

Securities Trading Policy

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xReality Group Limited

ACN 154 103 607



XREALITY GROUP LIMITED

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1 BACKGROUND AND PURPOSE OF THIS POLICY

xReality Group Limited (**xReality** or the **Company**) has adopted this Security Trading Policy (the Policy) for the purposes of the ASX Listing Rules. The Policy forms part of XReality's corporate governance policies.

The purpose of the Policy is to:

- (a) provide a brief and high-level summary of the law of insider trading (Section 5);
- (b) set out the restrictions on trading in xReality Securities by people who work for, or are associated with, xReality (Section 7 and 8); and
- (c) assist in maintaining market confidence in the integrity of dealings in XReality Securities.

A copy of this Policy will be made available to all XReality Personnel. Any queries regarding its operation should be directed to the Company Secretary in the first instance.

2 XREALITY PERSONNEL

The Policy applies to and imposes constraints on:

- (a) all full time, part time and casual employees, and contractors; and
- (b) Directors (both executive, non-executive and alternate), the Chief Executive Officer (CEO), the Chief Operations Officer (COO) and other senior executives reporting to the CEO or COO, including the Chief Financial Officer, Chief Marketing Officer, the Company Secretary, General Counsel, Financial Controller and other employees nominated by the CEO/COO because their duties are considered to have access to insider information) (**Key Management Personnel**),

of XReality and all XReality companies (together **XReality Personnel**).

3 SECURITIES COVERED BY THIS POLICY

3.1 Securities

The Policy will apply to the following securities:

- (a) XReality shares;
- (b) XReality options and performance rights;
- (c) derivatives (such as exchange-traded options and warrants) of any of the above and other financial products issued by third parties in relation to XReality securities; and
- (d) securities of any other company or entity that may be affected by inside information (such as a XReality joint venture partner, another party involved in a corporate transaction with XReality or a XReality contractor or shareholder) and the term securities must in those cases be read accordingly,

(together **XReality Securities**).

3.2 Securities Under an Employee Share Plan

XReality Personnel who acquire XReality Securities under an equity-based incentive plan must also comply with the rules of that relevant plan when trading in those securities.

4 ACTIVITIES ARE CAUGHT BY THIS POLICY

4.1 Trading in XReality Securities

For the purposes of the Policy, trading in XReality's Securities includes:

- (a) buying or selling of XReality Securities through on-market or off-market transaction;
- (b) providing security over XReality Securities in connection with margin lending or other security lending arrangements; and
- (c) advising, procuring, or encouraging another person (such as a family member, friend, associate, colleague, broker, financial planner, investment adviser, family company or family trust) to trade in XReality Securities.

4.2 Communicating Information

This policy also applies to the communication of certain information relating to XReality. Communication includes passing information (either in writing or verbally) on to another person (such as a family member, friend, associate, colleague, broker, financial planner, investment adviser, family company or family trust).

4.3 Trading in XReality Securities by Related Parties

This policy also applies to XReality Personnel who control the trading in XReality Securities. This applies even if they are not the registered holder of XReality Securities. This may be for example where the XReality Securities are held in a company or trust controlled by XReality Personnel or held by family members or friends who act on the instructions of XReality Personnel.

5 INSIDER TRADING

5.1 Overview of Insider Trading Prohibition

In broad terms, if you possess 'inside information', it is a criminal offence for you to:

- (a) trade in securities;
- (b) advise or procure another person to trade in securities; or
- (c) communicate inside information to another person knowing (or where you should have reasonably known) that the other person would or would be likely to use that information to deal in, or procure someone else to deal in, securities. This is commonly known as "tipping".

5.2 What is Inside Information?

Inside information is information that:

- (a) is not generally available; and

- (b) if it was generally available, would (or would be likely to) influence investors in deciding whether to buy or sell XReality Securities or securities of another entity.

It does not matter how you come to have the inside information - for example, whether you learn it in the course of carrying out your responsibilities, or in passing in the corridor, or in the lift or at a social function.

The financial impact of the information is important, but strategic and other implications can be equally important in determining what amounts to inside information. The definition of "information" is broad enough to include rumours, matters of supposition, intentions of a person (including XReality) and information which is not definite enough to warrant public disclosure.

5.3 Examples of Inside Information

The following list is illustrative only. Inside information about XReality could include:

- (a) information relating to significant projects, contracts or tenders;
- (b) information relating to XReality's financial results or forecast results;
- (c) a possible sale or acquisition of material assets;
- (d) a possible change in XReality's capital structure;
- (e) board or senior management changes;
- (f) a proposed change in the nature of XReality's business; and
- (g) a proposed takeover or merger involving XReality.

6 OPERATION OF THE POLICY

6.1 Overview

The following table provides an overview of the obligations in this Policy:

Operation	Applies to	Section Reference
Prohibition on trading in XReality Securities whilst in possession of inside information	All XReality Personnel	7.1
Prohibition on communicating inside information to a third party	All XReality Personnel	7.2
Prohibition on short term dealing	All XReality Personnel	7.3
Prohibition on trading in securities of another company whilst in possession of inside information	All XReality Personnel	7.4
Prohibition on passing confidential	All XReality Personnel	7.5

information		
Prohibition on trading during a closed period (save for dealings that constitute Exceptional Circumstances)	Key Management Personnel	8.2, 8.3
Prohibition on the hedging of unvested entitlements	Key Management Personnel	8.4
Procedure for obtaining approval for margin lending	Key Management Personnel	8.5
Reporting obligations for trading in XReality Securities	Key Management Personnel	9.1
Directors reporting obligations	Directors	9.2
Trading excluded from the Policy	All XReality Personnel	10

7 PROHIBITED CONDUCT –ALL XREALITY PERSONNEL

7.1 Trading while in Possession of Inside Information

All XReality Personnel (or an immediate family member) are prohibited from trading in XReality Securities whilst in possession of inside information, being information concerning XReality that is not generally available and which if made public, would likely have a material impact on the share price of XReality Securities.

7.2 Communicating Inside Information

All XReality Personnel are prohibited from advising others to trade or communicate 'inside information' to another person knowing that the person may use the information to buy or sell or procure someone else to buy or sell, XReality Securities or any other entity's securities.

7.3 Short Term Dealing

XReality Personnel must not engage in short term or speculative dealing in XReality Securities (which will be determined by the Board in its discretion). Short term or speculative dealing includes buying and selling XReality Securities within a three-month period, and entering into other short-term dealings (for example, forward contracts).

7.4 Securities of Other Companies

The prohibition on insider trading and communicating inside information is not restricted to information affecting XReality securities. If you possess inside information in relation to shares of another company or entity, you must not deal in those securities or communicate that information to a third party.

7.5 Confidential Information

Related to the above, XReality Personnel have a duty of confidentiality to XReality. Accordingly, XReality Personnel must not reveal any confidential information concerning XReality, use that information in any way which may damage or cause loss to XReality, or use that confidential information to gain an advantage.

8 ADDITIONAL RESTRICTIONS - KEY MANAGEMENT PERSONNEL

8.1 Restrictions on Trading in XReality Securities

In addition to the general trading restriction set out above in Section 7, additional restrictions on trading in XReality Securities apply to Key Management Personnel.

Key Management Personnel is defined in section 2.

8.2 Closed Periods

Key Management Personnel are not permitted to trade XReality Securities during the following closed periods:

- (a) between 1 January and one business day after the announcement by the Company of its half year results;
- (b) between 1 July and one business day after the announcement by the Company of its annual results; and
- (c) such other periods advised by the Board or the Chief Executive Officer (such as prior to the announcement to ASX of a significant matter or event).

The Company Secretary will inform the Key Management Personnel of the beginning and end of each closed period.

8.3 Exceptional Circumstances

Trading during closed periods (refer to 8.2 above) may only be permitted with prior approval of the Chairman (or in the case of the Chairman, with the approval of the Chair of the Audit & Risk Committee) (the **approver**), where there are exceptional circumstances (such as severe financial hardship) and the Key Management Personnel is not aware of inside information (**Exceptional Circumstances Request**).

The Exceptional Circumstances Request must be made in writing to the relevant approver setting out the circumstances of the proposed dealing (including an explanation as to the severe financial hardship or circumstances that are otherwise exceptional) and the reason the clearance is sought. Severe financial hardship may generally be a pressing financial commitment that cannot be satisfied otherwise than by selling the relevant securities of the entity.

Where such approval is obtained, trading must occur within ten business days (or such longer period as stated in the approval), unless otherwise advised. XReality will disclose to the market any clearance given to a Director to trade within a closed period, in accordance with notices required under Corporations Act 2001 (Cth) and ASX Listing Rules.

Key Management Personnel must also give this Exceptional Circumstances Request if they are aware that their spouse, partner, child or other immediate family member, or trust or other entity controlled by the Key Management Personnel, intends to trade in XReality Securities, during a closed period.

8.4 Hedging of Unvested Entitlements

Key Management Personnel, or a closely related party of Key Management Personnel, who participate in an XReality equity-based incentive plans (for example, a share or option or performance rights plan), must not enter into any transaction which would have the effect of

hedging or otherwise transferring to any other person the risk of any fluctuation in the value of any unvested entitlement in XReality Securities, or where vested but still subject to a holding lock.

An unvested entitlement is an XReality Security, which is still subject to time and/or performance hurdles.

8.5 Margin Loans

Key Management Personnel, are not permitted to enter into (directly or indirectly) a margin loan or other financing arrangement where there is a risk that XReality Securities will be traded pursuant to the terms of the margin loan or financing arrangement (together a **Margin Loan**), unless they have obtained the prior written consent of the Chairman to enter into the Margin Loan and disclosed to the Chairman the following information regarding the Margin Loan (**Loan Information**):

- (a) key terms;
- (b) number of XReality Securities involved;
- (c) the trigger points;
- (d) the right of the lender to sell the shares unilaterally; and
- (e) any other material details.

If you are the Chairman of XReality and you intend to enter into a Margin Loan, you must obtain the prior written consent of two of the other Directors to enter into the Margin Loan and disclose to those Directors the Loan Information.

XReality may, at its discretion, make any clearance conditional upon such terms and conditions as XReality sees fit (for example, with regard to the circumstances in which XReality's Securities may be sold to satisfy a margin call to prevent the XReality Securities being sold within a closed period).

The XReality Board will also determine whether the approved margin lending arrangements require disclosure to the ASX. The Key Management Personnel will be required to irrevocably consent to such disclosure (if made in the Board's discretion) as a condition to approval.

9 REPORTING PROCEDURES – KEY MANAGEMENT PERSONNEL

9.1 Reporting Procedure

Following trading in XReality Securities, Key Management Personnel must confirm the trade in writing to the Company Secretary. This confirmation is required within two business days after the trade and must include:

- (a) your name;
- (b) details of your interest (direct or indirect) in the XReality Securities the subject of the dealing;
- (c) the date of the dealing;
- (d) the number of XReality Securities subscribed for, bought or sold;
- (e) the number of XReality Securities held by you (directly or indirectly) before and after the dealing; and

- (f) details of any margin lending or other security arrangements affecting the XReality Securities.

9.2 Additional Obligations on a Director

Directors of XReality must also comply with:

- (a) all requirements (if any) in the XReality Constitution or Board Charter to hold a minimum number of XReality Securities; and
- (b) all requirements in the Corporations Act 2001 (Cth) and ASX Listing Rules in relation to notification of trading in XReality Securities to enable XReality to file relevant notices with the ASX within five business days.

10 TRADING EXCLUDED UNDER THIS POLICY

The following trading in XReality Securities is exempt from this Policy:

- (a) the exercise of an option or a right (but not the sale following exercise) under an employee equity incentive plan;
- (b) acceptance of a takeover offer;
- (c) an offer or invitation made pursuant to a rights issue, a share purchase plan, a dividend or distribution reinvestment plan and an equal access buy-back;
- (d) trading under a pre-approved non-discretionary trading plan where the trading plan does not permit the XReality Personnel to exercise any influence or discretion over how, when, or whether to trade and the trading protocols does not allow for the cancellation of a trading plan during a closed period other than in exceptional circumstances;
- (e) disposal of XReality Securities that is the result of a secured lender exercising their rights, for example, under a margin lending arrangement (refer to section 8.5 above); and
- (f) dealings that result in no effective change to the beneficial interest in XReality's Securities (for example, transfers of XReality Securities already held into a superannuation fund or withdrawal of XReality shares from an Employee Share Trust).

11 CONSEQUENCES OF BREACH

Strict compliance with the Policy is mandatory for all XReality Personnel. Breaches of this Policy will be subject to disciplinary action, which may include termination of employment.

In addition, breach of the insider trading prohibition can subject you to criminal liability including large fines and/or imprisonment, and civil liability, which may include being sued by another party or XReality, for any loss suffered as a result of illegal trading.

12 PUBLICATION

12.1 Where Can I Find the Policy?

A copy of the Policy will be made available on request and on the XReality internet website for all XReality Personnel.

A copy of the Policy will be made available to all new XReality Personnel as part of XReality's induction procedures.

12.2 Will I Receive any Training?

If you do not understand this procedure or wish to receive training on compliance, please contact the Company Secretary.

13 REVIEW AND AMENDMENT

The Policy will be reviewed regularly to ensure that it continues to comply with all applicable laws and good corporate governance practices. XReality will release to the ASX any material amendments to this Policy.

This Policy cannot be amended without approval of the Board.