

**NOTICE OF GENERAL MEETING**

NOTICE IS HEREBY GIVEN that a GENERAL MEETING of Quantum Energy Limited ACN 003 677 245 will be held at the Registered Office of the Company, 56-60 Bourke Road, Alexandria, NSW 2015 on 2 February 2018 at 3.00 pm (AEDT).

The Notes set out below contain a detailed explanation of the background and reasons for the holding of this General Meeting and for Resolution 1 being submitted for shareholders' consideration at the meeting.

**BUSINESS**

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

**Resolution 1: Re-election of Mr Drew Townsend as a Non-executive Director**

"That Mr Drew Townsend, who will cease to hold office as a Director of the Company immediately before the end of this general meeting pursuant to section 250V(1) of the Corporations Act 2001 (Cth), being eligible, be re-elected as a director of the Company."

There are no voting exclusions applicable in relation to Resolution 1.

By Order of the Board

**John Walstab**



Director

Date: 18 December 2017

## NOTES:

### 1. Background and Reasons for the Holding of this General Meeting and for Resolution 1 being submitted for Shareholders' consideration at the General Meeting

Under the "two strikes" provisions of the Corporations Act 2001 (Cth) which came into effect on 1 July 2011, if at least 25% of the votes cast on the adoption of a company's remuneration report at two consecutive AGMs are against the adoption of the remuneration report, the company must put to the shareholders a "spill resolution" at the second AGM (Spill Resolution). If the Spill Resolution is passed at the second AGM, the company must hold a General Meeting of shareholders (Spill Meeting) within 90 days of the date of the second AGM. The Company's Non-executive Directors who were in office when the Board resolution to approve the Directors Report, including the Remuneration Report, submitted to the second AGM was passed and who remain in office at the time of the Spill Meeting cease to hold office immediately before the conclusion of the Spill Meeting and resolutions to appoint persons to offices that will be vacated immediately before the end of the Spill Meeting must be put to the vote.

At the Company's 2016 AGM and the Company's 2017 AGM, in excess of 25% of the votes cast to adopt the Remuneration Report in each of those respective years were cast against the respective Remuneration Reports, and accordingly at the 2017 AGM the Company thereby received a "second strike" for the purposes of the relevant remuneration report provisions of the Corporations Act 2001 (Cth). As a result the Company put a "spill resolution" to the 2017 AGM and that "spill resolution" was passed as an ordinary resolution at the 2017 AGM.

The Company has now convened this General Meeting as the Spill Meeting to be held on 2 February 2018.

Each of the Company's Non-executive Directors who were in office when the Board resolution to approve the Directors Report, including the Remuneration Report, for the year ended 30 June 2017 was passed and who remain in office at the time of the Spill Meeting (being Mr Drew Townsend only) will, automatically vacate office immediately before the conclusion of the Spill Meeting. Mr McCarthy (who is the Company's other current Non-executive Director) is not required to vacate his office of Non-executive Director and stand for re-election at the Spill Meeting because Mr McCarthy joined the Board after the Directors Report, including the Remuneration Report, for the year ended 30 June 2017, was voted on and approved by the Board.

Mr Drew Townsend submits himself for re-election at the Spill Meeting and if Resolution 1 is passed as an ordinary resolution Mr Drew Townsend will be re-elected at the Spill Meeting and continue to hold office as a Non-executive Director on and from the conclusion of the Spill Meeting.

There is no voting exclusion applicable in relation to Resolution 1.

### **DIRECTORS' RECOMMENDATION: RESOLUTION 1**

With Mr Drew Townsend abstaining, the Directors unanimously recommend that shareholders **vote IN FAVOUR of Resolution 1** for the re-election of Mr Drew Townsend as a Non-executive Director of the Company.

### 2. The Chairman of the Meeting Acting as Proxy

Shareholders may appoint the Chairman of the meeting as your proxy. The Chairman of the meeting will be deemed to be your proxy if you sign your Proxy Form or Voting Card but do not name a proxy or if the person you appoint as proxy does not attend the General Meeting. If you direct the Chairman of the meeting how to vote, then on a poll the Chairman of the meeting must cast your votes in accordance with your direction. If the Chairman of the meeting is or becomes your proxy and you do not give any voting instructions for Resolution 1, then by completing and submitting the Proxy Form or Voting Card you will be expressly authorising the Chairman of the meeting to exercise the proxy as the Chairman of the meeting sees fit in respect of Resolution 1. The Chairman of the meeting intends to vote undirected proxies **IN FAVOUR of Resolution 1**.

### 3. Determination of Entitlement to Vote

The Board has determined that for the purposes of the meeting, all shares in the Company shall be taken to be held by the persons who held them as registered shareholders at 7.00pm AEDT on 31 January 2018 (Entitlement Time). All holders of shares in the Company as at the Entitlement Time are entitled to attend and vote at the meeting.