendation

The directors recommend that shareholders vote in favour of Resolution 7.

RESOLUTION 8 – APPROVAL OF TERMINATION BENEFITS

Background

Under section 200B of the Corporations Act, the Company must not give a person a benefit in connection with a person's retirement from an office, or position of employment, in the Company or its related bodies corporate (**Group Company**) if:

- (a) the office or position is a managerial or executive office; or
- (b) the person has, at any time during the last three years before their retirement, held a managerial or executive office in a Group Company,

unless shareholder approval is obtained under section 200E of the Corporations Act for the giving of the benefit (or if a specified exception applies).

A "benefit" is defined broadly in the Corporations Act to include a payment or other valuable consideration. It also includes the accelerated or automatic vesting of share-based payments on or as a result of retirement from an office or position.

Having regard to the potentially wide application of the restriction under section 200B of the Corporations Act, the Board considers it to be appropriate and prudent to seek shareholder approval under sections 200B and 200E of the Corporations Act, so that termination benefits may be provided to relevant executives under the Company's Employee Share Option Plan and Executive Share Option Plan (**Option Plans**) without breach of the Corporations Act.

Who does the approval relate to?

Approval is being sought in respect of any current or future person who, at the time of his or her cessation from his or her office or employment, or at any time during the last three years before his or her cessation from his or her office or employment, held a managerial or executive office in a Group Company (**Relevant Executives**). This includes members of the Company's key management personnel.

What is the Company seeking approval for?

Shareholder approval is sought for the purposes of sections 200B and 200E of the Corporations Act for termination benefits given under the Option Plans to the Relevant Executives in connection with their cessation of employment with a Group Company. The potential termination benefits will relate to the treatment of options granted under the Option Plans including the lapsing and vesting of options and the timing of lapsing and vesting of options of Relevant Executives who cease their office or employment with a Group Company.

What is the value of the potential termination benefits?

Under section 200E of the Corporations Act, when seeking shareholder approval of a termination benefit, shareholders must be given details of the amount or value of the proposed payment or benefit, or if that amount or value cannot be ascertained at the time of disclosure, the manner in which that amount or value is to be calculated and any matter, event or circumstance that will, or is likely to, affect the calculation of that amount or value.

The value of potential termination benefits cannot be ascertained in advance, as the benefits are dependent on a number of matters which will likely affect calculation of the value. The following are matters, events and circumstances which will, or are likely to, affect the calculation of the amount or value of the potential termination benefits that may be given under the Option Plans:

- (a) the circumstances of the Relevant Executive's cessation of employment (for example, whether the cessation of employment arises due to termination by the Group Company or the Relevant Executive, and for what reason);
- (b) the number of options held by the Relevant Executive at the time of cessation of employment;
- (c) any applicable performance or exercise conditions and the achievement of such conditions;
- (d) if any performance conditions are applicable, the personal performance of the Relevant Executive;
- (e) the portion of the performance period served by the Relevant Executive up to the cessation of employment;
- (f) the market price of the Company's shares on the Australian Securities Exchange at the relevant time;
- (g) the exercise price of the Relevant Executive's options; and
- (h) any other factors that the Board considers to be relevant.

The value of potential termination benefits that may be given to Relevant Executives under the Option Plans will be calculated considering these factors.

Approval is sought for a three year period

If approval of Resolution 8 is obtained, it will be effective from the date of this meeting until the conclusion of the Company's 2023 Annual General Meeting. This means that the approval will apply in respect of any termination of a Relevant Executive during that period.

Shareholder approval under this Resolution 8 does not relieve a director of the Company of any of his director's duties to the Company. In addition, approval under this Resolution 8 does not relieve the Company of any obligation to comply with the requirements of the ASX Listing Rules in relation to any proposed change to the terms of options.

Recommendation

The directors recommend that shareholders vote in favour of Resolution 8.

RESOLUTION 9 – APPROVAL OF ISSUE OF SECURITIES UNDER ASX LISTING RULE 7.1A

Broadly speaking, and subject to a number of exceptions, ASX Listing Rule 7.1 limits the amount of equity securities that a listed company can issue without the approval of its shareholders over any 12 month period to 15% of the fully paid ordinary securities it had on issue at the start of that period.

Under ASX Listing Rule 7.1A, however, an eligible entity can seek approval from its members, by way of a special resolution passed at its annual general meeting, to increase this 15% limit by an extra 10% to 25%.

Resolution 9 seeks shareholder approval by way of special resolution for the Company to have the additional 10% capacity provided for in ASX Listing Rule 7.1A to issue equity securities without shareholder approval (**Additional Placement Capacity**). The exact number of equity securities to be issued is not fixed and will be determined in accordance with the formula prescribed in ASX Listing Rule 7.1A.2 (see below).

If Resolution 9 is passed, the Company will be able to issue equity securities up to the combined 25% limit in ASX Listing Rule 7.1 and 7.1A without any further shareholder approval.

If Resolution 9 is not passed, the Company will not be able to access the additional 10% capacity to issue equity securities without shareholder approval provided for in ASX Listing Rule 7.1A and will remain subject to the 15% limit on issuing equity securities without shareholder approval set out in ASX Listing Rule 7.1.

Relevant Requirements of ASX Listing Rule 7.1A

(a) Eligible entities

An eligible entity for the purposes of ASX Listing Rule 7.1A is an entity that is not included in the S&P/ASX 300 Index and has a market capitalisation of \$300 million or less. The Company is an eligible entity for these purposes.

(b) Shareholder approval

The Additional Placement Capacity must be approved by special resolution at an annual general meeting. A resolution under ASX Listing Rule 7.1A cannot be put at any other shareholder meeting. As a special resolution, Resolution 9 requires approval of 75% of the votes cast by shareholders present and eligible to vote.

(c) Equity Securities

Equity securities issued under the Additional Placement Capacity must be in the same class as an existing class of equity securities of the Company that are quoted on ASX and must be issued for a cash consideration. As at the date of this Notice of Annual General Meeting, the Company has only one class of equity securities quoted on ASX, being fully paid ordinary shares (**Shares**).

(d) Formula for calculating number of Equity Securities that may be issued under the Additional Placement Capacity

If Resolution 9 is passed, the Company may issue or agree to issue, during the period of approval, the number of equity securities calculated in accordance with the following formula in ASX Listing Rule 7.1A.2:

(AxD)-E

Where:

A	The number of fully paid ordinary securities on issue 12 months before the date of issue or agreement to issue: <ul style="list-style-type: none"> plus the number of ordinary securities to be added as set out in ASX Listing Rule 7.1; and less the number of fully paid ordinary securities cancelled in the relevant period.
D	10%
E	The number of equity securities issued or agreed to be issued under ASX Listing Rule 7.1A.2 in the 12 months before the date of issue or agreement to issue where the issue or agreement has not been subsequently approved by the holders of its ordinary securities under ASX Listing Rule 7.4.

Information for Shareholders as required by ASX Listing Rule 7.3A

In accordance with ASX Listing Rule 7.3A, information is provided in relation to the Additional Placement Capacity as follows:

(a) Minimum price

The issue price of the new equity securities will be no lower than 75% of the volume weighted average price (**VWAP**) for securities in the relevant quoted class calculated over the 15 trading days on which trades in that class were recorded immediately before:

- the date on which the price of the equity securities to be issued is agreed by the entity and the recipient of the securities; or
- if the equity securities are not issued within 10 trading days of the date above, the date on which the equity securities are issued.

(b) Risk of economic and voting dilution

If Resolution 9 is passed and the Company issues equity securities under the Additional Placement Facility, existing shareholders' economic interests may be diluted if the equity securities are issued at a discount. Further, existing shareholders' voting power in the Company will be diluted as shown in the table below, by up to 9.09%.

There is a risk that:

- the market price for the Company's existing equity securities may be significantly lower on the date of issue of the new equity securities than on the date of the shareholder approval at the Annual General Meeting; and
- the new equity securities may be issued at a price that is at a discount to the market price of the Company's existing equity securities on the issue date,

which may have an effect on the amount of funds raised by the issue of the new equity securities, and also on the Company's Share price post issue of the equity securities.

The following table shows the dilution of existing shareholders on the basis of the current market price of the Shares and the current number of Shares as at the date of this Notice of Annual General Meeting for variable "A".

The table also shows:

- two examples where variable "A" has increased by 50% and 100%. Variable "A" is based on the number of Shares the Company has on issue as at the date of this Notice of Annual General Meeting. The number of Shares may increase as a result of issues of Shares that do not require shareholder approval (for example a pro rata entitlement issue or scrip issued under a takeover offer) or future placements under ASX Listing Rule 7.1 that are approved by shareholders in the future; and
- two examples of where the issue price of Shares has decreased by 50% and increased by 50% as against the current market Share price (which, for the purposes of this table, is \$0.069 as at 14 October 2020).

Variable 'A' in ASX Listing Rule 7.1A.2		Dilution		
		\$0.0345	\$0.069	\$0.1035
		Assuming 50% decrease in Issue Price	Issue Price	Assuming 50% increase in Issue Price
Current Variable A (297,536,240 Shares)	Number of Shares that could be issued under the Additional Placement Capacity (10%)	29,753,624 Shares	29,753,624 Shares	29,753,624 Shares
	Funds raised	\$1,026,500	\$2,053,000	\$3,079,500
50% increase in current Variable A (446,304,360 Shares)	Number of Shares that could be issued under the Additional Placement Capacity (10%)	44,630,436 Shares	44,630,436 Shares	44,630,436 Shares
	Funds raised	\$1,539,750	\$3,079,500	\$4,619,250
100% increase in current Variable A (595,072,480 Shares)	Number of Shares that could be issued under the Additional Placement Capacity (10%)	59,507,248 Shares	59,507,248 Shares	59,507,248 Shares
	Funds raised	\$2,053,000	\$4,106,000	\$6,159,000

This table has been prepared on the following assumptions:

- The Company issues the maximum number of equity securities available under the Additional Placement Capacity.
- No options are exercised into Shares before the date of the issue of the equity securities under the Additional Placement Capacity.
- The table does not show an example of the economic dilution that may be caused to a particular shareholder's shareholding by reason of placements under the Additional Placement Capacity, based on that shareholder's holding at the date of the Annual General Meeting.
- The table shows only the effect of issues of equity securities under ASX Listing Rule 7.1A on the basis of the Company's current issued share capital, not under the 15% placement capacity under ASX Listing Rule 7.1.
- The issue of equity securities under the Additional Placement Capacity consists only of Shares.
- The issue price is assumed to be the Share price of \$0.069 at market close on 14 October 2020 (rather than being based on the 15 day VWAP).
- In each case, an issue of the maximum number of Shares under the Additional Placement Capacity would dilute the shareholders as at the date immediately prior to the issue by up to 9.09%. For example, based on the current number of Shares, existing Shareholders would have 297,536,240 votes out of a total post-issue number of Shares of 327,289,864, representing 90.9% of the post-issue total number of Shares (or a dilution of 9.09%).

(c) Placement Period

Shareholder approval of the Additional Placement Capacity under ASX Listing Rule 7.1A is valid from 27 November 2020 (the date of the Annual General Meeting) and expires on the first to occur of:

- the date that is 12 months after the date of the Annual General Meeting (being 27 November 2021);
- the time and date of the Company's next Annual General Meeting; and

- the time and date of the approval by shareholders of a transaction under ASX Listing Rule 11.1.2 (a significant change to the nature or scale of activities) or ASX Listing Rule 11.2 (disposal of main undertaking);

(the **Placement Period**).

(d) Purposes for which the new equity securities may be issued

The Company may seek to issue new equity securities for cash consideration to raise funds for 'business as usual' platform development and integration, client acquisition and business development opportunities, other growth opportunities and/or for general working capital.

(e) Allocation policy

The Company's allocation policy for the issue of new equity securities under the Additional Placement Capacity will depend on the market conditions existing at the time of the proposed issue. The allottees will be determined at the relevant time having regard to factors such as:

- the purpose of the issue;
- the methods of raising funds that are available to the Company, including but not limited to, rights issues or other issues in which existing shareholders can participate and other forms of equity and debt financing;
- the effect of the issue of new equity securities on the control of the Company;
- the circumstances of the Company, including, but not limited to, the financial situation of the Company; and
- advice from corporate, financial and broking advisers (as relevant).

As at the date of this Notice of Annual General Meeting the allottees are not known but may include existing substantial shareholders and/or new shareholders. No allottee under the Additional Placement Capacity is intended to be a related party or an associate of a related party. Existing shareholders may or may not be entitled to subscribe for any equity securities issued under the Additional Placement Capacity and it is possible that their shareholding will be diluted.

The Company will comply with the disclosure obligations under ASX Listing Rule 7.1A.4 on the issue of any new equity securities.

(f) Details of equity securities issued under earlier placement capacity approval

The Company has not issued or agreed to issue any equity securities under ASX Listing Rule 7.1A.2 in the 12 months preceding the date of the Annual General Meeting.

(g) Voting exclusion

A voting exclusion statement is included in this Notice of Annual General Meeting.

However, as at the date of this Notice of Annual General Meeting, the Company is not proposing to make an issue of equity securities under ASX Listing Rule 7.1A.2 and the Company has not approached any particular existing shareholder or security holder or an identifiable class of existing security holder to participate in any proposed issue of equity securities under the proposed Additional Placement Capacity. It is therefore intended that no existing shareholder's votes will be excluded under the voting exclusion in the Notice of Annual General Meeting.

Recommendation

The directors recommend that shareholders vote in favour of Resolution 9.

23 October 2020

SAVE TIME & VOTE ONLINE: registrydirect.com.au/investor

Investor Name(s)
<designation>
C/O Example Ltd
PO BOX 0000
MELBOURNE VIC 3000

PROXY FORM

Please complete and return this form if you wish to appoint a proxy and/or direct how you want your votes cast at the Annual General Meeting of Xplore Wealth Limited to be held at 11:00 a.m. AEDT on Wednesday, 25 November 2020 and at any adjournment or postponement of the meeting. This form must be completed and returned by 11:00 a.m. AEDT on Monday, 23 November 2020.

Alternatively, you can appoint a proxy and/or direct how you want your votes cast online at

<https://www.registrydirect.com.au/investor/>.

Step 1 - Appoint your Proxy

I/We are or represent a member/s of Xplore Wealth Limited and entitled to attend and vote hereby appoint:

☐

the Chairman of the
Meeting (mark box
with 'X')

OR

Write here the name of the person (or body
corporate) you are appointing if this person is
someone other than the Chairman of the Meeting

or failing attendance at the meeting of the person or body corporate named above, or if no person is named, the Chairman of the Meeting, to act generally at the meeting on my/our behalf and to vote in accordance with the directions on this proxy form or, if no directions have been given and to the extent permitted by law, as he or she sees fit, at the Annual General Meeting of Xplore Wealth Limited to be held at 11:00 a.m. AEDT on Wednesday, 25 November 2020 and at any adjournment or postponement of the meeting.

This form authorises our proxy to vote on the lesser of

☐

all our securities

OR

☐

_____ securities

I/We acknowledge, if the Chairman of the Meeting is appointed as our proxy (or becomes our proxy by default), the Chairman of the Meeting intends to vote undirected proxies in the manner set out with each resolution below, even when the Chairman of the Meeting has a conflict of interest.

Step 2 - Direct how your votes are to be cast

Resolution 1

REMUNERATION REPORT

Resolution type: **Non binding**

Board recommendation: **Not provided**

Chairman's voting intention: **For**

FOR

☐

AGAINST

☐

ABSTAIN

☐

PROXY'S DISCRETION

☐

Note: If you appoint the Chairman of the Meeting as your proxy or he is appointed as your proxy by default, by not marking any of the "For", "Against" or "Abstain" boxes you will have expressly authorised the Chairman of the Meeting to exercise the proxy at his discretion for Resolution 1 even though this Resolution is connected directly or indirectly with the remuneration of a member of the key management personnel.

Resolution 2

RE-ELECTION OF DIRECTOR – STEPHEN REED

Resolution type: **Ordinary**

Board recommendation: **For**

Chairman's voting intention: **For**

FOR

☐

AGAINST

☐

ABSTAIN

☐

PROXY'S DISCRETION

☐

Resolution 3

RE-ELECTION OF DIRECTOR – JULIE BERRY

Resolution type: **Ordinary**

Board recommendation: **For**

Chairman's voting intention: **For**

FOR

☐

AGAINST

☐

ABSTAIN

☐

PROXY'S DISCRETION

☐

Resolution 4

APPROVAL OF EMPLOYEE SHARE OPTION PLAN

Resolution type: **Ordinary**

Board recommendation: **For**

Chairman's voting intention: **For**

FOR

☐

AGAINST

☐

ABSTAIN

☐

PROXY'S DISCRETION

☐

Note: If you appoint the Chairman of the Meeting as your proxy or he is appointed as your proxy by default, by not marking any of the "For", "Against" or "Abstain" boxes you will have expressly authorised the Chairman of the Meeting to exercise the proxy at his discretion for Resolution 4 even though this Resolution is connected directly or indirectly with the remuneration of a member of the key management personnel.

Resolution 5

APPROVAL OF EXECUTIVE SHARE
OPTION PLAN

Resolution type: **Ordinary**

Board recommendation: **For**

Chairman's voting intention: **For**

FOR

☐

AGAINST

☐

ABSTAIN

☐

PROXY'S DISCRETION

☐

Note: If you appoint the Chairman of the Meeting as your proxy or he is appointed as your proxy by default, by not marking any of the "For", "Against" or "Abstain" boxes you will have expressly authorised the Chairman of the Meeting to exercise the proxy at his discretion for Resolution 5 even though this Resolution is connected directly or indirectly with the remuneration of a member of the key management personnel.

Resolution 6

RATIFICATION OF PRIOR GRANT OF
EMPLOYEE OPTIONS

Resolution type: **Ordinary**

Board recommendation: **For**

Chairman's voting intention: **For**

FOR

☐

AGAINST

☐

ABSTAIN

☐

PROXY'S DISCRETION

☐

Note: If you appoint the Chairman of the Meeting as your proxy or he is appointed as your proxy by default, by not marking any of the "For", "Against" or "Abstain" boxes you will have expressly authorised the Chairman of the Meeting to exercise the proxy at his discretion for Resolution 6 even though this Resolution is connected directly or indirectly with the remuneration of a member of the key management personnel.

Resolution 7

RATIFICATION OF PRIOR GRANT OF
CHIEF EXECUTIVE OFFICER OPTIONS

Resolution type: **Ordinary**

Board recommendation: **For**

Chairman's voting intention: **For**

FOR

☐

AGAINST

☐

ABSTAIN

☐

PROXY'S DISCRETION

☐

Note: If you appoint the Chairman of the Meeting as your proxy or he is appointed as your proxy by default, by not marking any of the "For", "Against" or "Abstain" boxes you will have expressly authorised the Chairman of the Meeting to exercise the proxy at his discretion for Resolution 7 even though this Resolution is connected directly or indirectly with the remuneration of a member of the key management personnel.

Resolution 8

APPROVAL OF TERMINATION BENEFITS

Resolution type: **Ordinary**

Board recommendation: **For**

Chairman's voting intention: **Abstain**

FOR

☐

AGAINST

☐

ABSTAIN

☐

PROXY'S DISCRETION

☐

Resolution 9

APPROVAL OF ISSUE OF SECURITIES
UNDER ASX LISTING RULE 7.1A

Resolution type: **Special**

Board recommendation: **For**

Chairman's voting intention: **For**

FOR

☐

AGAINST

☐

ABSTAIN

☐

PROXY'S DISCRETION

☐

Step 3 - Sign this form

Shareholder 1 (individual)

Sole Director & Sole Company Secretary

Joint Shareholder 2 (individual)

Director/Company Secretary (Delete one)

Joint Shareholder 3 (individual)

Director

Date

Contact name

Mobile number

Email

By providing an email you agree to receive future communications electronically

SIGNING INSTRUCTIONS FOR THE PROXY FORM

Individual:

Where the holder is an individual, 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 are executing the Proxy Form under a Power of Attorney and have not previously supplied a copy, please attach a certified copy of the Power of Attorney to the Proxy Form when you return it.

Companies:

When the holder is a company, and the company has a sole director who is also the sole company secretary, the Proxy 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 the Proxy 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 and delete titles as applicable.

RETURNING THE PROXY FORM


Please note our preference is you appoint your proxy and direct how you require your vote/s be cast online. If you perform these actions online, you will not need to complete or return the Proxy Form. You can complete these actions by logging in to your account at www.registrydirect.com.au/investor.

You can return the Proxy Form by:


EMAIL:

 registry@registrydirect.com.au

POST:

 10 Exon Street
BRIGHTON Victoria 3186

FAX:

 +61 3 9111 5652