
NEXION GROUP LTD

ACN 628 415 887

NOTICE OF ANNUAL GENERAL MEETING

Notice is given that the Meeting will be held at:

TIME: 2:30pm (WST)

DATE: 20 November 2023

PLACE: Ground Floor, 12 Newcastle St
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 2:30pm (WST) on 18 November 2023.

BUSINESS OF THE MEETING

AGENDA

1. FINANCIAL STATEMENTS AND REPORTS

To receive and consider the annual financial report of the Company for the financial year ended 30 June 2023 together with the declaration of the Directors, the Director's report, the Remuneration Report and the auditor's report.

2. RESOLUTION 1 – ADOPTION OF REMUNERATION REPORT

To consider and, if thought fit, to pass, with or without amendment, 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 for the adoption of the Remuneration Report as contained in the Company's annual financial report for the financial year ended 30 June 2023.”

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

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

3. RESOLUTION 2 – ELECTION OF DIRECTOR – JOHN BELL

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

“That, for the purpose of clause 14.4 of the Constitution, Listing Rule 14.4 and for all other purposes, John Bell, a Director who was appointed casually on 2 February 2023, retires, and being eligible, is elected as a Director.”

4. RESOLUTION 3 – RE-ELECTION OF DIRECTOR – CHRISTOPHER DALY

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

“That, for the purpose of clause 14.2 of the Constitution, and for all other purposes, Christopher Daly, a Director, retires by rotation, and being eligible, is re-elected as a Director.”

5. RESOLUTION 4 – APPROVAL OF 7.1A MANDATE

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

“That, for the purposes of Listing Rule 7.1A and for all other purposes, approval is given for the Company to issue up to that number of Equity Securities equal to 10% of the issued capital of the Company at the time of issue, calculated in accordance with the formula prescribed in Listing Rule 7.1A.2 and otherwise on the terms and conditions set out in the Explanatory Statement.”

6. RESOLUTION 5 – ISSUE OF ZEPOS TO DIRECTOR – 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 4,500,000 ZEPOs to Peter Christie (or his nominee) on the terms and conditions set out in the Explanatory Statement.”

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

7. RESOLUTION 6 – ISSUE OF ZEPOS TO DIRECTOR – 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 4,500,000 ZEPOs to Christopher Daly (or his nominee) on the terms and conditions set out in the Explanatory Statement.”

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

8. RESOLUTION 7 – ISSUE OF ZEPOS TO DIRECTOR – JOHN BELL

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 2,250,000 ZEPOs to John Bell (or his nominee) on the terms and conditions set out in the Explanatory Statement.”

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

9. RESOLUTION 8 – APPROVAL TO ISSUE ZEPOS TO COMPANY SECRETARY AND EMPLOYEE

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 3,750,000 ZEPOs to the Company Secretary and an employee of the Company (or their nominees) on the terms and conditions set out in the Explanatory Statement.”

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

Voting Prohibition Statements

<p>Resolution 1 – Adoption of Remuneration Report</p>	<p>A vote on this Resolution must not be cast (in any capacity) by or on behalf of either of the following persons:</p> <ul style="list-style-type: none"> (a) a member of the Key Management Personnel, details of whose remuneration are included in the Remuneration Report; or (b) a Closely Related Party of such a member. <p>However, a person (the voter) described above may cast a vote on this Resolution as a proxy if the vote is not cast on behalf of a person described above and either:</p> <ul style="list-style-type: none"> (a) the voter is appointed as a proxy by writing that specifies the way the proxy is to vote on this Resolution; or (b) the voter is the Chair and the appointment of the Chair as proxy: <ul style="list-style-type: none"> (i) does not specify the way the proxy is to vote on this Resolution; and (ii) expressly authorises the Chair to exercise the proxy even though this Resolution is connected directly or indirectly with the remuneration of a member of the Key Management Personnel.
<p>Resolution 5 – Issue of ZEPOs to Director – Peter Christie</p>	<p>In accordance with section 224 of the Corporations Act, a vote on this Resolution must not be cast (in any capacity) by or on behalf of a related party of the Company to whom the Resolution would permit a financial benefit to be given, or an associate of such a related party (Resolution 5 Excluded Party). However, the above prohibition does not apply if the vote is cast by a person as proxy appointed by writing that specifies how the proxy is to vote on the Resolution and it is not cast on behalf of a Resolution 5 Excluded Party.</p> <p>In accordance with section 250BD of the Corporations Act, a person appointed as a proxy must not vote, on the basis of that appointment, on this Resolution if:</p> <ul style="list-style-type: none"> (a) the proxy is either: <ul style="list-style-type: none"> (i) a member of the Key Management Personnel; or (ii) a Closely Related Party of such a member; and (b) the appointment does not specify the way the proxy is to vote on this Resolution. <p>Provided the Chair is not a Resolution 5 Excluded Party, the above prohibition does not apply if:</p> <ul style="list-style-type: none"> (a) the proxy is the Chair; and (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 – Issue of ZEPOs to Director – Christopher Daly</p>	<p>In accordance with section 224 of the Corporations Act, a vote on this Resolution must not be cast (in any capacity) by or on behalf of a related party of the Company to whom the Resolution would permit a financial benefit to be given, or an associate of such a related party (Resolution 6 Excluded Party). However, the above prohibition does not apply if the vote is cast by a person as proxy appointed by writing that specifies how the proxy is to vote on the Resolution and it is not cast on behalf of a Resolution 6 Excluded Party.</p> <p>In accordance with section 250BD of the Corporations Act, a person appointed as a proxy must not vote, on the basis of that appointment, on this Resolution if:</p> <ul style="list-style-type: none"> (a) the proxy is either: <ul style="list-style-type: none"> (i) a member of the Key Management Personnel; or (ii) a Closely Related Party of such a member; and (b) the appointment does not specify the way the proxy is to vote on this Resolution. <p>Provided the Chair is not a Resolution 6 Excluded Party, the above prohibition does not apply if:</p> <ul style="list-style-type: none"> (a) the proxy is the Chair; and (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.
Resolution 7 – Issue of ZEPOs to Director – John Bell	<p>In accordance with section 224 of the Corporations Act, a vote on this Resolution must not be cast (in any capacity) by or on behalf of a related party of the Company to whom the Resolution would permit a financial benefit to be given, or an associate of such a related party (Resolution 7 Excluded Party). However, the above prohibition does not apply if the vote is cast by a person as proxy appointed by writing that specifies how the proxy is to vote on the Resolution and it is not cast on behalf of a Resolution 7 Excluded Party.</p> <p>In accordance with section 250BD of the Corporations Act, 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>Provided the Chair is not a Resolution 7 Excluded Party, 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 5 – Issue of ZEPOs to Director – 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 – Issue of ZEPOs to Director – 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 – Issue of ZEPOs to Director – John Bell	John Bell (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 8 – Approval to issue ZEPOs to Company Secretary and Employee	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) 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 proxy 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. FINANCIAL STATEMENTS AND REPORTS

In accordance with the Corporations Act, the business of the Meeting will include receipt and consideration of the annual financial report of the Company for the financial year ended 30 June 2023 together with the declaration of the Directors, the Directors' report, the Remuneration Report and the auditor's report.

The Company will not provide a hard copy of the Company's annual financial report to Shareholders unless specifically requested to do so. The Company's annual financial report is available on its website at www.nexiongroup.io.

2. RESOLUTION 1 – ADOPTION OF REMUNERATION REPORT

2.1 General

The Corporations Act requires that at a listed company's annual general meeting, a resolution that the remuneration report to be adopted must be put to the shareholders. However, such a resolution is advisory only and does not bind the company or the directors of the company.

The remuneration report sets out the company's remuneration arrangements for the directors and senior management of the company. The remuneration report is part of the directors' report contained in the annual financial report of the company for a financial year.

The chair of the meeting must allow a reasonable opportunity for its shareholders to ask questions about or make comments on the remuneration report at the annual general meeting.

2.2 Voting consequences

A company is required to put to its shareholders a resolution proposing the calling of another meeting of shareholders to consider the appointment of directors of the company (**Spill Resolution**) if, at consecutive annual general meetings, at least 25% of the votes cast on a remuneration report resolution are voted against adoption of the remuneration report and at the first of those annual general meetings a Spill Resolution was not put to vote. If required, the Spill Resolution must be put to vote at the second of those annual general meetings.

If more than 50% of votes cast are in favour of the Spill Resolution, the company must convene a shareholder meeting (**Spill Meeting**) within 90 days of the second annual general meeting.

All of the directors of the company who were in office when the directors' report (as included in the company's annual financial report for the most recent financial year) was approved, other than the managing director of the company, will cease to hold office immediately before the end of the Spill Meeting but may stand for re-election at the Spill Meeting.

Following the Spill Meeting those persons whose election or re-election as directors of the company is approved will be the directors of the company.

2.3 Previous voting results

At the Company's previous annual general meeting the votes cast against the remuneration report considered at that annual general meeting were less than 25%. Accordingly, the Spill Resolution is not relevant for this Meeting.

3. RESOLUTION 2 – ELECTION OF DIRECTOR – JOHN BELL

3.1 General

The Constitution allows the Directors to appoint at any time a person to be a Director either to fill a casual vacancy or as an addition to the existing Directors, but only where the total number of Directors does not at any time exceed the maximum number specified by the Constitution.

Pursuant to the Constitution and Listing Rule 14.4, any Director so appointed holds office only until the next annual general meeting and is then eligible for election by Shareholders but shall not be taken into account in determining the Directors who are to retire by rotation (if any) at that meeting.

John Bell, having been appointed by other Directors on 2 February 2023 in accordance with the Constitution, will retire in accordance with the Constitution and Listing Rule 14.4 and being eligible, seeks election from Shareholders.

3.2 Qualifications and other material directorships

Mr Bell is a Chartered Accountant and experienced Chief Financial Officer having been CFO of a number of listed and unlisted entities, both in Australia and internationally.

Mr Bell brings a wealth of financial and operational knowledge from over 20 years as a financial professional and has extensive commercial experience in the telecommunications and information technology industries.

In addition to his experience as a CFO, Mr Bell has worked as an advisor across numerous corporate transactions in Australia and internationally including mergers and acquisitions, IPO, RTO, capital raisings and debt funding.

3.3 Independence

John Bell has no interests, position or relationship that might influence, or reasonably be perceived to influence, in a material respect his capacity to bring an independent judgement to bear on issues before the Board and to act in the best interest of the Company as a whole rather than in the interests of an individual security holder or other party.

If elected the Board does not consider John Bell will be an independent Director.

3.4 Other material information

The Company conducts appropriate checks on the background and experience of candidates before their appointment to the Board. These include checks as to a person's experience, educational qualifications, character, criminal record and bankruptcy history. The Company undertook such checks prior to the appointment of John Bell.

John Bell has confirmed that he considers he will have sufficient time to fulfil his responsibilities as an Executive Director of the Company and does not consider

that any other commitment will interfere with his availability to perform his duties as an Executive Director of the Company.

3.5 Board recommendation

The Board has reviewed John Bell's performance since his appointment to the Board and considers that his skills and experience will continue to enhance the Board's ability to perform its role. Accordingly, the Board supports the election of John Bell and recommends that Shareholders vote in favour of Resolution 2.

4. RESOLUTION 3 – RE-ELECTION OF DIRECTOR – CHRISTOPHER DALY

4.1 General

The Constitution sets out the requirements for determining which Directors are to retire by rotation at an annual general meeting.

Christopher Daly, who has served as a Director since 21 November 2019 and was last re-elected on 26 November 2021, retires by rotation and seeks re-election.

4.2 Qualifications and other material directorships

Mr Daly has over 30 years' experience of business management, operating in the contracting, fabrication, sales, equipment rental, mining and construction sectors. Mr Daly is the founder of Dewatering Service Australia (DSA) in 2003 which was sold to ASX-listed Reliance Worldwide Corporation Limited in 2011. Mr Daly focuses on financial management, job costing, business processes and safety system development and has deep expertise working on large-scale projects for public companies across Australia.

4.3 Independence

If re-elected the Board considers Christopher Daly will be an independent Director.

4.4 Technical information required by Listing Rule 14.1A

If Resolution 3 is passed, Christopher Daly will be re-elected to the Board as an independent Director.

In the event that Resolution 3 is not passed, Christopher Daly will not join the Board as an independent Director. The Company may seek nominations or otherwise identify suitably qualified candidates to join the Company. As an additional consequence, this may detract from the Board and Company's ability to execute on its strategic vision.

4.5 Board recommendation

The Board has reviewed Christopher Daly's performance since his appointment to the Board and considers that his skills and experience will continue to enhance the Board's ability to perform its role. Accordingly, the Board supports the re-election of Christopher Daly and recommends that Shareholders vote in favour of Resolution 3.

5. RESOLUTION 4 – APPROVAL OF 7.1A MANDATE

5.1 General

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 period.

However, under Listing Rule 7.1A, an eligible entity may seek shareholder approval by way of a special resolution passed at its annual general meeting to increase this 15% limit by an extra 10% to 25% (**7.1A Mandate**).

An 'eligible entity' means an entity which is not included in the S&P/ASX 300 Index and has a market capitalisation of \$300,000,000 or less. The Company is an eligible entity for these purposes.

As at the date of this Notice, the Company is an eligible entity as it is not included in the S&P/ASX 300 Index and has a current market capitalisation of less than \$300,000,000.

Resolution 4 seeks Shareholder approval by way of special resolution for the Company to have the additional 10% placement capacity provided for in Listing Rule 7.1A to issue Equity Securities without Shareholder approval.

For note, a special resolution is a resolution requiring at least 75% of votes cast by shareholders present and eligible to vote at the meeting in favour of the resolution.

If Resolution 4 is passed, the Company will be able to issue Equity Securities up to the combined 25% limit in Listing Rules 7.1 and 7.1A without any further Shareholder approval.

If Resolution 4 is not passed, the Company will not be able to access the additional 10% capacity to issue Equity Securities without Shareholder approval under Listing Rule 7.1A, and will remain subject to the 15% limit on issuing Equity Securities without Shareholder approval set out in Listing Rule 7.1.

5.2 Technical information required by Listing Rule 7.1A

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

(a) Period for which the 7.1A Mandate is valid

The 7.1A Mandate will commence on the date of the Meeting and expire on the first to occur of the following:

- (i) the date that is 12 months after the date of this Meeting;
- (ii) the time and date of the Company's next annual general meeting; and
- (iii) the time and date of approval by Shareholders of any transaction under Listing Rule 11.1.2 (a significant change in the nature or scale of activities) or Listing Rule 11.2 (disposal of the main undertaking).

(b) Minimum price

Any Equity Securities issued under the 7.1A Mandate must be in an existing quoted class of Equity Securities and be issued for cash consideration at a minimum price of 75% of the volume weighted average price of Equity Securities in that class, calculated over the 15 trading days on which trades in that class were recorded immediately before:

- (i) the date on which the price at which the Equity Securities are to be issued is agreed by the entity and the recipient of the Equity Securities; or
- (ii) if the Equity Securities are not issued within 10 trading days of the date in Section 5.2(b)(i), the date on which the Equity Securities are issued.

(c) Use of funds raised under the 7.1A Mandate

The Company intends to use funds raised from issues of Equity Securities under the 7.1A Mandate for strategic acquisitions, capital expenditure and working capital.

(d) Risk of Economic and Voting Dilution

Any issue of Equity Securities under the 7.1A Mandate will dilute the interests of Shareholders who do not receive any Shares under the issue.

If Resolution 4 is approved by Shareholders and the Company issues the maximum number of Equity Securities available under the 7.1A Mandate, the economic and voting dilution of existing Shares would be as shown in the table below.

The table below shows the dilution of existing Shareholders calculated in accordance with the formula outlined in Listing Rule 7.1A.2, on the basis of the closing market price of Shares and the number of Equity Securities on issue or proposed to be issued as at 4 October 2023.

The table also shows the voting dilution impact where the number of Shares on issue (Variable A in the formula) changes and the economic dilution where there are changes in the issue price of Shares issued under the 7.1A Mandate.

Number of Shares on Issue (Variable A in Listing Rule 7.1A.2)		Shares issued – 10% voting dilution	Dilution		
			Issue Price		
			\$0.007	\$0.014	\$0.021
			50% decrease	Issue Price	50% increase
		Funds Raised			
Current	202,307,854 Shares	20,230,785 Shares	\$141,615	\$283,230	\$424,846
50% increase	303,461,781 Shares	30,346,178 Shares	\$212,423	\$424,846	\$637,269
100% increase	404,615,708 Shares	40,461,570 Shares	\$283,230	\$566,461	\$849,692

*The number of Shares on issue (Variable A in the formula) could increase as a result of the issue of Shares that do not require Shareholder approval (such as under a pro-rata rights issue or scrip issued under a takeover offer) or that are issued with Shareholder approval under Listing Rule 7.1.

The table above uses the following assumptions:

1. There are currently 202,307,854 Shares on issue.
2. The issue price set out above is the closing market price of the Shares on the ASX on 4 October 2023 (being \$0.014).
3. The Company issues the maximum possible number of Equity Securities under the 7.1A Mandate.
4. The Company has not issued any Equity Securities in the 12 months prior to the Meeting that were not issued under an exception in Listing Rule 7.2 or with approval under Listing Rule 7.1.
5. The issue of Equity Securities under the 7.1A Mandate consists only of Shares. It is assumed that no Options are exercised into Shares before the date of issue of the Equity Securities. If the issue of Equity Securities includes quoted Options, it is assumed that those quoted Options are exercised into Shares for the purpose of calculating the voting dilution effect on existing Shareholders.
6. The calculations above do not show the dilution that any one particular Shareholder will be subject to. All Shareholders should consider the dilution caused to their own shareholding depending on their specific circumstances.
7. This table does not set out any dilution pursuant to approvals under Listing Rule 7.1 unless otherwise disclosed.
8. 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%.
9. The table does not show an example of dilution that may be caused to a particular Shareholder by reason of placements under the 7.1A Mandate, based on that Shareholder's holding at the date of the Meeting.

Shareholders should note that there is a risk that:

- (i) the market price for the Company's Shares may be significantly lower on the issue date than on the date of the Meeting; and
- (ii) the Shares may be issued at a price that is at a discount to the market price for those Shares on the date of issue.

(e) **Allocation policy under the 7.1A Mandate**

The recipients of the Equity Securities to be issued under the 7.1A Mandate have not yet been determined. However, the recipients of Equity Securities could consist of current Shareholders or new investors (or both), none of whom will be related parties of the Company.

The Company will determine the recipients at the time of the issue under the 7.1A Mandate, having regard to the following factors:

- (i) the purpose of the issue;
- (ii) alternative methods for raising funds available to the Company at that time, including, but not limited to, an entitlement issue, share purchase plan, placement or other offer where existing Shareholders may participate;
- (iii) the effect of the issue of the Equity Securities on the control of the Company;
- (iv) the circumstances of the Company, including, but not limited to, the financial position and solvency of the Company;
- (v) prevailing market conditions; and
- (vi) advice from corporate, financial and broking advisers (if applicable).

(f) **Previous approval under Listing Rule 7.1A**

The Company previously obtained approval from its Shareholders pursuant to Listing Rule 7.1A at its annual general meeting held on 24 November 2022 (**Previous Approval**).

During the 12-month period preceding the date of the Meeting, being on and from 20 November 2022, the Company issued 15,230,785 Shares pursuant to the Previous Approval (**Previous Issue**), which represent approximately 10.58% of the total diluted number of Equity Securities on issue in the Company on 20 November 2023, which was 144,000,235.

Further details of the issues of Equity Securities by the Company pursuant to Listing Rule 7.1A.2 during the 12 month period preceding the date of the Meeting are set out below.

The following information is provided in accordance with Listing Rule 7.3A.6(b) in respect of the Previous Issue:

Date of Issue and Appendix 2A	Date of Issue: 1 May 2023 Date of Appendix 2A: 1 May 2023
Recipients	Existing Shareholders as part of a placement announced on 24 April 2023. The placement participants were identified through a bookbuild process, which involved Bridge Street Capital Partners seeking expressions of interest to participate in the placement from non-related parties of the Company. The Company issued 11,846,178 shares to substantial shareholder PBC Investments Pty Limited.

Number and Class of Equity Securities Issued	15,230,785 Shares ¹
Issue Price and discount to Market Price² (if any)	\$0.015 per Share (at a discount 6.25% to Market Price).
Total Cash Consideration and Use of Funds	<p>Amount raised: \$228,462</p> <p>Amount spent: \$228,462</p> <p>Use of funds: Applied towards administration expenses, payment of creditors, working capital and general corporate purposes.</p>

Notes:

1. Fully paid ordinary shares in the capital of the Company, ASX Code: NNG (terms are set out in the Constitution).
2. Market Price means the closing price of Shares on ASX (excluding special crossings, overnight sales and exchange traded option exercises). For the purposes of this table the discount is calculated on the Market Price on the last trading day on which a sale was recorded prior to the date of issue of the relevant Equity Securities.

5.3 Voting Exclusion Statement

As at the date of this Notice, the Company is not proposing to make an issue of Equity Securities under Listing Rule 7.1A. Accordingly, a voting exclusion statement is not included in this Notice.

6. RESOLUTIONS 5 TO 7 – ISSUE OF ZEPOS TO RELATED PARTIES

6.1 General

The Company has agreed, subject to obtaining Shareholder approval, to issue an aggregate of 11,250,000 ZEPOs to Peter Christie, Christopher Daly and John Bell (or their nominees) (**Related Parties**) on the terms and conditions set out below (**ZEPOs**).

6.2 Director Recommendation

Each Director has a material personal interest in the outcome of Resolutions 5 to 7 on the basis that all of the Directors (or their nominees) are to be issued ZEPOs should Resolutions 5 to 7 be passed. For this reason, the Directors do not believe that it is appropriate to make a recommendation on Resolutions 5 to 7 of this Notice.

6.3 Chapter 2E of the Corporations Act

Chapter 2E of the Corporations Act requires that 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:

- obtain the approval of the public company's members in the manner set out in sections 217 to 227 of the Corporations Act; and
- 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 issue of the ZEPOs to the Related Parties constitutes giving a financial benefit and each of the Related Parties is a related party of the Company by virtue of being a Director.

As the ZEPOs are proposed to be issued to all 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 ZEPOs. Accordingly, Shareholder approval for the issue of ZEPOs to the Related Parties is sought in accordance with Chapter 2E of the Corporations Act.

6.4 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 issue of ZEPOs to the Related Parties 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 to 7 seek the required Shareholder approval for the issue of the ZEPOs under and for the purposes of Chapter 2E of the Corporations Act and Listing Rule 10.11.

6.5 Technical information required by Listing Rule 14.1A

If Resolutions 5 to 7 are passed, the Company will be able to proceed with the issue of the ZEPOs to the Related Parties 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 ZEPOs (because approval is being obtained under Listing Rule 10.11), the issue of the ZEPOs will not use up any of the Company's 15% annual placement capacity.

If Resolutions 5 to 7 are not passed, the Company will not be able to proceed with the issue of the ZEPOs to the Related Parties and may have to use other methods to remunerate and retain the Related Parties which may not be as cost effective for the Company.

6.6 Technical information required by Listing Rule 10.13 and section 219 of the Corporations Act

Pursuant to and in accordance with the requirements of Listing Rule 10.13 and section 219 of the Corporations Act, the following information is provided in relation to Resolutions 5 to 7:

- (a) the ZEPOs will be issued to the following persons:
- (i) Peter Christie (or his nominee) pursuant to Resolution 5;
 - (ii) Christopher Daly (or his nominee) pursuant to Resolution 6; and
 - (iii) John Bell (or his nominee) pursuant to Resolution 7,
- each of whom falls within the category set out in Listing Rule 10.11.1 by virtue of being a Director;
- (b) the maximum number of ZEPOs to be issued to the Related Parties (being the nature of the financial benefit proposed to be given) is 11,250,000 comprising:
- (i) 1,350,000 Class C ZEPOs, 1,350,000 Class D ZEPOs, 675,000 Class E ZEPOs, 450,000 Class F ZEPOs, 675,000 Class G ZEPOs to Peter Christie (or his nominee) pursuant to Resolution 5;
 - (ii) 1,350,000 Class C ZEPOs, 1,350,000 Class D ZEPOs, 675,000 Class E ZEPOs, 450,000 Class F ZEPOs, 675,000 Class G ZEPOs to Christopher Daly (or his nominee) pursuant to Resolution 6; and
 - (iii) 675,000 Class C ZEPOs, 675,000 Class D ZEPOs, 337,500 Class E ZEPOs, 225,000 Class F ZEPOs, 337,000 Class G ZEPOs to John Bell (or his nominee) pursuant to Resolution 7;
- (c) a summary of the material terms and conditions of the ZEPOs is set out in Schedule 1;
- (d) the ZEPOs are unquoted Options. The Company has chosen to issue ZEPOs to the Related Parties for the following reasons:
- (i) the ZEPOs are unquoted; therefore, the issue of the ZEPOs has no immediate dilutionary impact on Shareholders;
 - (ii) the deferred taxation benefit which is available to the Related Parties in respect of an issue of Options is also beneficial to the Company as it means the Related Parties are not required to immediately sell the ZEPOs to fund a tax liability (as would be the case in an issue of Shares where the tax liability arises upon issue of the Shares) and will instead, continue to hold an interest in the Company; and
 - (iii) it is not considered that there are any significant opportunity costs to the Company or benefits foregone by the Company in issuing the ZEPOs on the terms proposed;
- (e) the number of ZEPOs to be issued to each of the Related Parties has been determined based upon a consideration of:

- (i) current market standards and/or practices of other ASX listed companies of a similar size and stage of development to the Company;
- (ii) the remuneration of the Related Parties; and
- (iii) incentives to attract and retain the service of the Related Parties who have appropriate knowledge and expertise, while maintaining the Company's cash reserves.

The Company does not consider that there are any significant opportunity costs to the Company or benefits foregone by the Company in issuing the ZEPOs upon the terms proposed;

- (f) the total remuneration package for each of the Related Parties for the previous financial year and the proposed total remuneration package for the current financial year are set out below:

Related Party	Previous Financial Year Ended 30 June 2023	Current Financial Year Ending 30 June 2024
Peter Christie	\$146,828	\$104,970 ¹
Christopher Daly	\$75,885	\$104,970 ²
John Bell	\$27,304	\$85,485 ^{3,4}

Notes:

1. Comprising Directors' fees/salary of \$66,000 and share-based payments of \$38,970 (being the value of the ZEPOs).
2. Comprising Directors' fees/salary of \$66,000 and share-based payments of \$38,970 (being the value of the ZEPOs).
3. Comprising Directors' fees/salary of \$66,000 and share-based payments of \$19,485 (being the value of the ZEPOs).
4. John Bell is a director of Hall Chadwick Corporate Pty Ltd. Hall Chadwick Corporate Pty Ltd provide a range of accounting services to Nexion group of companies including CFO and accountant services and are estimated to be paid \$247,000 for these services for the year ended 30 June 2024.

- (g) the value of the ZEPOs and the pricing methodology is set out in Schedule 2;
- (h) the ZEPOs will be issued to the Related Parties no later than 1 month after the date of the Meeting (or such later date as permitted by any ASX waiver or modification of the Listing Rules) and it is anticipated the ZEPOs will be issued on one date;
- (i) the issue price of the ZEPOs will be nil, as such no funds will be raised from the issue of the ZEPOs;
- (j) the purpose of the issue of the ZEPOs is to provide a performance linked incentive component in the remuneration package for the Related Parties to align the interests of the Related Parties with those of Shareholders, to motivate and reward the performance of the Related Parties in their roles as Directors and to provide a cost effective way from the Company to remunerate the Related Parties, which will allow the Company to spend a greater proportion of its cash reserves on its operations than it would if alternative cash forms of remuneration were given to the Related Parties;

- (k) the ZEPOs are not being issued under an agreement;
- (l) no loans are being made to the Related Parties in connection with the acquisition of the ZEPOs;
- (m) the relevant interests of the Related Parties in securities of the Company as at the date of this Notice are set out below:

As at the date of this Notice

Related Party	Shares	Options	Undiluted	Fully Diluted
Peter Christie	8,344,070 ¹	104,375 ^{1,2}	4.12%	3.54%
Christopher Daly	5,183,747 ³	104,375 ^{2,3}	2.56%	2.22%
John Bell	Nil	Nil	Nil	Nil

Notes:

1. Held indirectly by Herdsman Lake Capital Asia Pte (of which Mr Christie is a Shareholder). Ltd, Pacczilla Pty Ltd (of which Mr Christie is a director and shareholder) and Herdsman Lake Capital Nominees Pty Ltd (of which Mr Christie is a director and shareholder).
2. Exercisable at \$0.30 each on or before 4 February 2025.
3. Held indirectly by Claude L. Daly & Sons Pty Ltd (of which Mr Daly is a director and shareholder) ATF Chris Daly Family Trust A/C (of which Mr Daly is a potential beneficiary).

Post issue of ZEPOs to Related Parties

Related Party	Shares	Options
Peter Christie	8,344,070	4,604,375
Christopher Daly	5,183,747	4,604,375
John Bell	Nil	2,250,000

- (n) if the ZEPOs issued to the Related Parties are exercised, a total of 11,250,000 Shares would be issued. This will increase the number of Shares on issue from 202,307,854 (being the total number of Shares on issue as at the date of this Notice) to 213,557,854 (assuming that no Shares are issued and no convertible securities vest or are exercised) with the effect that the shareholding of existing Shareholders would be diluted by an aggregate of 5.27%, comprising 2.108% by Peter Christie, 2.108% by Christopher Daly, and 1.054% by John Bell;

The market price for Shares during the term of the ZEPOs would normally determine whether the ZEPOs are exercised. If, at any time any of the ZEPOs are exercised and the Shares are trading on ASX at a price that is higher than the exercise price of the ZEPOs, there may be a perceived cost to the Company.

- (o) 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 2022 and 1 November 2022

	Price	Date
Lowest	\$0.008	26 June 2023
Last	\$0.014	4 October 2023

- (p) 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 to 7; and
- (a) a voting exclusion statement is included in Resolutions 5 to 7 of the Notice.

7. RESOLUTION 8 – APPROVAL TO ISSUE ZEPOS TO COMPANY SECRETARY AND EMPLOYEE

7.1 General

The Company is proposing, subject to obtaining Shareholder approval, to issue up to 3,750,000 ZEPOs to the Company Secretary and an employee of the Company. Resolution 8 seeks Shareholder approval for the issue of the ZEPOs.

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 shares it had on issue at the start of that period.

The proposed issue of the ZEPOs 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 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.

7.2 Technical information required by Listing Rule 14.1A

If Resolution 8 is passed, the Company will be able to proceed with the issue of the ZEPOs. In addition, the issue of the ZEPOs 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 8 is not passed, the issue of the ZEPOs 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 8 seeks Shareholder approval for the purposes of Listing Rule 7.1 for the issue of the ZEPOs.

7.3 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 8:

- (a) the ZEPOs will be issued to Jack Toby and Nasser Abdelghani (or their 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 ZEPOs to be issued is 3,750,000. The terms and conditions of the ZEPOs are set out in Schedule 1;
- (d) the ZEPOs 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 ZEPOs will occur on the same date;
- (e) the ZEPOs will be issued at a nil issue price;
- (f) the purpose of the issue of the ZEPOs is to provide a performance linked incentive component in the remuneration package of the Company Secretary and employee to motivate and reward performance;
- (g) the ZEPOs are not being issued under an agreement; and
- (h) the ZEPOs are not being issued under, or to fund, a reverse takeover.

GLOSSARY

\$ means Australian dollars.

7.1A Mandate has the meaning given in Section 5.1.

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;
- (i) a child of the member's spouse;
- (j) a dependent of the member or the member's spouse;
- (k) 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;
- (l) a company the member controls; or
- (m) 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.

Equity Securities includes a Share, a right to a Share or Option, an Option, a convertible security and any security that ASX decides to classify as an Equity Security.

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.

Remuneration Report means the remuneration report set out in the Director's report section of the Company's annual financial report for the year ended 30 June 2023.

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.

Variable A means "A" as set out in the formula in Listing Rule 7.1A.2.

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

ZEPO means zero exercise price options.

SCHEDULE 1 – TERMS AND CONDITIONS OF ZEPOS

Key terms

Adjusted Revenue means total consolidated revenue excluding one-off or extraordinary revenue items, revenue received in the form of government grants, allowances, rebates or other hand-outs and revenue that has been “manufactured” to achieve the Vesting Condition.

Total Revenue for a financial year means the total Adjusted Revenue of the Company for that financial year.

30 Day VWAP means the volume weighted average price per Share calculated over the 30 days on which sales in the Company's ordinary shares are recorded before the day on which the calculation is made.

Adjusted EBITDA for a financial year means the Company's consolidated net profit before income tax for that year, plus the Company's consolidated depreciation expense for that year, plus the Company's consolidated amortisation expense for that year, plus the Company's consolidated interest expense for that year, plus the Company's consolidated expensed direct costs of activities relating to mergers or acquisitions of business entities or subsidiaries for that year, plus the Company's consolidated expensed direct costs for capital raising for that year, plus the Company's consolidated share based payments expense for that year. An Adjusted EBITDA of less than zero will be deemed to be zero.

(a) **Entitlement**

Each ZEPO entitles the holder to subscribe for one Share upon exercise of the ZEPO.

(b) **Exercise price**

No consideration is payable upon the exercise of each ZEPO.

(c) **Expiry Date**

Each ZEPO will expire at 5:00 pm (WST) on the date that is five (5) years from the date of issue (**Expiry Date**).

Any ZEPO not exercised on or before the Expiry Date will automatically lapse on the Expiry Date.

(d) **Vesting Conditions**

Vesting of the ZEPOs will terminate on 30 November 2024. Vesting conditions that have not been met by 30 November 2024 will no longer be capable of being satisfied.

The ZEPOs will vest upon satisfaction of the following vesting conditions:

- (i) **Class C ZEPOs:** will vest upon the Company achieving a 30 Day VWAP which is equal to or greater than \$0.05 per Share;
- (ii) **Class D ZEPOs:** will vest upon the Company achieving a 30 Day VWAP which is equal to or greater than \$0.10 per Share;
- (iii) **Class E ZEPOs:** will vest upon the Company achieving a 30 Day VWAP which is equal to or greater than \$0.15 per Share;

- (iv) **Class F ZEPOs:** will vest upon the Company achieving a 30 Day VWAP which is equal to or greater than \$0.20 per Share; and
- (v) **Class G ZEPOs:** will vest, subject to the Vesting Calculation, if Adjusted EBITDA is greater or equal to or greater than 2.5% of Total Revenue during the financial year ending 30 June 2024 (**FY24 Adjusted EBITDA Ratio**).

Where the FY24 Adjusted EBITDA Ratio is:

less than 2.5% then no Class G ZEPOs will vest; or

greater or equal to 2.5% but less than 7.5% then such proportion (limited to a maximum of 100%) of the Class G ZEPOs will vest as calculated by the amount that the FY23 Adjusted EBITDA Ratio minus 2.5% is proportionate to 5% (for example, if the FY23 Adjusted EBITDA Ratio is 5%, then 50% of the Class G ZEPOs will vest); or

greater or equal to 7.5% then all the Class G ZEPOs will vest.

(Vesting Calculation),

(each a **Vesting Condition**).

(e) **Independent Verification**

A Class G ZEPO Vesting Condition will only be achieved, or achieved as a percentage of its target, after the Company's independent external auditor, either:

- (i) verifies that based on Company's audited accounts and as required, the audited accounts of any subsidiaries acquired by the Company: or
- (ii) provides another form of verification acceptable to ASX confirming that the relevant Vesting Condition has been met or achieved as a percentage of its target.

(f) **Lapse of a ZEPO**

Each ZEPO that has vested by 30 November 2024 pursuant to its vesting condition being met or vested pursuant to a proportion of its vesting condition being met, will lapse on the Expiry Date.

Each ZEPO that has not vested by 30 November 2024 pursuant to its vesting condition not being met or vested pursuant to a proportion of its vesting condition not being met will automatically lapse upon the earlier to occur of:

- (i) 30 November 2024; and
- (ii) the holder ceasing to be an officer (and employee, if applicable) of the Company, unless otherwise determined by the Board at its absolute discretion.

For the avoidance of doubt, a ZEPO will not lapse in the event the relevant Vesting Condition is met before the relevant 30 November 2024 and the Shares the subject of an Exercise Notice are deferred in accordance with paragraph (o) below.

(g) **Exercise Period**

Once vested, the ZEPOs are exercisable at any time on or prior to the Expiry Date (**Exercise Period**).

(h) **Vesting on a change of control**

Where there is a Change of Control, all Vesting Conditions are deemed to be automatically waived and advised by written notice to the holder.

(i) **Notice of Exercise**

The ZEPOs may be exercised during the Exercise Period by notice in writing to the Company in the manner specified on the ZEPO certificate (**Notice of Exercise**).

(j) **Exercise Date**

A Notice of Exercise is only effective on and from the date of receipt of the Notice of Exercise (**Exercise Date**).

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

Within 10 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 ZEPOs specified in the Notice of Exercise;
- (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 ZEPOs.

If a notice delivered under (h)(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.

(l) **Shares issued on exercise**

Shares issued on exercise of the ZEPOs rank equally with the then issued shares of the Company.

(m) **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.

(n) **Participation in new issues**

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

(o) **Deferral of conversion if resulting in a prohibited acquisition of Shares**

If the issue of a Share pursuant to an Exercise Notice would result in any person being in contravention of section 606(1) of the Corporations Act (**General Prohibition**) then the exercise of that ZEPO shall be deferred until such later time or times that the exercise of that ZEPO would not result in a contravention of the General Prohibition. In assessing whether an exercise of a ZEPO would result in a contravention of the General Prohibition:

- (i) holders may give written notification to the Company if they consider that the exercise of a ZEPO may result in the contravention of the General Prohibition. The absence of such written notification from the holder will entitle the Company to assume the exercise of a ZEPO will not result in any person being in contravention of the General Prohibition; and
- (ii) the Company may (but is not obliged to) by written notice to a holder request a holder to provide the written notice referred to in paragraph (i) within 7 days if the Company considers that the exercise of a ZEPO may result in a contravention of the General Prohibition. The absence of such written notification from the holder will entitle the Company to assume the exercise of a ZEPO will not result in any person being in contravention of the General Prohibition.

(p) **Change in exercise price**

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

(q) **Transferability**

The ZEPOs are not transferable. The ZEPOs may also be subject to restrictions or escrow arrangements imposed by ASX or under applicable Australian securities laws.

(r) **Deferred Taxation**

Subdivision 83A-C of the Income Tax Assessment Act 1997 (Cth) applies to the ZEPO offer.

SCHEDULE 2 – VALUATION OF ZEPOS

The ZEPOs to be issued to the Related Parties pursuant to Resolutions 5 to 7 have been valued by internal management.

Using a trinomial option valuation and based on the assumptions set out below, the ZEPOs were ascribed the following value:

	ZEPOs				
	Class C	Class D	Class E	Class F	Class G
Share price	\$0.0140	\$0.0140	\$0.0140	\$0.0140	\$0.0140
Grant date	5/10/2023	5/10/2023	5/10/2023	5/10/2023	5/10/2023
Start of measurement/vesting period	5/10/2023	5/10/2023	5/10/2023	5/10/2023	5/10/2023
Measurement/vesting date	5/10/2028	5/10/2028	5/10/2028	5/10/2028	5/10/2028
Measurement/vesting period (years)	5.01	5.01	5.01	5.01	5.01
Remaining measurement/vesting period (years)	5.01	5.01	5.01	5.01	5.01
Expiry date	5/10/2028	5/10/2028	5/10/2028	5/10/2028	5/10/2028
Life of the Performance Rights (years)	5.01	5.01	5.01	5.01	5.01
Volatility	102.3%	102.3%	102.3%	102.3%	102.3%
Risk-free rate	4.23%	4.23%	4.23%	4.23%	4.23%
Dividend yield	0.00%	0.00%	0.00%	0.00%	0.00%
Market Condition/Non-Market Condition	Market	Market	Market	Market	Non-market
Vesting probability	N/A	N/A	N/A	N/A	50.00%
Value per ZEPO	\$0.0105	\$0.0088	\$0.0072	\$0.0074	\$0.0140

Note: The valuation noted above is not necessarily the market price that the ZEPOs could be traded at and is not automatically the market price for taxation purposes.

Class	Number to be Issued	Total Value (\$)
Peter Christie		
Class C	1,350,000	14,175
Class D	1,350,000	11,880
Class E	675,000	4,860
Class F	450,000	3,330
Class G	675,000	4,725
Christopher Daly		
Class C	1,350,000	14,175
Class D	1,350,000	11,880

Class	Number to be Issued	Total Value (\$)
Class E	675,000	4,860
Class F	450,000	3,330
Class G	675,000	4,725
John Bell		
Class C	675,000	7,088
Class D	675,000	5,940
Class E	337,500	2,430
Class F	225,000	1,665
Class G	337,500	2,363

PROXY FORM

**NEXION GROUP LTD
ACN 628 415 887**

ANNUAL 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 Ground Floor, 12 Newcastle St, Perth WA 6000 at 2:30pm on 20 November 2023 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 1, 5,6 and 7 (except where I/we have indicated a different voting intention below) even though Resolutions 1, 5, 6 and 7 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	Adoption of Remuneration Report	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Resolution 2	Election of Director – John Bell	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Resolution 3	Re-Election of Director – Christopher Daly	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Resolution 4	Approval of 7.1A Mandate	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Resolution 5	Issue of ZEPOs to Director – Peter Christie	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Resolution 6	Issue of ZEPOs to Director – Christopher Daly	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Resolution 7	Issue of ZEPOs to Director – John Bell	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Resolution 8	Approval to Issue ZEPOs to Company Secretary and Employee	<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;
- (b) hand delivering to Ground Floor, 12 Newcastle Street, Perth WA 6000; or
- (c) 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.