



Genex Power Limited

ACN 152 098 854

NOTICE OF EXTRAORDINARY GENERAL MEETING

EXPLANATORY MEMORANDUM

PROXY FORM

Date of Meeting

Tuesday 10 September 2019

Time of Meeting

11.00 a.m. (AEST)

Place of Meeting

Baker McKenzie
(New York/Mexico Rooms)
Tower One - International Towers Sydney
Level 46
100 Barangaroo Avenue
Sydney NSW 2000

NOTICE OF EXTRAORDINARY GENERAL MEETING

Genex Power Limited (Company) hereby gives notice of an Extraordinary General Meeting of Shareholders to be held at the offices of Baker McKenzie, Tower One - International Towers Sydney, Level 46, 100 Barangaroo Avenue, Sydney on **Tuesday 10th of September 2019** commencing at **11.00 a.m.** (AEST).

An Explanatory Memorandum accompanies this Notice and provides additional information on the Resolutions to be considered at the Meeting. The Explanatory Memorandum forms part of this Notice and should be read in conjunction with it. We refer Shareholders to the Glossary in the Explanatory Memorandum which contains definitions of capitalised terms used in this Notice and the Explanatory Memorandum.

AGENDA

ITEM 1 - SPECIAL BUSINESS

To consider and, if thought fit, pass the following ordinary resolutions of the Company:

Resolution 1:

Issue of Shares to Electric Power Development Co., Ltd (trading as J-POWER):

“That, for the purposes of Listing Rule 7.1 and for all other purposes, approval is given for the Company to issue and allot up to 100,397,558 Shares to Electric Power Development Co., Ltd, or its nominee, on the terms and conditions set out in the Explanatory Memorandum accompanying this Notice of Meeting.”

Notes:

The Directors unanimously support the approval of the issue of Shares to Electric Power Development Co., Ltd.

Voting Exclusion Statement:

In accordance with Listing Rule 14.11, the Company will disregard any votes cast on Resolution 1 by or on behalf of Electric Power Development Co., Ltd, or any of their associates. .

However, in accordance with the Listing Rules, the Company need not disregard a vote if:

- *it is cast by a person as a proxy for a person who is entitled to vote, in accordance with the directions on the proxy form; or*
- *it is cast by the Chairman of the Meeting as proxy for a person who is entitled to vote, in accordance with a direction on the proxy form to vote as the proxy decides.*

Resolution 2:**Election of Kenichi Seshimo as a Director**

“That, subject to Resolution 1 being passed, and for the purposes of clause 11.10 of the Company’s Constitution and for all other purposes, Kenichi Seshimo, being eligible, is elected as a Director of the Company on the date on which Shares are issued to J-POWER under the Subscription Agreement.”

Notes:

Subject to the passing of Resolution 1, the Directors unanimously support the appointment of Kenichi Seshimo as a Director.

Resolution 3:**Ratification of Issue of Option Placement Shares:**

*“That, for the purposes of Listing Rule 7.4 and for all other purposes, the Shareholders approve and ratify the prior allotment and issue of 8,500,000 Shares (**Option Placement Shares**) by the Company at an issue price of \$0.25 per Option Placement Share to various parties as announced to the ASX on 14 February 2019 and on the terms and conditions set out in the Explanatory Memorandum accompanying this Notice of Meeting.”*

Notes:

The Directors unanimously support the approval of the ratification of the issue of the Option Placement Shares.

Voting Exclusion Statement:

In accordance with Listing Rule 14.11, the Company will disregard any votes cast on Resolution 3 by or on behalf of any person or entity that was issued Option Placement Shares, or any associate of any person or entity that was issued Option Placement Shares.

However, in accordance with the Listing Rules, the Company need not disregard a vote if:

- *it is cast by a person as a proxy for a person who is entitled to vote, in accordance with the directions on the proxy form; or*
- *it is cast by the Chairman of the Meeting as proxy for a person who is entitled to vote, in accordance with a direction on the proxy form to vote as the proxy decides.*

Resolution 4**Ratification of Issue of Jemalong Placement Shares:**

*“That, for the purposes of Listing Rule 7.4 and for all other purposes, the Shareholders approve and ratify the prior allotment and issue of 67,482,878 Shares (**Jemalong Placement Shares**) by the Company at an issue price of \$0.24 per Jemalong Placement Share to various parties as announced to the ASX on 27 June 2019 and on the terms and conditions set out in the Explanatory Memorandum accompanying this Notice of Meeting.”*

Notes:

The Directors unanimously support the approval of the ratification of the issue of the Jemalong Placement Shares.

Voting Exclusion Statement:

In accordance with Listing Rule 14.11, the Company will disregard any votes cast on Resolution 4 by or on behalf of any person or entity that was issued Jemalong Placement Shares, or any associate of any person or entity that was issued Jemalong Placement Shares.

However, in accordance with the Listing Rules, the Company need not disregard a vote if:

- it is cast by a person as a proxy for a person who is entitled to vote, in accordance with the directions on the proxy form; or
- it is cast by the Chairman of the Meeting as proxy for a person who is entitled to vote, in accordance with a direction on the proxy form to vote as the proxy decides.

Resolution 5:

Issue of Options to Dr Ralph Craven:

“That, for the purposes of ASX Listing Rule 10.11 and for all other purposes, approval is given for the Directors to issue and allot 4,000,000 Options and to the subsequent issue of 4,000,000 Shares to the Company’s Non-Executive Chairman, Dr Ralph Craven, or his nominee, on the terms and conditions set out in the Explanatory Memorandum.”

Voting Exclusion Statement:

In accordance with section 224 of the Act, Ralph Craven, or any associate of Ralph Craven, is prohibited from voting in favour of Resolution 5 and the Company will disregard any votes cast in favour of Resolution 5 by or on behalf of Ralph Craven or any of his associates.

However, the Company will not disregard a vote if:

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

Resolution 6:

Issue of Options to Michael Addison:

“That, for the purposes of ASX Listing Rule 10.11 and for all other purposes, approval is given for the Directors to issue and allot 3,000,000 Options and to the subsequent issue of 3,000,000 Shares to the Company’s Non-Executive Director, Michael Addison, or his nominee, on the terms and conditions set out in the Explanatory Memorandum.”

Voting Exclusion Statement:

In accordance with section 224 of the Act, Michael Addison, or any associate of Michael Addison, is prohibited from voting in favour of Resolution 6 and the Company will disregard any votes cast in favour of Resolution 6 by or on behalf of Michael Addison or any of his associates.

However, the Company will not disregard a vote if:

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

Resolution 7:

Issue of Options to Simon Kidston:

“That, for the purposes of ASX Listing Rule 10.11 and for all other purposes, approval is given for the Directors to issue and allot 3,000,000 Options and to the subsequent issue of 3,000,000 Shares to the Company’s Executive Director, Simon Kidston, or his nominee, on the terms and conditions set out in the Explanatory Memorandum.”

Voting Exclusion Statement:

In accordance with section 224 of the Act, Simon Kidston, or any associate of Simon Kidston, is prohibited from voting in favour of Resolution 7 and the Company will disregard any votes cast in favour of Resolution 7 by or on behalf of Simon Kidston or any of his associates.

However, the Company will not disregard a vote if:

- *it is cast by the person as proxy for a person who is entitled to vote, in accordance with directions on the proxy form; or*
- *it is cast by the Chair as proxy for a person who is entitled to vote, in accordance with a direction on the proxy form to vote as the proxy decides.*

Resolution 8:**Issue of Options to Ben Guo:**

“That, for the purposes of ASX Listing Rule 10.11 and for all other purposes, approval is given for the Directors to issue and allot 3,000,000 Options and to the subsequent issue of 3,000,000 Shares to the Company’s Finance Director, Ben Guo, or his nominee, on the terms and conditions set out in the Explanatory Memorandum.”

Voting Exclusion Statement:

In accordance with section 224 of the Act, Ben Guo, or any associate of Ben Guo, is prohibited from voting in favour of Resolution 8 and the Company will disregard any votes cast in favour of Resolution 8 by or on behalf of Ben Guo or any of his associates.

However, the Company will not disregard a vote if:

- *it is cast by the person as proxy for a person who is entitled to vote, in accordance with directions on the proxy form; or*
- *it is cast by the Chair as proxy for a person who is entitled to vote, in accordance with a direction on the proxy form to vote as the proxy decides.*

Resolution 9:**Issue of Options to Teresa Dyson:**

“That, for the purposes of ASX Listing Rule 10.11 and for all other purposes, approval is given for the Directors to issue and allot 1,500,000 Options and to the subsequent issue of 1,500,000 Shares to the Company’s Non-Executive Director, Teresa Dyson, or her nominee, on the terms and conditions set out in the Explanatory Memorandum.”

Voting Exclusion Statement:

In accordance with section 224 of the Act, Teresa Dyson, or any associate of Teresa Dyson, is prohibited from voting in favour of Resolution 9 and the Company will disregard any votes cast in favour of Resolution 9 by or on behalf of Teresa Dyson or any of her associates.

However, the Company will not disregard a vote if:

- *it is cast by the person as proxy for a person who is entitled to vote, in accordance with directions on the proxy form; or*
- *it is cast by the Chair as proxy for a person who is entitled to vote, in accordance with a direction on the proxy form to vote as the proxy decides.*

Further information in relation to these Resolutions is set out in the Explanatory Memorandum below.

Dated at Sydney, 9th of August 2019.

BY ORDER OF THE BOARD

Justin Clyne
Company Secretary

NOTES

1. Explanatory Memorandum

An Explanatory Memorandum accompanies this Notice and provides additional information on the Resolutions to be considered at the Meeting. The Explanatory Memorandum forms part of this Notice and should be read in conjunction with it. We refer Shareholders to the Glossary in the Explanatory Memorandum which contains definitions of capitalised terms used in this Notice and the Explanatory Memorandum.

2. Record Date

For the purposes of regulation 7.11.37 of the Corporations Regulations, the Company determines that Shareholders recorded on the Company's register at 7.00 pm (AEST) on Sunday 8th September, 2019 (**Record Date**) will be entitled to attend and vote at the Meeting. If you are not the registered Shareholder in respect of a particular Share on the Record Date, you will not be entitled to vote in respect of that Share.

If you cannot attend the Meeting in person, you are encouraged to sign and deliver the proxy form attached to this Notice and return it in accordance with the instructions set out below.

3. Appointment of Proxies

A Shareholder entitled to attend and vote at the Meeting may appoint an individual or a body corporate as a proxy to attend the meeting and, on a poll, vote on the Shareholder's behalf. A proxy need not be a Shareholder.

A Shareholder entitled to cast two or more votes may appoint not more than two proxies and may specify the proportion or number of votes each proxy is appointed to exercise.

Unless under Power of Attorney (which should have been noted by the Company), a proxy form completed by a body corporate should be executed under its common seal or in accordance with the Act. The enclosed proxy form provides further details on proxies and lodging proxy forms.

If a Shareholder appoints the Chairman of the Meeting as the Shareholder's proxy and does not specify how the Chairman is to vote on an item of business, the Chairman will vote, as proxy for that Shareholder, in favour of that item on a poll.

For Shareholders registered on the Australian register, section 250B of the Act stipulates that proxies must be delivered at least 48 hours prior to the Meeting. For the purposes of section 250B, the Board has determined that all proxies must be received by no later than 11.00 am (AEST) Sunday 8th September, 2019 or in the event of the meeting being adjourned at least 48 hours prior to the adjourned meeting, to the Company's Share Registry Service Provider, Boardroom Pty Limited as follows:

By mail: Share Registry – Boardroom Pty Limited
GPO Box 3993,
Sydney NSW 2001

By fax: +61 2 9290 9655

In person: Share Registry – Boardroom Pty Limited,
Level 12
225 George Street
Sydney NSW 2000

4. Corporate Representative

Any corporate Shareholder who has appointed a person to act as its corporate representative at the Meeting should provide that person with a certificate or letter executed in accordance with the Act authorising him or her to act as the Company's representative. The authority may be sent to the Company in advance of the Meeting or handed in at the Meeting when registering as a corporate representative.

EXPLANATORY MEMORANDUM

This Explanatory Memorandum forms part of the Notice convening the Extraordinary General Meeting of the Shareholders of **Genex Power Limited** to be held on **Tuesday 10th September 2019** at the offices of **Baker McKenzie**, Tower One - International Towers Sydney, Level 46, 100 Barangaroo Avenue, Sydney at **11.00 am** (AEST).

The purpose of this Explanatory Memorandum is to assist Shareholders in determining how to vote on the Resolutions. Specifically, the Explanatory Memorandum contains information that is intended to help Shareholders understand the background to, and the legal and other implications of, the Notice and the reasons for the Resolutions. The Notice and Explanatory Memorandum should be read in their entirety and in conjunction with each other.

All Resolutions are ordinary resolutions.

ORDINARY RESOLUTIONS

Resolution 1:

Issue of Shares to Electric Power Development Co., Ltd (trading as J-POWER):

“That, for the purposes of Listing Rule 7.1 and for all other purposes, approval is given for the Company to issue and allot up to 100,397,558 Shares to Electric Power Development Co., Ltd, or its nominee, on the terms and conditions set out in the Explanatory Memorandum accompanying this Notice of Meeting.”

Background:

As announced to the market through ASX on 6 June 2019, the Company has entered into a conditional subscription agreement with Electric Power Development Co., Ltd trading as J-POWER (**Subscription Agreement**).

The Subscription Agreement provides for an investment by J-POWER of up to A\$25 million by way of a subscription for Shares in Genex, with the proceeds to be principally applied towards the Company’s equity funding component for the construction of the KPSH.

The key terms of the Subscription Agreement are as follows:

1. **Maximum size of investment:** Subject to the satisfaction of a number of conditions which are outlined below (**Conditions**), J-POWER will make a capital investment of up to a maximum of A\$25 million in Genex (**Maximum Investment Amount**) in consideration for being issued with a maximum interest of 19.99% of Genex’s enlarged Share capital on Completion.
2. **Price per Share:** J-POWER will subscribe for the Shares under the Subscription Agreement at a price per Share that will be the higher of the 5-day volume weighted average price (**VWAP**) of Genex Shares for the five trading day period immediately:
 - a) preceding the date, prior to the date on which the Conditions are satisfied or waived; and
 - b) following the date, after the date on which the Conditions are satisfied or waived,

(the **Relevant VWAP**).

The price per Share payable by J-POWER is subject to:

- c) a subscription price cap, which means that J-POWER will be issued with a minimum of 15.00% of Genex's enlarged share capital in circumstances where Genex's Share price increases such that the A\$25 million investment by J-POWER would otherwise result in J-POWER being issued with less than 15.00% of Genex's enlarged share capital (which is calculated as \$0.3525 per Share based on the capital structure outlined in the table below); and
- d) J-POWER being issued with a maximum of 19.99% of Genex's enlarged share capital.

For purposes of ASX Listing Rule 7.3.3, the price at which the Shares will be issued to J-POWER will be either:

- (i) The higher of the 5-day VWAP preceding satisfaction of the conditions precedent under the Subscription Agreement or the 5-day VWAP following satisfaction of the conditions precedent under the Subscription Agreement; or
- (ii) \$0.3525 per share being the subscription price cap.

whichever is the lesser between (i) and (ii).

The table below provides worked examples of J-POWER'S percentage shareholding in Genex following completion of its investment under the Subscription Agreement based on a range of hypothetical VWAPs. The table is based on there being a total of 401,841,355 shares on issue at the time of J-POWER'S subscription.

Relevant VWAP	Premium to share price as at 26 July 2019	Amount Raised	Shares Issued to J-POWER	Total Shares on issue post J-POWER	J-POWER Shareholding
<i>AUD</i>	<i>%</i>	<i>\$m</i>	<i>No. (m)</i>	<i>No. (m)</i>	<i>%</i>
0.240	-7.7%	24.10	100.40	502.24	19.99%
0.250	-3.8%	25.00	100.00	501.84	19.93%
0.260	0.0%	25.00	96.15	498.00	19.31%
0.270	3.8%	25.00	92.59	494.43	18.73%
0.280	7.7%	25.00	89.29	491.13	18.18%
0.290	11.5%	25.00	86.21	488.05	17.66%
0.300	15.4%	25.00	83.33	485.17	17.18%
0.310	19.2%	25.00	80.65	482.49	16.71%
0.320	23.1%	25.00	78.13	479.97	16.28%
0.330	26.9%	25.00	75.76	477.60	15.86%
0.340	30.8%	25.00	73.53	475.37	15.47%
0.350	34.6%	25.00	71.43	473.27	15.09%
0.360	38.5%	25.00	70.91	472.75	15.00%
0.370	42.3%	25.00	70.91	472.75	15.00%
0.380	46.2%	25.00	70.91	472.75	15.00%
0.390	50.0%	25.00	70.91	472.75	15.00%
0.400	53.8%	25.00	70.91	472.75	15.00%

3. **Nominee Director:** J-POWER will have the right to appoint a nominee Director to the Board of Genex for so long as J-POWER and its related bodies corporate hold in aggregate at least 10% or more of the Shares. Any Director nominated by J-POWER must have the appropriate commercial and professional experience to fulfil the role of Director.

4. **Top up right:** Subject to ASX granting a waiver of Listing Rule 6.18, J-POWER will receive a top up right, under which J-POWER will have the opportunity to participate in any further new issues of Shares on a basis that enables J-POWER to maintain its % shareholding in Genex on equivalent terms to those offered to other potential subscribers, provided that such participation does not cause Genex to issue Shares to J-POWER that would result in a breach of the takeover provisions under the Corporations Act.

With respect to J-POWER's right to participate in future capital raises, the Company will apply for a waiver from the ASX of Listing Rule 6.18 which otherwise prohibits an option from being exercisable over a percentage of Genex's share capital, the terms of which will be announced to the market if granted.

5. **Conditions:** As noted above, the Subscription Agreement is subject to several Conditions that remain outstanding, including:
 - a) Genex obtaining approval for Resolution 1 at the EGM;
 - b) execution of a Facility Agreement (**Facility Agreement**) with Northern Australia Infrastructure Facility (**NAIF**) (further detailed below);
 - c) election of J-POWER's nominee Director to the Board of Genex (as detailed in Resolution 2); and
 - d) Genex achieving financial close on the KPSH prior to 31 December 2019.

If the Conditions are not satisfied or waived by 31 December 2019, Genex or J-POWER may elect to terminate the Subscription Agreement, in which case J-POWER may not subscribe for, or be issued, Shares.

With respect to 5.b) above, as announced on 11 July 2019, NAIF has made a Board Investment Decision for a concessional loan of up to \$610 million for the KPSH project. This loan will be governed by the terms of a Facility Agreement. Following the Board Investment Decision, NAIF is working through negotiating the terms of the Facility Agreement and completing its due diligence, which will include final approvals from EnergyAustralia Pty Ltd (as proposed equity and offtake partner) and Queensland Government (which is required to execute the Facility Agreement on behalf of NAIF). Once this process is completed, which is expected to be prior to or on the date of financial close on the KPSH, the Queensland Government (on behalf of NAIF) will execute the Facility Agreement with the KPSH special purpose vehicle. Thus, condition 5.b) will need to be satisfied prior to condition 5.d) outlined above.

Information for Shareholders in accordance with Listing Rule 7.3 for Resolution 1

Pursuant to and in accordance with ASX Listing Rule 7.3 the following information is provided in relation to Resolution 1:

- (a) Maximum number of securities to be issued: 100,397,558 Shares.
- (b) Date by which securities will be issued: It is expected that the Shares will be issued in conjunction with financial close of the Company's KPSH but, in any event, no later than 15 January 2020.
- (c) Issue price of securities: The issue price of the Shares will be set in accordance with the formula provided for in the Subscription Agreement described above. The price at which the Shares will be issued to J-POWER will be either:

- (i) The higher of the 5-day VWAP preceding satisfaction of the conditions precedent under the Subscription Agreement or the 5-day VWAP following satisfaction of the conditions precedent under the Subscription Agreement; or
- (ii) \$0.3525 per share being the subscription price cap.

whichever is the lesser between (i) and (ii).

Worked examples of the number of shares to be issued pursuant to shareholder approval sought in resolution 1 are included in the table earlier in this section. In simple terms, the number of shares to be issued to J-POWER is calculated by dividing \$25 million by the determined issue price with the maximum number to be issued being 100,397,558. A number of hypothetical examples of this are as follows:

- if the issue price is determined to be \$0.32, then the full \$25m will be invested and the number of shares to be issued would be 78,125,000;
 - if the issue price is determined to be \$0.28, then the full \$25m will be invested and the number of shares to be issued would be 89,285,714; and
 - if the issue price is determined to be \$0.23, then the amount invested will be \$23.091m and the number of shares to be issued would be the maximum of 100,397,558.
- (d) Allottee: Electric Power Development Co., Ltd (or its nominee, being a related body corporate).
 - (e) Terms of securities: The Shares will be issued on the same terms and conditions as the Company's existing Shares.
 - (f) Intended use of funds raised: The funds raised will be used towards Genex's equity funding component for the construction of the KPSH and towards working capital.
 - (g) The Shares will be issued in one tranche in accordance with (b) above.
 - (h) A voting exclusion statement has been included in this Notice.

ASX Waivers:

On 29 July 2019, the ASX granted the Company a waiver of **Listing Rule 7.3.2** to permit the Company's Notice to state in Resolution 1 seeking shareholder approval for the issue of the Subscription Shares under the Subscription Agreement, not to state that the shares will be issued no later than 3 months after the date of the meeting on the following conditions:

- The Notice state the maximum number of shares to be issued pursuant to the Subscription Agreement which is 100,397,558;
- The Notice sets out in detail the conditions which must be satisfied prior to the Issue of the Subscription Shares which is particularised in section 5(c) under the "*Information for Shareholders in accordance with Listing Rule 7.3 for Resolution 1*";
- The conditions which must be satisfied for the Subscription Shares to be issued are not varied;
- The Subscription Shares are issued no later than 15 January 2020;
- For any annual reporting period during which any Subscription Shares have been issued or any of them remain to be issued, the Company must include a summary statement of the number of Subscription Shares issued during the reporting period and the number of Subscription Shares that remain to be issued;

- In any half year or quarterly report for a period during which any Subscription Shares have been issued or any of them remain to be issued, the Company must include a summary statement of the number of Subscription Shares issued during the reporting period and the number of Subscription Shares that remain to be issued; and
- The terms of the ASX's waiver are disclosed in the Notice.

On 29 July 2019, the ASX granted the Company a waiver of **Listing Rule 7.3.3** permitting the Company not to include in this Notice a fixed price or a minimum issue price that is at least 80% of the VWAP for securities in that class calculated over the last 5 days on which sales in the securities were recorded before the day on which the issue was made subject to the following conditions:

- That the Notice state the maximum number of shares to be issued pursuant to the Subscription Agreement which is 100,397,558;
- The Notice state that formula upon which the shares will be issued which is particularised in section (c) under the "Information for Shareholders in accordance with Listing Rule 7.3 for Resolution 1 as follows:

"The issue price of the Shares will be set in accordance with the formula provided for in the Subscription Agreement described above. The price at which the Shares will be issued to J-POWER is subject to a minimum calculated as the lower of:

- (iii) \$0.3525 per share; or
- (iv) the 5 day VWAP at the date of issue."

- The Notice discloses the formula (with worked examples) pursuant to which the number of Subscription Shares to be issued under the J-Power Subscription Agreement is calculated which have both been included herein; and
- The terms of the ASX's waiver are disclosed in the Notice.

Recommendation

The Board unanimously recommends that the Shareholders vote in favour of Resolution 1.

Resolution 2:

Election of Kenichi Seshimo as a Director

"That, subject to Resolution 1 being passed, and for the purposes of clause 11.10 of the Company's Constitution and for all other purposes, Kenichi Seshimo, being eligible, is elected as a Director of the Company on the date on which Shares are issued to J-POWER under the Subscription Agreement."

Information about Kenichi Seshimo:

Kenichi Seshimo has worked in the electric power development and energy industry, in different countries, for more than 30 years.

He commenced his career with a leading Japanese energy company and held roles in which he was involved in various international overseas electric power projects. This included a period in which he was based in Ho Chi Minh City, Vietnam where he was project manager for a Gas Combined Cycle corporation.

Kenichi has been working at J-POWER since 2004. During his time at J-POWER, Kenichi has been involved in the following project development and management roles: Non-Executive Director with CBK (750MW), a Pumped Storage Hydro Power Project Company based in the Philippines; Non-Executive Director of Chia Hui Gas Fired Power Project Company (450MW) in Taiwan; CEO of PT Bhimansena Power Indonesia for 2 x 1,000MW Ultra Super Critical (USC) Coal Thermal Power Project (project cost \$4 billion in Indonesia; and Chief Operating Officer of J-POWER Australia Pty Limited, where he has been responsible for developing and managing coal mines such as Clermont, Narrabri and Maules Creek in Australia.

Recommendation

Subject to the passing of Resolution 1, the Board unanimously recommends that the Shareholders vote in favour of Resolution 2.

Resolution 3:

Ratification of Issue of Option Placement Shares:

Background

On 14 February 2019, the Company issued a total of 8,500,00 Shares (**Option Placement Shares**) pursuant to ASX Listing Rule 7.1 to various persons and entities by way of a capital raising as announced to the market through ASX on 14 February 2019. None of these persons or entities were Related Parties of the Company.

The prior approval of Shareholders was not required in respect of the issue of the Option Placement Shares as it did not exceed the 15% restriction imposed upon listed companies by Listing Rule 7.1 nor were they issued to a Related Party.

Listing Rule 7.4 provides that if the issue of the Shares is ratified by Shareholders, the Company will again have the flexibility to issue further securities without Shareholder approval within the 15% restriction under Listing Rule 7.1 over the next 12-month period.

The Board believes that it is in the best interests of the Company to maintain the ability to issue up to its full placement capacity so that the Company retains financial flexibility and can take advantage of opportunities that may arise.

Information for Shareholders in accordance with Listing Rule 7.4

The following information is provided in relation to Resolution 3 in accordance with Listing Rule 7.5:

- (a) Number of securities allotted: The issue consisted of the issue and allotment of 8,500,000 Shares.
- (b) Issue price: \$0.25 per Share.
- (c) Term of the securities: The Option Placement Shares were all fully paid ordinary shares in the capital of the Company issued on the same terms and conditions as the Company's existing Shares.
- (d) Allottees: The Shares were issued to a range of persons and entities introduced by Baillieu's, none of whom is a Related Party of the Company.
- (e) Use of funds: The funds are being used for working capital purposes as the Company advances the KPSH to Financial Close.
- (f) A voting exclusion statement is included in the Notice.

Directors' Recommendation

The Board unanimously recommends that the Shareholders vote in favour of Resolution 3.

Resolution 4:

Ratification of Issue of Jemalong Placement Shares:

Background

On 3 July 2019, the Company issued a total of 67,482,878 Jemalong Placement Shares pursuant to ASX Listing Rules 7.1 and 7.1A to various persons and entities by way of a capital raising as announced to the market through ASX on 27 June 2019. None of these persons or entities were Related Parties of the Company.

Listing Rule 7.1

Listing Rule 7.1 provides that a company must not, subject to specified exceptions, issue or agree to issue more equity securities during any 12 month period than that amount which represents 15% of the number of fully paid ordinary securities on issue at the commencement of that 12 month period.

The prior approval of Shareholders was not required in respect of the issue of the Jemalong Placement Shares as it did not exceed the 15% restriction imposed upon listed companies by Listing Rule 7.1 or the additional 10% restriction imposed upon listed companies by Listing Rule 7.1A nor were they issued to a Related Party. The table below shows the Company's placement capacity at the time of the Jemalong Placement Share issue and the number of Jemalong Placement Shares issued pursuant to each listing rule.

Listing Rule	Available Capacity	Capacity Used	Capacity post Jemalong Placement	Current Capacity post Share Purchase Plan Allocation
7.1	37,089,727	37,089,727	0	3,289,044
7.1A	30,393,151	30,393,151	0	2,192,696

Listing Rule 7.4

Listing Rule 7.4 provides that if the issue of the Jemalong Placement Shares is ratified by Shareholders, the Company will again have the flexibility to issue further securities without Shareholder approval within the 15% restriction under Listing Rule 7.1 over the next 12-month period.

The Board believes that it is in the best interests of the Company to maintain the ability to issue up to its full placement capacity so that the Company retains financial flexibility and can take advantage of opportunities that may arise.

Information for Shareholders in accordance with Listing Rule 7.5

The following information is provided in relation to Resolution 4 in accordance with Listing Rule 7.5:

- (a) Number of securities allotted: The issue consisted of the issue and allotment of 67,482,878 Shares.
- (b) Issue price: \$0.24 per Share.

- (c) Term of the securities: The Jemalong Placement Share Shares were all fully paid ordinary shares in the capital of the Company issued on the same terms and conditions as the Company's existing Shares.
- (d) Allottees: The Jemalong Placement Share Shares were issued to persons or entities introduced by Baillieu's and Euroz, none of whom is a Related Party of the Company.
- (e) Use of funds: The funds are being used for financial close of the Jemalong Solar Project and working capital.
- (f) A voting exclusion statement is included in the Notice.

Directors' Recommendation

The Board unanimously recommends that the Shareholders vote in favour of Resolution 4.

Resolutions 5 to 9:

Approval for Issue of Options to Directors:

Resolutions 5 to 9 seek approval from Shareholders for the issue of unlisted Options to 5 of the Company's Directors and the subsequent issue of the Shares on payment of the exercise price as follows:

- 4,000,000 to the Company's Chairman, Dr Ralph Craven;
- 3,000,000 unlisted Options to the Company's Non-Executive Director, Michael Addison;
- 3,000,000 unlisted Options to the Company's Executive Director, Simon Kidston;
- 3,000,000 unlisted Options to the Company's Finance Director; Ben Guo; and
- 1,500,000 unlisted Options to the Company's Non-Executive Director, Teresa Dyson.

The purpose of issuing the Options to the Directors is both remunerate and incentivise the Directors. The incentive comes through having an exercise price for the Options well in excess of the Company's share price at the time of issue in order to provide a platform from which the Directors must work to build the Company's growth for the Options to have value to them. The Board has resolved to provide a strike price for the Options which is at a premium of 47 % to the preceding 10 day VWAP based on the closing price of Shares on the date of Shareholder approval.

There are no taxation consequences for the Company resulting from the grant of the Options, including no fringe benefits tax.

A full copy of the terms of the Options is contained within Annexure "A".

Approval of Shareholders is sought for the purposes of Listing Rule 10.11 for the Company to grant the Options to Dr Ralph Craven, Michael Addison, Simon Kidston, Ben Guo and Teresa Dyson (together, the **Relevant Persons**). Once the Options are exercised for Shares, the Shares will rank equally with Shares currently on issue.

Chapter 2E

Chapter 2E of the Act regulates the provision by a public company of a "financial benefit" to a "related party". Section 208 of the Act prohibits:

- (1) a public company giving a financial benefit to a related party; or

- (2) a company which is controlled by the public company giving a financial benefit to a related party,

unless one of a number of exceptions applies, or Shareholder approval is obtained.

A “financial benefit” is defined in the Act in broad terms and includes a company issuing Shares and granting options. A “related party” includes a director, an entity over which a director has control and an entity which believes, or has reasonable grounds to believe, that it is likely to become a related party in the future. For the purposes of Chapter 2E of the Act, the Relevant Persons are Related Parties of the Company.

The Directors, other than the Relevant Persons (given their material personal interests in the Resolutions), consider that Shareholder approval pursuant to Chapter 2E of the Act is not required in respect of the issue of the Options under Resolutions 5 to 9 because the financial benefit is, in accordance with section 211(1) of the Act:

- remuneration to a Related Party as an officer of a public company; and
- reasonable given:
 - the circumstances of the public company or entity giving the remuneration; and
 - the Related Party's circumstances (including the responsibilities involved in the office).

ASX Listing Rule 10.11

Listing Rule 10.11 provides that the Company must not issue “equity securities” to a related party unless one of a number of exceptions under Listing Rule 10.12 applies, or Shareholder approval is obtained. Accordingly, the effect of Resolutions 5 to 9 is to permit the Company to issue the Options to the Relevant Persons as described above in compliance with Listing Rule 10.11.

Information for Shareholders in accordance with Listing Rule 10.13

The following information is provided in relation to Resolutions 5 to 9 in accordance with Listing Rule 10.13:

- (a) Name of the persons: The Options will be issued to each of the Relevant Persons, all of whom are Related Parties of the Company.
- (b) Maximum number of securities to be issued: 4,000,000 Options will be issued to Dr Ralph Craven, 3,000,000 Options will be issued to each of Michael Addison, Simon Kidston, and Ben Guo and 1,500,000 Options will be issued to Teresa Dyson.
- (c) Date by which the Company will issue the securities: The Options will be granted and issued as soon as possible after the date of the meeting and in any event no later than 1 month after the date of the meeting.
- (d) Issue price of the securities and the terms of issue: The Options will be issued for nil consideration in accordance with the Option Terms of Issue set out in Annexure "A".
- (e) Use of funds: No funds will be raised from the issue of Options attaching to the as the Options are being issued for nil consideration.
- (f) Voting exclusion statements are included in the Notice.

Approval under Listing Rule 7.1 is not required for the issue of Options under Resolutions 5 to 9 as approval is being obtained under Listing Rule 10.11. Accordingly, the issue of Options to the Relevant Persons will not be included in the use of the Company's 15% restriction under Listing Rule 7.1.

Directors' Recommendation

The Directors make no recommendation with respect to Resolutions 5, 6, 7, 8 and 9.

GLOSSARY

A\$ means a dollar in the currency of the Commonwealth of Australian.

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

AEST means Australian Eastern Standard Time.

EGM means the Extraordinary General Meeting of the Company held in accordance with the Act.

ASIC means the Australian Securities and Investments Commissions.

ASX means the Australian Securities Exchange.

ASX Waiver or **Waivers** means the waivers from ASX Listing Rule 7.3.2 and 7.3.3 that the Company received from the ASX dated 29 July 2019 and summarised in the background information to Resolution 1.

Board means the Board of Directors from time to time.

Chairman means the chairman of the Meeting.

Company means Genex Power Limited ACN 152 098 854.

Completion means the completion of the subscription and issue of Shares to J-POWER in accordance with the terms of the Subscription Agreement.

Constitution means the Company's constitution from time to time

Directors means the directors of the Company from time to time.

Explanatory Memorandum means the explanatory memorandum that accompanies and forms part of this Notice.

J-POWER means Electric Power Development Co., Ltd trading as J-POWER.

Jemalong Placement Shares have the meaning given in Resolution 4.

KPSH means the Company's Kidston Pumped Storage Hydro Project.

Listing Rules means the ASX Listing Rules.

Meeting means the Extraordinary General Meeting convened by this Notice.

Notice means this document, including the Explanatory Memorandum.

Option means an unlisted option to subscribe for a Share on the terms and conditions set out in Annexure "A".

Option Placement Share has the meaning given in Resolution 3.

Related Party has the meaning given in the Listing Rules.

Resolution means Resolutions 1 through to Resolution 9 to be considered at the Meeting.

Share means a fully paid ordinary share in the issued share capital of the Company.

Shareholder means a holder of Shares.

Subscription Agreement means the Subscription Agreement dated on or about 6 June 2019 between the Company and J-POWER.

VWAP means Volume Weighted Average Price.

ANNEXURE “A” UNLISTED OPTIONS TERMS

Each Unlisted Options has the following terms and conditions:

- (a) Each Unlisted Option entitles the Unlisted Optionholder to acquire one (1) ordinary fully paid share in the Company (**Share**);
- (b) The Unlisted Options are exercisable at any time on or prior to 5.00 pm (AEST or AEDT as applicable at the time) five (5) years from the date of issue (time being of the essence) (**Unlisted Option Exercise Period**) by completing an Option Exercise Form and delivering it together with the payment for the number of Shares in respect of which the Unlisted Options are exercised to the registered office of the Company or to the share registry of the Company;
- (c) Each Unlisted Option exercise price is a 47% premium to the 10 day VWAP preceding the date of shareholder approval and is subject to the re-organisation of the Company’s capital as per clauses (h) and (i) below (**Option Exercise Price**);
- (d) Unlisted Options are freely transferable in whole or part at any time prior to the Unlisted Option Exercise Period;
- (e) Shares issued on the exercise of the Unlisted Options will be issued not more than fourteen (14) days after receipt of a properly executed exercise notice and application moneys;
- (f) Shares allotted pursuant to the exercise of an Unlisted Option will rank equally with the then issued ordinary shares of the Company in all respects and, if the Company remains listed on the ASX, the Company undertakes to seek quotation on the ASX of the Shares;
- (g) Unlisted Optionholders shall be entitled to participate in all new issues of securities in the Company upon the prior exercise of Unlisted Options only in which case the Unlisted Optionholders shall be afforded the period of at least fourteen (14) business days prior to and inclusive of the record date (to determine entitlements to the new issue) to exercise their Unlisted Options. Optionholders cannot participate in the issue of new securities without exercising the Option;
- (h) In the event of any reconstruction (including consolidation, sub-division, reduction or return) of the issued capital of the Company, all rights of the Unlisted Optionholder will be changed/varied to the extent necessary to comply with the Corporations Act and/or the ASX Listing Rules (if applicable) applying to the reconstruction of capital at the time of the reconstruction. Other than a reconstruction of the capital of the Company, the exercise price or number of underlying Options will not change;
- (i) Unlisted Optionholders shall be entitled to participate in all take-over offer(s) for the Company prior to the exercise of Unlisted Options in which case the Unlisted Optionholders shall be afforded the period of at least fourteen (14) business days prior to and inclusive of the record date (to determine entitlements to the take-over offer) to exercise their Unlisted Options. Unlisted Options which are not exercised and not separately acquired under a take-over offer, will lapse unless otherwise specified as a condition of the take-over offer;
- (j) If there is a bonus issue to Shareholders of the Company, the number of Shares over which the Unlisted Option is exercisable will be increased by the number of Shares which the holder of the Unlisted Option would have received if the Unlisted Option had been exercised before the record date for the bonus issue;
- (k) The Company will issue written reminder notices to the Unlisted Optionholder at least five (5) business days prior to the expiry of the Unlisted Option Exercise Period;

- (l) Unlisted Options not exercised before the expiry of the Unlisted Option Exercise Period will lapse;
- (m) The Unlisted Options will be recorded on the Company's register of Optionholders maintained at the Company's share registry. The register will be open for inspection by an Unlisted Optionholder free of charge. Shares to be allotted on exercise of Unlisted Options will be recorded on the Company's share register;
- (n) The Company will not make an application for Official Quotation of the Unlisted Options on ASX;
- (o) The Unlisted Optionholder, if appearing on the Company's register of Optionholders at the relevant date, will be entitled to receive and will be sent all reports and accounts required to be laid before Shareholders of the Company in general meeting and all notices of general meetings and will have the right to attend but shall have no right to vote at such meetings; and
- (p) The Unlisted Optionholder has:
 - a. No right to any dividend prior to converting into ordinary Shares;
 - b. No right to vote until converted into ordinary Shares;
 - c. No right to participate in the surplus profits or assets of the Company upon a winding up; and

The right to attend any general meeting of the Company but, not to vote or to move or second any resolution or speak in any meeting except in a resolution which directly affects any of the rights, privileges or conditions attaching to the unlisted options or the exercise and enjoyment of such rights, privileges or conditions, in the event of which each Unlisted Option shall confer on its holder one vote on a show of hands and one vote on a poll.