



XREALITY GROUP LIMITED

xReality Group Limited (ASX:XRG)

ACN 154 103 607

ASX Release

Sydney, Australia – 6th November 2023

2023 Notice of Annual General Meeting

xReality Group Limited (“XRG” or the “Company”) confirms that the 2023 Annual General Meeting is to be held on 21 November 2023 at 12:00pm (AEDT) at the Australian Institute of Company Directors, 18 Jamison St, Sydney NSW. The attached Notice of Meeting was dispatched to Shareholders on 20 October 2023, however, due to an administrative issue, this notice failed to be uploaded on the ASX platform in accordance with listing rule 3.17.1.

We now attach the **2023 Notice of Annual General Meeting**, including the Explanatory Memorandum, that was dispatched to Shareholders on 20 October 2023.

This ASX Release is authorised by the Board of xReality Group Limited.

END

About xReality Group Limited (ACN: 154 103 607)

xReality Group Limited are leaders in enterprise software development for mission critical simulations for military and law enforcement. The company develops and operates physical and digital simulations. Portfolio companies include Indoor Skydiving facilities, Virtual Reality (VR) and Augmented Reality (AR) entertainment, training, and production.

Operator XR provides Military and Law Enforcement agencies with a unique, integrated Mission Planning & Rehearsal System, which is portable, secure and highly immersive. See operatorxr.com

The Company is listed on ASX on under the code XRG.

For further information visit: www.xrgroup.com.au

Wayne Jones, Chief Executive Officer, wjones@xrgroup.com.au

Stephen Tofler, Company Secretary, stofler@xrgroup.com.au



20 October 2023

Dear Shareholder,

Notice of 2023 Annual General Meeting

On behalf of the Directors of xReality Group Limited ABN 39 154 103 607 (ASX:XRG) I am pleased to invite you to attend the Annual General Meeting (**AGM**) at the Australian Institute of Company Directors offices at 18 Jamison St Sydney NSW 2000, at 12:00pm on 21 November 2023.

The Notice of Meeting for the AGM is now available on our website at www.xrgroup.com.au/investors. It details the formal business to be dealt with at the Meeting. The documents accompanying the Notice of Meeting for the AGM, including the proxy form and the explanatory memorandum, are also available for download at www.xreality.com.au/investors.

A printed copy of the Notice of Meeting including the accompanying documents will not be sent to you unless you request a copy by contacting enquiries@boardroomlimited.com.au.

We strongly encourage you to read the Notice of Meeting (including the accompanying documents) and to participate in the meeting. You should also consider directing your proxy to vote by on each resolution by marking either the “for” box, the “against” box or the “abstain” box on the proxy form.

The Notice of Meeting includes instructions on how to vote and we encourage you to do so ahead of the meeting by using the proxy form. We are also happy to receive any questions for the meeting, by submitting them to info@xrgroup.com.au by 10:00am on 14 November 2023.

Receiving your communications from us by email is the best way to stay informed and keep in touch about your shareholding, so we encourage you to take this opportunity to switch to paperless communications. If you have already provided an email address, you will now receive all your security communications electronically. We recommend that you visit www.InvestorServe.com.au to check that your preferences are up to date.

Thank you for your continued support of xReality Group Limited.

Yours faithfully

A handwritten signature in black ink, appearing to read 'John Diddams', is written over a light blue circular stamp.

John Diddams
Chairman



XREALITY GROUP LIMITED

XREALITY GROUP LTD ABN 39 154 103 607

NOTICE OF ANNUAL GENERAL MEETING

**The Annual General Meeting of the Company will be held at
the Australian Institute of Company Directors
18 Jamison St, Sydney NSW 2000
on 21 November 2023 at 12:00pm (AEDT).**

This Notice should be read in its entirety. If Shareholders are in doubt as to how they should vote, they should seek advice from their accountant, solicitor or other professional adviser prior to voting.

Shareholders are urged to attend or vote by lodging the proxy form attached to this Notice.

If you wish to attend the Meeting in person, please register your attendance by email to info@xrgroup.com.au by 20 November 2023

XREALITY GROUP LTD ABN 39 154 103 607

NOTICE OF ANNUAL GENERAL MEETING

Notice is hereby given that the Annual General Meeting of shareholders of xReality Group Ltd ABN 39 154 103 607 ("**Company**") will be held at the Australian Institute of Company Directors 18 Jamison St, Sydney NSW 2000, on 21 November 2023 at 12:00pm (AEDT) ("**Meeting**").

The Explanatory Memorandum provides additional information on matters to be considered at the Meeting. The Explanatory Memorandum and the Proxy Form form part of this Notice.

The Directors have determined pursuant to regulation 7.11.37 of the *Corporations Regulations 2001 (Cth)* that the persons eligible to vote at the Meeting are those who are registered as Shareholders at 7:00pm (AEDT) on 17 November 2023.

Terms and abbreviations used in this Notice (including the Explanatory Memorandum) are defined in Schedule 1.

AGENDA

1. ANNUAL REPORT

To consider the Annual Report of the Company and its controlled entities for the year ended 30 June 2023, which includes the Financial Report, the Directors' Report and the Auditor's Report.

2. RESOLUTION 1 - ADOPTION OF REMUNERATION REPORT

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

"That, for the purposes of section 250R(2) of the Corporations Act and for all other purposes, approval is given by the Shareholders for the adoption of the Remuneration Report as contained in the Company's Annual Report for the year ended 30 June 2023."

Note: The vote on this resolution is advisory only and does not bind the Directors or the Company.

Note: This resolution is subject to voting exclusions as set out at the end of this Notice of Meeting.

3. RESOLUTION 2 – ELECTION OF PHILIP COPELAND AS DIRECTOR

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

"That, Philip Copeland, who retires in accordance with clause 11.4(b) of the Company's Constitution and ASX Listing Rule 14.4, and having offered himself for election and being eligible, be elected as a Director of the Company."

4. RESOLUTION 3 – ELECTION OF KIM HOPWOOD AS DIRECTOR

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

"That, for the purposes of clause 11.5 of the Constitution and ASX Listing Rule 14.4 and for all other purposes, Kim Hopwood, who retires by rotation and being eligible offers himself for re-election as a Director of the Company."

5. RESOLUTION 4 – ELECTION OF JOHN DIDDAMS AS DIRECTOR

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

"That, for the purposes of clause 11.5 of the Constitution and ASX Listing Rule 14.4 and for all other purposes, John Diddams, who retires by rotation and being eligible offers himself for re-election as a Director of the Company."

6. RESOLUTION 5 - APPROVAL OF 10% PLACEMENT CAPACITY

To consider and, if thought fit, to pass with or without amendment, the following resolution as a special resolution:

"That, for the purposes of Listing Rule 7.1A and for all other purposes, Shareholders approve the issue of Equity Securities of up to 10% of the issued capital of the Company (at the time of the issue) calculated in accordance with the formula prescribed in Listing Rule 7.1A.2 and on the terms and conditions in the Explanatory Memorandum."

Note: This resolution is subject to voting exclusions as set out at the end of this Notice of Meeting.

7. RESOLUTION 6 – ISSUE OF SERVICE RIGHTS AND OPTIONS TO NON-EXECUTIVE DIRECTOR

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

"That, for the purposes of section 208 of the Corporations Act and Listing Rule 10.14, and for all other purposes, approval is given for the issue of 1,000,000 Service Rights to Philip Copeland or his nominee, and 2,000,000 Options to Philip Copeland, as set out in the Explanatory Memorandum."

Note: This resolution is subject to voting exclusions as set out at the end of this Notice of Meeting.

8. RESOLUTION 7 – APPROVAL OF EMPLOYEE INCENTIVE OPTION PLAN

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

"That, pursuant to and in accordance with Listing Rule 7.2 (Exception 13) and for all other purposes, approval is given to the xReality Group Limited Employee Incentive Option Plan ("the Plan) and the grant of securities and the issue of underlying securities under the Plan, on the terms and conditions as set out in the Explanatory Memorandum."

Note: This resolution is subject to voting exclusions as set out at the end of this Notice of Meeting.

9. RESOLUTION 8 – PROPOSED PLACEMENT PARTICIPATION BY DIRECTOR

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

"That, for the purposes Listing Rule 10.11 and for all other purposes, approval is given for the issue of up to 2,095,828 Shares to Philip Copeland from the Placement, as set out in the Explanatory Memorandum."

Note: This resolution is subject to voting exclusions as set out at the end of this Notice of Meeting.

MEETING PROTOCOL

Discussion and asking questions

Discussion will take place on the business of the Meeting as set out above.

The Explanatory Memorandum provides further information relating to the items of business of the Meeting. Securityholders will have the opportunity to ask questions at the Meeting, including an opportunity to ask questions of the Auditor.

To ensure that as many Securityholders as possible have the opportunity to speak, Securityholders are requested to observe the following guidelines:

- Please keep questions as brief as possible and relevant to the matters being discussed.
- If a Securityholder has more than one question, please ask all questions at the same time.

Securityholders who are unable to attend the Meeting or who may prefer to register questions in advance are invited to do so. Please email your question to info@xrgroup.com.au. An opportunity for discussion will be provided on each item of business prior to Securityholders being asked to vote.

Voting

Voting at the Meeting

Voting on the Resolutions at this Meeting will be conducted by poll.

Voting by Proxy

Instructions for voting by proxy are detailed in the Explanatory Memorandum and on the Proxy Form included at the end of this notice.

Dated: 18 October 2023

By order of the Board

A handwritten signature in blue ink, appearing to read 'Stephen Tofler', with a stylized flourish at the end.

Stephen Tofler

Company Secretary

IMPORTANT VOTING INFORMATION

VOTING EXCLUSIONS

Voting exclusion for Resolution 1 - Adoption of Remuneration Report

A vote on this Resolution must not be cast:

- (a) by or on behalf of a member of the Key Management Personnel whose remuneration details are included in the Remuneration Report, or a Closely Related Party of such member, regardless of the capacity in which the vote is cast; or
- (b) by a person appointed as a proxy, where that person is either a member of the Key Management Personnel or a Closely Related Party of such member.

However, a vote may be cast by such persons if the vote is not cast on behalf of a person who is excluded from voting on this resolution, and:

- (c) the person is appointed as a proxy that specifies the way the proxy is to vote on this resolution; or
- (d) the person is the Chairman and the appointment of the Chairman as proxy does not specify the way the proxy is to vote on this resolution, but expressly authorises the Chairman to exercise the proxy even if this resolution is connected with the remuneration of a member of the Key Management Personnel.

Voting exclusion for Resolution 2 – Election of Philip Copeland

The Company will disregard any votes cast in favour of Resolution 2 by or on behalf of:

- (a) Philip Copeland; and
- (b) any associates of Philip Copeland.

However, this does not apply to a vote cast in favour of the resolution by:

- a person as proxy or attorney for a person who is entitled to vote on the resolution, in accordance with directions given to the proxy or attorney to vote on the resolution in that way; or
- 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
- a holder acting solely in a nominee, trustee, custodial or other fiduciary capacity on behalf of a beneficiary provided the following conditions are met:
 - 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
 - the holder votes on the resolution in accordance with the directions given by the beneficiary to the holder to vote in that way.

Voting exclusion for Resolution 3 – Election of Kim Hopwood

The Company will disregard any votes cast in favour of Resolution 3 by or on behalf of:

- (c) Kim Hopwood; and
- (d) any associates of Kim Hopwood.

However, this does not apply to a vote cast in favour of the resolution by:

- a person as proxy or attorney for a person who is entitled to vote on the resolution, in accordance with directions given to the proxy or attorney to vote on the resolution in that way; or
- 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
- a holder acting solely in a nominee, trustee, custodial or other fiduciary capacity on behalf of a beneficiary provided the following conditions are met:
 - 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
 - the holder votes on the resolution in accordance with the directions given by the beneficiary to the holder to vote in that way.

Voting exclusion for Resolution 4 – Election of John Diddams

The Company will disregard any votes cast in favour of Resolution 4 by or on behalf of:

- (e) John Diddams; and
- (f) any associates of John Diddams.

However, this does not apply to a vote cast in favour of the resolution by:

- a person as proxy or attorney for a person who is entitled to vote on the resolution, in accordance with directions given to the proxy or attorney to vote on the resolution in that way; or
- 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
- a holder acting solely in a nominee, trustee, custodial or other fiduciary capacity on behalf of a beneficiary provided the following conditions are met:
 - 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
 - the holder votes on the resolution in accordance with the directions given by the beneficiary to the holder to vote in that way.

Voting exclusion for Resolution 5 - Approval of 10% Placement Capacity

The Company will disregard any votes cast in favour of this resolution by or on behalf of:

- (a) 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); and

- (b) an associate of that person or those persons in (a) above.

However this does not apply to a vote cast in favour of a resolution by:

- a person as proxy or attorney for a person who is entitled to vote on the resolution, in accordance with directions given to the proxy or attorney to vote on the resolution in that way; or
- if 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 on the resolution as the Chair decides; or
- a holder acting solely in a nominee, trustee, custodial or other fiduciary capacity on behalf of a beneficiary provided the following conditions are met:
 - 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
 - the holder votes on the resolution in accordance with directions given by the beneficiary to the holder to vote in that way.

As at the date of this Notice, the Company has no specific plans to issue securities under the Placement Capacity 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 Capacity (if any) under ASX Listing Rule 7.1A. Accordingly, as at the date of this Notice, the Company is not aware of any person who would be excluded from voting on this resolution.

Voting exclusion for Resolution 6 – Issue of Service Rights and Options to Non-Executive Director

The Company will disregard any votes cast in favour of Resolution 6 by or on behalf of:

- (a) Mr Philip Copeland; and
- (b) any associates of that person or those person.

However, this does not apply to a vote case in favour of the resolution by:

- a person as proxy or attorney for a person who is entitled to vote on the resolution, in accordance with directions given to the poxy or attorney to vote on the resolution in that way; or
- 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
- a holder acting solely in a nominee, trustee, custodial or other fiduciary capacity on behalf of a beneficiary provided the following conditions are met:
 - 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
 - the holder votes on the resolution in accordance with the directions given by the beneficiary to the holder to vote in that way.

Voting exclusion for Resolution 7 – Approval of Employee Incentive Option Plan

In accordance with Listing Rule 14.11, the Company will disregard any votes cast in favour of Resolution 7 by or on behalf of:

- (a) a person who is eligible to participate in the Plan; or
- (b) any associates of that person or those persons.

However, this does not apply to a vote cast in favour of the resolution by:

- a person as proxy or attorney for a person who is entitled to vote on the resolution, in accordance with directions given to the proxy or attorney to vote on the resolution in that way; or
- 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
- a holder acting solely in a nominee, trustee, custodial or other fiduciary capacity on behalf of a beneficiary provided the following conditions are met:
 - 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
 - the holder votes on the resolution in accordance with the directions given by the beneficiary to the holder to vote in that way.

Voting exclusion for Resolution 8 – Proposed Participation of Placement to Director

The Company will disregard any votes cast in favour of Resolution 8 by or on behalf of:

- (a) Philip Copeland and any other person who will obtain a material benefit as a result of the issue of the securities (except a benefit solely by reason of being a holder of ordinary securities in the entity); or
- (b) any associates of that person or those persons.

However, this does not apply to a vote cast in favour of the resolution by:

- a person as proxy or attorney for a person who is entitled to vote on the resolution, in accordance with directions given to the proxy or attorney to vote on the resolution in that way; or
- 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
- a holder acting solely in a nominee, trustee, custodial or other fiduciary capacity on behalf of a beneficiary provided the following conditions are met:
 - 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
 - the holder votes on the resolution in accordance with the directions given by the beneficiary to the holder to vote in that way.

EXPLANATORY MEMORANDUM

1. INTRODUCTION

This Explanatory Memorandum has been prepared for the information of Shareholders in connection with the business to be conducted at the Meeting to be held at the Australian Institute of Company Directors, 18 Jamison St, Sydney NSW 2000 on 21 November 2023 at 12:00pm (AEDT).

This Explanatory Memorandum forms part of the Notice which should be read in its entirety. This Explanatory Memorandum contains the terms and conditions on which the Resolutions will be voted.

A Proxy Form is located at the end of this Explanatory Memorandum.

2. ACTION TO BE TAKEN BY SHAREHOLDERS

Shareholders should read the Notice including this Explanatory Memorandum carefully before deciding how to vote on the Resolutions.

Proxies

A Proxy Form is attached to the Notice. This is to be used by Shareholders if they wish to appoint a representative (a 'proxy') to vote in their place. All Shareholders are invited and encouraged to attend the Meeting or, if they are unable to attend in person, sign and return the Proxy Form to the Company in accordance with the instructions thereon. Returning the Proxy Form will not preclude a Shareholder from attending and voting at the Meeting in person.

Please note that:

- (a) a member of the Company entitled to attend and vote at the Meeting is entitled to appoint a proxy;
- (b) a proxy need not be a member of the Company; and
- (c) a member of the Company entitled to cast two or more votes may appoint two proxies and may specify the proportion or number of votes each proxy is appointed to exercise. Where the proportion or number is not specified, each proxy may exercise half of the votes.

Proxy Forms must be received by the Company no later than 4:00pm (AEDT) on 17 November 2023, being at least 48 hours before the Meeting.

The Proxy Form provides further details on appointing proxies and lodging Proxy Forms.

3. ANNUAL REPORT

In accordance with section 317(1) of the Corporations Act, the Annual Report must be laid before the Annual General Meeting. There is no requirement for Shareholders to approve the Annual Report.

At the Meeting, Shareholders will be offered the opportunity to:

- (a) discuss the Annual Report which is available online at <http://www.xrgroup.com.au/investors/annual-reports/>

- (b) ask questions about, or comment on, the management of the Company; and
- (c) ask the auditor questions about the conduct of the audit and the preparation and content of the Auditor's Report, the accounting policies adopted by the Company in relation to the preparation of the financial statements in the Annual Report and the independence of the auditor in relation to the conduct of the audit, and
- (d) ask questions about, or make comments on, the remuneration report.

In addition to taking questions at the Meeting, written questions to the Chairman about the management of the Company, or to the Company's auditor about:

- (a) the content of the Auditor's Report;
- (b) the conduct of the audit;

may be submitted no later than five business days before the Meeting to the Company Secretary at the Company's registered office.

4. **RESOLUTION 1 – REMUNERATION REPORT**

In accordance with section 250R(2) of the Corporations Act, the Company must put the adoption of the Remuneration Report to the vote of Shareholders. The Directors' Report contains the Remuneration Report which sets out the remuneration policy for the Company and the remuneration arrangements in place for the executive Directors, specified executives and non-executive Directors.

In accordance with section 250R(3) of the Corporations Act, Resolution 1 is advisory only and does not bind the Directors of the Company. If Resolution 1 is not passed, the Directors will not be required to alter any of the arrangements in the Remuneration Report.

However, if the Remuneration Report receives a 'no' vote of 25% or more ("**Strike**") at two consecutive annual general meetings, Shareholders will have the opportunity to remove the whole Board (except a managing director). Where a resolution on the Remuneration Report receives a Strike at two consecutive annual general meetings, the Company will be required to put to Shareholders at the second annual general meeting a resolution on whether another meeting should be held (within 90 days) at which all Directors (other than a managing director) who were in office at the date of approval of the applicable Directors' Report must stand for re-election.

The Company's Remuneration Report for the year ended 30 June 2022 was adopted by shareholders at the 2022 Annual General Meeting without a Strike. Accordingly, if Resolution 1 receives a Strike, there will not be any further resolution put to shareholders at the Meeting.

A voting exclusion statement for Resolution 1 is included in the Voting Exclusions.

5. **RESOLUTION 2 – ELECTION OF PHILIP COPELAND AS DIRECTOR**

Resolution 2 seeks approval for the election of Philip Copeland as a Director with effect from the end of the Meeting.

The Company's Constitution provides that any director who is appointed during the year must retire at the next AGM after their appointment. Directors required to retire under this rule are eligible to stand for election at the AGM. Philip Copeland was originally appointed on 23 January 2023 and accordingly retires from office in accordance with the above requirements and submits himself for re-election.

Philip Copeland is an experienced senior leader in the enterprise software-as-a-service (SaaS) sector with a successful track record scaling enterprise SaaS businesses into global markets across highly regulated industries including government and financial services.

Philip's extensive experience includes being former CEO and co-founder of Avoka Technologies, a digital business enablement platform. Founded in Australia, Avoka rapidly expanded to the global markets with a core focus on the US. Avoka was acquired by Temenos in 2018 for \$US245M. Phil currently resides in Colorado, USA and will be assisting XRG to break into the US Government markets and guiding the company as it executes its international growth strategy through Enterprise Software.

Directors' recommendation

The Board (with Philip Copeland abstaining) unanimously supports the re-election of Philip Copeland and recommends that Shareholders vote in favour of this resolution.

The Chairman intends to exercise all available proxies in favour of this resolution.

6. RESOLUTION 3 – ELECTION OF KIM HOPWOOD AS DIRECTOR

Resolution 4 seeks approval for the election of Kim Hopwood as a Director with effect from the end of the Meeting.

The Company's Constitution provides that one-third of the Directors, excluding the Managing Director, must retire from office at the close of each annual general meeting of the Company. The retiring director is determined as that director that has been longest in office since their last election. A retiring Director is eligible for re-election.

Kim Hopwood was last elected on 30 November 2021 and accordingly retires from office in accordance with the above requirements and submits himself for re-election.

Kim has an extensive background of digital marketing, proven business acumen and a digital/IT skillset. He has over 20 years of experience across technology, media, management and operations.

Kim was the co-founder and CEO of digital agency Pusher from 2004, which sold to global communications group Publicis in 2014. Kim remained as Managing Director of Digital until late 2017.

Directors' recommendation

The Board (with Kim Hopwood abstaining) unanimously supports the re-election of Kim Hopwood and recommends that Shareholders vote in favour of this resolution.

The Chairman intends to exercise all available proxies in favour of this resolution.

7. RESOLUTION 4 – ELECTION OF JOHN DIDDAMS AS DIRECTOR

Resolution 4 seeks approval for the election of John Diddams as a Director with effect from the end of the Meeting.

The Company's Constitution provides that one-third of the Directors excluding the Managing Director must retire from office at the close of each annual general meeting of the Company. The retiring director is determined as that director that has been longest in office since their last election. A retiring Director is eligible for re-election.

John Diddams was last elected on 10 November 2022 and accordingly retires from office in accordance with the above requirements and submits himself for re-election.

John is a professional, highly experienced and strategic public company director with over forty

years of financial and management experience in Australia and overseas.

He has extensive knowledge and experience in the practical application of ASX Listing Rules, Australian corporations' law, international accounting standards and corporate governance principles, and a strong track record in driving business performance, mergers & acquisition, due diligence and corporate governance. John was previously a Director of the Company and managed the IPO process culminating in the listing on the ASX in January 2013.

John is also a Non-executive Director for Aroa Biosurgery Limited (ASX:ARX).

He holds a Bachelor of Commerce from University of NSW, is a Fellow of the Australian Society of CPAs and a Fellow of the Australian Institute of Company Director.

Directors' recommendation

The Board (with John Diddams abstaining) unanimously supports the re-election of John Diddams and recommends that Shareholders vote in favour of this resolution.

The Chairman intends to exercise all available proxies in favour of this resolution.

8. RESOLUTION 5 - APPROVAL OF 10% PLACEMENT CAPACITY

Background

Listing Rule 7.1A enables eligible entities, subject to shareholder approval by special resolution, to issue Equity Securities up to 10% of its issued share capital through placements over a 12-month period after the annual general meeting ("**10% Placement Capacity**"). The 10% Placement Capacity is in addition to the Company's 15% placement capacity under Listing Rule 7.1.

An eligible entity for the purposes of 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.

The Company is seeking Shareholder approval by way of a special resolution to have the ability to issue Equity Securities under the 10% Placement Capacity. The number of Equity Securities to be issued under the 10% Placement Capacity will be determined in accordance with the formula prescribed in Listing Rule 7.1A.2.

This resolution is a special resolution and therefore requires approval of 75% of the votes cast by Shareholders present and eligible to vote (in person, by proxy, by attorney or, in the case of a corporate Shareholder, by a corporate representative) on the resolution.

The purpose of this resolution is to provide the Company with flexibility to meet future business and financial needs. The Board believes that it is advantageous to have the ability to act promptly with respect to potential opportunities and that approval of the 10% Placement Capacity is desirable in order to have the securities available, as needed, for possible future financing transactions, strategic transactions, or other general corporate purposes that are determined to be in the Company's best interests.

Approval of this resolution would enable the Company to issue Shares without the expense and delay of holding a general meeting, except as may be required by applicable law or regulations. The cost, prior notice requirements, and delay involved in obtaining shareholder approval at the time a corporate action may become necessary could eliminate the opportunity to effect the action or could reduce the expected benefits.

If approved, subject to the limitations described below with respect to the 10% Placement Capacity, the Company will generally be permitted to issue up to 25% of its issued capital without any further shareholder approval, unless such shareholder approval is required by applicable law or the ASX Listing Rules. Currently, the Company has no definitive plans, understandings, agreements, or arrangements to issue securities for any purpose, other than equity awards

under the Company's long term incentive plan which was adopted by the Company following the approval of Shareholders given at the 2020 Annual General Meeting. The Directors believe that the approval of this resolution will enable the Company to promptly and appropriately respond to business opportunities or to raise additional equity capital.

If this resolution 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 Listing Rule 7.1A, and will remain subject to the 15% limit on issuing Equity Securities under Listing Rule 7.1.

Listing Rule 7.1A

The effect of this resolution will be to allow the Directors to issue the Equity Securities under Listing Rule 7.1A during the 10% Placement Period without using the Company's 15% placement capacity under Listing Rule 7.1.

In accordance with Listing Rule 7.3A, specific information is provided as follows:

(a) Equity Securities to be issued

Any Equity Securities issued under the 10% Placement Capacity must be in the same class as an existing quoted class of Equity Securities of the company i.e., currently only ordinary shares of the Company may be issued using this facility.

(b) Formula for calculating 10% Placement Capacity

Listing Rule 7.1A.2 provides that eligible entities which have obtained Shareholder approval at an annual general meeting may issue or agree to issue, during the 12 month period after the date of the annual general meeting, a number of Equity Securities calculated in accordance with the following formula:

$$(A \times D) - E$$

A is the number of fully paid ordinary shares on issue at the commencement of the relevant period:

plus the number of Shares issued in the relevant period under an exception in Listing Rule 7.2 other than exception 9, 16 or 17;

plus the number of fully paid Shares issued in the relevant period on the conversion of convertible securities within rule 7.2 exception 9 where:

- The convertible securities were issued or agreed to be issued before the commencement of the relevant period; or
- The issue of, or agreement to issue, the convertible securities was approved, or taken under the Listing Rules to have been approved under Listing Rule 7.1 or 7.4;

plus the number of Shares issued in the relevant period under an agreement to issue within rule 7.2 exception 16 where:

- the agreement was entered into before the commencement of the relevant period; or
- the agreement or issue was approved, or taken to be approved under the Listing Rules, under Listing Rule 7.1 or 7.4; ;

plus the number of Shares issued in the 12 months with Shareholder approval under Listing Rule 7.1 or 7.4;

plus the number of partly paid Shares that become fully paid in the relevant period;

less the number of fully paid Shares cancelled in the 12 months.

Note that A has the same meaning in Listing Rule 7.1 when calculating an entity's 15% placement capacity.

D is 10%

E is the number of Equity Securities issued or agreed to be issued under Listing Rule 7.1A.2 in the relevant period where the issue or agreement to issue that are not approved by Shareholders under Listing Rule 7.4.

(c) Listing Rule 7.1 and Listing Rule 7.1A

The ability of an entity to issue Equity Securities under Listing Rule 7.1A is in addition to the entity's 15% placement capacity under Listing Rule 7.1. At the date of the Notice, the Company has on issue 450,011,224 Shares and currently has the capacity to issue 37,636,600 Equity Securities under Listing Rule 7.1.

Subject to shareholder approval being granted, as sought under this resolution, the Company would have the additional capacity to issue 42,348,968 Equity /securities under Listing Rule 7.1A.

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

(d) Minimum Issue Price

The issue price of Equity Securities issued under Listing Rule 7.1A2 must be not less than 75% of the VWAP of Equity Securities in the same class calculated over the 15 Trading Days on which trades in that class were recorded immediately before:

- the date on which the price at which the Equity Securities are to be issued is agreed; or
- if the Equity Securities are not issued within 10 Trading Days of the date in the paragraph above, the date on which the Equity Securities are issued.

(e) 10% Placement Period

Shareholder approval of the 10% Placement Capacity under Listing Rule 7.1A is valid from the date of the annual general meeting at which the approval is obtained and expires on the earlier to occur of:

- the date that is 12 months after the date of the annual general meeting at which the approval is obtained, being 21 November 2024;
- the time and date of the Company's next annual general meeting; or
- the date of Shareholder approval of a transaction under Listing Rules 11.1.2 (a significant change to the nature or scale of activities) or 11.2 (disposal of main undertaking),

(the "10% Placement Period").

(f) Dilution Risk

If this resolution is approved by Shareholders and the Company issues Equity Securities under the 10% Placement Capacity, the existing Shareholders' economic and voting power in the Company will be diluted as shown in the below table. There is a risk that:

- the market price for the Company's Equity Securities may be significantly lower on the date of the issue of the Equity Securities than on the date this resolution is approved; and
- the Equity Securities may be issued at a price that is at a discount to the market price for the Company's 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 below table shows the dilution of existing Shareholders on the basis of the current market price of Shares and the current number of Shares for variable 'A' calculated in accordance with the formula in Listing Rule 7.1A.2 as at the date of the Notice.

Variable 'A' in Listing Rule 7.1A.2		Dilution		
		\$0.0225 50% decrease in Issue Price	\$0.0450 Issue Price	\$0.0675 50% increase in Issue Price
Current Variable A (450,011,224 Shares)	10% Voting Dilution	45,001,122 Shares	45,001,122 Shares	45,001,122 Shares
	Funds raised	\$1,012,525.25	\$2,025,050.51	\$3,037,575.76
50% increase in current Variable A (675,016,836 Shares)	10% Voting Dilution	67,501,684 Shares	67,501,684 Shares	67,501,684 Shares
	Funds raised	\$1,518,787.88	\$3,037,575.76	\$4,556,363.65
100% increase in current Variable A (900,022,449 Shares)	10% Voting Dilution	90,002,245 Shares	90,002,245 Shares	90,002,245 Shares
	Funds raised	\$2,025,050.51	\$4,050,101.02	\$6,075,151.53

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. The number of Shares on issue may increase as a result of issues of Shares that do not require Shareholder approval (for example, a pro rata entitlements issue or exercise of options or future specific placements under Listing Rule 7.1 that are approved at a future Shareholders' meeting); and
- two examples of where the issue price of Shares has decreased by 50% and increased by 50% as against the current market price.

The table has been prepared on the following assumptions:

- (i) The Company issues the maximum number of Equity Securities available under the 10% Placement Capacity.
- (ii) No Options (including any Options issued under the 10% Placement Capacity) are exercised into Shares before the date of the issue of the Equity Securities.
- (iii) 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%.
- (iv) 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 Capacity, based on that Shareholder's holding at the date of the Meeting.
- (v) The table shows only the effect of issues of Equity Securities under Listing Rule 7.1A, not under the 15% placement capacity under Listing Rule 7.1.
- (vi) The issue of Equity Securities under the 10% Placement Capacity consists only of Shares.
- (vii) The issue price is \$0.045, being the closing price of the Shares on ASX on 20 September 2023.

(g) Purpose

The Company may seek to issue the Equity Securities for cash consideration for the following purposes:

- to fund the acquisition of new assets and investments where permitted under the Listing Rules; or
- to use the funds raised towards general corporate purposes, including investment in growth and diversification initiatives, reduction of interest bearing debt and funding enhanced marketing efforts to drive revenue.

The Company will comply with the disclosure obligations under the Listing Rules upon issue of any Equity Securities.

As of the date of this Notice, the Company has not formed an intention as to the parties which it may approach to participate in an issue of securities under ASX Listing Rule 7.1A including whether such an issue would be made to existing Shareholders or to new investors.

(h) Allocation Policy

The Company's allocation policy will be dependent on the prevailing market conditions at the time of any proposed issue pursuant to the 10% Placement Capacity. The identity of the subscribers of Equity Securities will be determined on a case-by-case basis having regard to the factors including but not limited to the following:

- the methods of raising funds that are available to the Company, including but not limited to, rights issues or other issues in which existing security holders can participate;

- the effect of the issue of the Equity Securities on the control of the Company;
- the financial situation and solvency of the Company; and
- advice from corporate, financial and broking advisers (if applicable).

The subscribers under the 10% Placement Capacity have not been determined as at the date of the Notice but may include existing substantial Shareholders and/or new Shareholders who are not a related party or an associate of a related party of the Company.

(i) Cash Consideration only

The Company will only issue Equity Securities under the 10% Placement for cash consideration.

Listing Rule 7.3A.6

The Company has previously obtained Shareholder approval under Listing Rule 7.1A with the last approval being at its 2022 Annual General Meeting held on 10 November 2022.

In the twelve months preceding the date of this Meeting, the Company has not issued any Shares or Options under the approval obtained at its 2022 Annual General Meeting in respect of Listing Rule 7.1A, nor any other security which is convertible into Shares.

At the date of the Notice, the Company has not approached any particular existing Shareholder or security holder or an identifiable class of existing security holder to participate in the issue of additional Equity Securities. No existing Shareholder's votes will therefore be excluded under the voting exclusion in the Notice.

Directors' recommendation

The Board unanimously recommends that Shareholders vote in favour of this resolution. The Chairman intends to exercise all available proxies in favour of this resolution.

A voting exclusion statement for this Resolution is included in the Voting Exclusions.

9. RESOLUTION 6 – ISSUE OF SERVICE RIGHTS AND OPTIONS TO NON-EXECUTIVE DIRECTOR

General

On 18 January 2023 the Company agreed, subject to obtaining Shareholder approval, to issue a total of 1,000,000 Service Rights to Philip Copeland or his nominee on the terms set out in Schedule 2. Approval is being sought pursuant to section 208 of the Corporations Act and Listing Rule 10.14.

In addition, the Company agreed on the same date, subject to obtaining Shareholder approval, to issue a total of 2,000,000 Options to Philip Copeland or his nominee on the terms set out in Schedule 3. Approval is being sought pursuant to section 208 of the Corporations Act and Listing Rule 10.14.

The terms of the issue of Service Rights are outlined in Schedule 2 and the terms of issue of the Options are outlined in Schedule 3.

Background

The Service Rights and Options contemplated by Resolution 6 will be issued to Philip Copeland or his nominee to align his long-term goals with that of shareholders and to establish an incentive for ongoing dedicated services to the Company.

Under the Company's current circumstances, the Directors (Philip Copeland abstaining) consider that the incentive noted above, represented by the issue of Service Rights and Options, is a cost effective and efficient reward and incentive to provide as opposed to alternative forms of incentive such as the payment of cash compensation only.

Section 208 of the Corporations Act

Section 208 of the Corporations Act states that a public company cannot give a "financial benefit" (including an issue of shares and options) to a "related party" of the Company unless one of the exceptions set out in section 210 to 216 of the Corporations Act apply, or the holders of ordinary securities have approved the giving of the financial benefit to the related party in a general meeting. The Service Rights and Options are considered to be reasonable remuneration in line with section 211 of the Corporations Act.

Philip Copeland is a related party of the Company within the meaning specified under section 228 of the Corporations Act. Further, the provision of the Service Rights and Options constitutes a financial benefit within the meaning of section 229 of the Corporations Act. Accordingly, Shareholder approval is sought under section 208 of the Corporations Act to permit the issue of the Service Rights and Options on the terms set out in Resolution 6 to Philip Copeland (or his nominee) as related parties of the Company.

Requirements under section 219 of the Corporations Act

As required by section 219 of the Corporations Act and Listing Rule 10.15, the following information is provided in relation to Resolution 6:

- (a) the related party is Philip Copeland, who is a related party by virtue of being a Director of the Company;
- (b) the maximum number of Service Rights (being the nature of the financial benefit being provided) to be granted to Philip Copeland is 1,000,000 Service Rights;
- (c) the maximum number of Options (being the nature of the financial benefit being provided) to be granted to Philip Copeland is 2,000,000 Options;
- (d) The financial benefit of the Service Rights has been valued at a 5-day VWAP to the appointment dates.
- (e) The financial benefit of the Options has been valued at a 5-day VWAP to the appointment dates, less the exercise price.
- (f) Philip Copeland is not being paid any other consideration.
- (g) Any Shares issued from the exercise of these Service Rights are subject to a two-year restriction from the date of issue of the Service Rights
- (h) If all of the Service Rights and Options under Resolution 6 were exercised, and no other shares were issued by the Company, the shareholding of existing shareholders would, based on the current issued capital of the Company and prior to the exercise of any other Options issued under the Plan, be diluted by approximately 0.7%.
- (i) The Directors do not consider that there are any opportunity costs to the Company or benefits foregone by the Company in granting the Services Rights or the Options.
- (j) No funds will be raised from the issue of the Service Rights or the Options.
- (k) Philip Copeland, as recipient of the Service Rights and Options, has a material personal interest in the outcome of the Resolution. No other Director has a material personal interest in the outcome of Resolution 6.

Listing Rule 10.14

Listing Rule 10.14 provides that the Company must not permit any of the following persons to acquire equity securities under an employee share scheme:

- (a) a Director of the Company (Listing Rule 10.14.1);
- (b) an associate of the Director of the Company (Listing Rule 10.14.2); and
- (c) A person whose relationship with the Company or person referred to above is such that, in ASX's opinion, the acquisition should be approved by Shareholders (Listing Rule 10.14.3),

unless the Company obtains approval from Shareholders.

As the Service Rights are proposed to be issued to a Director of the Company, it falls within Listing Rule 10.14.1 and therefore requires the approval of Shareholders under Listing Rule 10.14.

This resolution seeks the required approval from Shareholders under Listing Rule 10.14.

If this resolution is passed, the Company will be able to proceed with the issue of the Service Rights and Options and Philip Copeland will receive the Service Rights and Options as opposed to alternative forms of incentive such as the payment of cash compensation.

If this resolution is not passed, the Company will not proceed with the issue of the Service Rights and Options and will be required to pay Philip Copeland with an alternative form of incentive which will be a payment of cash compensation.

Specific Disclosure for Listing Rule 10.14

Pursuant to Listing Rule 10.15, the Company provides the following further information:

- (a) the Service Rights and Options will be issued to Philip Copeland;
- (b) Philip Copeland is a Director of the Company;
- (c) the number of Service Rights to be granted to Philip Copeland is 1,000,000 Service Rights;
- (d) the number of Options to be granted to Philip Copeland is 2,000,000 Options;
- (l) Philip Copeland is not being paid any other consideration.
- (e) 50% of the Service Rights will be issued on or before 7 days after this meeting if approved by Shareholders.
- (f) 50% of the Service Rights will be issued on the first anniversary of this meeting if approved by Shareholders.
- (g) 50% of the Options will be issued on 23 January 2024, being the first anniversary of his appointment as Director, if approved by Shareholders.
- (h) 50% of the Options will be issued on 23 January 2025, being the second anniversary of his appointment as Director, if approved by Shareholders.
- (i) The Company is of the view that, the proposed issue of Service Rights and Options:
 - (i) provides a long-term incentive to Philip Copeland linked to the future success of the Company;
 - (ii) is a fair and reasonable remuneration in lieu of cash payment;

- (iii) recognises the contribution Philip Copeland has and will continue to make to the Company; and
- (iv) is in line with the remuneration benefits paid to other non-executive directors of other companies operating in the Company's industry and business environment.
- (j) The Service Rights and Options are valued at the 5-day VWAP as at the date of Philip Copeland's appointment, which calculates as:
 - (i) \$0.0596 per Service Right, being \$59,600.
 - (ii) \$0.00 per Option, being \$0.
- (k) The Service Rights will be issued for nil consideration and therefore no loans will be created for the issue of the Service Rights.
- (l) No Service Rights or Options have been previously issued to Philip Copeland.
- (m) The terms of issue of the Service Rights are set out in Schedule 2.
- (n) The terms of issue of the Options are set out in Schedule 3.

Details of any Service Rights or Options issued will be published in the Company's annual report relating to the period in which they were issued along with a statement that approval for the issue was obtained under Listing Rule 10.14.

Any additional persons covered under Listing Rule 10.14 who become entitled to participate in an issue of Service Rights after the resolution is approved and who were not named in this notice of meeting will not participate until approval is obtained under Listing Rule 10.14.

Directors' Recommendations

The primary purpose of the grant of the Service Rights and Options is to provide a motivation aligning the performance of Philip Copeland in his role as director of the Company with the interests of Shareholders.

Philip Copeland expresses no opinion and makes no recommendation in respect of the issue of the Service Rights and Options to him (and/or his nominee) as he has a material personal interest in the outcome of Resolution 7.

Each of the other Directors recommend that shareholders vote in favour of the issue of the Service Rights and Options to Philip Copeland (and/or his nominees) for the reasons set out in this Explanatory Statement, and intend to vote in favour of the resolution.

10. RESOLUTION 7 – APPROVAL OF EMPLOYEE INCENTIVE OPTION PLAN

General

Resolution 7 seeks Shareholder approval for the xReality Group Limited Employee Incentive Option Plan ('**the Plan**') for a further 3 years for the purpose of Listing Rule 7.2 Exception 13. The Plan was last approved by shareholder at the Company's 2020 Annual General Meeting held on 27 November 2020.

The key terms of the issue of the Plan are summarised in Schedule 4.

ASX Listing Rules

Listing Rule 7.1 provides that a listed entity must not, without the prior approval of its shareholders, issue or agree to issue equity securities if the number of equity securities issued

or agreed to be issued, when aggregated with the number of equity securities issued by the company during the 12 months immediately preceding the date of issue or agreement, exceeds 15% of the number of shares on issue at the start of that 12 month period, subject to a number of exceptions under the Listing Rules. Under Listing Rule 7.1A, an eligible entity can seek approval from its Shareholders, by way of a special resolution passed at its annual general meeting, to increase this 15% limit by an extra 10% to 25%. When it applies, Listing Rule 7.1A provides a similar restriction on the issue or agreement to issue securities. Listing Rule 7.2, exception 13 provides an exception to Listing Rules 7.1 and 7.1A such that an issue of equity securities under an employee incentive scheme is excluded from the calculation of the company's limits under Listing Rule 7.1 and 7.1A if, within three years before the issue date one of the following occurred:

- (a) In the case of a scheme established before the entity was listed, a summary of the terms of the scheme and the maximum number of equity securities proposed to be issued under the scheme were set out in the prospectus, PDS or information memorandum lodged with ASX under Listing Rule 1.1 condition 3 (Listing Rule 7.2 Exception 13(a)); or
- (b) Ordinary shareholders have approved the issue of equity securities under the scheme as an exception to Listing Rule 7.1 and Listing Rule 7.1A (Listing Rule 7.2 Exception 13(b)).

Exception 13(b) is only available if and to the extent that the number of equity securities issued under the scheme does not exceed the maximum number set out in the entity's notice of meeting dispatched to shareholders in respect of the meeting at which shareholder approval was obtained pursuant to Listing Rule 7.2 (Exception 13(b)). Exception 13(b) also ceases to be available if there is a material change to the terms of the scheme from those set out in the notice of meeting.

If shareholders do not approve Resolution 7, issues of incentives under the Plan can still proceed, however the issue of securities under the Plan will be included in calculating the Company's capacity under Listing Rule 7.1 or Listing Rule 7.1A, effectively decreasing the number of equity securities the Company can issue without shareholder approval over the 12 month period following the issue of the securities.

If this Resolution 7 is passed, the Company will be able to issue securities under the plan to eligible participants over a period of 3 years from the date of the Meeting. The issue of any securities to eligible participants under the plan (up to the maximum number of securities stated below) will be excluded from the calculation of the number of equity securities that the Company can issue without Shareholder approval under Listing Rule 7.1.

An approval under this Resolution is only available to the extent that:

- (a) any issue of equity securities under the Plan does not exceed the maximum number of securities proposed to be issued as set out in this Notice; and
- (b) there is no material change to the terms of the Plan.

Specific Information required by Listing Rule 7.2

In accordance with the requirements of Listing Rule 7.2 exception 13, paragraph (b), the following information is provided:

- (c) a summary of the material terms of the Plan are set out in Schedule 4 and forms part of this notice;
- (d) the number of the securities that have been issued under the Plan since the date of last approval under ASX Listing Rule 7.2, Exception 13 is 4,000,000, and 1,250,000 have been exercised;
- (e) the maximum number of securities available to be issued under the Plan following Shareholder approval is 19,585,005 securities; and

- (f) a voting exclusion statement in respect of Resolution 7 has been included in the Notice.

Directors' Recommendations

The Directors unanimously recommend that Shareholders vote in favour of Resolution 7.

The Chairman intends to exercise all available proxies in favour of Resolution 7.

11. RESOLUTION 8 – PROPOSED PLACEMENT PARTICIPATION BY DIRECTOR

General

On the 18 October 2023, The Company announced a Capital Raise comprising of an Institutional Placement (**Placement**) followed by an entitlement offer to Shareholders of the Company (**Rights Issue**).

As at the date of this Notice, Mr Philip Copeland, a Director, has indicated that he intends to participate in both the Rights Issue and the Placement. Mr. Copeland has indicated that he intends to take up all of his rights and subscribe for an additional 2,095,828 new Shares and 1,047,914 attaching Options (**Copeland Securities**) in the Placement.

The material terms of the Rights Options are set out in Schedule 5 of this Explanatory Memorandum.

Section 208 of the Corporations Act

Section 208 of the Corporations Act states that a public company cannot give a "financial benefit" (including an issue of shares and options) to a "related party" of the Company unless one of the exceptions set out in section 210 to 216 of the Corporations Act apply, or the holders of ordinary securities have approved the giving of the financial benefit to the related party in a general meeting.

Philip Copeland is a related party of the Company within the meaning specified under section 228 of the Corporations Act. Further, the provision of the Service Rights and Options constitutes a financial benefit within the meaning of section 229 of the Corporations Act. However, it is the Company's view that the issue of the Securities will be at arm's length. In particular, Mr Philip Copeland will pay cash for the Copeland Securities and in no more favourable terms to Shareholders under the Rights Issue.

Listing Rule 10.11

Unless one of the exceptions in Listing Rule 10.12 applies, Listing Rule 10.11 provides that the Company must not permit any of the following persons to acquire equity securities without Shareholder approval:

- (a) a related party (Listing Rule 10.11.1);
- (b) a person who is, or was at any time in the 6 months before the issue of securities or the agreement, a substantial (+30%) holder (Listing Rule 10.11.2);
- (c) a person who is, or was at any time in the 6 months before the issue of securities or the agreement, a substantial (+10%) holder in the entity and who has nominated a director to the board of the entity pursuant to a relevant agreement which gives them the right or expectation to do so (Listing Rule 10.11.3);
- (d) an associate of any person referred to in (a) to (c) above (Listing Rule 10.11.4); and
- (e) a person whose relationship with the entity or person referred to above is such that, in ASX's opinion, the issue or agreement should be approved by Shareholders (Listing Rule 10.11.5).

As the Securities are proposed to be issued to a Director, a related party of the Company, the approval of Shareholders is required under Listing Rule 10.11. Resolution 8 seeks approval from Shareholders under Listing Rule 10.11.

If this Resolution is passed, the Company may issue the Copeland Securities to Mr Copeland.

If this Resolution is not passed, the Company will not issue of the Securities.

Specific Disclosure for Listing Rule 10.11

Pursuant to Listing Rule 10.13, the Company provides the following further information:

- (a) the Copeland Securities will be issued to Mr Philip Copeland (or a related entity);
- (b) Mr Copeland is a Director of the Company and therefore considered as a related party of the Company under Listing Rule 10.11.1;
- (c) the maximum number of additional Securities to be issued to Mr Copeland is 2,095,828 Shares and 1,047,914 Options;
- (d) the Company will receive \$0.035 for each Share issued as part of the Copeland Securities;
- (e) the Company will also receive \$0.05 for each Options issued as part of the Copeland Securities when they are exercised.
- (f) the Company will issue the relevant Securities within one month after this Resolution is passed by Shareholders;
- (g) the Company will use the funds to:
 - (i) contribute to the Capital Raise that was announced on the 18th October 2023
- (h) the issue of the Copeland Securities (being the Shares and Options) is not part of Mr Copeland's remuneration.

Directors' Recommendations

Philip Copeland expresses no opinion and makes no recommendation in respect of Resolution 8.

Each of the other Directors recommend that Shareholders vote in favour of Resolution 8 and intend to vote in favour of the Resolution.

SCHEDULE 1: DEFINITIONS

In the Notice and this Explanatory Memorandum, words importing the singular include the plural and vice versa.

\$ or A\$ means Australian Dollars.

Annual Report means the Directors' Report, the Financial Report and the Auditor's Report in respect to the financial year ended 30 June 2023.

ASX means ASX Limited (ACN 008 624 691) and, where the context permits, the Australian Securities Exchange operated by ASX.

Auditor's Report means the auditor's report on the Financial Report.

Board means the board of Directors.

Chairman means the person appointed to chair the Meeting convened by the Notice.

Closely Related Party means:

- (a) a spouse or child of the member; or
- (b) has the meaning given in section 9 of the Corporations Act.

Company means xReality Group Ltd ABN 39 154 103 607.

Constitution means the constitution of the Company.

Corporations Act means the *Corporations Act 2001* (Cth).

Copeland Securities has the meaning given to it in the Explanatory Memorandum for Resolution 8.

Director means a director of the Company.

Directors' Report means the annual directors' report prepared under chapter 2M of the Corporations Act for the Company and its controlled entities.

Eligible Employees means persons who are employees entitled to receive options under the Plan.

Equity Security has the same meaning as in the Listing Rules.

Explanatory Memorandum means the explanatory memorandum which forms part of the Notice.

Financial Report means the annual financial report prepared under chapter 2M of the Corporations Act of the Company and its controlled entities.

Group means the Company and its controlled entities.

Key Management Personnel means persons having authority and responsibility for planning, directing and controlling the activities of the Company, directly or indirectly, including any Director (whether executive or otherwise) of the Company.

Listing Rules means the listing rules of ASX.

Meeting has the meaning in the introductory paragraph of the Notice.

Notice means this notice of meeting dated 18 October 2023 which comprises of the notice, Explanatory Memorandum and Proxy Form.

Option means an option which entitles the holder to subscribe for one Share.

Proxy Form means the proxy form attached to the Notice.

Plan means the employee share option plan (or **ESOP**) of the Company adopted by the Company and announced on ASX from time to time.

Remuneration Report means the remuneration report of the Company contained in the Directors' Report.

Resolution means a resolution contained in the Notice.

Rights Issue has the meaning given to it in the Prospectus to be lodged under the proposed Rights Issue.

Options means the attaching Options from the Rights Issue, the material terms will be substantially similar to the Prospectus to be lodged under the proposed Rights Issue.

Rights Shortfall has the meaning given to it in the Prospectus to be lodged under the proposed Rights Issue.

Share means an ordinary share in the capital of the Company.

Shareholder means a shareholder of the Company.

Trading Day means a day determined by ASX to be a trading day in accordance with the Listing Rules.

VWAP means the volume weighted average price of the Shares as defined in the Listing Rules.

SCHEDULE 2: TERMS AND CONDITIONS OF DIRECTORS' SERVICE RIGHTS

1. Each Service Right shall entitle the holder the right to subscribe for one (1) fully paid ordinary share in the capital of the company (**Share**).
2. 50% of the Service Rights will vest on Shareholder approval.
3. The second 50% of the Service Rights will vest on the 12-month anniversary of Shareholder approval.
4. Subdivision 83A-C of the Income Tax Assessment Act 1997 applies to the Service Rights except to the extent an offer provides otherwise.
5. Each Share allotted as a result of the exercise of a Service Right will, subject to the constitution of the Company, rank in all aspects *pari passu* with the existing ordinary fully paid shares in the capital of the Company on issue at the date of allotment.
6. A registered owner of a Service Right (**Right Holder**) will be entitled to receive and will be sent all reports, accounts and notices required to be given to members of the company but will not be entitled to attend or vote at any meetings of the members of the Company unless they are members of the Company.
7. Service Rights do not confer any rights or entitlement to a dividend, unless and until the applicable Service Right has been converted into Shares.
8. A certificate or holding statement will be issued by the Company with respect to Service Rights held by a Right Holder. Attached or endorsed on the reversed side of each certificate or holding statement will be, a notice that is to be completed when exercising the Rights the subject of the certificate or holding statement (**Notice of Exercise of Rights**). Rights may be exercised by the Right Holder completing the Notice of Exercise of Rights and forwarding the same to the secretary of the Company. The Notice of Exercise of Rights must state the number of Rights exercised and the consequent number of ordinary shares in the capital of the Company to be allotted.
9. On exercise of Rights, the Right Holder must surrender to the Company the Right Holder's Rights certificate or holding statement with respect to those Rights being exercised.
10. Within 14 days from the date the Right Holder properly exercises Rights held by the Right Holder, the Company shall issue and allot to the Right Holder that number of fully paid ordinary shares in the capital of the Company so subscribed for by the Right Holder.
11. In the event of a reconstruction (including a consolidation, sub-division, reduction, return or pro-rata cancellation) of the issued capital of the company, the number of Rights shall be reconstructed in such a manner that it will not result in any benefits being conferred on the Right Holders which are not conferred on shareholders (subject to the provision with respect to rounding of entitlements sanctioned by the meeting of shareholders approving the reconstruction of capital) but in all other respects the terms of the exercise of Rights shall remain unchanged.
12. There are no participating rights or entitlements inherent in the Rights to participate in any new issues of capital which may be made or offered by the Company to its shareholders from time to time prior to the Right Expiry Date unless and until Rights are exercised. The Company will ensure that during the Exercise Period of the Rights, the record date for the purposes of determining entitlement to any new such issue, will be at least 9 business days after such new issues are announced in order to afford the Right Holder an opportunity to exercise the Rights held by the Right Holder.
13. The Company will not apply for quotation of the Rights on ASX. Rights cannot be transferred.
14. Service Rights do not confer any right to:
 - (a) participate in the surplus of profit or assets of the entity upon winding up; and

(b) a return of capital, whether in a winding up, upon a reduction of capital or otherwise.

15. Service Rights do not confer any right to a bonus issue or entitlement issues or issues of other securities convertible into ordinary shares.

SCHEDULE 3: TERMS AND CONDITIONS OF INCENTIVE OPTIONS

1. Each Option shall entitle the holder the right to subscribe for one (1) fully paid ordinary share in the capital of the company (**Share**) at the exercise price.
2. 50% of the Options will vest on the first anniversary of the appointment date.
3. 50% of the Options will vest on the second anniversary of the appointment date.
4. The exercise price of the Options \$0.065 per Option.
5. Subdivision 83A-C of the Income Tax Assessment Act 1997 applies to the Options except to the extent an offer provides otherwise.
6. Each Share allotted as a result of the exercise of an Option will, subject to the constitution of the Company, rank in all aspects pari passu with the existing ordinary fully paid shares in the capital of the Company on issue at the date of allotment.
7. A registered owner of an Option (**Option Holder**) will be entitled to receive and will be sent all reports, accounts and notices required to be given to members of the company but will not be entitled to attend or vote at any meetings of the members of the Company unless they are members of the Company.
8. A certificate or holding statement will be issued by the Company with respect to Options held by an Option Holder. Attached or endorsed on the reversed side of each certificate or holding statement will be, a notice that is to be completed when exercising the Options the subject of the certificate or holding statement (**Notice of Exercise of Options**). Options may be exercised by the Option Holder completing the Notice of Exercise of Options and forwarding the same to the secretary of the Company. The Notice of Exercise of Options must state the number of Options exercised and the consequent number of ordinary shares in the capital of the Company to be allotted.
9. On exercise of Options, the Option Holder must surrender to the Company the Option Holder's Option certificate or holding statement with respect to those Options being exercised.
10. Within 14 days from the date the Option Holder properly exercises Options held by the Option Holder, the Company shall issue and allot to the Option Holder that number of fully paid ordinary shares in the capital of the Company so subscribed for by the Option Holder.
11. In the event of a reconstruction (including a consolidation, sub-division, reduction, return or pro-rata cancellation) of the issued capital of the company, the number of Options or the Exercise Price of the Options or both shall be reconstructed in such a manner that it will not result in any benefits being conferred on the Option Holders which are not conferred on shareholders (subject to the provision with respect to rounding of entitlements sanctioned by the meeting of shareholders approving the reconstruction of capital) but in all other respects the terms of the exercise of Options shall remain unchanged.
12. There are no participating rights or entitlements inherent in the Options to participate in any new issues of capital which may be made or offered by the Company to its shareholders from time to time prior to the Option Expiry Date unless and until Options are exercised. The Company will ensure that during the Exercise Period of the Options, the record date for the purposes of determining entitlement to any new such issue, will be at least 9 business days after such new issues are announced in order to afford the Option Holder an opportunity to exercise the Options held by the Option Holder.
13. The Company will not apply for quotation of the Options on ASX. Options can only be transferred with the prior written consent of the Company (which consent may be withheld in the Company's sole discretion).
14. If the Company is listed on ASX and makes a pro rata issue (except a bonus issue) to the holders of ordinary shares, the Exercise Price of each Option shall be amended in accordance with the ASX Listing Rules.

15. If the Company makes a bonus issue or issues other securities convertible into ordinary shares on a pro rata basis to holders of ordinary shares the number of shares issued on exercise of each Option will include the number of bonus shares that would have been issued if the Option had been exercised by the Option Holder prior to the books closing date for bonus shares. No change will be made in such circumstances to the exercise price of each Option.

SCHEDULE 4: KEY TERMS OF XREALITY GROUP LIMITED EMPLOYEE INCENTIVE OPTION PLAN

The principal terms of the Plan are summarised below:

(a) Eligible Participants

Under the Plan, an option ("**Option**") is 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 in relation 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 Plan ("**Participant**").

An offer by the Board is required to specify, among other things, the date and total number of Options granted, the exercise price and the exercise period for the Options and any other matters the Board determines necessary, including the vesting conditions attaching to the Options.

(b) 5% Limited

The Plan has been prepared to comply with ASIC Class Order [CO 14/1000] and as such, offers under the Plan are limited to the 5% capital limit set out in the Class Order.

(c) Option Rights

Unless the Board determines otherwise, Options granted under the Plan are not capable of being transferred or encumbered by a Participant. Options do not carry any voting or dividend rights however shares issued to Participants on the exercise of an Option carry the same rights and entitlements as other shares on issue. The Company will not seek quotation of any Options on the ASX however will seek quotation for shares issued on the exercise of Options.

(d) Exercise of Options

At the sole and absolute discretion of the Board, and in general terms, Options granted under the Plan may only be exercised if particular exercise or vesting conditions have been met, the exercise price has been paid to the Company and the Options are exercised within the exercise period relating to the Option. An Option granted under the Plan may not be exercised once it has lapsed.

(e) Cashless Exercise Facility

Under the terms of the Plan, a Participant may request to pay the exercise price for an Option by setting off the exercise price against the number of shares which they are entitled to receive upon exercise ("**Cashless Exercise Facility**"). By using the Cashless Exercise Facility, the holder will receive shares to the value of the surplus after the exercise price has been set off. Any such request must be expressly made by the Participant in their exercise notice. The Board may approve or refuse the request in its sole and absolute discretion.

(f) Cash Payment

Instead of issues shares to a Participant on exercise of an Option, subject to compliance with the Corporations Act, the ASX Listing Rules and the terms of any offer made under the Plan, the Board may in its absolute discretion elect to pay a cash amount to the Participant equal to the current market value of the share to be issued less the exercise price in respect of the Option.

(g) Change of Control Event

On the occurrence of a change of control event, being, in general terms, an unconditional takeover bid under Chapter 6 of the Corporations Act, a court sanctioned scheme of arrangement or any other merger involving the Company occurs which results a person acquiring voting power sufficient to control the composition of the Board, the Board may in its sole discretion determine that all or a percentage of unvested Options will vest and become exercisable in accordance with the Plan Rules.

(h) Cessation of Employment

If a Participant ceases to be a director, employee or a contractor of any member of the Company's group, being associated bodies corporate of the Company, due to his or her resignation, redundancy or dismissal

prior to the relevant vesting date of the Options, the Options will lapse, unless the Board exercises its discretion otherwise.

If a Participant ceases to be a director, employee or a contractor of any member of the Company's group, being associated bodies corporate of the Company, due to his or her resignation, redundancy or dismissal on or after the relevant vesting date of the Options, the expiry date may be adjusted to 30 days after the termination date (or a later date determined by the Board).

(i) Fraudulent Behaviour

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.

(j) Reconstruction of Share Capital

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 is fair with respect to the Participants and the holders of other securities in the Company, subject to the ASX Listing Rules.

(k) Participation Rights

Holds of Options under the Plan may only participate in a new issue 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 a registered holder.

(l) Compliance with Laws

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

The Plan Rules contain customary and usual terms having regard to Australian law for dealing with administration, variation and termination of the Plan.

SCHEDULE 5: MATERIAL TERMS OF RIGHTS OPTIONS

The material terms of the Options will be substantially similar to the ones as set out below:

(a) *Entitlement*

Each Option entitles the holder to subscribe for 1 Share on exercise of the Option. The Options will not be quoted on ASX.

(b) *Exercise Price*

Subject to these terms, the amount payable on exercise of each Option will be \$0.05 (**Exercise Price**).

A notice of exercise of options is only effective when the Company has received the full amount of the Exercise Price in cash or cleared funds.

(c) *Expiry Date*

Each Option will expire at 5.00pm AEST on or before 31 January 2025 (**Expiry Date**). An Option not exercised before the Expiry Date will automatically lapse on the Expiry Date.

(d) *Exercise Period*

The Options are exercisable at any time on or prior to the Expiry Date (**Exercise Period**).

(e) *Notice of Exercise*

The Options may be exercised during the Exercise Period by notice in writing to the Company in the manner specified on the Option certificate (**Notice of Exercise**) and payment of the Exercise Price for each Option being exercised in Australian currency by EFT or other means of payment acceptable to the Company.

(f) *Exercise Date*

A Notice of Exercise is only effective on and from the later of the date of receipt of the Notice of Exercise and the date of receipt of the payment of the Exercise Price for each Option being exercised in cleared funds (**Exercise Date**).

(g) *Timing of issue of Shares on exercise*

Within five (5) Business Days after the Exercise Date, the Company will:

- (i) issue the number of Shares required under these terms and conditions in respect of the number of Options specified in the Notice of Exercise and for which cleared funds have been received by the Company;
- (ii) if required, give ASX a notice that complies with section 708A(5)(e) of the Corporations Act, or, if the Company is unable to issue such a notice, lodge with ASIC a prospectus prepared in accordance with the Corporations Act and do all such things necessary to satisfy section 708A(11) of the Corporations Act to ensure that an offer for sale of the Shares does not require disclosure to investors; and
- (iii) if admitted to the official list of ASX at the time, apply for Official Quotation on ASX of Shares issued pursuant to the exercise of the Rights Options.

If a notice delivered under 1.1(g)(ii) for any reason is not effective to ensure that an offer for sale of the Shares does not require disclosure to investors, the Company must, no later than 20 Business Days after becoming aware of such notice being ineffective, lodge with ASIC a prospectus prepared in accordance with the Corporations Act and do all such things necessary to satisfy section 708A(11) of the Corporations Act to ensure that an offer for sale of the Shares does not require disclosure to investors.

(h) Shares issued on exercise

Shares issued on exercise of the Options will rank equally with the then issued Shares of the Company.

(i) Reconstruction of capital

If at any time the issued capital of the Company is reconstructed, all rights of an Optionholder are to be changed in a manner consistent with the Corporations Act and the ASX Listing Rules at the time of the reconstruction.

(j) Participation in new issues

There are no participation rights or entitlements inherent in the Rights Options and holders will not be entitled to participate in new issues of capital offered to Shareholders during the currency of the Rights Options without exercising the Rights Options.

(k) Change in exercise price

A Option does not confer the right to a change in Exercise Price or a change in the number of underlying securities over which the Option can be exercised.

(l) Transferability

The Options are transferable subject to any restriction or escrow arrangements imposed by ASX or under applicable Australian securities laws.

All Correspondence to:

- ✉ **By Mail** Boardroom Pty Limited
GPO Box 3993
Sydney NSW 2001 Australia
- 📠 **By Fax:** +61 2 9290 9655
- 💻 **Online:** www.boardroomlimited.com.au
- ☎ **By Phone:** (within Australia) 1300 737 760
(outside Australia) +61 2 9290 9600

YOUR VOTE IS IMPORTANT

For your vote to be effective it must be recorded **before 12:00pm (AEDT) on Sunday, 19 November 2023.**

🖥 TO VOTE ONLINE

STEP 1: VISIT <https://www.votingonline.com.au/xrgagm2023>

STEP 2: Enter your Postcode OR Country of Residence (if outside Australia)

STEP 3: Enter your Voting Access Code (VAC):

📱 BY SMARTPHONE



Scan QR Code using smartphone
QR Reader App

TO VOTE BY COMPLETING THE PROXY FORM

STEP 1 APPOINTMENT OF PROXY

Indicate who you want to appoint as your Proxy.

If you wish to appoint the Chair of the Meeting as your proxy, mark the box. If you wish to appoint someone other than the Chair of the Meeting as your proxy please write the full name of that individual or body corporate. If you leave this section blank, or your named proxy does not attend the meeting, the Chair of the Meeting will be your proxy. A proxy need not be a securityholder of the company. Do not write the name of the issuer company or the registered securityholder in the space.

Appointment of a Second Proxy

You are entitled to appoint up to two proxies to attend the meeting and vote. If you wish to appoint a second proxy, an additional Proxy Form may be obtained by contacting the company's securities registry or you may copy this form.

To appoint a second proxy you must:

- complete two Proxy Forms. On each Proxy Form state the percentage of your voting rights or the number of securities applicable to that form. If the appointments do not specify the percentage or number of votes that each proxy may exercise, each proxy may exercise half your votes. Fractions of votes will be disregarded.
- return both forms together in the same envelope.

STEP 2 VOTING DIRECTIONS TO YOUR PROXY

To direct your proxy how to vote, mark one of the boxes opposite each item of business. All your securities will be voted in accordance with such a direction unless you indicate only a portion of securities are to be voted on any item by inserting the percentage or number that you wish to vote in the appropriate box or boxes. If you do not mark any of the boxes on a given item, your proxy may vote as he or she chooses. If you mark more than one box on an item for all your securities your vote on that item will be invalid.

Proxy which is a Body Corporate

Where a body corporate is appointed as your proxy, the representative of that body corporate attending the meeting must have provided an "Appointment of Corporate Representative" prior to admission. An Appointment of Corporate Representative form can be obtained from the company's securities registry.

STEP 3 SIGN THE FORM

The form **must** be signed as follows:

Individual: This form is to be signed by the securityholder.

Joint Holding: where the holding is in more than one name, all the securityholders should sign.

Power of Attorney: to sign under a Power of Attorney, you must have already lodged it with the registry. Alternatively, attach a certified photocopy of the Power of Attorney to this form when you return it.

Companies: this form must be signed by a Director jointly with either another Director or a Company Secretary. Where the company has a Sole Director who is also the Sole Company Secretary, this form should be signed by that person. **Please indicate the office held by signing in the appropriate place.**

STEP 4 LODGEMENT

Proxy forms (and any Power of Attorney under which it is signed) must be received no later than 48 hours before the commencement of the meeting, therefore by **12:00pm (AEDT) on Sunday, 19 November 2023.** Any Proxy Form received after that time will not be valid for the scheduled meeting.

Proxy forms may be lodged using the enclosed Reply Paid Envelope or:

- 🖥 **Online** <https://www.votingonline.com.au/xrgagm2023>
- 📠 **By Fax** + 61 2 9290 9655
- ✉ **By Mail** Boardroom Pty Limited
GPO Box 3993,
Sydney NSW 2001 Australia
- 👤 **In Person** Boardroom Pty Limited
Level 8, 210 George Street
Sydney NSW 2000 Australia

Attending the Meeting

If you wish to attend the meeting please bring this form with you to assist registration.

Your Address
This is your address as it appears on the company's share register. If this is incorrect, please mark the box with an "X" and make the correction in the space to the left. Securityholders sponsored by a broker should advise their broker of any changes.
Please note, you cannot change ownership of your securities using this form.

PROXY FORM

STEP 1 APPOINT A PROXY

I/We being a member/s of **xReality Group Ltd** (Company) and entitled to attend and vote hereby appoint:

the **Chair of the Meeting** (mark box)

OR if you are **NOT** appointing the Chair of the Meeting as your proxy, please write the name of the person or body corporate (excluding the registered securityholder) you are appointing as your proxy below

or failing the individual or body corporate named, or if no individual or body corporate is named, the Chair of the Meeting as my/our proxy at the Annual General Meeting of the Company to be held at the **Australian Institute of Company Directors, 18 Jamison Street, Sydney, NSW 2000 on Tuesday, 21 November, 2023 at 12:00pm (AEDT)** and at any adjournment of that meeting, to act on my/our behalf and to vote in accordance with the following directions or if no directions have been given, as the proxy sees fit.

Chair of the Meeting authorised to exercise undirected proxies on remuneration related matters: If I/we have appointed the Chair of the Meeting as my/our proxy or the Chair of the Meeting becomes my/our proxy by default and I/we have not directed my/our proxy how to vote in respect of Resolutions 1 & 6, I/we expressly authorise the Chair of the Meeting to exercise my/our proxy in respect of this Resolution even though Resolutions 1 & 6 are connected with the remuneration of a member of the key management personnel for the Company.

The Chair of the Meeting will vote all undirected proxies in favour of all Items of business (including Resolutions 1 & 6). If you wish to appoint the Chair of the Meeting as your proxy with a direction to vote against, or to abstain from voting on an item, you must provide a direction by marking the 'Against' or 'Abstain' box opposite that resolution.

STEP 2 VOTING DIRECTIONS

* If you mark the Abstain box for a particular item, you are directing your proxy not to vote on your behalf on a show of hands or on a poll and your vote will not be counted in calculating the required majority if a poll is called.

		For	Against	Abstain*
Resolution 1	Adoption of the Remuneration Report	<div></div>	<div></div>	<div></div>
Resolution 2	Election of Philip Copeland as a Director	<div></div>	<div></div>	<div></div>
Resolution 3	Election of Kim Hopwood as a Director	<div></div>	<div></div>	<div></div>
Resolution 4	Election of John Diddams as a Director	<div></div>	<div></div>	<div></div>
Resolution 5	Approval of 10% Placement Capacity	<div></div>	<div></div>	<div></div>
Resolution 6	Issue of Service Rights and Options to Non-Executive Director	<div></div>	<div></div>	<div></div>
Resolution 7	Approval of Employee Incentive Option Plan	<div></div>	<div></div>	<div></div>
Resolution 8	Proposed Participation of Placement by Director	<div></div>	<div></div>	<div></div>

STEP 3 SIGNATURE OF SECURITYHOLDERS

This form must be signed to enable your directions to be implemented.

Individual or Securityholder 1

Sole Director and Sole Company Secretary

Securityholder 2

Director

Securityholder 3

Director / Company Secretary

