
NEXION GROUP LTD

ACN 628 415 887

NOTICE OF GENERAL MEETING

Notice is given that the Meeting will be held at:

TIME: 2:30pm (WST)

DATE: 28 June 2023

PLACE: Ground Floor
12 Newcastle Street
PERTH WA 6000

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

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 professional advisers prior to voting.

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 Shareholders at 5:00pm (WST) on 26 June 2023.

BUSINESS OF THE MEETING

AGENDA

1. RESOLUTION 1 – RATIFICATION OF ISSUE OF TRANCHE 1 PLACEMENT SHARES – LISTING RULE 7.1

To consider and, if thought fit, to pass, with or without amendment, the following resolution as an **ordinary resolution**:

"That, for the purposes of Listing Rule 7.4 and for all other purposes, Shareholders ratify the issue of 22,846,178 Shares on the terms and conditions set out in the Explanatory Statement."

A voting exclusion statement applies to this Resolution. Please see below.

2. RESOLUTION 2 – RATIFICATION OF ISSUE OF TRANCHE 1 PLACEMENT SHARES – LISTING RULE 7.1A

To consider and, if thought fit, to pass, with or without amendment, the following resolution as an **ordinary resolution**:

"That, for the purposes of Listing Rule 7.4 and for all other purposes, Shareholders ratify the issue of 15,230,785 Shares on the terms and conditions set out in the Explanatory Statement."

A voting exclusion statement applies to this Resolution. Please see below.

3. RESOLUTION 3 – APPROVAL TO ISSUE TRANCHE 2 PLACEMENT SHARES

To consider and, if thought fit, to pass, with or without amendment, the following resolution as an **ordinary resolution**:

"That, for the purposes of Listing Rule 7.1 and for all other purposes, approval is given for the Company to issue 5,256,370 Shares on the terms and conditions set out in the Explanatory Statement."

A voting exclusion statement applies to this Resolution. Please see below.

4. RESOLUTION 4 – APPROVAL TO ISSUE TRANCHE 2 PLACEMENT SHARES TO NASSER ABDELGHANI AND JACK TOBY

To consider and, if thought fit, to pass, with or without amendment, the following resolution as an **ordinary resolution**:

"That, for the purposes of Listing Rule 7.1 and for all other purposes, approval is given for the Company to issue 1,333,334 Shares on the terms and conditions set out in the Explanatory Statement."

A voting exclusion statement applies to this Resolution. Please see below.

5. RESOLUTION 5 – APPROVAL FOR DIRECTOR PARTICIPATION IN PLACEMENT – PETER CHRISTIE

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

"That, for the purposes of section 195(4) and section 208 of the Corporations Act, Listing Rule 10.11 and for all other purposes, approval is given for the Company to issue up to 2,666,666 Shares to Peter Christie (or his nominees) on the terms and conditions set out in the Explanatory Statement."

A voting exclusion statement and voting prohibition statement apply to this Resolution. Please see below.

6. RESOLUTION 6 – APPROVAL FOR DIRECTOR PARTICIPATION IN PLACEMENT – CHRISTOPHER DALY

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

"That, for the purposes of section 195(4) and section 208 of the Corporations Act, Listing Rule 10.11 and for all other purposes, approval is given for the Company to issue up to 2,666,667 Shares to Christopher Daly (or his nominees) on the terms and conditions set out in the Explanatory Statement."

A voting exclusion statement and voting prohibition statement apply to this Resolution. Please see below.

7. RESOLUTION 7 – APPROVAL TO ISSUE SUBSEQUENT PLACEMENT SHARES

To consider and, if thought fit, to pass, with or without amendment, the following resolution as an **ordinary resolution**:

"That, for the purposes of Listing Rule 7.1 and for all other purposes, approval is given for the Company to issue up to 90,000,000 Shares on the terms and conditions set out in the Explanatory Statement."

A voting exclusion statement applies to this Resolution. Please see below.

8. RESOLUTION 8 – APPROVAL TO ISSUE SUBSEQUENT PLACEMENT OPTIONS

To consider and, if thought fit, to pass, with or without amendment, the following resolution as an **ordinary resolution**:

"That, for the purposes of Listing Rule 7.1 and for all other purposes, approval is given for the Company to issue up to 90,000,000 Options on the terms and conditions set out in the Explanatory Statement."

A voting exclusion statement applies to this Resolution. Please see below.

Dated: 25 May 2023

By order of the Board

**Jack Toby
Company Secretary**

Voting Prohibition Statements

Resolution 5 – Approval for Director participation in Placement – Peter Christie	<p>A person appointed as a proxy must not vote, on the basis of that appointment, on this Resolution if:</p> <p>(a) the proxy is either:</p> <p>(i) a member of the Key Management Personnel; or</p> <p>(ii) a Closely Related Party of such a member; and</p> <p>(b) the appointment does not specify the way the proxy is to vote on this Resolution.</p> <p>However, the above prohibition does not apply if:</p> <p>(a) the proxy is the Chair; and</p> <p>(b) the appointment expressly authorises the Chair to exercise the proxy even though this Resolution is connected directly or indirectly with remuneration of a member of the Key Management Personnel.</p>
Resolution 6 – Approval for Director participation in Placement – Christopher Daly	<p>A person appointed as a proxy must not vote, on the basis of that appointment, on this Resolution if:</p> <p>(a) the proxy is either:</p> <p>(i) a member of the Key Management Personnel; or</p> <p>(ii) a Closely Related Party of such a member; and</p> <p>(b) the appointment does not specify the way the proxy is to vote on this Resolution.</p> <p>However, the above prohibition does not apply if:</p> <p>(a) the proxy is the Chair; and</p> <p>(b) the appointment expressly authorises the Chair to exercise the proxy even though this Resolution is connected directly or indirectly with remuneration of a member of the Key Management Personnel.</p>

Voting Exclusion Statements

In accordance with Listing Rule 14.11, the Company will disregard any votes cast in favour of the Resolution set out below by or on behalf of the following persons:

Resolution 1 – Ratification of issue of Tranche 1 Placement Shares – Listing Rule 7.1	A person who participated in the issue (namely clients of Bridge Street Capital) or an associate of that person or those persons.
Resolution 2 – Ratification of issue of Tranche 1 Placement Shares – Listing Rule 7.1A	A person who participated in the issue (namely clients of Bridge Street Capital) or an associate of that person or those persons.
Resolution 3 – Approval to issue Tranche 2 Placement Shares	A 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) (namely clients of Bridge Street Capital) or an associate of that person (or those persons).
Resolution 4 – Approval to issue Tranche 2 Placement Shares to Messrs Abdelghani and Toby	A 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) (namely Messrs Abdelghani and Toby) or an associate of that person (or those persons).
Resolution 5 – Approval for Director participation in Placement – Peter Christie	Peter Christie (or his nominee) 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 Company) or an associate of that person or those persons.
Resolution 6 – Approval for Director participation in Placement – Christopher Daly	Christopher Daly (or his nominee) 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 Company) or an associate of that person or those persons.
Resolution 7 – Approval to issue Subsequent Placement Shares	A 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) (namely the Subsequent Placement participants) or an associate of that person (or those persons).
Resolution 8 – Approval to issue Placement Options	A 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) (namely the Subsequent Placement participants) or an associate of that person (or those persons).

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

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

Voting by proxy

To vote by proxy, please complete and sign the enclosed form and return by the time and in accordance with the instructions set out on the proxy form.

In accordance with section 249L of the Corporations Act, Shareholders are advised that:

- each Shareholder has a right to appoint a proxy;
- the proxy need not be a Shareholder of the Company; and
- a Shareholder who is 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. If the Shareholder appoints two proxies and the appointment does not specify the proportion or number of the member's votes, then in accordance with section 249X(3) of the Corporations Act, each proxy may exercise one-half of the votes.

Shareholders and their proxies should be aware that:

- if proxy holders vote, they must cast all directed proxies as directed; and
- any directed proxies which are not voted will automatically default to the Chair, who must vote the proxies as directed.

Voting in person

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

Should you wish to discuss the matters in this Notice please do not hesitate to contact the Company Secretary on 1300 436 110.

EXPLANATORY STATEMENT

This Explanatory Statement has been prepared to provide information which the Directors believe to be material to Shareholders in deciding whether or not to pass the Resolutions.

1. BACKGROUND TO RESOLUTIONS 1 TO 6 – PLACEMENT

1.1 Overview of Placement

As announced on the Company's ASX platform on 24 April 2023, the Company has received firm commitments for a placement of 50,000,000 Shares to raise \$750,000 (before costs) (**Placement**). Funds raised from the Placement will be used for administration expenses, payment of creditors, working capital and general corporate purposes.

The following Shares have been issued pursuant to the Placement:

(a) **Tranche 1**

On 1 May 2023, the Company issued 38,076,963 Shares pursuant to its existing placement capacity (**Tranche 1 Placement Shares**), comprising:

- (i) 22,846,178 Tranche 1 Placement Shares issued pursuant to the Company's capacity under Listing Rule 7.1 (being, the subject of Resolution 1); and
- (ii) 15,230,785 Tranche 1 Placement Shares issued pursuant to the Company's 7.1A Mandate (being, the subject of Resolution 2).

The Company proposes to issue the following Shares pursuant to the Placement, subject to obtaining Shareholder approval:

(b) **Tranche 2**

The Company will issue a further 6,589,704 Shares (**Tranche 2 Placement Shares**), comprising:

- (i) 5,256,370 Tranche 2 Placement Shares to be issued to clients of Bridge Street Capital Partners (ACN 164 702 005) (**Bridge Street Capital**) (Shareholder approval for which is sought pursuant to Resolution 3); and
- (ii) 1,333,334 Tranche 2 Placement Shares to be issued to Nasser Abdelghani, General Manager of Nexion Networks Pty Ltd (or his nominees) and Jack Toby, Company Secretary (or his nominees) (Shareholder approval for which is sought pursuant to Resolution 4).

(c) **Director Placement**

The Company will issue 5,333,333 Shares to Peter Christie and Christopher Daly, directors of the Company, comprising:

- (i) 2,666,666 Shares to be issued to Peter Christie (or his nominees) (Shareholder approval for which is sought pursuant to Resolution 5); and

- (ii) 2,666,667 Shares to be issued to Christopher Daly (or his nominees) (Shareholder approval for which is sought pursuant to Resolution 6).

1.2 Lead Manager

The Company entered into an agreement pursuant to which it engaged Bridge Street Capital to act as lead manager to the Placement (**Lead Manager Mandate**).

A summary of the Lead Manager Mandate is below:

Term	The Lead Manager Mandate commenced on 4 April 2023 and will continue until terminated in accordance with the terms and conditions of the Lead Manager Mandate.
Services	Lead manager services for the Placement.
Fees	<p>The Company agreed to pay Bridge Street Capital:</p> <p>(a) a management fee of 2% (plus GST) of the gross proceeds raised via the Placement; and</p> <p>(b) a placement fee of 4% of the gross proceeds raised from the Placement. The placement fee will not be charged on the proceeds of any Shares issued to the directors of the Company or their respective investment vehicles.</p>

The Lead Manager Mandate otherwise contains terms and conditions which are standard for an agreement of its nature.

2. RESOLUTIONS 1 AND 2 – RATIFICATION OF ISSUE OF TRANCHE 1 PLACEMENT SHARES

2.1 General

As set out in Section 1.1, on 1 May 2023, the Company issued 38,076,963 Shares at an issue price of \$0.015 per Share.

22,846,178 Tranche 1 Placement Shares were issued pursuant to the Company's capacity under Listing Rule 7.1 (being, the subject of Resolution 1) and 15,230,785 Tranche 1 Placement Shares were issued pursuant to the Company's capacity under Listing Rule 7.1A which was approved by Shareholders at the annual general meeting held on 24 November 2022 (being, the subject of Resolution 2).

The issue of the Tranche 1 Placement Shares did not breach Listing Rule 7.1 at the time of the issue.

The Company engaged the services of Bridge Street Capital on the terms set out in Section 1.2.

2.2 Listing Rules 7.1 and 7.1A

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

As set out in Section 2.1, the Company obtained approval to increase its limit to 25% at the annual general meeting held on 24 November 2022.

The issue of the Tranche 1 Placement Shares does not fit within any of the exceptions set out in Listing Rule 7.2 and, as it has not yet been approved by Shareholders, it effectively uses up part of the 25% limit in Listing Rules 7.1 and 7.1A, reducing the Company's capacity to issue further equity securities without Shareholder approval under Listing Rule 7.1 and 7.1A for the 12 month period following the date of issue of the Tranche 1 Placement Shares.

2.3 Listing Rule 7.4

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

The Company wishes to retain as much flexibility as possible to issue additional equity securities in the future without having to obtain Shareholder approval for such issues under Listing Rule 7.1. Accordingly, the Company is seeking Shareholder ratification pursuant to Listing Rule 7.4 for the issue of the Tranche 1 Placement Shares.

Resolutions 1 and 2 seek Shareholder ratification pursuant to Listing Rule 7.4 for the issue of the Tranche 1 Placement Shares.

2.4 Technical information required by Listing Rule 14.1A

If Resolutions 1 and 2 are passed, the Tranche 1 Placement Shares will be excluded in calculating the Company's combined 25% limit in Listing Rules 7.1 and 7.1A, effectively increasing the number of equity securities the Company can issue without Shareholder approval over the 12 month period following the date of issue of the Tranche 1 Placement Shares.

If Resolutions 1 and 2 are not passed, the Tranche 1 Placement Shares will be included in calculating the Company's combined 25% limit in Listing Rules 7.1 and 7.1A, effectively decreasing the number of equity securities the Company can issue without Shareholder approval over the 12 month period following the date of issue of the Tranche 1 Placement Shares.

2.5 Technical information required by Listing Rule 7.5

Pursuant to and in accordance with Listing Rule 7.5, the following information is provided in relation to Resolutions 1 and 2.

- (a) the Tranche 1 Placement Shares were issued to professional and sophisticated investors who are clients of Bridge Street Capital. The recipients were identified through a bookbuild process, which involved Bridge Street Capital seeking expressions of interest to participate in the Placement from non-related parties of the Company;
- (b) in accordance with paragraph 7.4 of ASX Guidance Note 21, the Company confirms that PBC Investments Pty Limited ATF PBC Super Fund A/C, a substantial holder of the Company, was issued 11,846,178 Tranche 1 Placement Shares and holds 16.62% of the Company's issued capital;

- (c) other than as set out above, the Company confirms that none of the recipients were:
 - (i) related parties of the Company, members of the Company's Key Management Personnel, substantial holders of the Company, advisers of the Company or an associate of any of these parties; and
 - (ii) issued more than 1% of the issued capital of the Company;
- (d) 38,076,963 Tranche 1 Placement Shares were issued on the following basis:
 - (i) 22,846,178 Shares were issued pursuant to Listing Rule 7.1 (ratification of which is sought under Resolution 1); and
 - (ii) 15,230,785 Shares were issued pursuant to Listing Rule 7.1A (ratification of which is sought under Resolution 2);
- (e) the Tranche 1 Placement Shares issued were all fully paid ordinary shares in the capital of the Company issued on the same terms and conditions as the Company's existing Shares;
- (f) the Tranche 1 Placement Shares were issued on 1 May 2023;
- (g) the issue price was \$0.015 per Tranche 1 Placement Share under both the issue of Shares pursuant to Listing Rule 7.1 and Listing Rule 7.1A. The Company has not and will not receive any other consideration for the issue of the Tranche 1 Placement Shares;
- (h) the purpose of the issue of the Tranche 1 Placement Shares is set out in Section 1.1; and
- (i) the Tranche 1 Placement Shares were issued pursuant to the subscription agreement with Bridge Street Capital (**Subscription Agreement**). A summary of the Subscription Agreement is set out in Schedule 1.

3. RESOLUTION 3 – APPROVAL TO ISSUE TRANCHE 2 PLACEMENT SHARES

3.1 General

As set out in Section 1.1(b), the Company is proposing to issue a further 5,256,370 Shares at an issue price of \$0.015 per Share.

The Company engaged the services of Bridge Street Capital on the terms set out in Section 1.2.

Listing Rule 7.1 is summarised in Section 2.1.

The proposed issue of the Tranche 2 Placement Shares does not fit within any of the exceptions set out in Listing Rule 7.2. While the issue does not exceed the 15% limit in Listing Rule 7.1 (subject to the passing of Resolution 1) and can therefore be made without breaching that rule, the Company wishes to retain as much flexibility as possible to issue additional equity securities in the future without having to obtain Shareholder approval under Listing Rule 7.1. Accordingly, the Company is seeking Shareholder approval pursuant to Listing Rule 7.1 so that it does not use up any of its 15% placement capacity under Listing Rule 7.1.

3.2 Technical information required by Listing Rule 14.1A

If Resolution 3 is passed, the Company will be able to proceed with the issue of the Tranche 2 Placement Shares. In addition, the issue of the Tranche 2 Placement Shares 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.

If Resolution 3 is not passed, the issue of the Tranche 2 Placement Shares can still proceed but it will reduce, to that extent, the Company's capacity to issue equity securities without Shareholder approval under Listing Rule 7.1 for 12 months following the issue.

Resolution 3 is independent of Resolutions 1 and 2. Resolution 3 seeks Shareholder approval for the purposes of Listing Rule 7.1 for the issue of the Tranche 2 Placement Shares.

3.3 Technical information required by Listing Rule 7.1

Pursuant to and in accordance with Listing Rule 7.3, the following information is provided in relation to Resolution 3:

- (a) the Tranche 2 Placement Shares will be issued to professional and sophisticated investors who are clients of Bridge Street Capital. The recipients will be identified through a bookbuild process, which will involve Bridge Street Capital seeking expressions of interest to participate in the Placement from non-related parties of the Company;
- (b) in accordance with paragraph 7.2 of ASX Guidance Note 21, the Company confirms that PBC Investments Pty Limited ATF PBC Super Fund A/C, a substantial holder of the Company, will be issued more than 1% of the issued capital of the Company;
- (c) other than as set out above, in accordance with paragraph 7.2 of ASX Guidance Note 21, the Company confirms that none of the recipients will be:
 - (i) related parties of the Company, members of the Company's Key Management Personnel, substantial holders of the Company, advisers of the Company or an associate of any of these parties; and
 - (ii) issued more than 1% of the issued capital of the Company;
- (d) the maximum number of Tranche 2 Placement Shares to be issued is 5,256,370. The Tranche 2 Placement Shares issued will be fully paid ordinary shares in the capital of the Company issued on the same terms and conditions as the Company's existing Shares;
- (e) the Tranche 2 Placement Shares will be issued no later than 3 months after the date of the Meeting (or such later date to the extent permitted by any ASX waiver or modification of the Listing Rules) and it is intended that issue of the Tranche 2 Placement Shares will occur progressively;
- (f) the issue price of the Tranche 2 Placement Shares will be \$0.015 per Tranche 2 Placement Share. The Company will not receive any other consideration for the issue of the Tranche 2 Placement Shares;

- (g) the purpose of the issue of the Tranche 2 Placement Shares is set out in Section 1.1;
- (H) the Tranche 2 Placement Shares are being issued pursuant to the Subscription Agreement. A summary of the Subscription Agreement is set out in Schedule 1; and
- (i) the Tranche 2 Placement Shares are not being issued under, or to fund, a reverse takeover.

3.4 Dilution

Assuming the maximum number of Tranche 2 Placement Shares (under Resolutions 3 and 4) are issued, the number of Shares on issue would increase from 190,384,817 (being the number of Shares on issue as at the date of this Notice) to 196,974,521 and the shareholding of existing Shareholders would be diluted by 3.35%.

4. RESOLUTION 4 – APPROVAL TO ISSUE SHARES TO NASSER ABDELGHANI AND JACK TOBY

4.1 General

The Company is proposing to issue 1,333,334 Tranche 2 Placement Shares at an issue price of \$0.015 per Share as set out in Section 1.1(b)(ii) to Messrs Abdelghani and Toby (or their nominees).

Listing Rule 7.1 is summarised in Section 2.1.

The proposed issue of the Tranche 2 Placement Shares does not fit within any of the exceptions set out in Listing Rule 7.2. While the issue does not exceed the 15% limit in Listing Rule 7.1 (subject to the passing of Resolution 1) and can therefore be made without breaching that rule, the Company wishes to retain as much flexibility as possible to issue additional equity securities in the future without having to obtain Shareholder approval under Listing Rule 7.1. Accordingly, the Company is seeking Shareholder approval pursuant to Listing Rule 7.1 so that it does not use up any of its 15% placement capacity under Listing Rule 7.1.

4.2 Technical information required by Listing Rule 14.1A

If Resolution 4 is passed, the Company will be able to proceed with the issue of the Tranche 2 Placement Shares. In addition, the issue of the Tranche 2 Placement Shares 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.

If Resolution 4 is not passed, the issue of the Tranche 2 Placement Shares can still proceed (subject to the passing of Resolution 1) but it will reduce, to that extent, the Company's capacity to issue equity securities without Shareholder approval under Listing Rule 7.1 for 12 months following the issue.

4.3 Technical information required by Listing Rule 7.1

Pursuant to and in accordance with Listing Rule 7.3, the following information is provided in relation to Resolution 4:

- (a) the Tranche 2 Placement Shares will be issued to Nasser Abdelghani, the General Manager of Nexion Networks Pty Ltd (or his nominees) and Jack Toby, Company Secretary of Nexion Group Ltd (or his nominees);

- (b) in accordance with paragraph 7.2 of ASX Guidance Note 21, the Company confirms that none of the recipients will be:
 - (i) related parties of the Company, members of the Company's Key Management Personnel, substantial holders of the Company, advisers of the Company or an associate of any of these parties; and
 - (ii) issued more than 1% of the issued capital of the Company;
- (c) the maximum number of Tranche 2 Placement Shares to be issued is 1,333,334. The Tranche 2 Placement Shares issued will be fully paid ordinary shares in the capital of the Company issued on the same terms and conditions as the Company's existing Shares;
- (d) the Tranche 2 Placement Shares will be issued no later than 3 months after the date of the Meeting (or such later date to the extent permitted by any ASX waiver or modification of the Listing Rules) and it is intended that issue of the Tranche 2 Placement Shares will occur progressively;
- (e) the issue price of the Tranche 2 Placement Shares will be \$0.015 per Share. The Company will not receive any other consideration for the issue of the Tranche 2 Placement Shares;
- (f) the purpose of the issue of the Tranche 2 Placement Shares is set out in Section 1.1;
- (g) the Tranche 2 Placement Shares are not being issued under an agreement; and
- (h) the Tranche 2 Placement Shares are not being issued under, or to fund, a reverse takeover.

5. RESOLUTIONS 5 AND 6 – APPROVAL FOR DIRECTOR PARTICIPATION IN PLACEMENT

5.1 General

The Company has agreed, subject to obtaining Shareholder approval, to issue up to 5,333,333 Placement Shares to Peter Christie and Christopher Daly (or their respective nominees) (**Related Parties**) as part of the Placement on the terms and conditions set out below (**Participation**).

Accordingly, Resolutions 5 and 6 seek Shareholder approval for the issue of the 5,333,333 Shares, up to the value of \$40,000 to each of the Related Parties (**Related Party Shares**).

5.2 Director Recommendation

- (a) Mr Christie is an executive Director of the Company and therefore Mr John Bell believes that the issue of the Related Party Shares to Mr Christie is in line with Recommendation 8.2 of the 4th edition of the ASX Corporate Governance Council's Corporate Governance Principles and Recommendations.
- (b) Mr Bell acknowledges that the issue of the Related Party Shares to Mr Daly, a non-executive Director of the Company, is contrary to Recommendation 8.2 of the 4th edition of the ASX Corporate Governance Council's Corporate Governance Principles and Recommendations. However, Mr Bell considers the issue of Related Party

Shares to the Non-Executive Directors to be reasonable in the circumstances for the reasons set out in Section 5.6 below.

- (c) Mr Bell recommends that Shareholders vote in favour of Resolutions 5 and 6 for the reasons set out in Section 5.6. In forming their recommendation, Mr Bell considered the experience of the Related Parties, the current market price of Shares, the current market standards and practices when determining the number of Shares to be issued to each of the Related Parties, as well as the issue price of the Placement Shares.
- (d) Each Director (other than Mr Bell) has a material personal interest in the outcome of Resolutions 5 and 6 on the basis that the Directors (other than Mr Bell) (or their nominees) are to be issued Related Party Shares on the same terms and conditions should Resolutions 5 and 6 be passed. For this reason, the Directors (other than Mr Bell) do not believe that it is appropriate to make a recommendation on Resolutions 5 and 6 of this Notice.
- (e) The Directors consider that the issue of the Related Party Shares does not constitute a financial benefit to the Related Parties as the issue is on the same terms as the Placement, that was concluded on arms-length terms.

5.3 Chapter 2E of the Corporations Act

For a public company, or an entity that the public company controls, to give a financial benefit to a related party of the public company, the public company or entity must:

- (a) obtain the approval of the public company's members in the manner set out in sections 217 to 227 of the Corporations Act; and
- (b) give the benefit within 15 months following such approval,

unless the giving of the financial benefit falls within an exception set out in sections 210 to 216 of the Corporations Act.

The Participation will result in the issue of Shares which constitutes giving a financial benefit. Peter Christie and Christopher Daly are related parties of the Company by virtue of being Directors.

As the Related Party Shares are proposed to be issued to two of the Directors, the Directors are unable to form a quorum to consider whether one of the exceptions set out in sections 210 to 216 of the Corporations Act applies to the issue of the Related Party Shares. Accordingly, Shareholder approval for the issue of the Related Party Shares in respect of the Participation is sought in accordance with Chapter 2E of the Corporations Act.

5.4 Listing Rule 10.11

Listing Rule 10.11 provides that unless one of the exceptions in Listing Rule 10.12 applies, a listed company must not issue or agree to issue equity securities to:

- 10.11.1 a related party;
- 10.11.2 a person who is, or was at any time in the 6 months before the issue or agreement, a substantial (30%+) holder in the company;

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

unless it obtains the approval of its Shareholders.

The Participation falls within Listing Rule 10.11.1 and does not fall within any of the exceptions in Listing Rule 10.12. It therefore requires the approval of Shareholders under Listing Rule 10.11.

Resolutions 5 and 6 seek the required Shareholder approval for the Participation under and for the purposes of Listing Rule 10.11.

5.5 Technical information required by Listing Rule 14.1A

If Resolutions 5 and 6 are passed, the Company will be able to proceed with the issue of the Related Party Shares under the Participation within one month after the date of the Meeting (or such later date as permitted by any ASX waiver or modification of the Listing Rules). As approval pursuant to Listing Rule 7.1 is not required for the issue of the Related Party Shares in respect of the Participation (because approval is being obtained under Listing Rule 10.11), the issue of the Shares will not use up any of the Company's 15% annual placement capacity.

If Resolutions 5 and 6 are not passed, the Company will not be able to proceed with the issue of the Related Party Shares under the Participation and no further funds will be raised in respect of the Placement. Resolutions 5 and 6 are independent of the other Resolutions set out in this Notice.

5.6 Technical Information required by Listing Rule 10.13 and section 219 of the Corporations Act

Pursuant to and in accordance with Listing Rule 10.13 and section 219 of the Corporations Act, the following information is provided in relation to Resolutions 5 and 6:

- (a) the Related Party Shares will be issued to the Related Parties and will be comprised of the following:
 - (i) 2,666,666 Related Party Shares with an issue price of \$0.015, to Peter Christie (or his nominees) pursuant to Resolution 5 and
 - (ii) 2,666,667 Related Party Shares with an issue price of \$0.015, to Christopher Daly (or his nominees) pursuant to Resolution 6,

each of whom falls within the category set out in Listing Rule 10.11.1 by virtue of Peter Christie and Christopher Daly each being a Director;
- (b) the maximum number of Related Party Shares to be issued is 5,333,333 (being the nature of financial benefit proposed to be given) and will be allocated in the proportions set out above;

- (c) the Related Party Shares will be fully paid ordinary shares in the capital of the Company and be issued on the same terms and conditions as the Company's existing fully paid ordinary shares;
- (d) the Related Party Shares will be issued no later than 1 month after the date of the Meeting (or such later date to the extent permitted by any ASX waiver or modification of the Listing Rules) and it is intended that issue of the Related Party Shares will occur on the same date;
- (e) the purpose of the issue of Related Party Shares is to allow the Related Parties to participate in the Placement set out in Section 1.1. The funds raised will be put towards the activities set out in Section 1.1;
- (f) the Related Parties will participate in the Placement on the same terms as the institutional, professional and sophisticated investors who took part in the Placement. Consequently, the number of Related Party Shares to be issued to the Related Parties has been determined based upon the number of Shares to be issued pursuant to the institutional, professional and sophisticated investors who took part in the Placement;
- (g) the Company does not consider that there are any significant opportunity costs to the Company or benefits forgone by the Company in issuing the Related Party Shares to the Related Parties upon the terms proposed;
- (h) the total remuneration package for each of the Directors in the previous financial year and the proposed total remuneration package for the current financial year are set out below:

Related Party	Current Financial Year Ending 30 June 2023 ^{1,2}	Previous Financial Year Ended 30 June 2022
Peter Christie	\$66,000	\$151,342 ³
Christopher Daly	\$66,000	\$122,895 ⁴

Notes:

1. The Company notes that Peter Christie holds 764,536 Class B Performance Rights, issued under the Company's IPO prospectus.
 2. The Company notes that Christopher Daly holds 509,691 Class B Performance Rights, issued under the Company's IPO prospectus.
 3. Comprising Director's fees of \$66,000 and equity-based payments of \$85,342.
 4. Comprising Director's fees of \$66,000 and equity-based payments of \$56,895.
- (i) the issue price of the Related Party Shares will be \$0.015 per Share, being the issue price of the Shares issued to other participants in the Placement. The Company will not receive any other consideration in respect of the issue of the Shares in respect of the Participation;
 - (j) the Shares in respect of the Participation are not being issued under an agreement;

- (k) the relevant interests of the Related Parties in securities of the Company are set out below:

As at the date of this Notice

Related Party	Shares ¹	Options	Undiluted	Fully Diluted
Peter Christie	5,677,404	104,375 ²	2.98%	2.53%
Christopher Daly	2,184,480	104,375 ²	1.15%	1.00%

Post issue of Shares to Related Parties

Related Party	Shares ¹	Options	Undiluted	Fully Diluted
Peter Christie	8,344,070	104,375 ²	4.26%	3.62%
Christopher Daly	4,851,147	104,375 ²	2.48%	2.12%

Notes:

1. Fully paid ordinary shares in the capital of the Company (ASX:NNG).
 2. Comprising of 104,375 unquoted Options exercisable at \$0.30 on or before 4 February 2025.
- (l) if 5,333,333 Related Party Shares are issued, this will increase the number of Shares on issue from 190,384,817 (being the total number of Shares on issue as at the date of this Notice) to 195,718,150 (assuming that no further Shares are issued and no Options are exercised) with the effect that the shareholding of existing Shareholders would be diluted by an aggregate of 2.72%, comprising 1.36% by Peter Christie, 1.36% by Christopher Daly;
- (m) the trading history of the Shares on ASX in the 12 months before the date of this Notice is set out below:

	Price	Date
Highest	\$0.11	31 October to 1 November 2022
Lowest	\$0.014	27 April 2023
Last	\$0.015	23 May 2023

- (n) the Board is not aware of any other information that is reasonably required by Shareholders to allow them to decide whether it is in the best interests of the Company to pass Resolutions 5 and 6; and
- (o) a voting exclusion statement for Resolutions 5 and 6 is included in the Notice.

6. RESOLUTION 7 – APPROVAL TO ISSUE SUBSEQUENT PLACEMENT SHARES

6.1 General

The Company is proposing to issue up to 90,000,000 Shares at an issue price of not less than 80% of the volume-weighted average price (**VWAP**) of Shares (calculated over the last 5 days on which sales in the securities were recorded,

either before the day on which the issue was announced or before the day on which the issue was made) per Share (**Subsequent Placement Shares**).

As the issue price of the Subsequent Placement Shares to be issued is based on the VWAP of the Shares on the ASX (calculated over the last 5 days on which sales in the securities were recorded, either before the day on which the issue was announced or before the day on which the issue was made), the amount to be raised by the issue of the Subsequent Placement Shares cannot be determined at this stage.

The Company does not currently have a lead manager mandate in place with respect to the proposed Subsequent Placement and is not currently in negotiations with any lead managers in this regard. The Company will consider engaging a lead manager at the time the funds are to be raised.

Listing Rule 7.1 is summarised in Section 2.1.

The proposed issue of the Subsequent Placement Shares does not fall within any of the exceptions set out in Listing Rule 7.2 and exceeds the 15% limit in Listing Rule 7.1. It therefore requires the approval of Shareholders under Listing Rule 7.1.

6.2 Technical information required by Listing Rule 14.1A

Resolution 7 is independent of the other Resolutions contained within this Notice.

If Resolution 7 is passed, the Company will be able to proceed with the issue of the Subsequent Placement Shares. In addition, the issue of the Subsequent Placement Shares 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.

If Resolution 7 is not passed, the Company will not be able to proceed with the issue of the Subsequent Placement Shares and will seek to raise funds via alternative means.

Resolution 7 seeks Shareholder approval for the purposes of Listing Rule 7.1 for the issue of the Subsequent Placement Shares.

6.3 Technical information required by Listing Rule 7.1

Pursuant to and in accordance with Listing Rule 7.3, the following information is provided in relation to Resolution 7:

- (a) if a lead manager is appointed by the Company, the Subsequent Placement Shares will be issued to professional and sophisticated investors who are clients of the lead manager. The recipients will likely be identified through a bookbuild process, which will involve the lead manager seeking expressions of interest to participate in the Subsequent Placement from non-related parties of the Company. If a lead manager is not appointed by the Company, the Subsequent Placement Shares will be issued to professional and sophisticated investors who will be identified by the Directors. The recipients will be identified through the Directors seeking expressions of interest to participate in the Subsequent Placement from non-related parties of the Company;
- (b) in accordance with paragraph 7.2 of ASX Guidance Note 21, the Company confirms that:

- (i) none of the recipients will be related parties of the Company, members of the Company's Key Management Personnel, advisers of the Company or an associate of any of these parties and issued more than 1% of the issued capital of the Company; and
 - (ii) the Company may seek to place securities to Bearay Pty Ltd ATF Brian Clayton S/F A/C, Clyde Bank Holdings (Aust.) Pty Ltd and PBC Investments Pty Limited ATF PBC Super Fund A/C, substantial holders of the Company, who may hold more than 1% of the issued capital of the Company prior to or as a result of the Placement;
 - (iii) the Company may seek to place securities to Paul Cave (in his personal capacity);
- (c) the number of Shares held by the substantial Shareholders set out in Section 6.3(b)(ii) as at the date of this Notice and the maximum number of Shares held by each of the substantial Shareholders following the Subsequent Placement (assuming that Resolutions 4 to 6 are passed) is set out below:

As at the date of this Notice

Substantial Shareholder	Shares	Voting Power (%)
Bearay Pty Ltd ATF Brian Clayton S/F A/C	12,780,416	6.71%
Clyde Bank Holdings (Aust.) Pty Ltd and PBC Investments Pty Limited ATF PBC Super Fund A/C	31,646,176	16.62%

Post-Subsequent Placement

Substantial Shareholder	Maximum number of shares to be issued	Shares	Voting Power (%)
Bearay Pty Ltd ATF Brian Clayton S/F A/C	45,681,153	58,461,569	19.99%
Clyde Bank Holdings (Aust.) Pty Ltd and PBC Investments Pty Limited ATF PBC Super Fund A/C and Paul Cave ¹	26,815,393	58,461,569	19.99%

Notes:

1. The Company may seek to issue Shares to Paul Cave in his personal capacity.
- (d) the maximum number of Subsequent Placement Shares to be issued is 90,000,000. The Subsequent Placement Shares issued will be fully paid ordinary shares in the capital of the Company issued on the same terms and conditions as the Company's existing Shares;
 - (e) in determining the size of the Subsequent Placement, the Company considered:
 - (i) the purchase consideration in relation to a potential acquisition;

- (ii) payment of creditors in relation to a potential acquisition; and
 - (iii) administrative costs associated with a potential acquisition; and
 - (iv) ongoing working capital requirements;
- (f) the Company is actively pursuing potential acquisitions and, considering the factors outlined above, the Company believes a subsequent placement of this size may be required within the 3 month period after the date of the Meeting (or such later date to the extent permitted by any ASX waiver or modification of the Listing Rules);
- (g) the Subsequent Placement Shares will be issued no later than 3 months after the date of the Meeting (or such later date to the extent permitted by any ASX waiver or modification of the Listing Rules) and it is intended that issue of the Placement Shares will occur progressively;
- (h) the issue price of the Subsequent Placement Shares will be calculated as not less than 80% of the VWAP for Shares (calculated over the last 5 days on which sales in the securities were recorded, either before the day on which the issue was announced or before the day on which the issue was made) per Subsequent Placement Share. The Company will not receive any other consideration for the issue of the Subsequent Placement Shares;
- (i) the value of the Subsequent Placement Shares is contingent upon the trading price of the Company's Shares at any one point in time. The closing price recorded on ASX on 19 May 2023 was \$0.015. Accordingly, the deemed value of the Subsequent Placement Shares would be \$1,350,000;
- (j) the purpose of the issue of the Subsequent Placement Shares is to raise capital, which the Company intends to apply towards potential acquisitions, administration expenses and general working capital;
- (k) the Subsequent Placement Shares are not being issued under an agreement; and
- (l) the Placement Shares are not being issued under, or to fund, a reverse takeover.

6.4 Use of Funds

To calculate the potential funds that could be raised by the issue of the Subsequent Placement Shares, the table below uses values of \$0.016, \$0.024 and \$0.008 being the volume weighted average price for Shares on the 5 days on which sales in Shares were recorded before 23 May 2023, and the volume weighted prices which are 50% higher and 50% lower than that price. To calculate the potential funds that could be raised under this Resolution, discounted figures of \$0.0128, \$0.0192 and \$0.0064, have been used, being an issue price, which is 20% of the volume weighted average prices (i.e. maximum discount) set out below.

VWAP	VWAP Discount (20% of VWAP)	Maximum Funds Raised
\$0.024	\$0.0192	\$1,728,000
\$0.016	\$0.0128	\$1,152,000
\$0.008	\$0.0064	\$576,000

The Company is in the early stages of pursuing a range of potential acquisitions. It expects to complete at least the first potential acquisition within 24 months following the date of this Notice. However, the potential acquisitions are not at a sufficient stage to warrant disclosure. The potential acquisitions constitute incomplete proposals or negotiations and, as such, the Company is relying on an exception to its continuous disclosure obligations under ASX Listing Rule 3.1A.1. Once the potential acquisitions are at a sufficient stage to warrant disclosure, the Company will announce the acquisitions to the market in compliance with its continuous disclosure obligations under ASX Listing Rule 3.1. The Company intends to use the funds raised by the issue of the Subsequent Placement Shares to fund potential acquisitions, which may include purchase consideration, payment of the acquiree's creditors, administration expenses and general working capital. The use of funds is a statement of current intentions as of the date of this Notice. As with any budget, intervening events and new circumstances have the potential to affect the manner in which the funds are ultimately applied. The Board reserves the right to alter the way funds are applied on this basis.

6.5 Dilution

Assuming no other Shares are issued and the maximum number of Subsequent Placement Shares as set out above are issued, the number of Shares on issue would increase from 190,384,817 (being the number of Shares on issue as at the date of this Notice) to 280,384,817 and the shareholding of existing Shareholders would be diluted by 32.10%.

7. RESOLUTION 8 – APPROVAL TO ISSUE SUBSEQUENT PLACEMENT OPTIONS

7.1 General

The Company is proposing to issue up to 90,000,000 Options at an issue price of \$0.001 per Option to raise up to \$90,000 (**Subsequent Placement Options**).

The Company does not currently have a lead manager mandate in place with respect to the proposed Subsequent Placement and is not currently in negotiations with any lead managers in this regard. The Company will consider engaging a lead manager at the time the funds are to be raised.

As summarised in Section 2.1, Listing Rule 7.1 limits the amount of equity securities that a listed company can issue without the approval of its Shareholders over any 12 month period to 15% of the fully paid ordinary shares it had on issue at the start of that period.

The proposed issue of the Subsequent Placement Options does not fall within any of the exceptions set out in Listing Rule 7.2 and exceeds the 15% limit in Listing Rule 7.1. It therefore requires the approval of Shareholders under Listing Rule 7.1.

7.2 Technical information required by Listing Rule 14.1A

Resolution 8 is independent of Resolutions 1 and 2.

Resolution 8 seeks Shareholder approval for the purposes of Listing Rule 7.1 for the issue of the Subsequent Placement Options.

7.3 Technical information required by Listing Rule 7.3

Pursuant to and in accordance with Listing Rule 7.3, the following information is provided in relation to Resolution 8:

- (a) if a lead manager is appointed by the Company, the Subsequent Placement Options will be issued to professional and sophisticated investors who are clients of the lead manager. The recipients will likely be identified through a bookbuild process, which will involve the lead manager seeking expressions of interest to participate in the Subsequent Placement from non-related parties of the Company. If a lead manager is not appointed by the Company, the Subsequent Placement Options will be issued to professional and sophisticated investors who will be identified by the Directors. The recipients will be identified through the Directors seeking expressions of interest to participate in the Subsequent Placement from non-related parties of the Company;
- (b) in accordance with paragraph 7.2 of ASX Guidance Note 21, the Company confirms that:
 - (i) none of the recipients will be related parties of the Company, members of the Company's Key Management Personnel, advisers of the Company or an associate of any of these parties and issued more than 1% of the issued capital of the Company; and
 - (ii) the Company may seek to place securities to Bearay Pty Ltd ATF Brian Clayton S/F A/C, Clyde Bank Holdings (Aust.) Pty Ltd and PBC Investments Pty Limited ATF PBC Super Fund A/C, substantial holders of the Company, who may hold more than 1% of the issued capital of the Company prior to or as a result of the Placement;
 - (iii) the Company may seek to place securities to Paul Cave (in his personal capacity);
- (c) the maximum number of Subsequent Placement Options to be issued is 90,000,000. The terms and conditions of the Placement Options are set out in Schedule 2;
- (d) in determining the size of the Subsequent Placement, the Company considered:
 - (i) the Option exercise price of \$0.10 relative to the price at which the Company's Shares are trading on the ASX;
 - (ii) dilution of existing Shareholders relative to the cash raised from any future exercise of the Subsequent Placement Options; and
 - (iii) the expiry date of the Subsequent Placement Options of 31 December 2025;
- (e) considering the factors outlined above, the Company believes a subsequent placement of this size may be required within the 3 month

period after the date of the Meeting (or such later date to the extent permitted by any ASX waiver or modification of the Listing Rules);

- (f) the Subsequent Placement Options will be issued no later than 3 months after the date of the Meeting (or such later date to the extent permitted by any ASX waiver or modification of the Listing Rules) and it is intended that issue of the Subsequent Placement Options will occur progressively;
- (g) the issue price will be \$0.001 per Subsequent Placement Option. The Company will not receive any other consideration for the issue of the Subsequent Placement Options (other than in respect of funds received on exercise of the Options);
- (h) the purpose of the issue of the Subsequent Placement Options is to raise \$90,000. The Company intends to apply the funds towards administrative expenses and general working capital;
- (i) the Subsequent Placement Options are on the same terms and conditions as the existing options of the Company that are quoted on the ASX under ASX code NNGO. Consequently, the value of the Subsequent Placement Options is contingent upon the trading price of the Company's Options at any one point in time. The closing price recorded on ASX on 19 May 2023 was \$0.005. Accordingly, the deemed value of the Subsequent Placement Options would be \$450,000. However, only 797,200 have traded on the ASX since 20 December 2022 and therefore inadequate market liquidity may impact on the value of the Subsequent Placement Options;
- (j) the Subsequent Placement Options are not being issued under an agreement; and
- (k) the Subsequent Placement Options are not being issued under, or to fund, a reverse takeover.

GLOSSARY

\$ means Australian dollars.

ASIC means the Australian Securities & Investments Commission.

ASX means ASX Limited (ACN 008 624 691) or the financial market operated by ASX Limited, as the context requires.

Board means the current board of directors of the Company.

Business Day means Monday to Friday inclusive, except New Year's Day, Good Friday, Easter Monday, Christmas Day, Boxing Day, and any other day that ASX declares is not a business day.

Chair means the chair of the Meeting.

Closely Related Party of a member of the Key Management Personnel means:

- (a) a spouse or child of the member;
- (b) a child of the member's spouse;
- (c) a dependent of the member or the member's spouse;
- (d) anyone else who is one of the member's family and may be expected to influence the member, or be influenced by the member, in the member's dealing with the entity;
- (e) a company the member controls; or
- (f) a person prescribed by the Corporations Regulations 2001 (Cth) for the purposes of the definition of 'closely related party' in the Corporations Act.

Company means Nexion Group Ltd (ACN 628 415 887).

Constitution means the Company's constitution.

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

Directors means the current directors of the Company.

Explanatory Statement means the explanatory statement accompanying the Notice.

Key Management Personnel has the same meaning as in the accounting standards issued by the Australian Accounting Standards Board and means those persons having authority and responsibility for planning, directing and controlling the activities of the Company, or if the Company is part of a consolidated entity, of the consolidated entity, directly or indirectly, including any director (whether executive or otherwise) of the Company, or if the Company is part of a consolidated entity, of an entity within the consolidated group.

Listing Rules means the Listing Rules of ASX.

Meeting means the meeting convened by the Notice.

Notice means this notice of meeting including the Explanatory Statement and the Proxy Form.

Option means an option to acquire a Share.

Optionholder means a holder of an Option.

Proxy Form means the proxy form accompanying the Notice.

Resolutions means the resolutions set out in the Notice, or any one of them, as the context requires.

Section means a section of the Explanatory Statement.

Share means a fully paid ordinary share in the capital of the Company.

Shareholder means a registered holder of a Share.

VWAP means volume weighted average price.

WST means Western Standard Time as observed in Perth, Western Australia.

SCHEDULE 1 – SUMMARY OF THE SUBSCRIPTION AGREEMENT

A summary of the material terms and conditions of the Subscription Agreement is set out below.

Allocation	The participants to the Placement (Placement Participants) agreed to subscribe for their respective number of Shares at an issue price of \$0.015 per Share (Allocation).
Conditional Allocation	The Placement Participants agreed that their Allocation is conditional on completion of the Placement and the Mandate not being terminated prior to allotment of the Shares under the Placement.
Irrevocable Agreement	<ul style="list-style-type: none">(a) Each of the Placement Participants agreed that their commitment to take up their Allocation is irrevocable.(b) By signing the Subscription Agreement, the Placement Participants agreed that they read, understood and agreed to be bound by the terms, including the acknowledgements, warranties, undertakings and foreign jurisdiction representations as applied by and incorporated by reference into the Subscription Agreement.(c) The Placement Participants agreed that if they fail to provide the required funds under their Allocation, the Company or Bridge Street Capital may:<ul style="list-style-type: none">(i) claim their full commitment as debt due and payable to the Company; and(ii) may seek damages for any loss caused to or suffered by the Company and / or Bridge Street Capital.

SCHEDULE 2 – TERMS AND CONDITIONS OF SUBSEQUENT PLACEMENT OPTIONS

(a) **Entitlement**

Each Option entitles the holder to subscribe for one (1) Share upon exercise of the Option.

(b) **Exercise Price**

Subject to paragraph (i), the amount payable upon exercise of each Option will be \$0.10 (**Exercise Price**)

(c) **Expiry Date**

Each Option will expire at 5:00 pm (WST) on 31 December 2025 (**Expiry Date**). An Option not exercised before the Expiry Date will automatically lapse on the Expiry Date.

(d) **Quotation of Options**

The Company may, in its absolute discretion and subject to the requirements of Listing Rule 2.5, apply for official quotation of the Options on the ASX. In the event that the Options are granted official quotation on the ASX in the future, the Company is under no obligation to maintain the quotation and may take any action that may result in termination of quotation of the Options by the ASX.

(e) **No offer of Options or Shares issued on exercise if Options are not quoted**

If the Options are not quoted on the ASX, the Optionholder must not offer any of the Options, or the Shares issued on exercise of the Options, for sale to any person (**Secondary Offer**) within 12 months from the respective date of issue of those Options or Shares (as applicable) unless:

- (i) the Secondary Offer does not require disclosure as a result of sections 707 or 708 of the Corporations Act (excluding section 708(1) of the Corporations Act);
- (ii) the Secondary Offer does not require disclosure as a result of section 708A or ASIC Class Order 04/671 or any variation or replacement of such Class Order;
- (iii) the Secondary Offer is made pursuant to a disclosure document in accordance with the Corporations Act; or
- (iv) the Secondary Offer is received by a person outside Australia.

For the avoidance of doubt, paragraph (e)(iii) does not create any obligation on the Company to issue a disclosure document (whether at its cost or otherwise).

(f) **Participation rights**

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

(g) **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.

(h) **Notice of exercise**

The Options shall be exercisable by the delivery to the registered office of the Company of a notice in writing stating the intention of the Optionholder to exercise all or a specified number of Options held by them accompanied by an Option Certification and payment to the Company for the Exercise Price for each Option being exercised in Australian currency by electronic funds transfer or other means of payment acceptable to the Company. An exercise of only some Options shall not affect the rights of the Optionholder to the balance of the Options held by them.

(i) **Receipt of notice of exercise**

The notice of exercise of Options may be deemed by the Company to be received at the end of the calendar month in which it is actually received, and the Company shall comply with the ASX Listing Rules with respect to the issue of resultant Shares and the issue of a statement of shareholding.

(j) **Shares issued on exercise**

Shares issued pursuant to an exercise of Options shall rank, from the date of issue, equally with the existing Shares of the Company in all respects.

(k) **Application for quotation of Shares**

If admitted to the official list of ASX at the time, the Company shall make an application to have those Shares issued pursuant to an exercise of Options listed for official quotation by ASX.

(l) **Bonus share issue**

If there is a bonus share issue to the holders of Shares, the number of Shares over which an Option is exercisable will be increased by the number of Shares which the Optionholder would have received if the Option had been exercised before the record date for the bonus issue.

(m) **No right to change exercise price**

There is no right to change the exercise price of the Options nor the number of underlying Shares over which the Options can be exercised.

(n) **Transferability**

If at any time the Options are quoted on the ASX then the Options are transferable at such time. If at any time the Options are not quoted on the ASX and they have been issued for less than 12 months, then the Options are not transferable at such time. If at any time the Options have been issued for 12 months or more, then the Options are transferrable at such time.

PROXY FORM
NEXION GROUP LTD
ACN 628 415 887
GENERAL MEETING

I/We

of:

being a Shareholder entitled to attend and vote at the Meeting, hereby appoint:

Name:

OR: ☐ the Chair of the Meeting as my/our proxy.

or failing the person so named or, if no person is named, the Chair, or the Chair's nominee, to vote in accordance with the following directions, or, if no directions have been given, and subject to the relevant laws as the proxy sees fit, at the Meeting to be held at 2:30pm (WST), on 28 June 2023 at Ground Floor, 12 Newcastle Street Perth WA 6000, and at any adjournment thereof.

AUTHORITY FOR CHAIR TO VOTE UNDIRECTED PROXIES ON REMUNERATION RELATED RESOLUTIONS

Where I/we have appointed the Chair as my/our proxy (or where the Chair becomes my/our proxy by default), I/we expressly authorise the Chair to exercise my/our proxy on Resolutions 5 and 6 (except where I/we have indicated a different voting intention below) even though Resolutions 5 and 6 are connected directly or indirectly with the remuneration of a member of the Key Management Personnel, which includes the Chair.

CHAIR'S VOTING INTENTION IN RELATION TO UNDIRECTED PROXIES

The Chair intends to vote undirected proxies in favour of all Resolutions. In exceptional circumstances the Chair may change his/her voting intention on any Resolution. In the event this occurs an ASX announcement will be made immediately disclosing the reasons for the change.

Voting on business of the Meeting		FOR	AGAINST	ABSTAIN
Resolution 1	Ratification of Issue of Tranche 1 Placement Shares – Listing Rule 7.1	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Resolution 2	Ratification of Issue of Tranche 1 Placement Shares – Listing Rule 7.1A	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Resolution 3	Approval To Issue Tranche 2 Placement Shares	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Resolution 4	Approval to Issue Tranche 2 Placement Shares to Nasser Abdelghani and Jack Toby	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Resolution 5	Approval For Director Participation in Placement – Peter Christie	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Resolution 6	Approval For Director Participation in Placement – Christopher Daly	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Resolution 7	Approval to Issue Subsequent Placement Shares	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Resolution 8	Approval to Issue Subsequent Placement Options	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

Please note: If you mark the abstain box for a particular Resolution, you are directing your proxy not to vote on that Resolution on a show of hands or on a poll and your votes will not be counted in computing the required majority on a poll.

If two proxies are being appointed, the proportion of voting rights this proxy represents is: _____ %

Signature of Shareholder(s):

Individual or Shareholder 1

Sole Director/Company Secretary

Shareholder 2

Director

Shareholder 3

Director/Company Secretary

Date: _____

Contact name: _____

Contact ph (daytime): _____

E-mail address: _____

**Consent for contact by e-mail
in relation to this Proxy Form:** YES ☐ NO ☐

Instructions for completing Proxy Form

1. **Appointing a proxy**

A Shareholder entitled to attend and cast a vote at the Meeting is entitled to appoint a proxy to attend and vote on their behalf at the Meeting. If a Shareholder is entitled to cast 2 or more votes at the Meeting, the Shareholder may appoint a second proxy to attend and vote on their behalf at the Meeting. However, where both proxies attend the Meeting, voting may only be exercised on a poll. The appointment of a second proxy must be done on a separate copy of the Proxy Form. A Shareholder who appoints 2 proxies may specify the proportion or number of votes each proxy is appointed to exercise. If a Shareholder appoints 2 proxies and the appointments do not specify the proportion or number of the Shareholder's votes each proxy is appointed to exercise, each proxy may exercise one-half of the votes. Any fractions of votes resulting from the application of these principles will be disregarded. A duly appointed proxy need not be a Shareholder.

2. **Direction to vote**

A Shareholder may direct a proxy how to vote by marking one of the boxes opposite each item of business. The direction may specify the proportion or number of votes that the proxy may exercise by writing the percentage or number of Shares next to the box marked for the relevant item of business. Where a box is not marked the proxy may vote as they choose subject to the relevant laws. Where more than one box is marked on an item the vote will be invalid on that item.

3. **Compliance with Listing Rule 14.11**

In accordance to Listing Rule 14.11, if you hold Shares on behalf of another person(s) or entity/entities or you are a trustee, nominee, custodian or other fiduciary holder of the Shares, you are required to ensure that the person(s) or entity/entities for which you hold the Shares are not excluded from voting on resolutions where there is a voting exclusion. Listing Rule 14.11 requires you to receive written confirmation from the person or entity providing the voting instruction to you and you must vote in accordance with the instruction provided.

By lodging your proxy votes, you confirm to the Company that you are in compliance with Listing Rule 14.11.

4. **Signing instructions:**

- **Individual:** Where the holding is in one name, the Shareholder must sign.
- **Joint holding:** Where the holding is in more than one name, all of the Shareholders should sign.
- **Power of attorney:** If you have not already provided the power of attorney with the registry, please attach a certified photocopy of the power of attorney to this Proxy Form when you return it.
- **Companies:** Where the company has a sole director who is also the sole company secretary, that person must sign. Where the company (pursuant to Section 204A of the Corporations Act) does not have a company secretary, a sole director can also sign alone. Otherwise, a director jointly with either another director or a company secretary must sign. Please sign in the appropriate place to indicate the office held. In addition, if a representative of a company is appointed pursuant to Section 250D of the Corporations Act to attend the Meeting, the documentation evidencing such appointment should be produced prior to admission to the Meeting. A form of a certificate evidencing the appointment may be obtained from the Company.

5. **Attending the Meeting**

Completion of a Proxy Form will not prevent individual Shareholders from attending the Meeting in person if they wish. Where a Shareholder completes and lodges a valid Proxy Form and attends the Meeting in person, then the proxy's authority to speak and vote for that Shareholder is suspended while the Shareholder is present at the Meeting.

6. **Lodgement of Proxy Form**

Proxy forms can be lodged by completing and signing the enclosed Proxy Form and returning by:

- (a) post to Ground Floor, 12 Newcastle Street, Perth WA 6000;
 - (g) facsimile to the Company on facsimile number +61 3 9473 2555; or
 - (h) email to the Company Secretary at Jack.Toby@nexiongroup.io,
- so that it is received not less than 48 hours prior to commencement of the Meeting.

Proxy Forms received later than this time will be invalid.