

THE AGENCY

29th December 2021

Dear Shareholders

IMPACT OF COVID-19 RESTRICTIONS ON THE COMPANY'S ANNUAL GENERAL MEETING

The annual general meeting of The Agency Group Australia Ltd (ACN 118 913 232) (**Company**) is scheduled to be held virtually on **28 January 2022 at 10.00am (WST)**.

The Company is continuing to monitor the impact of the COVID-19 virus in Western Australia and following guidance from the Federal and State Governments. In light of the current circumstances and continued uncertainty on restrictions on gatherings, the Directors have made the decision to hold the Meeting virtually. Accordingly, there will not be a physical location where shareholders can attend the Meeting in person.

In accordance with the Treasury Laws Amendment (2021 Measures No. 1) Act 2021, the Company will not be sending hard copies of the Notice of Meeting to shareholders unless a shareholder has previously requested a hard copy. The Notice of Meeting can be viewed and downloaded from the link set out below. Please also refer to the Online Meeting Guide in the Notice of Meeting for details on how to participate in the Meeting.

The Company **strongly encourages Shareholders to lodge a directed proxy form prior to the meeting**. Questions should also be submitted in advance of the Meeting as this will provide management with the best opportunity to prepare for the Meeting, for example by preparing answers in advance to Shareholders questions. However, votes and questions may also be submitted during the Meeting. Shareholders who wish to vote by poll during the Meeting will be able to submit their online poll votes immediately after the Chair calls for a vote on the Resolutions. Shareholders can do this by clicking the poll button on their screen. The outcome of each Resolution will not be determined until after the conclusion of the Meeting to allow the Company Secretary sufficient time to check poll votes.

Participation in the virtual meeting and electronic voting will be offered through www.advancedshare.com.au/Dashboard/Virtual-Meeting-Centre-Login. Please refer to the Meeting ID and Shareholder ID on your proxy form to login to the website.

Shareholders will be able to view and download the Meeting Materials online from the Company's website, www.theagencygroup.com.au. Alternatively, a complete copy of the Meeting Materials has been posted on the Company's ASX market announcements page (ASX: AU1).

If you have nominated an email address and have elected to receive electronic communications from the Company, you will also receive an email to your nominated email address with a link to an electronic copy of the Meeting Materials.

In order to receive electronic communications from the Company in the future, please update your Shareholder details online at www.advancedshare.com.au. Once logged in you can also lodge your proxy vote online by clicking on the "Vote" tab.

If you are unable to access any of the Meeting Materials online please contact the Company Secretary, Stuart Usher, on +61 499 900 044 or via email at stuartu@theagencygroup.com.au.

The Australian government and the respective State governments are implementing a wide range of measures to contain or delay the spread of COVID-19. If it becomes necessary or appropriate to make alternative arrangements to those set out in the Company's Notice of Meeting, the Company will notify Shareholders accordingly via the Company's website at www.theagencygroup.com.au and the Company's ASX Announcement Platform at asx.com.au (ASX: AU1).

This announcement is authorised for market release by The Agency Group Australia Ltd.

Sincerely,



Stuart Usher
Company Secretary

THE AGENCY GROUP AUSTRALIA LIMITED
ACN 118 913 232
NOTICE OF ANNUAL GENERAL MEETING

Notice is given that the Meeting will be held at:

TIME: 10:00am (WST)

DATE: 28 January 2022

PLACE: Virtual meeting, access via the link below:
advancedshare.com.au/virtual-meeting

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

This Notice of Meeting 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 10:00am (WST) on 26 January 2022.

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 2021 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 2021."

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 – RE-ELECTION OF DIRECTOR – ANDREW JENSEN

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, Listing Rule 14.5 and for all other purposes, Andrew Jensen, a Director, retires by rotation, and being eligible, is re-elected as a Director."

4. RESOLUTION 3 – RATIFICATION OF PRIOR ISSUE OF OPTIONS

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

"That, for the purposes of Listing Rule 7.4 and for all other purposes, Shareholders ratify the issue of 30,000,000 Options on the terms and conditions set out in the Explanatory Statement."

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

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 – APPROVAL OF ISSUE OF PERFORMANCE RIGHTS TO DIRECTOR - PAUL NIARDONE

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

“That, for the purposes of section 208 of the Corporations Act, Listing Rule 10.14 and for all other purposes, approval is given for the Company to issue 11,000,000 Performance Rights to Paul Niardone (or their nominee) under the Performance Rights and Options Plan 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.

Dated: 22 Dec 2021

By order of the Board

A handwritten signature in black ink, appearing to read 'Stuart Usher', with a small dot at the end.

**Stuart Usher
Company Secretary**

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 - Approval of Issue of Performance Rights to Director – Paul Niardone</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. |

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:

| | |
|--|--|
| <p>Resolution 3 – Ratification of prior issue of Options</p> | <p>A person who participated in the issue or is a counterparty to the agreement being approved (namely Mr Geoff Lucas) or an associate of that person or those persons.</p> |
| <p>Resolution 5 - Approval of Issue of Performance Rights to Director – Paul Niardone</p> | <p>Any person referred to in Listing Rule 10.14.1, 10.14.2 or 10.14.3 who is eligible to participate in the employee incentive scheme in question (including Paul Niardone) or their nominees or an associate of that person or those persons.</p> |

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 member 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 of Meeting please do not hesitate to contact the Company Secretary on +61 499 900 044.

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 2021 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.theagencygroup.com.au.

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 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 Annual General Meeting.

3. RESOLUTION 2 – RE-ELECTION OF DIRECTOR – ANDREW JENSEN

3.1 General

Listing Rule 14.5 provides that an entity which has directors must hold an election of directors at each annual general meeting.

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

Mr Andrew Jensen, who has served as a Director since 18 February 2019 and was elected by Shareholders on 29 November 2019, retires by rotation and seeks re-election.

3.2 Qualifications and other material directorships

Mr Jensen previously held the position of Chief Financial Officer for International and leading Australian Companies, which will greatly assist the Company in its next phase of national growth under the two prominent brands of The Agency and Sell Lease Property.

Mr Jensen has strong commercial, strategic, and M&A experience and has financially led companies engaged in various fields including real estate, financial services, telecommunications, and the franchising sectors both in Australia and Internationally.

He is an accomplished CFO with over 20 years' experience in senior finance and management roles. Previously, Mr Jensen was the CFO and Director of Australasia's largest real estate group Ray White, with over \$20 billion in annual sales and one of Australia's largest independent mortgage broking businesses Loan Market. He has also been the CFO of VGC Food Group Pty Ltd, a private diversified manufacturing and franchising group.

Mr Jensen was also CFO and COO of Digicel PNG (Papua New Guinea) part of Digicel Group Limited (Digicel), one of the South Pacific's largest and most successful telecommunications companies. He is also a fellow of the Institute of Public Accountants and member of the Australian Institute of Company Directors.

3.3 Independence

If re-elected the Board does not consider Mr Jensen will be an independent Director.

3.4 Board recommendation

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

4. RESOLUTION 3 – RATIFICATION OF PRIOR ISSUE OF OPTIONS

4.1 General

On 30 November 2021, the Company issued 30,000,000 Options to Mr Geoff Lucas, pursuant to the employment agreement entered into between Mr Lucas and the Company dated 29 March 2021 (**Employment Agreement**), comprising:

- (a) 10,000,000 Options exercisable at \$0.05 per Option, which will vest 60 days after the conclusion of Mr Lucas's 6 month probationary period, as stipulated in the Employment Agreement (**Probationary Period**), and exercisable on or before 12 months after the conclusion of the Probationary Period;
- (b) 10,000,000 Options exercisable at \$0.075 per Option, which will vest on the 12 month anniversary date of the conclusion of the Probationary Period, and exercisable on or before 12 months after vesting; and
- (c) 10,000,000 Options exercisable at \$0.10 per Option, which will vest on the 24 month anniversary date of the conclusion of the Probationary Period, and exercisable on or before 12 months after vesting,

(together, the **Employment Options**).

A summary of the material terms of the Employment Agreement is set out in Schedule 2.

4.2 Listing Rule 7.1

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

The issue of the Employment Options does not fit within any of the exceptions set out in Listing Rule 7.2 and, as it has not yet been approved by Shareholders, it effectively uses up part of the 15% limit in Listing Rule 7.1, reducing the Company's capacity to issue further equity securities without Shareholder approval under Listing Rule 7.1 for the 12 month period following the date of issue of the Employment Options.

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

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

Resolution 3 seeks Shareholder ratification pursuant to Listing Rule 7.4 for the issue of the Employment Options.

4.3 Technical information required by Listing Rule 14.1A

If Resolution 3 is passed, the Employment Options will be excluded in calculating the Company's 15% limit in Listing Rule 7.1, effectively increasing the number of equity securities the Company can issue without Shareholder approval over the 12 month period following the date of issue of the Employment Options.

If Resolution 3 is not passed, the Employment Options will be included in calculating the Company's combined 15% limit in Listing Rule 7.1, effectively decreasing the number of equity securities that the Company can issue without Shareholder approval over the 12 month period following the date of issue of the Employment Options.

4.4 Technical information required by Listing Rule 7.5

Pursuant to and in accordance with Listing Rule 7.5, the following information is provided in relation to Resolution 3:

- (a) the Employment Options were issued to Mr Geoff Lucas;
- (b) in accordance with paragraph 7.4 of ASX Guidance Note 21, the Company confirms that none of the recipients were:
 - (i) related parties of the Company, members of the Company's Key Management Personnel, substantial holders of the Company, advisers of the Company or an associate of any of these parties; and
 - (ii) issued more than 1% of the issued capital of the Company;
- (c) 30,000,000 Employment Options were issued and the Employment Options were issued on the terms and conditions set out in Schedule 1;
- (d) the Employment Options were issued on 30 November 2021;
- (e) the Employment Options were issued at a nil issue price, as equity remuneration under the Employee Agreement. The Company has not and will not receive any other consideration for the issue of the Employment Options (other than in respect of funds received on exercise of the Employment Options);
- (f) the purpose of the issue of the Employment Options was to satisfy the Company's obligations under the Employment Agreement; and
- (g) the Employment Options were issued to Mr Lucas under the Employment Agreement. A summary of the material terms of the Employment Agreement is set out in Schedule 2.

5. RESOLUTION 4 – APPROVAL OF 7.1A MANDATE

5.1 General

As set out in Section 4.2 above, 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 \$21,857,372 (based on the number of Shares on issue and the closing price of Shares on the ASX on 1 December 2021).

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.

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 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 the acquisition of new assets and investments (including expenses associated with such an acquisition), the development of the Company's current business and/or general 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 17 December 2021.

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 | | |
| | | | \$0.025 | \$0.050 | \$0.075 |
| | | | 50% decrease | Issue Price | 50% increase |
| | | Funds Raised | | | |
| Current | 428,576,584 Shares | 42,857,658 Shares | \$1,071,441 | \$2,142,883 | \$3,214,324 |
| 50% increase | 642,864,876 Shares | 64,286,488 Shares | \$1,607,162 | \$3,214,324 | \$4,821,487 |
| 100% increase | 857,153,168 Shares | 85,715,317 Shares | \$2,142,883 | \$4,285,766 | \$6,428,649 |

*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 428,576,584 Shares on issue at the date of this Notice of Meeting:
2. The issue price set out above is the closing market price of the Shares on the ASX on 17 December 2021 (being \$0.050).

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 did not obtain approval under Listing Rule 7.1A at its annual general meeting held on 4 January 2021. Accordingly, the Company has not issued any Equity Securities under Listing Rule 7.1A.2 in the twelve months preceding the date of the Meeting.

During the 12 month period preceding the date of the Meeting, being on and from 24 January 2021, the Company has not issued any Equity Securities pursuant to the Previous Approval.

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. **RESOLUTION 5 – APPROVAL OF ISSUE OF PERFORMANCE RIGHTS TO DIRECTOR – PAUL NIARDONE**

6.1 **General**

As announced on 29 December 2021, the Company has entered into a revised executive services agreement with current Managing Director, Mr Paul Niardone (**Executive Services Agreement**) pursuant to which Mr Niardone will move from the position of Managing Director to that of an Executive Director following closure of the Company's 2021 annual general meeting, at which point in time Mr Geoff Lucas will assume the role of Managing Director of the Company.

Under the Executive Services Agreement, the Company has agreed, subject to obtaining Shareholder approval, to grant Mr Niardone (or their nominee) a total of 11,000,000 Performance Rights (consisting of 8,000,000 Class A Performance Rights and 3,000,000 Class B Performance Rights) pursuant to the Company's Performance Rights and Options Plan and on the terms set out below.

The Performance Rights will vest and convert into Shares, subject to the satisfaction of the following conditions:

- (a) **Class A Performance Rights:** 24 months continuous service by the Executive to the Company from closure of the Company's 2021 annual general meeting;
- (b) **Class B Performance Rights:** upon achievement of one of the following (as verified by the Company's auditor):
 - (i) recruitment by The Agency (WA) and the Company's SLP Model of 85 Agents by the financial year ending 30 June 2024; or
 - (ii) achievement of gross commission income of \$50,000,000 for the financial year ending 30 June 2024 by The Agency (WA),

and will otherwise be issued on the terms and conditions set out in Schedule 3.

It is proposed to issue the Class A Performance Rights to Mr Niardone in recognition of him agreeing to terminate his role as Managing Director (and move to the role of an Executive Director), to ensure the Company retains Mr Niardone and his significant services and to retain the Company's cash reserves by not being

required to make any cash pay-out in relation to his current executive services agreement.

It is proposed to issue the Class B Performance Rights to Mr Niardone is to reward, retain and incentivise Mr Niardone for his ongoing commitment to the performance and future success of the Company.

The Board considers that the milestones set out above will ensure Mr Niardone remains focused on retention and growth, while adding significant revenue to AU1.

- (a) in order to retain Mr Niardone's significant services; and
- (b) following on from the success of The Agency model (which currently consists of approximately 340 real estate agents nationally), incentivise Mr Niardone to build out the SLP Model nationally and roll out the model into other states.

The Company and Mr Niardone have agreed that any Shares issued upon conversion of the Performance Rights will be voluntarily escrowed for one year from the date of issue of the Shares.

Resolution 5 seeks Shareholder approval for the issue of 11,000,000 Performance Rights to Mr Niardone under the Company's Performance Rights and Options Plan.

6.2 Chapter 2E of the Corporations Act

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

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

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

The issue of the Performance Rights the subject of Resolution 5 to the Paul Niardone constitutes giving a financial benefit and Paul Niardone is a related party of the Company by virtue of being a director.

The Directors (other than Paul Niardone) consider that:

- (a) the issue of the 8,000,000 Class A Performance Rights does not fall within one of the exceptions set out in sections 210 to 216 of the Corporations Act. Accordingly, Shareholder approval for the issue of the Class A Performance Rights to Mr Niardone is sought in accordance with Chapter 2E of the Corporations Act.
- (b) the issue of the 3,000,000 Class B Performance Rights constitutes reasonable remuneration payable to Mr Niardone as part of his revised remuneration package. However, the Directors consider that it is best corporate governance practice to seek Shareholder approval for the Performance Rights the subject of Resolution 5 for the purposes Chapter 2E of the Corporations Act.

Accordingly, Shareholder approval for the grant of the Performance Rights under Resolution 5 to Paul Niardone is sought in accordance with Chapter 2E of the Corporations Act.

6.3 Listing Rule 10.14

Listing Rule 10.14 provides that an entity must not permit any of the following persons to acquire equity securities under an employee incentive scheme without the approval of the holders of its ordinary securities:

- 10.14.1 a director of the entity;
- 10.14.2 an associate of a director of the entity; or
- 10.14.3 a person whose relationship with the entity or a person referred to in Listing Rules 10.14.1 to 10.14.2 is such that, in ASX's opinion, the acquisition should be approved by security holders.

The issue of Performance Rights to Paul Niardone falls within Listing Rule 10.14.1 and therefore requires the approval of Shareholders under Listing Rule 10.14.

Resolution 5 seeks the required Shareholder approval for the issue of the Performance Rights under and for the purposes of Chapter 2E of the Corporations Act and Listing Rule 10.14.

6.4 Technical information required by Listing Rule 14.1A

If Resolution 5 is passed, the Company will be able to proceed with the issue of the Performance Rights to Paul Niardone under the Performance Rights and Options Plan within three years 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 Performance Rights (because approval is being obtained under Listing Rule 10.14), the issue of the Performance Rights will not use up any of the Company's 15% annual placement capacity.

If Resolution 5 is not passed, the Company will not be able to proceed with the issue of the Performance Rights to Paul Niardone under the Performance Rights and Options Plan and the Company will need to seek to renegotiate a position with Mr Niardone to retain his services going forward.

6.5 Technical information required by Listing Rule 10.15 and section 219 of the Corporations Act

Pursuant to and in accordance with Listing Rule 10.15 and section 219 of the Corporations Act, the following information is provided in relation to Resolution 5:

- (a) the Performance Rights will be issued to Paul Niardone (or their nominee) pursuant to Resolution 5. Mr Niardone falls within the category set out in Listing Rule 10.14.1 by virtue of being a Director;
- (b) the maximum number of Performance Rights to be issued to Paul Niardone (or their nominee) (being the nature of the financial benefit proposed to be given) is 11,000,000 Performance Rights (consisting of 8,000,000 Class A Performance Rights and 3,000,000 Class B Performance Rights);

- (c) the Performance Rights will be issued to Mr Niardone no later than 3 years 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 Performance Rights will be issued on one date;
- (d) the issue price of the Performance Rights will be nil, as such no funds will be raised from the issue of the Performance Rights;
- (e) a summary of the material terms and conditions of the Performance Rights is set out in Schedule 3;
- (f) the purpose of the issue of the:
 - (i) Class A Performance Rights is part of the Mr Niardone's agreement to take on the new role of an Executive Director and, in doing so, forgoing his position as Managing Director. The issue of the Class A Performance Rights will also allow the Company to spend a greater proportion of its cash reserves on its operations than it would if an alternative cash form of remuneration were given to Mr Niardone;
 - (ii) Class B Performance Rights is to reward, retain and incentivise Paul Niardone for his ongoing commitment to the performance and future success of the Company;
- (g) the Performance Rights are unquoted securities. The Company has chosen to issue Performance Rights to Paul Niardone for the following reasons:
 - (i) the Performance Rights are unquoted; therefore, the issue of the Performance Rights has no immediate dilutionary impact on Shareholders;
 - (ii) to reward, retain and incentivise Mr Niardone for his ongoing commitment to the performance and future success of the Company;
 - (iii) to motivate Mr Niardone in creating Shareholder value; and
 - (iv) it is not considered that there are any significant opportunity costs to the Company or benefits foregone by the Company in issuing the Performance Rights on the terms proposed;
- (h) the number of Performance Rights to be issued to Mr Niardone 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 Mr Niardone; and
 - (iii) incentives to attract and ensure continuity of service of Paul Niardone who has 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 Performance Rights upon the terms proposed;

- (i) the total remuneration package for Paul Niardone for the previous financial year and the proposed total remuneration package for the current financial year are set out below:

| Related Party | Current Financial Year | Previous Financial Year |
|----------------------------|------------------------|-------------------------|
| Paul Niardone ¹ | \$815,953 | \$446,270 |

Note:

1. Comprising Directors' fees/salary of \$135,000, cash bonuses of \$123,508, superannuation payments of \$10,392, motor vehicle allowance of \$9,003 and Share-based payments of \$538,050] being the value of the Performance Rights the subject of Resolution 5).

- (j) the value of the Performance Rights and the pricing methodology is set out in Schedule 4;
- (k) the relevant interests of Paul Niardone in securities of the Company as at the date of this Notice are set out below:

| Related Party | Shares | Performance Shares |
|---------------|-----------|--------------------|
| Paul Niardone | 3,187,007 | 116,237 |

- (l) a summary of the material terms and conditions of the Performance Rights and Options Plan is set out in Schedule 5;
- (m) no loans are being made to Paul Niardone in connection with the acquisition of the Performance Rights;
- (n) Mr Niardone has not previously been issued any securities under the Performance Rights and Options Plan;
- (o) details of any Performance Rights issued under the Performance Rights and Options Plan will be published in the annual report of the Company relating to the period in which they were issued, along with a statement that approval for the issue was obtained under Listing Rule 10.14;
- (p) any additional persons covered by Listing Rule 10.14 who become entitled to participate in an issue of Performance Rights under the Performance Rights and Options Plan after Resolution 5 is approved and who were not named in this Notice will not participate until approval is obtained under Listing Rule 10.14;
- (q) if the milestones attaching to the Performance Rights issued to Paul Niardone are met and the Performance Rights are converted, a total of 11,000,000 Shares would be issued. This will increase the number of Shares on issue from 428,575,916 (being the total number of Shares on issue as at the date of this Notice) to 439,575,916 (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 2.5%, comprising 2.5% by Paul Niardone;

- (r) 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 | \$0.077 | 6 April 2021 |
| Lowest | \$0.045 | 5 March 2021 |
| Last | \$0.048 | 22 December 2021 |

- (s) Andrew Jensen, Adam Davey and Matthew Lahood recommend that Shareholders vote in favour of Resolutions 5 and 6 for the reasons set out in Sections 6.1, and 6.5(f) and (g). In forming their recommendation, Messrs Jensen, Davey and Lahood considered the experience of Mr Niardone, the terms of Mr Niardone's Managing Director executive services agreement, the current market price of Shares, the current market standards and practices when determining the number of Performance Rights to be issued to Mr Niardone, as well as the milestones and expiry date of the Performance Rights;
- (t) Paul Niardone has a material personal interest in the outcome of Resolution 5 on the basis that Mr Niardone (or their nominee) is to be issued Performance Rights should Resolution 5 be passed. For this reason, Mr Niardone does not believe that it is appropriate to make a recommendation on Resolution 5 of this Notice; and
- (u) 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 Resolution 5.

GLOSSARY

\$ means Australian dollars.

7.1A Mandate has the meaning given in Section 5.1.

Annual General Meeting or **Meeting** means the meeting convened by the Notice.

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.

Class A Performance Right means a Performance Right with the milestone set out on paragraph (a)(i) of Schedule 3.

Class B Performance Right means a Performance Right with the milestone set out on paragraph (a)(i) of Schedule 3.

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

- (a) a spouse or child of the member;
- (v) a child of the member's spouse;
- (w) a dependent of the member or the member's spouse;
- (x) 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;
- (y) a company the member controls; or
- (z) 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 The Agency Group Australia Limited (ACN 118 913 232).

Constitution means the Company's constitution.

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

Directors means the current directors of the Company.

Employment Agreement has the meaning set out in Section 4.1.

Employment Options has the meaning set out in Section 4.1.

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.

Notice or **Notice of Meeting** 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.

Performance Rights and Options Plan means the Company's Performance Rights and Options Plan adopted by Shareholders on 29 November 2019.

Probationary Period has the meaning set out in Section 4.1.

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 2021.

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.

SCHEDULE 1 – TERMS AND CONDITIONS OF EMPLOYMENT OPTIONS

(a) **Entitlement**

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

(b) **Vesting Conditions**

The Options shall vest subject to the following conditions:

- (i) 10,000,000 exercisable at \$0.05 per Option, will vest 60 days after the conclusion of the Probationary Period (**Tranche 1 Options**);
- (ii) 10,000,000 Options exercisable at \$0.075 per Option, will vest on the 12 month anniversary date of the conclusion of the Probationary Period (**Tranche 2 Options**); and
- (iii) 10,000,000 Options exercisable at \$0.10 per Option, will vest on the 24 month anniversary date of the conclusion of the Probationary Period (**Tranche 3 Options**).

(c) **Exercise Price**

Subject to paragraph (j), the amount payable upon exercise of each Option will be as set out in the table below (**Exercise Price**).

| Tranche | Exercise Price |
|-------------------|-----------------------------------|
| Tranche 1 Options | Exercisable at \$0.05 per Option |
| Tranche 2 Options | Exercisable at \$0.075 per Option |
| Tranche 3 Options | Exercisable at \$0.10 per Option |

(d) **Expiry Date**

Each Option will expire at 5:00 pm (WST) on the date set out in the table below (**Expiry Date**). An Option not exercised before the Expiry Date will automatically lapse on the Expiry Date.

| Tranche | Expiry Date |
|-------------------|--|
| Tranche 1 Options | On or before the date that is 12 months after the conclusion of the Probationary Period. |
| Tranche 2 Options | On or before the date that is 12 months after the date the Options vest. |
| Tranche 3 Options | On or before the date that is 12 months after the date the Options vest. |

(e) **Exercise Period**

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

(f) **Notice of Exercise**

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

(g) **Exercise Date**

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

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

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

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

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.

(i) **Shares issued on exercise**

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

(j) **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.

(k) **Participation in new issues**

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

(l) **Change in exercise price**

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

(m) **Transferability**

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

SCHEDULE 2 – SUMMARY OF EMPLOYMENT AGREEMENT

| | |
|----------------------------|---|
| Position | Chief Executive Officer (Group) |
| Commencement Date | 29 March 2021 |
| Salary package | <p>\$550,000 inclusive of superannuation (not to increase for first 2 years of employment).</p> <p>Plus short term and long term incentive payments which will be subject to achievement of key performance indicators to be set and approved with and by the Board of The Agency.</p> |
| Leave provisions | In accordance with applicable legislation. |
| Probationary Period | <p>Six-month probationary period.</p> <p>At any time during this period, either party may terminate the employment by providing one week's written notice to the other party.</p> |
| Equity issues | <p>On the Commencement Date, the Company will issue Mr Lucas with 30 million unlisted options to acquire fully paid ordinary shares in the capital of the Company (Unlisted Options) with the following terms:</p> <ul style="list-style-type: none"> (a) 10 million Unlisted Options exercisable at 5 cents each which will vest 60 days after conclusion of the Probationary Period and are exercisable on or before 12 months after conclusion of the Probationary Period (approximately September 2022). (b) 10 million Unlisted Options exercisable at 7.5 cents each which will vest on the 12-month anniversary date of conclusion of the Probationary Period and are exercisable on or before 12 months from vesting (approximately September 2023). (c) 10 million Unlisted Options exercisable at 10 cents each which will vest on the 24-month anniversary date of conclusion of the Probationary Period and are exercisable on or before 12 months from vesting (approximately September 2024). <p>If the employment is terminated by either party, the Unlisted Options will be cancelled or lapsed.</p> <p>If all Unlisted Options are exercised the total payable by Mr Lucas will be \$2,250,000.</p> |
| Termination | Following the Probationary Period, the Company may terminate the employment without cause, or Mr Lucas may resign from the employment, with six months' written notice to the other party. The employment agreement also contains summary termination provisions considered standard for an agreement of this type. |

SCHEDULE 3 – TERMS AND CONDITIONS OF PERFORMANCE RIGHTS

The terms and conditions of the Performance Rights the subject of Resolution are as follows:

(a) **Milestones**

The Performance Rights will vest and convert into Shares on a one for one basis on achievement of the following milestones (each, a **Milestone**):

- (i) **Class A Performance Rights:** 24 months continuous service by the Executive to the Company from closure of the Company's 2021 annual general meeting;
- (ii) **Class B Performance Rights:** upon achievement of one of the following (as verified by the Company's auditor):
 - (A) recruitment by The Agency (WA) and the Company's SLP Model of 85 Agents by the financial year ending 30 June 2024; or
 - (B) achievement of GCI of \$50,000,000 for the financial year ending 30 June 2024 by The Agency (WA).

For the purposes of the above:

Agent means a real estate agent.

GCI means gross commission income.

SLP Model means the Company's Sell Lease Property model.

(b) **Notification to holder**

The Company shall notify the holder in writing when each Milestone has been satisfied.

(c) **Conversion**

- (i) Subject to paragraph (m), upon vesting, each Performance Right will, at the election of the holder, convert into one (1) Share (other than as set out below).
- (ii) If the 80% of either one of the Class B Performance Rights Milestones is achieved by the financial year ending 30 June 2024, each Class B Performance Right will convert into 0.5 Share.

(d) **Lapse of a Performance Right**

If a Milestone is not achieved by the applicable date specified in paragraph (a), the relevant Performance Rights will automatically lapse.

Any Performance Right not converted within two years of the date on which the milestone is achieved (**Expiry Date**) shall automatically lapse on the Expiry Date and the holder shall have no entitlement to Shares pursuant to those Performance Rights.

(e) **Share ranking**

All Shares issued upon the vesting Performance Rights will upon issue rank pari passu in all respects with other Shares.

(f) **Application to ASX**

The Performance Rights will not be quoted on ASX. The Company must apply for the official quotation of a Share issued on conversion of a Performance Right on ASX within the time period required by the ASX Listing Rules.

(g) **Transfer of Performance Rights**

The Performance Rights are not transferable.

(h) **Participation in new issues**

A Performance Right does not entitle a holder (in their capacity as a holder of a Performance Right) to participate in new issues of capital offered to holders of Shares such as bonus issues and entitlement issues.

(i) **Reorganisation of capital**

If at any time the issued capital of the Company is reconstructed, all rights of a holder will be changed in a manner consistent with the applicable ASX Listing Rules and the Corporations Act at the time of reorganisation.

(j) **Adjustment for bonus issue**

If the Company makes a bonus issue of Shares or other securities to existing Shareholders (other than an issue in lieu or in satisfaction of dividends or by way of dividend reinvestment) the number of Shares or other securities which must be issued on the conversion of a Performance Right will be increased by the number of Shares or other securities which the holder would have received if the holder had converted the Performance Right before the record date for the bonus issue.

(k) **Dividend and Voting Rights**

The Performance Rights do not confer on the holder an entitlement to vote (except as otherwise required by law) or receive dividends.

(l) **Change in Control**

Subject to paragraph (m), upon:

- (i) a takeover bid under Chapter 6 of the Corporations Act having been made in respect of the Company and:
 - (A) having received acceptances for not less than 50.1% of the Company's Shares on issue; and
 - (B) having been declared unconditional by the bidder; or
- (ii) a Court granting orders approving a compromise or arrangement for the purposes of or in connection with a scheme of arrangement for the reconstruction of the Company or its amalgamation with any other company or companies,

then, to the extent Performance Rights have not converted into Shares due to satisfaction of the applicable Milestone, Performance Rights will accelerate vesting conditions and will automatically convert into Shares on a one-for-one basis.

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

If the conversion of a Performance Right under paragraph (c) or (l) would result in any person being in contravention of section 606(1) of the *Corporations Act 2001* (Cth) (**General Prohibition**) then the conversion of that Performance Right shall be deferred until such later time or times that the conversion would not result in a contravention of the General Prohibition. In assessing whether a conversion of a Performance Right would result in a contravention of the General Prohibition:

- (i) holders may give written notification to the Company if they consider that the conversion of a Performance Right 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 conversion of a Performance Right will not result in any person being in contravention of the General Prohibition; and
- (i) 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 (m)(i) within seven days if the Company considers that the conversion of a Performance Right 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 conversion of a Performance Right will not result in any person being in contravention of the General Prohibition.

(n) **No rights to return of capital**

A Performance Right does not entitle the holder to a return of capital, whether in a winding up, upon a reduction of capital or otherwise.

(o) **Rights on winding up**

A Performance Right does not entitle the holder to participate in the surplus profits or assets of the Company upon winding up.

(p) **No other rights**

A Performance Right gives the holder no rights other than those expressly provided by these terms and those provided at law where such rights at law cannot be excluded by these terms.

(q) **Subdivision 83AC-C and risk of forfeiture**

- (a) Subdivision 83A-C of the *Income Tax Assessment Act 1997* applies to the Performance Rights.
- (b) The Company and the holder acknowledge and agree that the Class A Performance Rights and Class B Performance Rights are subject to risk of forfeiture and that the rights are part of a Sec 83 A tax deferral scheme.

(r) **Discretion**

Consistent with the terms of the Performance Rights and Options Plan, the Board may, in its absolute discretion, determine by resolution of the Board that a particular Milestone has been satisfied or satisfied to such an extent that the Performance Right to which the applicable Milestone relates will be deemed to have vested.

(s) **ASX requirements**

The terms and conditions of the Performance Rights are subject to any amendments required as required by ASX or the ASX Listing Rules.

SCHEDULE 4 – VALUATION OF PERFORMANCE RIGHTS

The Performance Rights to be issued to Paul Niardone pursuant to Resolution 5 have been independently valued by Pendragon Capital Ltd.

Using the Hoadleys ESO1 option model and based on the assumptions set out below, the Performance Rights were ascribed the following value:

| Item | Class A Performance Rights | Class B Performance Rights |
|--|----------------------------|----------------------------|
| Share price | \$0.051 | \$0.051 |
| Exercise price | Nil | Nil |
| Valuation date | 24-Nov-21 | 24-Nov-21 |
| Measurement/vesting date | 30-Jun-24 | 30-Jun-24 |
| Measurement/vesting period (years) | 2.60 | 2.60 |
| Expiry date | 30-Jun-24 | 30-Jun-24 |
| Life of the Performance Rights (years) | 2.60 | 2.60 |
| Volatility | 101.7% | 101.7% |
| Risk-free rate | 1.01% | 1.01% |
| Dividends | Nil | Nil |

Notes: Share price is the closing prices of the Company's Shares as at 24 November 2021. The valuation noted above is not necessarily the market price that the Performance Rights could be traded at and is not automatically the market price for taxation purposes.

The value of the Performance Rights (before non-market vesting adjustments) to Mr Niardone is summarised below:

| | Value per Performance Right | Number of Performance Rights to be issued | Total Value of Performance Rights |
|----------------------------|-----------------------------|---|-----------------------------------|
| Class A Performance Rights | \$0.051 | 8,000,000 | \$408,000 |
| Class B Performance Rights | \$0.051 | 3,000,000 | \$153,000 |
| | | | \$561,000 |

The value of the Performance Rights, if 80% of either of the Class B Performance Rights milestones are achieved, to Mr Niardone is summarised below:

| | Value per Performance Right | Number of Performance Rights to vest | Total Value of Performance Rights |
|----------------------------|-----------------------------|--------------------------------------|-----------------------------------|
| Class A Performance Rights | \$0.051 | 8,000,000 | \$408,000 |
| Class B Performance Rights | \$0.051 | 1,500,000 | \$76,500 |
| | | | \$484,500 |

The value of the Performance Rights (after non-market vesting adjustments are made to the number of Performance Rights that are expected to eventually vest) to Mr Niardone are summarised below:

| | Value per Performance Right | Total Value of Performance Rights ¹ | Vesting Probability | Total Adjusted Value of Performance Rights ² |
|----------------------------|-----------------------------|--|---------------------|---|
| Class A Performance Rights | \$0.05 ¹ | \$408,000 | 100% | \$408,000 |
| Class B Performance Rights | \$0.05 ¹ | \$153,000 | 85% | \$130,050 |
| | | | | \$538,050 |

¹Before non-market adjustments

²After non-market adjustments

The total value of the Performance Rights to Mr Niardone is between \$484,500 and \$561,000.

Based on discussions with management, the probability of the Class A Performance Rights and Class B Performance Rights fully vesting is 100% and 85%, respectively. Pendragon Capital Limited has therefore taken the **value of \$538,050** as the **preferred value** of the Performance Rights.

SCHEDULE 5 – TERMS AND CONDITIONS OF PERFORMANCE RIGHTS AND OPTIONS PLAN

The principle terms of the Performance Rights and Options Plan (**Plan**) are summarised below:

(a) **Eligibility**

Participants in the Plan may be:

- (i) a Director (whether executive or non-executive) of the Company or any Associated Body Corporate of the Company (each, a **Group Company**);
- (ii) a full or part time employee of any Group Company;
- (iii) a casual employee or contractor of a Group Company to the extent permitted by ASIC Class Order 14/1000 as amended or replaced (Class Order); or
- (iv) a prospective participant, being a person to whom the offer is made but who can only accept the offer if an arrangement has been entered into that will result in the person becoming a participant under subparagraphs (i), (ii), or (iii) above,

who is declared by the Board to be eligible to receive grants of Performance Rights under the Plan (**Eligible Participants**).

(b) **Offer**

The Board may, from time to time, in its absolute discretion, make a written offer to any Eligible Participant (including an Eligible Participant who has previously received an offer) to apply for a Performance Right or an Options (**Award** or **Awards** as the context requires), upon the terms set out in the Plan and upon such additional terms and conditions as the Board determines (**Offer**).

(c) **Plan limit**

The Company must have reasonable grounds to believe, when making an offer, that the number of Shares to be received on exercise of Awards offered under an offer, when aggregated with the number of Shares issued or that may be issued as a result of offers made in reliance on the Class Order at any time during the previous 3 year period under an employee incentive scheme covered by the Class Order or an ASIC exempt arrangement of a similar kind to an employee incentive scheme, will not exceed 5% of the total number of Shares on issue at the date of the offer.

(d) **No consideration**

Performance Rights granted under the Plan will be issued for nil cash consideration. Unless the Options are quoted on the ASX, Options issued under the Plan will be issued for no more than nominal cash consideration.

(e) **Vesting Conditions**

An Award may be made subject to vesting conditions as determined by the Board in its discretion and as specified in the offer for the Awards (**Vesting Conditions**).

(f) **Vesting**

The Board may in its absolute discretion (except in respect of a change of control occurring where Vesting Conditions are deemed to be automatically waived) by written notice to a Participant (being an Eligible Participant to whom Awards have been granted under the Plan or their nominee where the Awards have been granted to the nominee of the Eligible Participant (**Relevant Person**)), resolve to waive any of the Vesting Conditions applying to Awards due to:

- (i) special circumstances arising in relation to a Relevant Person in respect of those Awards, being:
 - (A) a Relevant Person ceasing to be an Eligible Participant due to:
 - (I) death or total or permanent disability of a Relevant Person; or
 - (II) retirement or redundancy of a Relevant Person;
 - (B) a Relevant Person suffering severe financial hardship;
 - (C) any other circumstance stated to constitute "special circumstances" in the terms of the relevant offer made to and accepted by the Participant; or
 - (D) any other circumstances determined by the Board at any time (whether before or after the offer) and notified to the relevant Participant which circumstances may relate to the Participant, a class of Participant, including the Participant or particular circumstances or class of circumstances applying to the Participant,

(**Special Circumstances**), or
- (ii) a change of control occurring; or
- (iii) the Company passing a resolution for voluntary winding up, or an order is made for the compulsory winding up of the Company.

(g) **Lapse of an Award**

An Award will lapse upon the earlier to occur of:

- (i) an unauthorised dealing in, or hedging of, the Award occurring;
- (ii) a Vesting Condition in relation to the Award is not satisfied by its due date, or becomes incapable of satisfaction, as determined by the Board in its absolute discretion, unless the Board exercises its discretion to waive the Vesting Condition and vest the Award;
- (iii) in respect of unvested Awards only, an Eligible Participant ceases to be an Eligible Participant, unless the Board exercises its discretion to vest the Award in the circumstances set out in paragraph (f) or the Board resolves, in its absolute discretion, to allow the unvested Awards to remain unvested after the Relevant Person ceases to be an Eligible Participant;
- (iv) in respect of vested Awards only, a relevant person ceases to be an Eligible Participant and the Award granted in respect of that person is not

exercised within one (1) month (or such later date as the Board determines) of the date that person ceases to be an Eligible Participant;

- (v) the Board deems that an Award lapses due to fraud, dishonesty or other improper behaviour of the Eligible Participant;
- (vi) the Company undergoes a change of control or a winding up resolution or order is made and the Board does not exercise its discretion to vest the Award; and
- (vii) the expiry date of the Award.

(h) **Shares**

Shares resulting from the exercise of the Awards shall, subject to any Sale Restrictions (refer paragraph (i)) from the date of issue, rank on equal terms with all other Shares on issue.

(i) **Sale Restrictions**

The Board may, in its discretion, determine at any time up until exercise of Awards, that a restriction period will apply to some or all of the Shares issued to an Eligible Participant (or their eligible nominee) on exercise of those Awards up to a maximum of five (5) years from the grant date of the Awards. In addition, the Board may, in its sole discretion, having regard to the circumstances at the time, waive any such restriction period determined.

(j) **No Participation Rights**

There are no participating rights or entitlements inherent in the Awards and holders will not be entitled to participate in new issues of capital offered to Shareholders during the currency of the Awards.

(k) **Change in exercise price or number of underlying securities**

Unless specified in the offer of the Awards and subject to compliance with the ASX Listing Rules, an Award does not confer the right to a change in exercise price or in the number of underlying Shares over which the Award can be exercised.

(l) **Reorganisation**

If, at any time, the issued capital of the Company is reorganised (including consolidation, subdivision, reduction or return), all rights of a holder of an Award are to be changed in a manner consistent with the Corporations Act and the ASX Listing Rules at the time of the reorganisation.

(m) **Trust**

The Board may, at any time, establish a trust for the sole purpose of acquiring and holding Shares in respect of which a Participant may exercise, or has exercised, vested Awards, including for the purpose of enforcing the disposal restrictions and appoint a trustee to act as trustee of the trust. The trustee will hold the Shares as trustee for and on behalf of a Participant as beneficial owner upon the terms of the trust. The Board may at any time amend all or any of the provisions of the Plan to effect the establishment of such a trust and the appointment of such a trustee.

(n) **Amendments**

Subject to express restrictions set out in the Plan and complying with the Corporations Act, ASX Listing Rules and any other applicable law, the Board may, at any time, by resolution amend or add to all or any of the provisions of the Plan, including giving any amendment retrospective effect.



ONLINE PROXY APPOINTMENT

www.advancedshare.com.au/investor-login



MOBILE DEVICE PROXY APPOINTMENT

Lodge your proxy by scanning the QR code below, and enter your registered postcode.

It is a fast, convenient and a secure way to lodge your vote.

Important Note: Due to the ongoing COVID-19 pandemic and uncertainty regarding the level of travel restrictions around the time of the meeting, the Company has determined that Shareholders will only be able to attend and participate in the meeting through an online platform provided by Advanced Share Registry.

ANNUAL GENERAL MEETING PROXY FORM

I/We being shareholder(s) of The Agency Group Australia Limited and entitled to attend and vote hereby:

APPOINT A PROXY

The Chair of the Meeting

OR



PLEASE NOTE: If you leave the section blank, the Chair of the Meeting will be your proxy.

or failing the individual(s) or body corporate(s) named, or if no individual(s) or body corporate(s) named, the Chair of the Meeting, as my/our proxy to act generally at the Meeting on my/our behalf, including to vote in accordance with the following directions (or, if no directions have been given, and to the extent permitted by law, as the proxy sees fit), at the Annual General Meeting of the Company to be held **virtually on 28 January 2022 at 10:00am (WST)** and at any adjournment or postponement of that Meeting.

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

Chair authorised to exercise undirected proxies on remuneration related resolutions: Where I/we have appointed the Chair of the Meeting as my/our proxy (or the Chair becomes my/our proxy by default), I/we expressly authorise the Chair to exercise my/our proxy on Resolutions 1 & 5 (except where I/we have indicated a different voting intention below) even though these resolutions are connected directly or indirectly with the remuneration of a member(s) of key management personnel, which includes the Chair.

VOTING DIRECTIONS

Resolutions

| | For | Against | Abstain* |
|---|--------------------------|--------------------------|--------------------------|
| 1 Adoption of Remuneration Report | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |
| 2 Re-election of Director – Andrew Jensen | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |
| 3 Ratification of prior issue of Options | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |
| 4 Approval of 7.1A Mandate | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |
| 5 Approval of issue of Performance Rights to Director - Paul Niardone | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |



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

SIGNATURE OF SHAREHOLDERS – THIS MUST BE COMPLETED

Shareholder 1 (Individual)

Joint Shareholder 2 (Individual)

Joint Shareholder 3 (Individual)

Sole Director and Sole Company Secretary

Director/Company Secretary (Delete one)

Director

This form should be signed by the shareholder. If a joint holding, all the shareholder should sign. If signed by the shareholder's attorney, the power of attorney must have been previously noted by the registry or a certified copy attached to this form. If executed by a company, the form must be executed in accordance with the company's constitution and the Corporations Act 2001 (Cth).

Email Address

Please tick here to agree to receive communications sent by the Company via email. This may include meeting notifications, dividend remittance, and selected announcements.

THE AGENCY GROUP AUSTRALIA LIMITED - ANNUAL GENERAL MEETING

Due to the ongoing COVID-19 pandemic and uncertainty regarding the level of travel restrictions around the time of the meeting, the Company has determined that Shareholders will only be able to attend and participate in the Meeting through an online platform provided by Advanced Share Registry.

To facilitate such participation, voting on each Resolution will occur by a poll rather than a show of hands.

A live webcast and electronic voting via www.advancedshare.com.au/virtual-meeting will be offered to allow Shareholders to attend the Meeting and vote online.

Please refer to the Meeting ID and Shareholder ID on the proxy form to login to the website.

Shareholders may submit questions ahead of the Meeting via the portal.

HOW TO COMPLETE THIS SHAREHOLDER PROXY FORM

CHANGE OF ADDRESS

This form shows your address as it appears on Company's share register. If this information is incorrect, please make the correction on the form. Shareholders sponsored by a broker should advise their broker of any changes.

APPOINTMENT OF A PROXY

If you wish to appoint the Chair as your proxy, mark the box in Step 1. If you wish to appoint someone other than the Chair, please write that person's name in the box in Step 1. A proxy need not be a shareholder of the Company. A proxy may be an individual or a body corporate.

DEFAULT TO THE CHAIR OF THE MEETING

If you leave Step 1 blank, or if your appointed proxy does not attend the Meeting, then the proxy appointment will automatically default to the Chair of the Meeting.

VOTING DIRECTIONS – PROXY APPOINTMENT

You may direct your proxy on how to vote by placing a mark in one of the boxes opposite each resolution of business. All your shares will be voted in accordance with such a direction unless you indicate only a portion of voting rights are to be voted on any resolution by inserting the percentage or number of shares you wish to vote in the appropriate box or boxes. If you do not mark any of the boxes on a given resolution, your proxy may vote as they choose to the extent they are permitted by law. If you mark more than one box on a resolution, your vote on that resolution will be invalid.

PROXY VOTING BY KEY MANAGEMENT PERSONNEL

If you wish to appoint a Director (other than the Chair) or other member of the Company's key management personnel, or their closely related parties, as your proxy, you must specify how they should vote on Resolutions 1 & 5, by marking the appropriate box. If you do not, your proxy will not be able to exercise your vote for Resolutions 1 & 5.

PLEASE NOTE: If you appoint the Chair as your proxy (or if they are appointed by default) but do not direct them how to vote on a resolution (that is, you do not complete any of the boxes "For", "Against" or "Abstain" opposite that resolution), the Chair may vote as they see fit on that resolution.

APPOINTMENT OF A SECOND PROXY

You are entitled to appoint up to two persons as proxies to attend the Meeting and vote on a poll. If you wish to appoint a second proxy, an additional Proxy Form may be obtained by telephoning Advanced Share Registry Limited or you may copy this form and return them both together.

To appoint a second proxy you must:

- On each Proxy Form state the percentage of your voting rights or number of shares applicable to that form. If the appointments do not specify the percentage or number of votes that each proxy may exercise, each proxy may exercise half your votes. Fractions of votes will be disregarded; and
- Return both forms together.

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.

CORPORATE REPRESENTATIVES

If a representative of a nominated corporation is to attend the Meeting the appropriate "Certificate of Appointment of Corporate Representative" should be produced prior to admission in accordance with the Notice of Meeting. A Corporate Representative Form may be obtained from Advanced Share Registry.

SIGNING INSTRUCTIONS ON THE PROXY FORM

Individual:

Where the holding is in one name, the security holder must sign.

Joint Holding:

Where the holding is in more than one name, all of the security holders should sign.

Power of Attorney:

If you have not already lodged the Power of Attorney with Advanced Share Registry, please attach the original or 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 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.

LODGE YOUR PROXY FORM

This Proxy Form (and any power of attorney under which it is signed) must be received at an address given below by 10:00am (WST) on 26 January 2022, being not later than 48 hours before the commencement of the Meeting. Proxy Forms received after that time will not be valid for the scheduled Meeting.



ONLINE PROXY APPOINTMENT

www.advancedshare.com.au/investor-login



BY MAIL

Advanced Share Registry Limited
110 Stirling Hwy, Nedlands WA 6009; or
PO Box 1156, Nedlands WA 6909



BY FAX

+61 8 6370 4203



BY EMAIL

admin@advancedshare.com.au



IN PERSON

Advanced Share Registry Limited
110 Stirling Hwy, Nedlands WA 6009



ALL ENQUIRIES TO

Telephone: +61 8 9389 8033