

Integrated Green Energy Solutions Ltd
ACN 003 669 163

**Notice of Annual General Meeting
to be held on 29 November 2019**

**Explanatory Memorandum
for the Notice of
Annual General Meeting**

and

Proxy Form

**NOTICE OF ANNUAL GENERAL MEETING TO BE HELD AT THE MANTRA CHATSWOOD, 10 BROWN ST,
CHATSWOOD NSW 2067**

AT 11.00 A.M. (AEDT) ON FRIDAY 29 NOVEMBER 2019

**THIS DOCUMENT IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION. IF YOU ARE IN ANY
DOUBT ABOUT THE ACTION YOU SHOULD TAKE PLEASE CONSULT YOUR STOCKBROKER,
SOLICITOR, ACCOUNTANT OR OTHER PROFESSIONAL ADVISER.**

**TO BE VALID, FORMS OF PROXY FOR USE AT THE ANNUAL GENERAL MEETING MUST BE COMPLETED AND
RETURNED TO THE COMPANY NO LATER THAN 11.00 A.M. AUSTRALIAN EASTERN STANDARD TIME ON
THURSDAY 27 NOVEMBER 2019**



Integrated Green Energy Solutions Ltd
ACN 003 669 163

Notice of Annual General Meeting

Notice is hereby given that the annual general meeting (**Meeting**) of Shareholders of Integrated Green Energy Solutions Ltd (**IGES or the Company**) will be held at The Mantra Chatswood, 10 Brown St, Chatswood, NSW, 2067 on Friday 29 November 2019 at 11.00am (Sydney time).

The Explanatory Memorandum to this Notice provides additional information on matters to be considered at the Annual General Meeting. The Explanatory Memorandum, Notes and the Proxy Form form part of this Notice.

Terms and abbreviations used in this Notice, the Notes, the Explanatory Memorandum and the Proxy Form are defined in the Glossary.

Other information

An Explanatory Memorandum accompanies and forms part of this notice of annual general meeting.

All Shareholders should read the Explanatory Memorandum carefully and in its entirety. Shareholders who are in doubt regarding any part of the business of the Meeting should consult their financial or legal adviser for assistance.

AGENDA

1. Financial statements and reports

To receive and consider the Annual Financial Report of the Company for the year ended 30 June 2019 together with the Directors' report in relation to that financial year and the Auditor's report on the Annual Financial Report.

2. Resolution 1 - Re-election of David McIntosh

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

"That Mr David McIntosh be re-elected as a Director of the Company."

Without limitation, Article 6.7 of the Constitution is relevant to this Resolution.

3. Resolution 2 - Re-election of Kilroy Genia

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

"That Mr Kilroy Genia be re-elected as a Director of the Company."

Without limitation, Article 6.7 of the Constitution is relevant to this Resolution.

4. Resolution 3 - Remuneration Report

To consider and, if thought fit, to pass 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, the Remuneration Report for the year ended 30 June 2019 be adopted."

Notes:

- (a) The vote on this Resolution is advisory only and does not bind the Directors or the Company.
- (b) The Directors will consider the outcome of the vote and comments made by Shareholders on the Remuneration Report at the Meeting when reviewing the Company's remuneration policies.

- (c) If 25% or more of votes cast are against the adoption of the Remuneration Report at two consecutive AGMs, Shareholders will be required to vote at the second of those AGMs on a resolution that another meeting be held within 90 days at which all of the Directors (other than the Managing Director) must stand for re-election.
- (d) The Chairman of the Meeting intends to vote all available proxies in favour of this Resolution.

Voting Exclusion: In accordance with section 250R of the Corporations Act, IGES will disregard any votes cast (in any capacity) on this Resolution 3 by or on behalf of:

- (a) a member of the Key Management Personnel, details of whose remuneration are included in the Remuneration Report; and
- (b) any of their Closely Related Parties.

However, a person described above may cast a vote on Resolution 3 as a proxy if the vote is not cast on behalf of a person described in (a) or (b) above, and either:

- (c) the person is appointed as proxy by writing that specifies the way the proxy is to vote on the resolution; or
- (d) the person is the Chairman of the Meeting and the appointment as proxy (using the Proxy Form circulated with this Notice):
- (i) does not specify the way the proxy is to vote on the resolution; and
- (ii) expressly authorises the Chairman to exercise the proxy even if the resolution is connected directly or indirectly with the remuneration of a member of Key Management Personnel for the Company.

5. Resolution 4 - Ratification of Prior Issue of Shares - Repayment of Loans

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

“That, for the purposes of ASX Listing Rule 7.4 and for all other purposes, Shareholders ratify the issue of 1,251,200 Shares on the terms and conditions set out in the Explanatory Statement.”

Voting Exclusion: IGES will disregard any votes cast in favour of Resolution 4 by or on behalf of a person who participated in the issue or any of their associates. However, IGES will not disregard any votes cast on Resolution 4 by such person if:

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

6. Resolution 5 - Approval of Issue of Options to Alpha Darling Pty Ltd

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

“That, for the purposes of ASX Listing Rule 7.1 and for all other purposes, approval is given for the Company to issue 4,750,000 Options to Alpha Darling Pty Ltd (or its nominated entity/entities) on the terms and conditions set out in the Explanatory Statement.”

Voting Exclusion: IGES will disregard any votes cast in favour of Resolution 5 by or on behalf of any person who is expected to participate in, or who will obtain a material benefit as a result of, the proposed issue (except a benefit solely by reason of being a holder of ordinary securities in the Company) or any of their associates. However, IGES will not disregard any votes cast on Resolution 5 by such person if:

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

Integrated Green Energy Solutions Ltd

ACN 003 669 163

Explanatory Memorandum

This Explanatory Statement has been prepared for the information of the shareholders of the Company in connection with the business to be conducted at the Annual General Meeting to be held at The Mantra Chatswood, 10 Brown St, Chatswood, NSW, 2067 on Friday 29 November 2019 at 11:00am (Sydney time).

The purpose of this Explanatory Statement is to provide information that the Directors believe to be material to Shareholders in deciding whether or not to pass the Resolutions in this Notice of Annual General Meeting.

Financial Report and Reports of the Directors and Auditors

This item allows Shareholders the opportunity to consider the financial report, directors' report and auditors' report. Under the Corporations Act, the Company is required to lay these three reports that together comprise the Company's annual report before its Shareholders at the Meeting.

Neither the Corporations Act nor the Constitution requires a vote of Shareholders on the reports or statements. However, Shareholders will be given the opportunity to raise questions on the reports and statements at the Meeting.

The Chairman will also give Shareholders a reasonable opportunity to ask questions relevant to:

- the conduct of the audit;
- the preparation and content of the independent audit report;
- the accounting policies adopted in relation to the preparation of the financial statements; and

Resolution 1 – Re-Election of a Director – Mr David McIntosh

Resolution 1 provides for the re-election of Mr David McIntosh as Director in accordance with article 6.2 of the Constitution. A profile of Mr McIntosh is included in the Directors' report in the 2019 annual report. The Directors (other than Mr McIntosh who, given his interest in the outcome, declines to make a recommendation) unanimously recommend that Shareholders vote in favour of this Resolution.

Resolution 2 Re-Election of a Director – Mr Kilroy Genia

Resolution 2 provides for the re-election of Mr Kilroy Genia as Director in accordance with article 6.2 of the Constitution. A profile of Mr Genia is included in the Directors' report in the 2019 annual report. The Directors (other than Mr Genia who, given his interest in the outcome, declines to make a recommendation) unanimously recommend that Shareholders vote in favour of this Resolution.

Resolution 3 – Remuneration Report

Resolution 3 provides Shareholders the opportunity to vote on the Remuneration Report. Under the Corporations Act, the Company must put the adoption of its Remuneration Report to Shareholder vote at the Meeting.

The vote on this Resolution is advisory only and does not bind the Board or the Company.

The Remuneration Report forms part of the director's report within the 2019 annual report.

The Chairman will allow a reasonable opportunity for Shareholders to ask questions about, or make comments on, the Remuneration Report. The Board will consider the outcome of the vote and comments made by Shareholders on the Remuneration Report at this Meeting when reviewing the Company's remuneration policies.

If 25% or more of the votes cast are "against" the adoption of the Remuneration Report at two consecutive annual general meetings, Shareholders will be required to vote at the second of those annual general meetings on a resolution (a "Spill Resolution") that another meeting be held within 90 days at which all of the Directors (other than the Managing Director) must stand for re-election. The Company encourages all Shareholders to cast their votes on this Resolution. The remuneration report for the 2018 financial year was approved at the 2018 annual general meeting by more than 75% of votes cast on the corresponding resolution to Resolution 3. Accordingly, the Spill Resolution is not relevant for this Meeting.

The Directors consider that the remuneration policies adopted by the Company are appropriately structured to provide rewards commensurate with the performance of the Company and the individual.

On that basis, the Directors unanimously recommend that Shareholders vote in favour of this advisory Resolution. The Chairman of the Meeting intends to vote available proxies in favour of the adoption of the Remuneration Report.

Resolution 4 Ratification of Prior Issue of Shares - Repayment of Loans

As previously announced to the market, IGES issued 1,251,200 Shares to unrelated sophisticated investors to satisfy \$283,745.45 in loans in accordance with its 15% placement capacity under Listing Rule 7.1. This issue took place on 5 July 2019.

Regulatory Requirements

Listing Rule 7.1 restricts the number of Equity Securities (as that term is defined in the Listing Rules) that a listed entity may issue in any 12-month period, without the approval of shareholders, to 15% of the number of ordinary securities on issue 12 months before the issue date or date of agreement to issue, subject to certain adjustments and permitted exceptions.

Under Listing Rule 7.4, an issue of securities will be treated as having been made with shareholder approval if the issue did not breach the 15% limit under Listing Rule 7.1 at that time, and shareholders subsequently approve the issue.

The Share issue under Resolution 2 (if approved) will no longer be included within IGES's 15% limit. Shareholder approval of Resolution 2 will refresh IGES's ability to raise further funds up to the 15% limit at any time during the next 12 months, providing flexibility in dealing with fundraising opportunities.

In accordance with Listing Rule 7.5, Shareholders are advised of the following information, for the purpose of obtaining Shareholder approval pursuant to Listing Rule 7.4.

(a) **Number of securities issued**

Under Resolution 4, IGES seeks from Shareholders approval for, and ratification of, the issue of 1,251,200 Shares.

(b) **The consideration for which the securities were issued**

The Shares under this resolution were issued to satisfy total debt of \$283,745.45.

(c) **Terms of the securities**

The Shares issued are fully paid ordinary shares in the capital of IGES and rank equally and were issued on the same terms as IGES's existing Shares.

(d) **Persons to whom the securities were issued to**

The Shares were issued to sophisticated investor clients, none of whom were related parties of IGES.

(e) **Voting exclusion statement**

A voting exclusion statement for Resolution 2 is included in the Notice preceding this Explanatory Statement.

Board recommendation:

The Directors recommend that Shareholders vote in favour of Resolution 4.

Resolution 5 - Approval of Issue of Options to Alpha Darling Pty Ltd

Resolution 5 seeks Shareholder approval for the issue of up to 4,750,000 Options to Alpha Darling Pty Ltd (Alpha). Alpha has been involved in securing the Company's prospectus funds and providing corporate advisory advice to the Company, in addition to assisting with the formation of the Company's joint venture agreements in China and Hong Kong.

The issue of these options is consideration for terminating the Company's agreement with Alpha and any of its related parties.

The effect of Resolution 5 will be to allow the Company to issue the Options during the period of 3 months after the Meeting (or a longer period, if allowed by ASX), without using the Company's 15% annual placement capacity.

ASX Listing Rule 7.1

Pursuant to and in accordance with ASX Listing Rule 7.3, the following information is provided in relation to Resolution 3:

- (a) the maximum number of Options to be issued is 4,750,000;

- (b) the Options will be issued no later than 3 months after the date of the Meeting (or such later date to the extent permitted by any ASX waiver or modification of the ASX Listing Rules) and it is intended that issue of Options will occur on the same date;
- (c) the Options will be issued for nil cash consideration;
- (d) the Options will be issued to Alpha, or its nominated entity/entities;
- (e) the Options will be issued on the terms set out in Schedule 1, with an exercise price of \$0.50 and an expiry date of 30 June 2021. Any Shares issued on exercise of the Options will be fully paid ordinary shares in the capital of the Company issued on the same terms and conditions as the Company's existing Shares; and
- (f) no funds will be raised from the issue of the Options. Any funds received from the exercise of the Options will be applied to general working capital.

Board recommendation:

The Directors recommend that Shareholders vote in favour of Resolution 5.

Voting by proxy

Any Shareholder entitled to attend and vote at this Meeting is entitled to appoint a proxy to attend and vote instead of that Shareholder. The proxy does not need to be a Shareholder of the Company.

A Shareholder who is entitled to cast 2 or more votes may appoint 2 proxies and may specify the proportion or number of votes each proxy is appointed to exercise. If no proportion or number is specified, each proxy may exercise half of the Shareholder's votes.

Proxies must be:

Mailed or lodged at the Company's office, or
 emailed to the email address specified below,
 not later than 11.00am (Sydney time) on 27 November 2019.

Address: Integrated Green Energy Solutions Ltd
 Suite 306, 781 Pacific Highway, Chatswood, NSW, 2067

Email address for lodgement: jherbertson@igesolutions.org

The Proxy Form has been enclosed. Please read all instructions carefully before completing the Proxy Form.

Entitlement to vote

The Directors have decided pursuant to Regulation 7.11.37 of the Corporations Regulations 2001 (Cth), that for the purpose of determining entitlements to attend and vote at the Meeting, Shares will be taken to be held by the persons who are the registered holders at 11.00am (Sydney time) on 27 November 2019. Accordingly, Share transfers registered after that time will be disregarded in determining entitlements to attend and vote at the Meeting.

Glossary

Associate has the same meaning as that under the Corporations Act.

ASX means ASX Limited.

ASX Listing Rules means the Listing Rules of ASX, except to the extent of any express written waiver given by ASX.

Board means the board of Directors of the Company.

Chairman means the chairman of the Meeting.

Company means Integrated Green Energy Solutions Ltd (ACN 003 669 163).

Constitution means the constitution of the Company.

Corporations Act means the Corporations Act 2001 (Cth).

Director means a Director of the Company.

Equity Securities has the meaning giving in the ASX Listing Rules.

Explanatory Memorandum means this explanatory memorandum to the Notice.

IGES means Integrated Green Energy Solutions Ltd (ACN 003 669 163).

Meeting means this annual general meeting convened by the Notice.

Notice means this notice of meeting.

Proxy Form means the proxy form for the Annual General Meeting accompanying the Notice.

Related Party means a person or entity who is a related party for the purpose of section 228 of the Corporations Act.

Resolution means a resolution to be considered at the Meeting as set out in the Notice.

Share means an ordinary share in the capital of the Company.

Security means a Share or an Option and **Securities** has the same meaning.

Shareholder means a holder of a Share.

SCHEDULE 1

1. TERMS OF OPTIONS

- (a) **Expiry Date:** All Options proposed to be issued under this Notice have an expiry date of 30 June 2021. Options not exercised on or before the Expiry Date will automatically lapse.
- (b) **Entitlement:** Each Option entitles the holder (Optionholder) to subscribe for one fully paid ordinary share (Share) which will rank equally in all respects with the then issued ordinary shares of IGES.
- (c) **Exercise Price:** The Exercise Price for Options proposed to be issued under this Notice is \$0.50.
- (d) **Rights in new issues:** There are no participating entitlements inherent in any Option to participate in new issues of capital which may be offered to Shareholders during the currency of the Option (unless that Option has been exercised and Shares issued in respect of that Option prior to the record date for determining entitlements for the new issue). IGES must give notice to Option holders of any new issue before the record date for determining entitlements to the issue in accordance with the Listing Rules.
- (e) **Reconstruction:** In the event of any reconstruction (including consolidation, sub-division, reduction or return) of the issued capital of IGES prior to the expiry date, the rights of an Option holder shall be changed (as appropriate) in a manner which will comply with the Listing Rules and Corporations Act applying to a reconstruction of capital at the time of reconstruction.
- (f) **Bonus Issues and pro-rata issues:**

If between the date of issue and the date of exercise of an Option IGES makes 1 or more rights issues (being a pro rata issue of Shares in the capital of IGES that is not a bonus issue), the exercise price of Options will be reduced in respect of each rights issue according to the following formula:

$$NE = OE - ((E[P-(S + D)]) / (N + 1))$$

Where:

NE is the new exercise price of the Option;

OE is the old exercise price of the Option;

E is the number of underlying Shares into which 1 Option is exercisable;

P is the average closing sale price per Share (weighted by reference to volume) recorded on the stock market of the ASX during the 5 trading days ending on the day before the ex-rights date or entitlement date (excluding special crossing and overnight sales);

S is the subscription price for a Share under the rights issue;

D is the dividend due but not yet paid on each Share at the relevant time; and

N is the number of Shares that must be held to entitle holders to receive a new Share in the rights issue.

If there is a bonus issue to the holders of Shares, the numbers of Shares over which the Option is exercisable will be increased by the number of Shares which the holder of the Option would have received if the Option had been exercised before the record date for the bonus issue.

- (g) **Quotation:** IGES will not apply for quotation of the Options on ASX. However, if and when the Options comprise part of a class of options that is eligible to be quoted under the terms of the Listing Rules and the Corporations Act, and subject to paragraph (k), IGES will use reasonable endeavours to apply for quotation of the Options on ASX.
- (h) **Transfer:** An Option must not be transferred unless and until it is quoted on ASX.
- (i) **Exercise:** The Optionholder may exercise any number of the Options on or before the Expiry Date by:
- (i) delivering to IGES an application for Shares:
- (A) duly executed by the holder,
- (B) specifying the number of Options being exercised (**Exercise Number**);
- (C) consenting to be a member of IGES and to be bound by its Constitution,

(**Application Form**) together with the Option Certificate in respect of the Options being exercised; and

- (ii) transferring to IGES an amount equal to the Exercise Number multiplied by the Exercise Price (**Application Price**) by way of an electronic funds transfer to the nominated bank account of IGES.
- (j) **Issue of Shares:** IGES must within 3 Business Days of the receipt of the Application Form or the Application Price (whichever is later):
 - (i) issue to the holder the Exercise Number of Shares;
 - (ii) subject to paragraph (k), apply to ASX to have the Shares issued granted official quotation;
 - (iii) procure that a holding statement for the Exercise Number of Shares is sent to the Optionholder; and
 - (iv) if applicable, issue a replacement Option Certificate for the balance of any unexercised Options.
- (k) **Restricted securities:** If the Options are restricted securities (as defined in Listing Rule 19.12), then IGES must apply for quotation of the Options (if the Options may otherwise be quoted under paragraph (g)) within 10 Business Days of the end of the applicable escrow period in accordance with Listing Rule 2.8.2 (but IGES is not obliged to apply for quotation prior to this time).