

Photon Group Limited
Notice of Annual General Meeting

Notice is hereby given that the Annual General Meeting of members of Photon Group Limited will be held at Level 4, 60 Carrington Street, Sydney at 11.00 am on 23 November 2010.

PhotonGroup

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Agenda

Ordinary business

1 Accounts and reports

To receive and consider the Statement of Financial Position of Photon Group Limited (**Photon**) as at 30 June 2010, the Statement of Financial Performance of Photon for the year ended on that date with the consolidated accounts of Photon and its controlled entities in accordance with the Corporations Act and the reports of the Directors and auditors.

2 Remuneration report

To adopt the remuneration report for the year ended 30 June 2010.

3 Re-election of Director

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

That Brian Bickmore who retires in accordance with clause 6.1(f) of Photon's constitution and, being eligible, offers himself for re-election, be re-elected as a Director of Photon.

Photon will disregard any votes cast on Resolution 3 by Mr Brian Bickmore and any of his associates.

However, Photon need not disregard a vote if:

- (a) it is cast by a person as proxy for a person who is entitled to vote, in accordance with the directions on the proxy form; or
- (b) it is cast by the person chairing the meeting as proxy for a person who is entitled to vote, in accordance with a direction on the proxy form to vote as the proxy decides.

4 Financial assistance

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

That, in accordance with section 260B(2) of the Corporations Act 2001 (Cth) approval be given for the provision of financial assistance proposed to be given by:

- (a) Capital Policy & Trade Pty Limited ACN 113 092 818;
- (b) Dark Blue Sea Pty Limited ACN 091 509 796;
- (c) DBS Enterprises Pty Ltd ACN 095 343 614;
- (d) DarkBlue.com Pty Ltd ACN 094 225 082;
- (e) DBS Administration Pty Ltd ACN 095 351 554;
- (f) Domain8 Pty Limited ACN 135 424 878
- (g) Domain Active Pty Ltd ACN 101 412 873;
- (h) Domain Candy Pty Limited ACN 137 606 172;
- (i) Fabulous Parking Pty Ltd ACN 094 225 091;
- (j) Fabulous.com Pty Ltd ACN 094 218 443;
- (k) Fabulous.com.au Pty Ltd ACN 139 626 994;
- (l) Frank Public Relations Pty Ltd ACN 135 289 879;
- (m) Pageseeker.com Pty Ltd ACN 090 513 849;
- (n) Protopixel Pty Ltd ACN 095 105 418;
- (o) Roar.com Pty Ltd ACN 094 225 064;
- (p) The Population Pty Ltd ACN 133 552 253;
- (q) Whois Privacy Services Pty Ltd ACN 133 058 741; and
- (r) Yexa.com Pty Ltd ACN 094 225 073,
(the Acquired Companies),

to assist the acquisition by Photon of all of the issued shares in the Acquired Companies upon the terms described in Item 4 of the explanatory notes in relation to this resolution.

5 Consolidation of Photon shares

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

That for the purposes of Section 254H of the Corporations Act and for all other purposes, the issued capital of the Company be consolidated on the basis that every eighteen (18) ordinary shares in Photon (shares) be consolidated into one (1) share, and where this consolidation results in a fraction of a share being held by a shareholder, that fraction will be rounded to the nearest whole share with exact half shares being rounded up, with the consolidation to take effect on and from 6.00pm on the Record Date (as detailed in the Explanatory Statement accompanying the Notice of Meeting).

Agenda

Information for shareholders

A shareholder entitled to attend and vote is entitled to appoint not more than two proxies. Where two proxies are appointed, each proxy may be appointed to represent a specific proportion of the shareholder's voting rights and an additional form of proxy is available on request from Photon. A proxy need not be a shareholder of Photon.

Where a shareholder appoints two proxies and the appointment does not specify the proportion or number of the shareholder's votes each proxy may exercise, each proxy may exercise half of the votes.

The form of proxy must be signed by a shareholder or a shareholder's attorney. Proxies given by corporations must be signed in accordance with their constituent documents or as authorised by the Corporations Act.

If the form of proxy is executed under power of attorney it must accompany the form of proxy unless it has already been noted by Photon.

In the case of joint shareholders, names of the joint shareholders should be shown on the form of proxy.

Photon has determined in accordance with regulation 7.11.37 of the Corporations Regulations, that for the purpose of determining voting entitlements for the general meeting, Photon shares will be taken to be held by those people who are shown in the register of members as at 11.00am Sydney time on Sunday, 21 November 2010.

To be valid, the proxy forms (together with any power of attorney or other authority) must be returned:

- by post to the share registry Computershare Investor Services Pty Limited
GPO Box 242, Melbourne Vic 3001;
- online at www.investorvote.com.au; or
- successfully transmitted via facsimile transmission to either Computershare on +61 3 9473 2555 (outside Australia) or 1800 783 447 (within Australia).

by no later than 11.00am Sydney time on Sunday, 21 November 2010.

Shareholder queries should be directed to the Company Secretary at Photon on +61 2 8213 8000 or email agm@photongroup.com.

By Order of the Board



Eleni North / Company Secretary

12 October 2010

Explanatory Notes

Item 2 – Remuneration report

The vote on the remuneration report is advisory only and does not bind the Directors or Photon. The remuneration report is set out on pages 18 to 28 of Photon's Annual Financial Report for the year ended 30 June 2010. The report:

- explains the Board's policies in relation to remuneration paid to Photon's Directors and senior management team;
- reviews the relationship between those policies and Photon's performance;
- provides details of the remuneration paid to Directors and some members of Photon's senior management team; and
- provides details of performance conditions relating to remuneration, and how performance against the conditions is measured.

A reasonable opportunity will be provided for discussion of the remuneration report at the meeting.

The Photon Board unanimously recommends that shareholders vote in favour of Resolution 2.

Item 3 – Re-election of Director

Clause 6.1(f) of Photon's constitution requires that one third of Directors (rounded down to the nearest whole number and excluding the Managing Director) and any other Director who, if he or she does not retire, will at the conclusion of the meeting have been in office for three or more years or for three or more AGMs since he or she was last elected to office, must retire at the AGM. Retiring Directors may seek re-election. Brian Bickmore is a current Director of Photon who is retiring and seeking re-election in accordance with clause 6.1(f) of the constitution.

Paul Gregory is a current Director of Photon who is retiring in accordance with clause 6.1(f) of the constitution. Paul Gregory is not seeking re-election at the AGM.

Photon intends to appoint three new independent, non-executive Directors to the Board. One of the new independent non-executive Directors will become the non-executive Chairman. In line with ASX guidelines, following these appointments Photon will maintain a majority of independent Directors. We are working to finalise this process and will update the market as soon as possible.

The Photon Board (other than Brian Bickmore) unanimously recommends that shareholders vote in favour of Resolution 3 to re-elect Brian Bickmore as a Director of Photon.

Item 4 – Financial assistance

Resolution 4 seeks the approval of Photon's shareholders, pursuant to section 260B(2) of the Corporations Act, for financial assistance which is to be provided by:

- (a) Capital Policy & Trade Pty Limited ACN 113 092 818;
- (b) Dark Blue Sea Pty Limited ACN 091 509 796;
- (c) DBS Enterprises Pty Ltd ACN 095 343 614;
- (d) DarkBlue.com Pty Ltd ACN 094 225 082;
- (e) DBS Administration Pty Ltd ACN 095 351 554;
- (f) Domain8 Pty Limited ACN 135 424 878;
- (g) Domain Active Pty Ltd ACN 101 412 873;
- (h) Domain Candy Pty Limited ACN 137 606 172
- (i) Fabulous Parking Pty Ltd ACN 094 225 091;
- (j) Fabulous.com Pty Ltd ACN 094 218 443;
- (k) Fabulous.com.au Pty Ltd ACN 139 626 994;
- (l) Frank Public Relations Pty Ltd ACN 135 289 879;
- (m) Pageseeker.com Pty Ltd ACN 090 513 849;
- (n) Protopixel Pty Ltd ACN 095 105 418;
- (o) Roar.com Pty Ltd ACN 094 225 064;
- (p) The Population Pty Ltd ACN 133 552 253;
- (q) Whois Privacy Services Pty Ltd ACN 133 058 741; and
- (r) Yexa.com Pty Ltd ACN 094 225 073,

(each an **Acquired Company**),

to assist the acquisition by Photon of all of the issued shares in each Acquired Company or the holding company of the relevant Acquired Company (**Acquired Company shares**).

Approval is sought by special resolution, which requires at least 75% of the votes that are cast on the resolution to be in favour of the resolution.

Photon and certain of its subsidiaries are party to a Facilities Agreement dated 31 October 2007 (as amended and restated from time to time) (**Facilities Agreement**) with Australia and New Zealand Banking Group Limited (**Lender**).

Under the Facilities Agreement, the Lender has agreed to provide financial accommodation (**Facilities**) to Photon and certain of its subsidiaries (**Borrowers**) from time to time. The Facilities Agreement requires that if Photon acquires, directly or indirectly, 100% of the issued shares in any company, Photon must ensure that the relevant company gives:

- (a) a guarantee and indemnity in favour of the Lender to guarantee all amounts (the **Guaranteed Money**) owing under or in relation to the Facilities (**Guarantee**); and
- (b) security over all of its assets and an undertaking in favour of the Lender to secure the Guaranteed Money (**Security**),

and seeks all necessary shareholder approvals for giving a Guarantee and Security including the special resolution referred to in Resolution 4. This requires each Acquired Company to give a Guarantee and Security. The provision of a Guarantee and a Security by each Acquired Company, including the subsequent entry by an Acquired Company into any equivalent documents in relation to the refinancing of any Guaranteed Money, will have the effect of that Acquired Company financially assisting the acquisition of that Acquired Company's shares for the purposes of section 260A of the Corporations Act (the **Financial Assistance**).

Explanatory Notes

The reason for the proposal that the Acquired Companies give the Financial Assistance is to ensure that Photon and its subsidiaries continue to have the benefit of the Facilities made available under the Facilities Agreement and comply with their respective obligations under the Facilities Agreement.

The Guarantees and Security to be given by the Acquired Companies will be on substantially the same terms as the Guarantees and Security already given by the other Borrowers to secure the Guaranteed Money.

The effect on the interests of each Acquired Company of the giving of the Financial Assistance will be that each Acquired Company will become liable as a guarantor on a cross guarantee and indemnity basis for the Guaranteed Money, and an Acquired Company's assets may become subject to enforcement action by the Lender in the event of a default under the Facilities Agreement.

In the event of a default under the Facilities Agreement, the Lender may become entitled to enforce its rights granted by an Acquired Company under its Guarantee and Security, which includes a power of sale over the relevant Acquired Company's assets. A sale of assets may result in a substantially lower return to an Acquired Company than could have been achieved had the assets been sold in the ordinary course of trade. The liability of each Acquired Company under the Guarantee and Security potentially affects the interests of its shareholders, as well as its ability to pay its creditors.

The Photon Board believes that the giving of the Financial Assistance will benefit each Acquired Company because it will ensure that each Acquired Company may have the benefit of the Facilities made available under the Facilities Agreement and will enable the Borrowers to comply with their obligations under the Facilities Agreement.

The Directors of Photon and each Acquired Company have considered the financial position, assets and liabilities of the Borrowers and the relevant Acquired Company and the cash flows available to satisfy the Guaranteed Money, and do not consider that the relevant Acquired Company or any other Borrower will have any cause to default in any of its obligations under the Facilities made available under the Facilities Agreement, including payment of the Guaranteed Money, and nor will that Acquired Company have any cause to default in respect of any of its obligations under the Guarantee or Security, taking into account the amount of finance that can be made available under the Facilities Agreement. Accordingly, the Directors of Photon and each Acquired Company are of the view that there are reasonable grounds to believe that providing the Financial Assistance will not materially prejudice the relevant Acquired Company, its shareholders or its ability to pay its creditors.

Immediately following acquisition of the Acquired Company shares by Photon, Photon became the ultimate Australian holding company of each Acquired Company. Consequently, pursuant to section 260B(2) of the Corporations Act, the Financial Assistance must be approved by a special resolution passed at a general meeting of Photon.

The Directors of Photon have unanimously approved this statement and recommend that shareholders approve, by way of special resolution, the giving of the Financial Assistance by each Acquired Company.

Item 5 – Consolidation of Photon shares

Section 254H of the Corporations Act provides that a company may, by resolution passed in a general meeting, convert all or any of its shares into a larger or smaller number.

ASX Listing Rule 7.20 provides that if an entity proposes to reorganise its capital, it must advise shareholders of certain matters, which are set out below.

Background

Following the completion of the Company's recent recapitalisation, the Company has over 1,540 million shares on issue.

Resolution 5 seeks shareholder approval to consolidate the Company's issued capital by consolidating every 18 shares into one share.

For example, if you held 10,000 shares before the consolidation, you would hold 556 shares after the consolidation, but the Company's share price should, all other things being equal, increase to reflect the consolidation and the smaller number of shares on issue.

If Resolution 5 is passed, the number of shares on issue will be reduced from over 1,540 million to approximately 85.6 million.

Options

Photon has unlisted options on issue under its Employee Share Option Scheme, Senior Executive Option Plan and Executive Committee Option Scheme. In accordance with the option terms and ASX Listing Rule 7.22, these options will be consolidated on the same basis as the shares, that is, every 18 options to acquire a share will be consolidated into one option to acquire a share, and their exercise price amended in inverse proportions to the consolidation ratio.

Holdings statements

From the date of the consolidation, all existing holding statements for shares and options will cease to have any effect, except as evidence of entitlement to a certain number of shares and options on a post consolidation basis. After the consolidation becomes effective, the Company will arrange for new holding statements to be issued to shareholders and optionholders. It is the responsibility of each shareholder and optionholder to check the number of shares and options held prior to a disposal.

Taxation implications

Shareholders and optionholders are advised to seek their own tax advice on the effect of the consolidation and neither the Company, nor the Directors (or the Company's advisers) accept any responsibility for the individual taxation implications arising from the consolidation.

Indicative timetable

Event	Date
Company announces to ASX that shareholders have approved consolidation	23 November 2010
Last day for ASX trading of shares on a pre-consolidated basis	24 November 2010
Trading in consolidated shares, on a deferred settlement basis, starts	25 November 2010
Record Date – Last day for Company to register share transfers on a pre-consolidated basis	1 December 2010
Company issues holding statements for shares and options on a consolidated basis	
Company announces to ASX that despatch of the new holding statements has occurred	6 December 2010
Deferred settlement trading ends	6 December 2010
Normal T+3 trading in consolidated shares starts on ASX	7 December 2010
Settlement of trades conducted on a deferred settlement basis and first settlement of trades conducted on the normal T+3 basis	10 December 2010

The above dates are indicative only and may be subject to change. Subject to the Corporations Act, the ASX Listing Rules and other applicable laws, Photon reserves the right to vary any of the above dates and times without notice.

The Photon Board unanimously recommends that shareholders vote in favour of Resolution 5.

Lodge your vote:



Online:
www.investorvote.com.au



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

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

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

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

000001 000 PGA
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FLAT 123
123 SAMPLE STREET
THE SAMPLE HILL
SAMPLE ESTATE
SAMPLEVILLE VIC 3030

Proxy Form



Vote online or view the annual report, 24 hours a day, 7 days a week:

www.investorvote.com.au



Cast your proxy vote



Access the annual report



Review and update your securityholding

Your secure access information is:

Control Number: 999999

SRN/HIN: 1999999999

PIN: 99999



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



For your vote to be effective it must be received by 11.00am (AEDT) Sunday 21 November 2010

How to Vote on Items of Business

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

Appointment of Proxy

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

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

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

A proxy need not be a securityholder of the Company.

Signing Instructions for Postal Forms

Individual: Where the holding is in one name, the securityholder must sign.

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

Power of Attorney: If you have not already lodged the Power of Attorney with the registry, please attach a certified photocopy of the Power of Attorney to this form when you return it.

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

Attending the Meeting

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

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

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

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

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



I 9999999999

I ND

Proxy Form

Please mark to indicate your directions

STEP 1 Appoint a Proxy to Vote on Your Behalf

XX

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

the Chairman of the Meeting **OR**



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

or failing the individual or body corporate named, or if no individual or body corporate is named, the Chairman of the Meeting, as my/our proxy to act generally at the meeting on my/our behalf and to vote in accordance with the following directions (or if no directions have been given, as the proxy sees fit) at the Annual General Meeting of Photon Group Limited to be held at Level 4, 60 Carrington Street, Sydney on Tuesday 23 November 2010 at 11.00am (AEDT) and at any adjournment of that meeting.

Important for Item 3: If the Chairman of the Meeting is your proxy and you have not directed him/her how to vote on Item 3 below, please mark the box in this section. If you do not mark this box and you have not directed your proxy how to vote, the Chairman of the Meeting will not cast your votes on Item 3 and your votes will not be counted in computing the required majority if a poll is called on this Item. The Chairman of the Meeting intends to vote undirected proxies in favour of Item 3 of business.

I/We acknowledge that the Chairman of the Meeting may exercise my proxy even if he/she has an interest in the outcome of that Item and that votes cast by him/her, other than as proxy holder, would be disregarded because of that interest.

STEP 2 Items of Business



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

		For	Against	Abstain
2	To adopt the remuneration report for the year ended 30 June 2010	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
3	To re-elect Brian Bickmore as a Director of Photon	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
4	Financial Assistance	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
5	Consolidation of Photon Shares	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

The Chairman of the Meeting intends to vote undirected proxies in favour of each item of business.

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

Individual or Securityholder 1

Sole Director and Sole Company Secretary

Securityholder 2

Director

Securityholder 3

Director/Company Secretary

Contact Name _____

Contact Daytime Telephone _____

Date ____/____/____