

**MAGNIS ENERGY TECHNOLOGIES LTD**  
**ABN 26 115 111 763**

**NOTICE OF ANNUAL GENERAL MEETING**  
**EXPLANATORY MEMORANDUM**  
**AND**  
**PROXY FORM**

**DATE AND TIME OF MEETING:**  
Monday, 30 November 2020 at 10.00am (AEDT)

**PLACE OF MEETING:**  
Doltone House Hyde Park  
3/181 Elizabeth Street, Sydney NSW 2000

**IMPORTANT INFORMATION**  
This is an important document that should be read in its entirety.  
If you do not understand it, or any part of it,  
you should consult your professional advisors.

# MAGNIS ENERGY TECHNOLOGIES LTD

ABN 26 115 111 763

## Letter from the Chairman

Dear Shareholder,

On behalf of the board of directors (**Board**) of Magnis Energy Technologies Ltd ACN 115 111 763 (**Magnis** or **Company**), I am pleased to invite you to attend the 2020 Annual General Meeting (**AGM**) of the Company.

The AGM will be held on Monday, 30 November 2020 at 10.00am (AEDT) at Doltone House Hyde Park, 3/181 Elizabeth Street, Sydney NSW 2000.

In accordance with section 5(1)(f) of the *Corporations (Coronavirus Economic Response) Determination (No. 3) 2020* made by the Commonwealth Treasurer on 21 September 2020, the Company will not be despatching physical copies of the Notice of Meeting (NOM) to shareholders. Instead a copy of NOM is being made available to Shareholders electronically and can be viewed and downloaded online at the following link: <https://www.magnis.com.au/announcements/governance-announcements>

Shareholders should note that the Company will comply with the Australian Government's (or Chief Medical Officer's) latest advice in respect of physical distancing and public activities in relation to the conduct of the AGM.

A copy of the Proxy Form is enclosed for convenience. To be effective, Proxy Forms must be received at the Share Registry of the Company no later than 9.30am (AEDT) on Saturday, 28 November 2020. Proxy Forms must be received before that time by one of the following methods:

**By Post:** c/- Link Market Services, Locked Bag A14  
Sydney South NSW 1235 Australia

**By Facsimile:** +61 2 9287 0309

**By Hand:** Level 12, 680 George St  
Sydney NSW 2000

To be valid, a Proxy Form must be received by the Company in the manner stipulated above. The Company reserves the right to declare invalid any Proxy Form not received in this manner.

Shareholders who are unable to attend the AGM may wish to appoint a proxy by completing and returning the Proxy Form enclosed with this Notice of AGM. In the light of the restrictions on public gatherings in response to the COVID-19 pandemic, the Company encourages Shareholders to appoint the Chairman of the AGM as their proxy.

In the event that it becomes necessary for the Company to give further updates, information will be provided on the Company's website at <https://www.magnis.com.au/announcements/governance-announcements> and lodged with, and available from, the Australian Securities Exchange (**ASX**).

## Business of the AGM

The business of the AGM is set out in the NOM and the explanatory memorandum (**Explanatory Memorandum**). The Notice and Explanatory Memorandum set out important information in relation to the matters to be considered by Shareholders at the AGM, and I encourage you to read those materials carefully.

The AGM is an important part of the Company's approach to governance. At the AGM, you will be able to vote on the:

- appointment of Hall Chadwick Melbourne Audit as the Company's auditor;
- adoption of the Company's Remuneration Report;

- re-election of non-executive Director, Peter Tsegas, who is retiring by way of rotation in accordance with the Company's Constitution and is offering himself for re-election at the AGM;
- election of executive Director, James Dack, and non-executive Director, the Hon Troy Grant, who were appointed by the Board in June 2020 to fulfil a casual vacancy on the Board, and who each are retiring in accordance with the Company's Constitution and are offering themselves for election at the AGM;
- adoption of the proportional takeover provisions in the Company's Constitution;
- the issue of Shares to James Dack, to be held on his behalf by the Magnis Technologies Ltd Employee Share Trust in accordance with his employment agreement;
- the approval of the issue of Shares to James Dack that he subscribed for, conditional on Shareholders of the Company approving the issue of such Shares to Mr Dack, in the Company's placement, details of which were announced to ASX in September 2020;
- the issue of Shares to certain directors of the Company;
- ratification of various Share placements to Negma Group Ltd;
- ratification of the Share placements which occurred in June 2020;
- ratification of the Share placement which occurred in September 2020; and
- issue of performance shares to the Directors.

### **Attendance**

If you are attending the AGM, please bring your personalised Proxy Form to allow the Company's Share Registry to promptly register your attendance at the AGM. The registration desk will be open from 8:45am.

If you are unable to attend the AGM in person, you may wish to appoint a proxy to attend and vote at the AGM in your place. Please refer to the NOM and Proxy Form regarding the appointment of a proxy. Shareholders who intend to participate and vote on a poll at the AGM must attend the AGM in person.

Shareholders who do not wish to vote during the AGM are encouraged to appoint the Chairman as proxy. Shareholders can complete the Proxy Form provided and give specific instructions on how their vote is to be exercised in respect of each item of business, and the Chairman must follow these instructions.

### **All Resolutions will be by a Poll**

Voting on each proposed resolution in respect of each item of business will be conducted by a poll. The Board considers voting by poll to be in the best interests of shareholders as a whole, as it enables the views of as many Shareholders as possible are represented at the AGM.

### **Shareholder questions**

Shareholders attending the AGM will have the opportunity to ask questions at the AGM. If you have an issue or question that you would like to be discussed at the AGM, please send your query, prior to the AGM, to the Secretary, Magnis Energy Technologies Ltd, at [info@magnis.com.au](mailto:info@magnis.com.au)

Written Shareholder queries submitted before the AGM must be received by 10:00am (AEDT) on Friday, 27 November 2020.

Thank you for your continued support of Magnis. I look forward to seeing as many Shareholders as possible at the AGM.

Yours sincerely



**Frank Poullas**  
**Chairman**  
**MAGNIS ENERGY TECHNOLOGIES LIMITED**

# MAGNIS ENERGY TECHNOLOGIES LIMITED

ABN 26 115 111 763

## NOTICE OF 2020 ANNUAL GENERAL MEETING

Notice is hereby given that the 2020 Annual General Meeting (**AGM**) of the members of Magnis Energy Technologies Ltd (**Magnis** or the **Company**) will be held:

**Date:** Monday, 30 November 2020

**Time:** 10.00am (AEDT)

**Venue:** Doltone House Hyde Park, 3/181 Elizabeth Street, Sydney, NSW Australia

### ACCESSING NOTICE OF AGM MATERIALS

In accordance with section 5(1)(f) of the *Corporations (Coronavirus Economic Response) Determination (No. 3) 2020* made by the Commonwealth Treasurer on 21 September 2020. The Company will not be despatching physical copies of the Notice of Meeting (Notice) to Shareholders. Instead a copy of the Notice is being made available to Shareholders electronically and can be viewed and downloaded online at the following link: <https://www.magnis.com.au/announcements/governance-announcements>

### HOW CAN SHAREHOLDERS ASK QUESTIONS AT THE ANNUAL GENERAL MEETING?

In accordance with the Corporations Act and the Company's policy, a reasonable opportunity will be provided to Shareholders during the AGM to:

- (a) ask questions about or make comments on the management or performance of the Company, and on its 2020 Remuneration Report; and
- (a) ask the Company's auditor questions relevant to the conduct of the audit, the preparation and content of the Independent Auditor's Report, the accounting policies adopted by the Company and the independence of the auditor.

A Shareholder may also submit a written question to the Company's auditor, Hall Chadwick Melbourne Audit, in relation to the content of the Independent Auditor's Report or the conduct of the audit in relation to the Financial Report for the year ended 30 June 2020. Questions must be submitted to the Company no later than 5:00pm (AEDT) on Monday, 23 November 2020 in accordance with section 250PA(1) of the Corporations Act and can be submitted to the Company at [info@magnis.com.au](mailto:info@magnis.com.au) or sent to:

Magnis Energy Technologies Ltd  
c/- Link Market Services Limited, Locked Bag A14  
Sydney South NSW 1235 Australia

The questions submitted will be immediately forwarded to Hall Chadwick Melbourne Audit who will answer these questions at the AGM.

Shareholders who prefer to register questions in advance of the AGM are invited to do so. Written questions must be received by the Company or Link Market Services Limited by 5.00pm (AEDT) by Monday, 23 November 2020, and can be submitted by email or mail as outlined above.

The Company will endeavour to address as many of the more frequently asked questions as possible during the course of the AGM. However, there may not be sufficient time available at the meeting to address all of the questions raised. Please note that individual responses will not be sent to shareholders.

The Explanatory Memorandum accompanying this Notice of Meeting provides additional information on matters to be considered at the AGM. The Explanatory Memorandum and Proxy Form are part of this Notice of Meeting.

## ITEMS OF BUSINESS

### ITEM 1: FINANCIAL REPORT, DIRECTORS' REPORT AND AUDITOR'S REPORT

To receive and consider the Financial Report, the Directors' Report and the Independent Auditor's Report of the Company and its consolidated entities for the financial year ended 30 June 2020.

**Note:** There is no requirement for Shareholders to approve these reports or vote on this item of business.

All shareholders can view the Annual Report which contains the Company's Financial Report for the year ended 30 June 2020 on the Magnis website: <https://www.magnis.com.au/announcements/annual-reports>

### QUESTIONS & COMMENTS

Following consideration of the Financial Report, the Directors' Report and the Independent Auditor's Report of the Company, the Chairman will give Shareholders a reasonable opportunity to ask questions or comment about the management of the Company.

The Chairman will also give shareholders an opportunity to ask the Company's Auditor questions relevant to:

- the conduct of the audit;
- the preparation and content of the Independent Auditor's Report;
- the accounting policies adopted by the Company in respect of the preparation of the Financial Report; and
- the independence of the Auditor in relation to the conduct of the audit.

The Chairman will also give the Auditor's representative a reasonable opportunity to answer written questions submitted by shareholders that are relevant to the content of the Independent Auditor's Report or the conduct of the audit. A list of written questions, if any, submitted by shareholders will be made available at the start of the AGM and any written answer tabled by the Auditor's representative at the AGM will be made available as soon as practicable after the AGM.

### ITEM 2: APPOINTMENT OF AUDITOR

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

*"Chadwick Melbourne Audit, having been appointed by the Directors as the Company's Auditor in August this year, following the earlier resignation of BDO East Coast Partnership, holds office until the close of the Annual General Meeting.*

*That, in accordance with Section 327B(1) of the Corporations Act 2001 (Cth), Hall Chadwick Melbourne Audit, having consented in writing to act as auditor of the Company, be appointed as auditor of the Company such appointment effective from the close of this Annual General Meeting."*

#### Board recommendation

The Board unanimously recommends that Shareholders vote in favour of the proposed resolution in Item 2.

### ITEM 3: REMUNERATION REPORT

To consider and, if thought fit, pass the following resolution as a non-binding advisory **ordinary resolution** of the Company:

*“That the Remuneration Report for the year ended 30 June 2020 (as set out in the Directors’ Report which forms part of the Company’s Financial Report) be adopted in accordance with section 250R(2) of the Corporations Act 2001 (Cth).”*

Notwithstanding that each Director has a personal interest in their own remuneration from the Company as set out in the Remuneration Report, the Board recommends that Shareholders **vote in favour** of this resolution.

Please note:

- in accordance with section 250R(3) of the Corporations Act this resolution is advisory only and does not bind the Company or its Directors; and
- the Directors will consider the outcome of the vote and comments made by Shareholders on the Remuneration Report at the AGM when reviewing the Company’s remuneration policies.

#### **Board recommendation**

As a matter of best practice corporate governance, the Directors abstain from making a recommendation in respect of the proposed resolution in Item 3.

#### **Voting Exclusion Statement**

The Company will disregard any votes cast on the proposed resolution in Item 3:

- in any capacity by or on behalf of a member of the Company’s key management personnel (**KMP**), details of whose remuneration are included in the Company’s Remuneration Report for the financial year ended 30 June 2020, or by any closely related parties of a KMP (such as certain family members, dependents and companies they control) regardless of the capacity in which the vote is cast; or
- as a proxy, by a person who is a member of the KMP of the Company at the date of the AGM, or by any of their closely related parties, unless the vote is cast as a proxy for a person entitled to vote on the proposed resolution in Item 3 (i) in accordance with a direction in the Proxy Form, or (ii) by the Chairman of the AGM pursuant to an express authorisation in the Proxy Form to vote an undirected proxy.

The Chairman intends to vote undirected proxies (where he has been appropriately authorised) in favour of the proposed resolution in Item 3, to the extent permitted by law. If a Shareholder appoints the Chairman as their proxy, expressly or by default, and they do not direct the Chairman how to vote on a resolution, by completing and returning the Proxy Form they will be expressly authorising the Chairman to exercise the proxy and vote as the Chairman sees fit on a resolution, even if the resolution is connected directly or indirectly with the remuneration of a member of the KMP of the Company.

#### **ITEM 4: RE-ELECTION OF DIRECTOR – PETER TSEGAS**

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

*“That Peter Tsegas, who retires by rotation from the office of Director in accordance with clause 16.10(a)(i) of the Company’s Constitution and, having offered himself for re-election and being eligible for re-election, be re-elected as a Director of the Company.”*

#### **Board recommendation**

The Board (with Peter Tsegas abstaining due to his personal interest in the proposed resolution in Item 4) recommends that Shareholders vote in favour of the proposed resolution in Item 4.

#### **ITEM 5: ELECTION OF DIRECTOR – JAMES DACK**

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

*“That James Dock, having been appointed as a Director of the Company since the last annual general meeting, and who retires from the office of Director in accordance with clause 16.6(b) of*

*the Company's Constitution and ASX Listing Rule 14.4, and, having offered himself for re-election and being eligible, be re-elected as a Director of the Company."*

#### **Board recommendation**

The Board (with James Dack abstaining due to his personal interest in the proposed resolution in Item 5) recommends that Shareholders vote in favour of the proposed resolution in Item 5.

### **ITEM 6: ELECTION OF DIRECTOR – THE HON TROY GRANT**

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

*"That the Hon Troy Grant, having been appointed as a Director of the Company since the last annual general meeting, and who retires from the office of Director in accordance with clause 16.6(b) of the Company's Constitution and ASX Listing Rule 14.4, and, having offered himself for re-election and being eligible, be re-elected as a Director of the Company."*

#### **Board recommendation**

The Board (with the Hon Troy Grant abstaining due to his personal interest in the proposed resolution in Item 6) recommends that Shareholders vote in favour of the proposed resolution in Item 6.

### **ITEM 7: ADOPTION OF PROPORTIONAL TAKEOVER PROVISIONS**

To consider and, if thought fit, pass the following resolution as a **special resolution** of the Company:

*"That the proportional takeover provisions contained in clause 12 of the Company's Constitution, not currently in effect, as at the date of this Notice of Meeting, be included as Clause 12 in the Company's Constitution for a period of three years, with effect from the close of the Meeting."*

#### **Board recommendation**

The Board unanimously recommends that Shareholders vote in favour of the proposed resolution in item 7.

### **ITEM 8: APPROVAL OF ISSUE OF SHARES TO JAMES DACK, EXECUTIVE DIRECTOR OF THE COMPANY UNDER THE MAGNIS ENERGY TECHNOLOGIES LTD EMPLOYEE SHARE TRUST, TO BE HELD ON HIS BEHALF BY THE MAGNIS EMPLOYEE SHARE TRUST IN ACCORDANCE WITH HIS EMPLOYMENT AGREEMENT**

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

*"To approve for all purposes, including ASX Listing Rule 10.14, that the Magnis Technologies Ltd Employee Share Trust be issued 20,000,000 Shares in the Company to be held in escrow on behalf of James Dack, Executive Director, in accordance with the terms of his employment agreement and pursuant to the rules of the Magnis Energy Technologies Ltd Employee Share Trust."*

#### **Board recommendation**

The Board (with James Dack abstaining due to his personal interest in the proposed resolution in Item 8) recommends that shareholders vote in favour of the proposed resolution in Item 8.

#### **Voting Exclusion Statement**

In accordance with ASX Listing Rule 14.11, the Company will disregard any votes cast in favour of the above resolution by or on behalf Mr James Dack or an Associate of Mr James Dack.

However, this does not apply to a vote cast in favour of the resolution by:

- (a) a person as 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 Chairman as proxy or attorney for a person who is entitled to vote on the resolution, in accordance with a direction given to the Chairman to vote on the resolution as the Chairman 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.

## **ITEM 9: APPROVAL OF ISSUE OF SHARES TO JAMES DACK**

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

*“To approve for all purposes, including ASX Listing Rule 10.11, the issue of 2,941,176 Shares in the Company to James Dack, who subscribed for such Shares in the placement that was completed by the Company on 4 September 2020.”*

### **Board recommendation**

The Board (with James Dack abstaining) recommends that Shareholders vote in favour of the proposed resolution in Item 9.

### **Voting Exclusion Statement**

In accordance with ASX Listing Rule 14.11, the Company will disregard any votes cast in favour of the above resolution by or on behalf Mr James Dack or an Associate of Mr James Dack.

However, this does not apply to a vote cast in favour of the resolution by:

- (d) a person as 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
- (e) the Chairman as proxy or attorney for a person who is entitled to vote on the resolution, in accordance with a direction given to the Chairman to vote on the resolution as the Chairman decides; or
- (f) a holder acting solely in a nominee, trustee, custodial or other fiduciary capacity on behalf of a beneficiary provided the following conditions are met:
  - (iii) 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
  - (iv) the holder votes on the resolution in accordance with directions given by the beneficiary to the holder to vote in that way.

## **ITEM 10: RATIFICATION OF PRIOR ISSUE OF SHARES TO NEGMA GROUP LTD WHICH WERE ISSUED IN CONNECTION WITH THE PLACEMENT UNDERTAKEN BY THE COMPANY IN OCTOBER 2019, NOVEMBER 2019, JANUARY 2020 AND APRIL 2020**

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



*“That for all purposes, including ASX Listing Rule 7.4, Shareholders ratify the prior issue of a total of 33,870,225 Shares to Negma Group Ltd which were progressively issued to Negma Group Ltd pursuant to an institutional placement of the Company undertaken in October 2019, November 2019, January 2020 and April 2020 upon the terms and conditions described in the Explanatory Memorandum.”*

#### **Board recommendation**

The Board recommends that Shareholders vote in favour of the proposed resolution in Item 10.

#### **Voting Exclusion Statement**

In accordance with ASX Listing Rule 14.11, the Company will disregard any votes cast in favour of the proposed resolution in Item 10 by or on behalf of Negma Group Ltd or any of its Associates.

However, this does not apply to a vote cast in favour of the resolution by:

- (a) a person as 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 Chairman as proxy or attorney for a person who is entitled to vote on the resolution, in accordance with a direction given to the Chairman to vote on the resolution as the Chairman 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.

#### **ITEM 11: RATIFICATION PRIOR ISSUE OF SHARES UNDER INSTITUTIONAL PLACEMENT UNDERTAKEN IN JUNE 2020**

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

*“That for all purposes, including ASX Listing Rule 7.4, Shareholders ratify the prior issue of 11,200,000 Shares to institutional investors pursuant to the Company's June 2020 institutional placement upon the terms and conditions described in the Explanatory Memorandum.”*

#### **Board recommendation**

The Board recommends that Shareholders vote in favour of the proposed resolution in Item 11.

#### **Voting Exclusion Statement**

In accordance with ASX Listing Rule 14.11, the Company will disregard any votes cast in favour of the proposed resolution in Item 11 by or on behalf of a person who participated in the June 2020 institutional placement or any of their Associates.

However, this does not apply to a vote cast in favour of the resolution by:

- (a) a person as 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 Chairman as proxy or attorney for a person who is entitled to vote on the resolution, in accordance with a direction given to the Chairman to vote on the resolution as the Chairman 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.

## **ITEM 12: RATIFICATION OF PRIOR ISSUE OF SHARES UNDER INSTITUTIONAL PLACEMENT UNDERTAKEN IN JUNE 2020**

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

*“That for all purposes, including ASX Listing Rule 7.4, Shareholders ratify the prior issue of 8,800,000 Shares to institutional investors pursuant to the Company's June 2020 institutional placement upon the terms and conditions described in the Explanatory Memorandum.”*

### **Board recommendation**

The Board recommends that Shareholders vote in favour of the proposed resolution in Item 12.

### **Voting Exclusion Statement**

In accordance with ASX Listing Rule 14.11, the Company will disregard any votes cast in favour of the proposed resolution in Item 12 by or on behalf of a person who participated in June 2020 institutional the placement or any of their Associates.

However, this does not apply to a vote cast in favour of the resolution by:

- (a) a person as 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 Chairman as proxy or attorney for a person who is entitled to vote on the resolution, in accordance with a direction given to the Chairman to vote on the resolution as the Chairman 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.

## **ITEM 13: RATIFICATION OF PRIOR ISSUE OF SHARES UNDER INSTITUTIONAL PLACEMENT UNDERTAKEN IN SEPTEMBER 2020**

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

*“That for all purposes, including ASX Listing Rule 7.4, Shareholders ratify the prior issue of 42,058,577 Shares to institutional investors pursuant to the Company's September 2020 institutional placement upon the terms and conditions described in the Explanatory Memorandum.”*

### **Board recommendation**

The Board recommends that Shareholders vote in favour of the proposed resolution in Item 13.

### **Voting Exclusion Statement**

In accordance with ASX Listing Rule 14.11, the Company will disregard any votes cast in favour of the proposed resolution in Item 13 by or on behalf of a person who participated in the September 2020 institutional placement or any of their Associates.

However, this does not apply to a vote cast in favour of the resolution by:

- (a) a person as 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 Chairman as proxy or attorney for a person who is entitled to vote on the resolution, in accordance with a direction given to the Chairman to vote on the resolution as the Chairman 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.

### **ITEM 14: APPROVAL OF ISSUE OF PERFORMANCE SHARES TO FRANK POUILLAS**

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

*"To approve for all purposes, including ASX Listing Rule 10.11, Frank Poullas be issued 2,500,000 performance shares in the Company on the terms and conditions described in the Explanatory Memorandum."*

#### **Board recommendation**

The Board (with Frank Poullas abstaining due to his personal interest in this resolution) recommends that Shareholders vote in favour of this resolution.

### **Voting Exclusion Statement**

In accordance with ASX Listing Rule 14.11, the Company will disregard any votes cast in favour of the above resolution by or on behalf of Frank Poullas or an Associate of Frank Poullas.

However, this does not apply to a vote cast in favour of the resolution by:

- (a) a person as 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 Chairman as proxy or attorney for a person who is entitled to vote on the resolution, in accordance with a direction given to the Chairman to vote on the resolution as the Chairman 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.

## ITEM 15: APPROVAL OF ISSUE OF PERFORMANCE SHARES TO PETER TSEGAS

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

*“To approve for all purposes, including ASX Listing Rule 10.11, Peter Tsegas be issued 2,500,000 performance shares in the Company on the terms and conditions described in the Explanatory Memorandum.”*

### Board recommendation

The Board (with Peter Tsegas abstaining due to his personal interest in this resolution) recommends that Shareholders vote in favour of this resolution.

### Voting Exclusion Statement

In accordance with ASX Listing Rule 14.11, the Company will disregard any votes cast in favour of the above resolution by or on behalf of Peter Tsegas or an Associate of Peter Tsegas.

However, this does not apply to a vote cast in favour of the resolution by:

- (a) a person as 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 Chairman as proxy or attorney for a person who is entitled to vote on the resolution, in accordance with a direction given to the Chairman to vote on the resolution as the Chairman 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.

## ITEM 16: APPROVAL OF ISSUE OF PERFORMANCE SHARES TO PROFESSOR STANLEY WHITTINGHAM

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

*“To approve for all purposes, including ASX Listing Rule 10.11, Professor Stanley Whittingham be issued 2,500,000 performance shares in the Company on the terms and conditions described in the Explanatory Memorandum.”*

### Board recommendation

The Board (with Professor Stanley Whittingham abstaining due to his personal interest in this resolution) recommends that Shareholders vote in favour of this resolution.

### Voting Exclusion Statement

In accordance with ASX Listing Rule 14.11, the Company will disregard any votes cast in favour of the above resolution by or on behalf of Professor Stanley Whittingham or an Associate of Professor Stanley Whittingham.

However, this does not apply to a vote cast in favour of the resolution by:

- (a) a person as 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 Chairman as proxy or attorney for a person who is entitled to vote on the resolution, in accordance with a direction given to the Chairman to vote on the resolution as the Chairman 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.

## **ITEM 17: APPROVAL OF ISSUE OF PERFORMANCE SHARES TO JAMES DACK**

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

*“To approve for all purposes, including ASX Listing Rule 10.11, James Dack be issued 2,500,000 performance shares in the Company on the terms and conditions described in the Explanatory Memorandum.”*

### **Board recommendation**

The Board (with James Dack abstaining due to his personal interest in this resolution) recommends that Shareholders vote in favour of this resolution.

### **Voting Exclusion Statement**

In accordance with ASX Listing Rule 14.11, the Company will disregard any votes cast in favour of the above resolution by or on behalf of James Dack or an Associate of James Dack.

However, this does not apply to a vote cast in favour of the resolution by:

- (a) a person as 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 Chairman as proxy or attorney for a person who is entitled to vote on the resolution, in accordance with a direction given to the Chairman to vote on the resolution as the Chairman 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.

## **ITEM 18: APPROVAL OF ISSUE OF PERFORMANCE SHARES TO THE HON TROY GRANT**

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

*“To approve for all purposes, including ASX Listing Rule 10.11, the Hon Troy Grant be issued 2,500,000 performance shares in the Company on the terms and conditions described in the Explanatory Memorandum.”*

## **Board recommendation**

The Board (with the Hon Troy Grant abstaining due to his personal interest in this resolution) recommends that Shareholders vote in favour of this resolution.

## **Voting Exclusion Statement**

In accordance with ASX Listing Rule 14.11, the Company will disregard any votes cast in favour of the above resolution by or on behalf of the Hon Troy Grant or an Associate of the Hon Troy Grant.

However, this does not apply to a vote cast in favour of the resolution by:

- (a) a person as 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 Chairman as proxy or attorney for a person who is entitled to vote on the resolution, in accordance with a direction given to the Chairman to vote on the resolution as the Chairman 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.

# How to vote

## Entitlement to Vote

In accordance with Regulation 7.11.37 of the *Corporations Regulations 2001* (Cth), the Board has determined that persons who are registered holders of Shares of the Company as at 7:00pm (Sydney, Australia time) on Saturday, 28 November 2020 will be entitled to attend and vote at the AGM as a Shareholder.

On a poll, Shareholders have one vote for every Share (subject to the restrictions on voting referred to below).

If more than one joint holder of Shares is present at the AGM (whether personally, by proxy or by attorney or by representative) and tenders a vote, only the vote of the joint holder whose name appears first on the register will be counted.

If you are attending the AGM, please bring your personalised Proxy Form to allow the Company's Share Registry to promptly register your attendance at the AGM. The registration desk will be open from 8:45am.

If you are unable to attend the AGM in person, you may wish to appoint a proxy to attend and vote at the AGM in your place. Please refer to the Notice and Proxy Form regarding the appointment of a proxy. Shareholders who intend to participate and vote on a poll at the AGM must attend the AGM in person.

Shareholders who do not wish to vote during the AGM are encouraged to appoint the Chairman as proxy. Shareholders can complete the Proxy Form provided and give specific instructions on how their vote is to be exercised in respect of each item of business, and the Chairman must follow these instructions.

## All Resolutions will be by a Poll

Voting on each proposed resolution in respect of each item of business will be conducted by a poll. The Board considers voting by poll to be in the best interests of shareholders as a whole, as it enables the views of as many shareholders as possible are represented at the AGM.

## Voting by Proxy

Sections 250BB and 250BC of the Corporations Act apply to voting by proxy. Shareholders and their proxies should be aware of the requirements under the Corporations Act, as they will apply to this AGM. Broadly:

- (a) if proxy holders vote, they must cast all directed proxies as directed; and
- (b) any directed proxies which are not voted will automatically default to the Chairman of the AGM, who must vote the proxies as directed.

You should seek professional advice if you need any further information on this issue.

In accordance with section 249L of the Corporations Act, Shareholders are advised of the following:

- (a) a Shareholder entitled to attend and vote at the AGM has a right to appoint a proxy to attend and vote instead of the Shareholder. A proxy need not be a Shareholder and can be either an individual or a representative of a body corporate;
- (b) a Shareholder that 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 no proportion or number is specified, each proxy may exercise half of the Shareholder's votes; and
- (c) if an appointed proxy is not also the Chairman of the AGM, the proxy need not vote on a poll, however if the proxy does vote on a poll the proxy must vote as directed by the Shareholder. Where a poll is conducted and the proxy holder does not vote, the proxy appointment defaults

to the Chairman of the AGM to vote as directed. If the appointed proxy is the Chairman of the AGM, the proxy must vote on a poll in the manner directed by the Shareholder.

If you are a Shareholder entitled to attend and vote, you may appoint an individual or a body corporate as a proxy. If a body corporate is appointed as a proxy, that body corporate must ensure that it appoints a corporate representative in accordance with section 250D of the Corporations Act to exercise its powers as proxy at the AGM.

To be effective, the proxy must be received at the Share Registry of the Company no later than 9.30am (AEDT) on Saturday, 28 November 2020. Proxy Forms must be received before that time by one of the following methods:

**By Post:** c/- Link Market Services, Locked Bag A14  
Sydney South NSW 1235 Australia

**By Facsimile:** +61 2 9287 0309

**By Hand:** Level 12, 680 George St  
Sydney NSW 2000

To be valid, a proxy must be received by the Company in the manner stipulated above. The Company reserves the right to declare invalid any proxy not received in this manner.

### **Voting by Attorney**

A proxy form and the original power of attorney (if any) under which the proxy form is signed (or a certified copy of that power of attorney or other authority) must be received by the Share Registry of the Company no later than 9.30am (AEDT) on Saturday, 28 November 2020.

### **Corporate Representatives**

A body corporate who is a Shareholder, or which has been appointed as a proxy, is entitled to appoint any person to act as its representative at the AGM. The appointment of the representative must comply with the requirements of section 250D of the Corporations Act. The representative should bring to the AGM a properly executed letter or other document confirming its authority to act as the body corporate's representative.

### **Appointing the Chairman as your proxy**

A Shareholder may appoint the Chairman of the AGM as their proxy.

If a Shareholder appoints the Chairman of AGM as their proxy and does not direct the Chairman how to vote, or the Chairman is appointed as a proxy by default, the Shareholder will be expressly authorising the Chairman to exercise the proxy in respect of the relevant resolutions, even if the resolutions relate to the remuneration of the Company's KMP.

### **Voting intentions of the Chairman of the AGM**

The Chairman of the Meeting intends to vote all available proxies in favour of all resolutions in respect of all items of business.

By order of the Board



**Frank Giordano**  
**Company Secretary**  
30 October 2020



# Explanatory Memorandum

## MORE INFORMATION

### INTRODUCTION

This Explanatory Memorandum has been prepared for the information of Shareholders of Magnis and accompanies the Notice of Meeting to be held on Monday, 30 November 2020.

The purpose of this Explanatory Memorandum is to provide Shareholders with information that is reasonably required by Shareholders to decide how to vote upon the resolutions set out in the Notice and should be read in conjunction with the Notice.

### ITEM 1 - FINANCIAL STATEMENTS AND REPORTS

In accordance with section 317 of the Corporations Act, the Company is required to lay the Financial Report of the Company and its controlled entities (which includes the financial statements and the directors' declaration), the Directors' Report and Auditor's Report for the year ended 30 June 2020 before its Shareholders at its AGM.

Printed copies of the 2020 Annual Report have only been mailed to those Shareholders who have elected to receive a printed copy. We encourage all Shareholders to reconsider the use of printed materials, and encourage you to change your election to receive these electronically. Please update your preferences regarding election communications at [www.linkmarketservices.com.au](http://www.linkmarketservices.com.au)

Shareholders can access a copy of the Company's Financial Report, Directors' Report and the Auditor's Report for the year ended 30 June 2020 (which forms part of the Company's 2020 Annual Report) on the Company's website: <https://www.magnis.com.au/announcements/annual-reports>

There is no requirement under the Corporations Act or the Constitution for a formal resolution on this item of business and, as such, there will be no formal resolution put to the AGM. However, Shareholders will be provided with a reasonable opportunity to ask questions about, or make comments on, the Financial Report, the Directors' Report and the Independent Auditor's Report of the Company. Hall Chadwick Melbourne Audit, the Company's auditor, will have a representative attend the AGM and Shareholders will also be given the opportunity to ask the auditor's representative questions in respect of:

- (a) the conduct of the audit;
- (b) the preparation and content of the Auditor's Report;
- (c) the accounting policies adopted by the Company in relation to the preparation of financial statements; and
- (d) the independence of the auditor in relation to the conduct of the audit.

The Chairman will give the auditor's representative a reasonable opportunity to answer written questions submitted by Shareholders that are relevant to the content of the Independent Auditor's Report or the conduct of the audit. A list of written questions, if any, submitted by Shareholders will be made available at the start of the AGM and any written answer tabled by the auditor's representative at the AGM will be made available as soon as practicable after the AGM.

### ITEM 2 – APPOINTMENT OF AUDITOR

The Company's previous auditor, BDO East Coast Partnership, tendered its resignation on 22 July 2020. The Australian Securities & Investments Commission granted its consent to such resignation pursuant to a notification received on 22 July 2020.

Section 327C(1) of the Corporations Act provides that if:

- (a) a vacancy occurs in the office of auditor of a public company; and
- (b) the vacancy is not caused by the removal of an auditor from office; and
- (c) there is no surviving or continuing auditor of the company,

then the directors of the company must, within 1 month after the vacancy occurs, appoint an auditor to fill the vacancy unless the company at a general meeting has appointed an auditor to fill the vacancy.

Section 327C(2) of the Corporations Act further provides that any such auditor appointed to fill the vacancy holds office until the company's next annual general meeting.

Section 327B(1) of the Corporations Act also provides that a public company must appoint an auditor at its first annual general meeting and to fill any vacancy in the office of auditor at each subsequent annual general meeting.

In accordance with section 327C(1) of the Corporations Act, the Directors appointed Hall Chadwick Melbourne Audit as the Company's auditor on 6 August 2020 to fill the vacancy in the office of auditor until the next annual general meeting.

Accordingly, it is now necessary for the Company's Shareholders to pass an ordinary resolution approving the appointment of Hall Chadwick Melbourne Audit as the Company's auditor for the purposes of section 327B(1) of the Corporations Act, with such appointment being effective from the close of this Annual General Meeting.

### **Board recommendation**

The Directors unanimously recommend that Shareholders vote in favour of the appointment of the Auditor.

## **ITEM 3 – ADOPTION OF THE REMUNERATION REPORT**

Pursuant to section 250R(2) of the Corporations Act, the Company must put the adoption of its Remuneration Report to the vote at the AGM. The Remuneration Report is contained in the Directors' Report (within the Annual Report) for the year ended 30 June 2020 which sets out certain prescribed information relating to the remuneration of the Company's KMP (**Remuneration Report**) (including the Directors, the former CEO, and certain other members of the Company's senior management).

The Remuneration Report for the Company in respect of the year ended 30 June 2020, which is located on pages 28 to 34 of the 2020 Annual Report, sets out the remuneration policy of the Company and:

- outlines the remuneration arrangements for KMP of Magnis;
- explains Board policies regarding the nature and value of remuneration paid to KMP; and
- discusses the relationship between the policy and Company performance.

The Report is available in the Company's 2020 Annual Report, available on the Company's website: <https://www.magnis.com.au/announcements/annual-reports>

The Chairman of the Meeting will give shareholders a reasonable opportunity at the Meeting to ask questions about or make comments on the Remuneration Report.

The vote on the resolution for adoption of the Remuneration Report is advisory only and does not bind the Directors or the Company. However, the Board will take the outcome of the vote and discussion at the Annual General Meeting into account in setting the remuneration policy for future years.

If 25% or more of the votes that are cast are voted against the adoption of the Remuneration Report at two consecutive annual general meetings of the Company, 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 Company's Directors must stand for election. At the Company's 2019 annual general meeting, the votes cast by members against the adoption of the Company's Remuneration Report were less than 25%.

The Chairman of the Annual General Meeting will give Shareholders a reasonable opportunity at the Meeting to ask questions about or make comments on the Remuneration Report.

The Company encourages all Shareholders to cast their votes on the proposed resolution in Item 3. The Chairman of the AGM will vote all undirected proxies in favour of the proposed resolution in Item 3,

to the extent permitted by law. If you wish to vote “against” or “abstain” from voting on the proposed resolution in Item 3, you should mark the relevant box in the attached Proxy Form.

#### **Board recommendation**

As a matter of best practice corporate governance, the Directors abstain from making a recommendation in respect of the proposed resolution in Item 3.

### **ITEM 4 – RE-ELECTION OF DIRECTOR – PETER TSEGAS**

In accordance with clause 16.10(a) 16.10(a)(i) of the Constitution (and noting that no Directors are required to retire at this AGM under clause 16.10(a)(ii) of the Constitution given that they have all been re-appointed at annual general meetings of the Company within the last three years), Mr Peter Tsegas, being eligible, offers himself for re-election as a Director of the Company.

Mr Tsegas was appointed as a Director of the Company on 16 June 2015. Peter has over 20 years of experience in Tanzania where he’s been a resident for the past 15 years. He has worked to engage both the private and government sectors on a number of projects and was Managing Director of Tancoal Energy Ltd which he successfully took from an exploration company, to a JV with the Tanzanian government, and then into production.

#### **Board recommendation**

The Directors (with Mr Peter Tsegas abstaining due to his personal interest in the proposed resolution in Item 4) recommend that Shareholders vote in favour of the proposed resolution in Item 4.

### **ITEM 5 – ELECTION OF DIRECTOR – JAMES DACK**

Under clause 16.6 of the Constitution, the Directors may at any time appoint any person to be a Director to either fill a casual vacancy or as an addition to the existing Directors. Any Director so appointed must retire at the next following annual general meeting and will be eligible for re-election at that meeting.

Mr Dack was appointed as an addition to the existing Directors of the Company on 15 June 2020, following the last annual general meeting of the Company held on 31 October 2019. Accordingly, Mr Dack must retire at the Annual General Meeting and is eligible for re-election as a Director of the Company at the Annual General Meeting.

Mr Dack has had an illustrious business career in government, private and public enterprises. He experienced a spectacular rise in the public sector, where he started his career as a porter at St Vincent’s Hospital, before advancing his way to being responsible for co-ordinating the entire NSW Public Hospital Payroll System in the Industrial Relations Division of the Department of Health. In the late 1980s, he started in the real estate industry as a founding partner in one of the most successful and recognised real estate agency brands in Australia.

Following his success, Mr Dack left the real estate industry in 2014 to pursue other ventures, and began his own private investment company, where he has taken a large position in many entities including public companies listed locally and overseas. James also sits on the board of directors for the Police Citizens Youth Clubs NSW (PCYC), an organisation that he has been involved with for more than 40 years. During his time with the PCYC, James has had many roles which have helped the community and those in need.

#### **Board recommendation**

The Directors (with Mr James Dack abstaining due to his personal interest in the proposed resolution in Item 5) recommend that Shareholders vote in favour of the proposed resolution in Item 5.

### **ITEM 6 – ELECTION OF DIRECTOR - THE HON TROY GRANT**

Under clause 16.6 of the Constitution, the Directors may at any time appoint any person to be a Director to either fill a casual vacancy or as an addition to the existing Directors. Any Director so appointed must retire at the next following annual general meeting and will be eligible for re-election at that meeting.

The Hon Troy Grant was appointed as an addition to the existing Directors on 23 June 2020, following the last annual general meeting of the Company held on 31 October 2019. Accordingly, the Hon Troy Grant must retire at the Annual General Meeting and is eligible for re-election as a Director of the Company at the Annual General Meeting.

The Hon Troy Grant has built a phenomenal 30 year career of distinguished, decorated and accomplished public service to the people of New South Wales across government, law enforcement, emergency services, social justice, community, and charitable endeavours.

The Hon Troy Grant became the State's youngest person to hold the position as Deputy Premier of New South Wales in 2014, joining then Premier of New South Wales, Mike Baird, in transforming the NSW economy and in directing record investment into NSW regional areas. During his Parliamentary career, he served across several Ministerial portfolios drawing record investment and change in Police, Emergency Services, Justice, Hospitality, Gaming & Racing, and the Arts. In addition, he also served as the Minister for Trade & Investment, Regional Infrastructure & Services, & Tourism and Major Events.

Following a distinguished career in public service, Troy established a successful consulting & advisory firm in 2019, where he is currently contracted as a strategic advisor to a big four auditing firm, a world leading technology company, and adding to an already impressive list of clients, he has been sought to lead resourcing projects for a number of State Governments across Australia. Troy is currently the Chairman of Racing NSW's Integrity Assurance Committee and Deputy Chairman of International Rugby League Ltd. He has recently been appointed as a Conjoint Professor of Practice in Public Administration with the University of Newcastle.

#### **Board recommendation**

The Directors (with the Hon Troy Grant abstaining due to his personal interest in the proposed resolution in Item 6) recommend that Shareholders vote in favour of the proposed resolution in Item 6.

### **ITEM 7: ADOPTION OF PROPORTIONAL TAKEOVER PROVISIONS**

In accordance with section 648G of the Corporations Act, the proportional takeover provisions contained in clause 12 of the Company's Constitution as at the date of this Notice of Meeting do not apply as they have not yet been adopted by the Company. Accordingly, it has become necessary to adopt clause 12 of the Company's Constitution for a period of three years, with effect from the close of the meeting.

#### **Background**

Under the Corporations Act, a company may include provisions in its constitution dealing with proportional takeover bids for the company's shares (known as proportional takeover provisions). Under such provisions, registration of a transfer of shares under a proportional takeover bid is prohibited unless and until a resolution to approve the bid is passed in accordance with the provisions. A proportional takeover bid is an off-market takeover bid sent to each of the Company's shareholders but only in respect of a specified proportion (ie less than 100%) of their shares in the Company.

The Company's Constitution currently includes (in clause 12) proportional takeover provisions. In accordance with the Corporations Act, these provisions do not currently apply as they have not previously been adopted nor renewed.

The proportional takeover provisions are designed to assist Shareholders to receive proper value for their shares if a proportional takeover bid is made for the Company. Accordingly, the directors consider that it is in the interests of Shareholders to adopt those provisions. If the proposed resolution in Item 6 is passed, proportional takeover provisions (on the same terms as existing clause 12 of the Company's Constitution) will be adopted for a period of three years from the time the resolution is passed in accordance with clause 12.1(j) of the Constitution.

The Corporations Act requires that the following information be provided to shareholders when they are considering the adoption of the proportional takeover provisions in a company's constitution.

#### **Effect**

If adopted, the effect of the proportional takeover provisions would be as follows:

If a proportional takeover bid is made for shares in the Company, the Directors would be required to ensure that a resolution to approve the bid is voted on, at a meeting of the holders of the class of shares for which the bid is being made, before the 14<sup>th</sup> day before the last day of the bid period ('the approving resolution deadline'). The resolution will be passed if more than 50% of votes are cast in favour of the resolution, and will otherwise be taken to be rejected. The bidder and its associates are not allowed to vote on the resolution. Each other person who, as at the end of the day on which the first offer under the bid was made, held bid class shares is entitled to vote on the resolution. If no such resolution is voted on before the approving resolution deadline, a resolution approving the takeover bid is taken to have been passed.

If a resolution to approve the bid is voted on before the approving resolution deadline and rejected, then all binding contracts resulting from acceptances of offers made under the bid are required to be rescinded by the bidder, and all unaccepted offers (and offers failing to result in binding contracts) are taken to have been withdrawn.

If a resolution approving the bid is passed or taken to have been passed, the transfers resulting from the bid may be registered, provided that they comply with other applicable provisions of the Corporations Act and the Company's Constitution.

The proportional takeover provisions would not apply to full takeover offers or to takeover offers for a class of securities other than shares. The provisions would apply until three years after the date of their adoption and then may be renewed for a further term of three years by a special resolution passed at a general meeting of the Company.

### **Reasons**

A proportional takeover bid may enable control of the Company to pass without Shareholders having the opportunity to sell all of their shares to the bidder. Shareholders may be exposed to the risk of being left as minority Shareholders in the Company and of the bidder being able to acquire control of the Company without payment of an adequate premium for their shares.

The proportional takeover provisions in the Company's Constitution lessen this risk because they allow Shareholders collectively to decide whether a proportional takeover bid is acceptable (in principle) and should be permitted to proceed.

### **No knowledge of any acquisition proposals**

As at the date of this notice, no Director of the Company is aware of any proposal by any person to acquire, or to increase the extent of, a substantial interest in the Company.

### **Review of effect of current proportional takeover approval provisions**

The Corporations Act requires that shareholders be given a statement that retrospectively examines the advantages and disadvantages, for directors and shareholders of the proportional takeover provisions proposed to be adopted. Such a statement follows:

During the period that the proportional takeover provisions have not been in effect under Clause 12 of the Company's Constitution, there have been no takeover bids for shares in the Company, either proportional or otherwise. Accordingly, there are no actual examples against which to review the advantages or disadvantages of those proportional takeover provisions for the directors and shareholders of the Company. The Directors are not aware of any potential takeover bid that has been discouraged by the non-inclusion of the proportional takeover provisions in the Company's Constitution. It follows that the Directors are not aware of any advantages or disadvantages of the proportional takeover provisions in the past.

### **Potential advantages and disadvantages of adopting proportional takeover provisions**

As well as a retrospective review of the provisions proposed to be adopted, the Corporations Act requires that the shareholders be given a statement of the potential future advantages and disadvantages of the provisions.

The Company's Directors consider that the proposed adoption of the proportional takeover provisions has no potential advantages or potential disadvantages for Directors because they remain to make

recommendations on whether a resolution approving a proportional takeover bid should be passed and whether offers under the bid should be accepted.

The potential advantages of the proposed proportional takeover provisions for Shareholders are:

- they give Shareholders the right to decide by majority vote whether a proportional takeover bid should proceed;
- they may assist the Shareholders to avoid being locked in as a relatively powerless minority;
- they increase Shareholders' bargaining power and may assist in ensuring that any proportional bid is adequately priced;
- knowing the view of the majority of Shareholders may assist each individual Shareholder to assess the likely outcome of the proportional takeover bid and decide whether to accept or reject an offer made under the bid.

Some potential disadvantages of the proposed proportional takeover provisions for Shareholders of the Company are that:

- the provisions impose a hurdle to, and may discourage the making of, proportional takeover bids for shares in the Company;
- this hurdle may depress the price of shares in the Company or deny Shareholders an opportunity to sell their shares at a premium; and
- the provisions may reduce the likelihood of a proportional takeover bid for shares in the Company being successful.

However, the Company's Directors do not believe that these or any other possible disadvantages outweigh the potential advantages of adopting the proportional takeover provisions for a period of three years.

### **Voting requirements**

The proposed resolution in Item 7 is required by the Corporations Act to be passed by a special resolution. A special resolution must be passed by at least 75% of the votes cast by shareholders who are entitled to vote.

### **Board Recommendation**

The Directors of the Company unanimously recommend that Shareholders vote in favour of the proposed resolution in item 7.

## **ITEM 8 – APPROVAL OF ISSUE OF SHARES TO JAMES DACK, EXECUTIVE DIRECTOR OF THE COMPANY, UNDER THE MAGNIS ENERGY TECHNOLOGIES LTD EMPLOYEE SHARE TRUST, TO BE HELD ON HIS BEHALF BY THE MAGNIS EMPLOYEE SHARE TRUST IN ACCORDANCE WITH HIS EMPLOYMENT AGREEMENT**

Pursuant to the Employment Services Agreement between the Company and James Dack dated 11 June 2020 (**Agreement**), James was employed by the Company with a commencement date of 15 June 2020 in the role of Executive Director. The Agreement provides that subject to shareholder approval at the next annual general meeting or extraordinary general meeting (whichever comes first), James Dack will be entitled to 20,000,000 Shares (**Dack Shares**) in the Company to be issued to him pursuant to the rules of the Magnis Energy Technologies Ltd Employee Share Trust (**Plan**) to be held on his behalf by the Magnis Technologies Ltd Employee Share Trust (**Magnis Employee Share Trust**). The Dack Shares will have a three-year escrow period from the date that they are issued.

The removal of the escrow restrictions on the Dack Shares, if the issue of the Dack Shares is approved by Shareholders, will be conditional upon James serving a full two consecutive year period being employed by the Company. If the position of Executive Director becomes redundant or in the case of a change in control of the Company's ownership, James will still be entitled to the Dack Shares if approved by Shareholders at this AGM.

The Dack Shares will be housed in the Magnis Employee Share Trust and will be subject to the terms and conditions of the Agreement and the rules of the Plan (**Plan Rules**).

ASX Listing Rule 10.14 provides that a listed company must not issue or agree to issue equity securities to:

- (a) a director of the company;
- (b) an associate of a director of the company; or
- (c) a person whose relationship with the company or a person referred to in ASX Listing Rules 10.14.1 to 10.14.2 is such that, in ASX's opinion, the issue or agreement should be approved by its shareholders,

unless it obtains the approval of its shareholders.

The issue of the Dack Shares under the Plan to be held on trust for James Dack in the Magnis Employee Share Trust, being an issue of Shares to a Director of the Company, requires the approval of the Company's Shareholders under ASX Listing Rule 10.14.

The resolution in Item 8 seeks the required Shareholder approval of the issue of the Dack Shares to James Dack (which will be held on his behalf in the Magnis Employee Share Trust) under and for the purposes of ASX Listing Rule 10.14.

If the resolution in Item 8 is passed, the Company will be able to proceed with the issue of the Dack Shares to James Dack (which will be held on his behalf in the Magnis Employee Share Trust) and which will be escrowed for a period of three years with the removal of the escrow restrictions on the Dack Shares being conditional upon James Dack serving a full two consecutive year period being employed by the Company.

If the resolution in Item 8 is not passed, the Company will not be able to proceed with the issue of the Dack Shares to James Dack.

#### Specific information required by ASX Listing Rule 10.15

<b>Name of the person</b>	The Company is proposing to issue 20,000,000 Shares to James Dack under the Plan which, on issue, will be held on trust for James Dack in the Magnis Employee Share Trust.
<b>Which category in ASX Listing Rule 10.14.1 – 10.14.3 the person falls within and why</b>	James Dack is a Director of the Company and therefore falls within the category of persons specified in ASX Listing Rule 10.14.1.
<b>The number and class of securities proposed to be issued to the person under the employee incentive scheme</b>	20,000,000 fully paid ordinary shares are proposed to be issued under the Plan Rules (which will be held on trust for James Dack in the Magnis Employee Share Trust), subject to him serving a full two consecutive year period being employed by the Company.
<b>If the securities are not fully paid ordinary securities, a summary of the material terms of the securities, an explanation of why that type of security is being used and the value the company attributes to that security and its basis</b>	The securities to be issued in respect of James Dack to the Magnis Employee Share Trust are fully paid ordinary shares in the Company.
<b>The number of securities that have previously been issued to the person under the employee share scheme and the average acquisition price (if any) paid by the person for those securities</b>	No securities have previously been issued to James Dack under the Plan
<b>The date or dates on or by which the entity will issue the securities to the person under the employee share scheme, which must not</b>	The Company will issue the Dack Shares to James Dack (which will be held by the Magnis Employee Share Trust, on behalf of James Dack), as soon as practicable after the AGM and

<b>be more than three years month after the date of the meeting</b>	in any event no later than one month after the AGM
<b>The price or other consideration the entity will receive for the issue</b>	The Company will receive nil consideration for the issue of the Dack Shares to James Dack as the Dack Shares are being issued to James Dack in consideration for the services provided by him to the Company as an Executive Director of the Company.
<b>A summary of the material terms of the employee share scheme</b>	A summary of the key terms and key rules of the Magnis Energy Technologies Ltd Employee Share Trust which was adopted by the Board on 28 October 2020 is set out in Annexure A to this Explanatory Memorandum.
<b>A summary of the material terms of any loan that will be made to the person in relation to the acquisition of securities</b>	No loan will be made available to James Dack in connection with the issue of the Dack Shares to James Dack
<b>If the person is a director under ASX Listing Rule 10.14.1, or an associate of or person connected with, a director under ASX Listing Rules 10.14.2 or 10.14.3, and the issue is intended to remunerate or incentivise the director, details (including the amount) of the director's current total remuneration package</b>	<p>The issue is intended to remunerate or incentivise James Dack and as such details (including the amount) of James Dack's current total remuneration package are as follows:</p> <ul style="list-style-type: none"> <li>James Dack is entitled to gross salary (inclusive of superannuation) of A\$300,000 per annum.</li> <li>James Dack is entitled to a once-off sign-on bonus of A\$380,000 (<b>Sign-on Fee</b>) in connection with his agreement to commence employment with the Company. The Sign-on Fee will be required to be repaid to the Company if James Dack ceases to be employed by the Company prior to 15 June 2021.</li> <li>James Dack will also receive the Dack Shares in the event that the resolution in this Item 8 is approved by Shareholders.</li> </ul>
<b>A voting exclusion statement</b>	A voting exclusion statement has been included in this Notice of Meeting for the resolution in this Item 8

Details of any securities issued under the 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 Shareholder approval was obtained for the issue under ASX Listing Rule 10.14, Additional persons covered by ASX Listing Rule 10.14 who become entitled to participate in an issue of securities under the Plan after the resolution in this item 8 has been approved by Shareholders and who were not named in this Notice of Meeting will not participate in such an issue until Shareholder approval for the issue has been obtained for the purposes of ASX Listing Rule 10.14.

#### **Board recommendation**

The Directors (with James Dack abstaining due to his personal interest in the proposed resolution in Item 8) recommend that Shareholders vote in favour of the proposed resolution in Item 8.

## **ITEM 9 – APPROVAL OF ISSUE OF SHARES TO JAMES DACK**

#### **Background**



The Company announced on 4 September 2020 that it had received commitments from institutional, professional and sophisticated investors for the placement of 45,000,000 Shares in the Company at an issue price of \$0.17 per Share (**September 2020 Placement**). Subject to Shareholder approval at the AGM, James Dack subscribed for \$500,000 worth of Shares, being 2,941,176 Shares under the September 2020 Placement.

ASX Listing Rule 10.11 provides that unless one of the exceptions in ASX Listing Rule 10.12 applies, a listed company must not issue or agree to issue equity securities to:

- (a) a related party of the company;
- (b) a person who is, or was at any time in the 6 months before the issue or agreement, a substantial (30%+) holder in the company;
- (c) a person who is, or was at any time in the 6 months before the issue or agreement, a substantial (10%+) holder in the company and who has nominated a director to the board of the company pursuant to a relevant agreement which gives them a right or expectation to do so;
- (d) an associate of a person referred to in Listing Rules 10.11.1 to 10.11.3; or
- (e) a person whose relationship with the company or a person referred to in ASX Listing Rules 10.11.1 to 10.11.4 is such that, in ASX's opinion, the issue or agreement should be approved by its shareholders,

unless it obtains the approval of its shareholders.

The proposed issue of 2,941,176 Shares to James Dack falls within ASX Listing Rule 10.11.1 and does not fall within any of the exceptions in ASX Listing Rule 10.12. It therefore requires the approval of the Company's Shareholders under ASX Listing Rule 10.11

The resolution in Item 9 seeks the required Shareholder approval to issue 2,941,176 Shares to James Dack under and for the purposes of ASX Listing Rule 10.11.

If the resolution in Item 9 is passed, the Company will be able to proceed with the issue of 2,941,176 Shares to James Dack and James Dack will be issued with such Shares.

If the resolution in Item 9 is not passed, the Company will not be able to proceed with the issue of 2,941,176 Shares to James Dack and James Dack will not be issued with such Shares.

#### **Specific information required by ASX Listing Rule 10.13**

<b>Name of the person</b>	The 2,941,176 Shares are being issued to James Dack
<b>Which category in ASX Listing Rule 10.11.1 – 10.11.5 the person falls within and why</b>	James Dack falls within ASX Listing Rule 10.11.1 because he is a Director and therefore a related party of the Company
<b>The number and class of securities to be issued to the person</b>	2,941,176 fully paid ordinary shares in the Company are to be issued to James Dack
<b>If the securities are not fully paid ordinary securities, a summary of the material terms of the securities</b>	The 2,941,176 Shares to be issued to James Dack are fully paid ordinary shares in the Company
<b>The date or dates on or by which the entity will issue the securities, which must not be more than 1 month after the date of the meeting</b>	The Company proposes to issue the 2,941,176 Shares to James Dack as soon as practicable after the AGM and in any event no later than one month after the AGM, subject to Shareholder approval being obtained for the issue of such Shares to Jack Dack at this AGM
<b>The price or other consideration the entity will receive for the issue</b>	The Company will receive aggregate consideration of \$500,000 from James Dack as consideration for the issue of the 2,941,176

	Shares to James Dack, at an issue price per Share of \$0.17.
<b>The purpose of the issue, including the intended use of any funds raised by the issue</b>	The 2,941,178 Shares are to be issued to James Dack in connection with the September 2020 Placement. The funds raised by the issue of the 2,941,176 Shares were be used to progress battery manufacturing and technology programs and for working capital.
<b>If the person is a director and therefore a related party under ASX Listing Rule 10.11.1, or an associate of or person connected with, a director under ASX Listing Rules 10.11.4 or 10.11.5, and the issue is intended to remunerate or incentivise the director, details (including the amount) of the director's current total remuneration package</b>	The issue of 2,941,176 Shares to James Dack is not intended to remunerate or incentivise James Dack.
<b>If the securities are issued under an agreement, a summary of any other material terms of the agreement</b>	The 2,941,176 Shares are being issued pursuant to the September 2020 Placement and are not being issued to James Dack under an agreement.
<b>A voting exclusion statement</b>	A voting exclusion statement has been included in this Notice of Meeting for the resolution in this Item 9.

#### Board recommendation

The Directors (with James Dack abstaining) recommend that Shareholders vote in favour of the proposed resolution in Item 9.

#### ITEM 10: RATIFICATION OF PRIOR ISSUE OF SHARES TO NEGMA GROUP LTD WHICH WERE ISSUED IN CONNECTION WITH THE PLACEMENT UNDERTAKEN BY THE COMPANY IN OCTOBER 2019, NOVEMBER 2019, JANUARY 2020 AND APRIL 2020

##### Background

On 27 September 2019, the Company announced that it had that it had secured \$8 million in funding from Middle East based Negma Group Ltd (**Negma**), to be provided by Negma over the course of 12 months with a maximum monthly subscription of \$700,000. Further, as set out in the ASX announcement of 27 September 2019:

- the price of the Shares to be issued would be at an 8% discount to the previous ten day Volume Weighted Average Price (**VWAP**);
- the Company had the flexibility to call the monthly amounts and can cancel the agreement at any stage without a penalty;
- an option for an additional \$4 million subscription was on offer at the same terms; and
- the funds would be used for working capital and advancing all projects.

The key terms of Negma's subscription are set out below.

- **Subscriber:** Negma.
- **Maximum committed capital:** \$8,000,000.
- **Commitment fee:** A commitment fee of 5% of maximum committed capital equal to \$400,000 payable to Negma in the form of Shares at \$100,000 per month for the first 4 months of the overall subscription.

- **Subscription date:** Shares were to be subscribed for by Negma on the first day of each month.
- **Shares to be issued on subscription:** the number of Shares issued to Negma on each subscription date was determined using a price that was an 8% discount to the ASX VWAP of Shares during the 10 trading days immediately prior to the date of receipt of the subscription notice from Negma.

The following Shares have been issued to Negma pursuant to the above arrangements.

- 4,708,550 Shares were issued on 15 October 2019;
- 7,219,532 Shares were issued on 21 November 2019;
- 8,480,605 Shares were issued on 24 January 2020; and
- 13,461,538 Shares were issued on 22 April 2020,

(the 33,870,225 Shares issued to Negma are collectively referred to as the **Negma Placement Shares**), each of which were issued utilising the Company's available placement capacity under ASX Listing Rule 7.1.

#### **Description of ASX Listing Rules 7.1 and 7.4**

Broadly speaking and, subject to a number of exceptions, ASX Listing 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 shares it had on issue at the start of that period.

ASX Listing Rule 7.4 provides an exception to ASX Listing Rule 7.1. It provides that where a company in general meeting ratifies previous issues of securities made pursuant to ASX Listing Rule 7.1 (and provided that the previous issues did not breach ASX Listing Rule 7.1), those securities will be deemed to have been made with shareholder approval for the purpose of ASX Listing Rule 7.1.

The issue of the Negma Placement Shares do not fall within any of the exceptions to ASX Listing Rule 7.1, and as the issue of the Negma Placement Shares has not yet been approved by Shareholders, they effectively use up part of the Company's available placement capacity in ASX Listing Rule 7.1, thereby reducing the Company's capacity to issue further equity securities without Shareholder approval under ASX Listing Rule 7.1 for the 12 month period following the issue date of the Negma Placement Shares.

The effect of Shareholders passing the resolution in Items 10 will be to allow the Company to retain the flexibility to issue equity securities in the future up to the 15% placement capacity set out in ASX Listing Rule 7.1 without the requirement to obtain prior Shareholder approval.

If the resolution in Items 10 is not passed, the Negma Placement Shares will continue to be included in the Company's 15% limit under ASX Listing Rule 7.1, effectively decreasing the number of equity securities the Company can issue or agree to issue without obtaining prior Shareholder approval to the extent of 33,870,225 Shares for the 12 month period following the issue of the Negma Placement Shares.

Accordingly, the proposed resolution in respect of Item 10 seeks Shareholder ratification for the Negma Placement Shares that were issued to Negma without prior Shareholder approval.

The resolution in Item 10 is an ordinary resolution.

#### **Information required by ASX Listing Rule 7.5 for**

For the purposes of ASX Listing Rule 7.5, the following information is provided in respect of the Negma Placement Shares.

<b>Names of the persons to whom the entity issued or agreed to issue the securities or the basis on which those persons were identified or selected</b>	The Negma Placement Shares were issued to Negma
<b>Number and class of securities the entity issued or agreed to issue</b>	33,870,225 fully paid ordinary shares in the Company were issued to Negma

<b>If the securities are not fully paid ordinary securities, a summary of the material terms of the securities</b>	The Negma Placement Shares are fully paid ordinary shares in the Company.
<b>The date or dates on which the securities were or will be issued. If the securities have not yet been issued, the date of issue must be no later than 3 months after the date of the meeting</b>	The Negma Placement Shares were issued as follows: <ul style="list-style-type: none"> <li>• 4,708,550 Shares were issued on 15 October 2019;</li> <li>• 7,219,532 Shares were issued on 21 November 2019;</li> <li>• 8,480,605 Shares were issued on 24 January 2020; and</li> <li>• 13,461,538 Shares were issued on 22 April 2020.</li> </ul>
<b>The price or other consideration the entity has received or will receive for the issue</b>	The Company received aggregate consideration of \$2,499,798.22 in respect of the issue of the Negma Placement Shares to Negma
<b>The purpose of the issue, including the use or intended use of any funds raised by the issue</b>	The funds were used to provide additional working capital for the Company

### Board recommendation

The Board recommends that shareholders vote in favour of the proposed resolution in Item 10.

## ITEMS 11 - 12 RATIFICATION OF PRIOR ISSUE OF SHARES UNDER INSTITUTIONAL PLACEMENT UNDERTAKEN IN JUNE 2020

### Background

On 2 June 2020, the Company announced that it had received firm commitments from professional, sophisticated and institutional investors to raise \$1.5 million via a placement of 20,000,000 Shares (**June 2020 Placement Shares**) at an issue price of \$0.075 per Share (**June 2020 Placement**). 11,200,000 of the June 2020 Placement Shares were issued on 9 June 2020 and 8,800,000 of the June 2020 Placement Shares were issued on 12 June 2020. The June 2020 Placement Shares were issued utilising the Company's available placement capacity under ASX Listing Rule 7.1.

### Description of ASX Listing Rules 7.1 and 7.4

Broadly speaking and, subject to a number of exceptions, ASX Listing 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 shares it had on issue at the start of that period.

ASX Listing Rule 7.4 provides an exception to ASX Listing Rule 7.1. It provides that where a company in general meeting ratifies previous issues of securities made pursuant to ASX Listing Rule 7.1 (and provided that the previous issues did not breach ASX Listing Rule 7.1), those securities will be deemed to have been made with shareholder approval for the purpose of ASX Listing Rule 7.1.

The issue of the June 2020 Placement Shares do not fall within any of the exceptions to ASX Listing Rule 7.1, and as the issue of the June 2020 Placement Shares has not yet been approved by Shareholders, they effectively use up part of the Company's available placement capacity under ASX Listing Rule 7.1, reducing the Company's capacity to issue further equity securities without Shareholder approval under ASX Listing Rule 7.1 for the 12 month period following the issue dates of the June 2020 Placement Shares.

The effect of Shareholders passing the resolutions in Items 11 – 12 will be to allow the Company to retain the flexibility to issue equity securities in the future under its available placement capacity in ASX Listing Rule 7.1 without the requirement to obtain prior Shareholder approval.

If each of the resolutions in Items 11 – 12 are not passed, the June 2020 Placement Shares will continue to be included in the Company's 15% placement capacity under ASX Listing Rule 7.1, effectively

decreasing the number of equity securities the Company can issue or agree to issue without obtaining prior Shareholder approval to the extent of June 2020 Placement Shares for the 12 month period following the issue of the June 2020 Placement Shares.

Accordingly, the proposed resolutions in respect of Items 11 – 12 seek Shareholder ratification for the issue of the June 2020 Placement Shares that were issued without prior Shareholder approval.

The resolution in Items 11 – 12 are ordinary resolutions.

#### **Information required by ASX Listing Rule 7.5 for Items 11 – 12**

For the purposes of ASX Listing Rule 7.5, the following information is provided in respect of the June 2020 Placement Shares.

<b>Names of the persons to whom the entity issued or agreed to issue the securities or the basis on which those persons were identified or selected</b>	20,000,000 Shares were issued to professional, sophisticated and institutional investors under the institutional placement undertaken by the Company, details of which were announced to the ASX on 2 June 2020.
<b>Number and class of securities the entity issued or agreed to issue</b>	20,000,000 Shares were issued to professional, sophisticated and institutional investors under the June 2020 Placement
<b>If the securities are not fully paid ordinary securities, a summary of the material terms of the securities</b>	The 20,000,000 Shares issued to professional, sophisticated and institutional investors are fully paid ordinary shares at an issue price of \$0.075 per Share under the June 2020 Placement, details of which were announced to ASX on 2 June 2020
<b>The date or dates on which the securities were or will be issued. If the securities have not yet been issued, the date of issue must be no later than 3 months after the date of the meeting</b>	11,200,000 Shares issued to professional, sophisticated and institutional investors were issued on 9 June 2020 and 8,800,000 Shares were issued to professional, sophisticated and institutional investors were issued on 12 June 2020
<b>The price or other consideration the entity has received or will receive for the issue</b>	The Company received aggregate consideration of \$1,500,000 from the issue of the June 2020 Placement Shares
<b>The purpose of the issue, including the use or intended use of any funds raised by the issue</b>	The funds were used to provide additional working capital for the Company

#### **Board recommendation**

The Board recommends that shareholders vote in favour of the proposed resolutions in Items 11 – 12.

### **ITEM 13: RATIFICATION OF PRIOR ISSUE OF SHARES UNDER INSTITUTIONAL PLACEMENT UNDERTAKEN IN SEPTEMBER 2020**

#### **Background**

On 4 September 2020, the Company announced that it had received firm commitments from institutional, professional and sophisticated investors to raise \$7.65 million via a placement of 45,000,000 Shares at \$0.17 per Share. The Company issued 42,058,577 of the Shares offered under the September 2020 Placement (**September 2020 Placement Shares**) (ie excluding those September 2020 Placement Shares subscribed for by Director James Dack, which are the subject of the resolution in Item 9 of this Notice of Meeting) on 11 September 2020. The September 2020 Placement Shares were issued utilising the Company's available placement capacity under ASX Listing Rule 7.1.

### **Description of ASX Listing Rules 7.1 and 7.4**

Broadly speaking and, subject to a number of exceptions, ASX Listing 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 shares it had on issue at the start of that period.

ASX Listing Rule 7.4 provides an exception to ASX Listing Rule 7.1. It provides that where a company in general meeting ratifies previous issues of securities made pursuant to ASX Listing Rule 7.1 (and provided that the previous issues did not breach ASX Listing Rule 7.1), those securities will be deemed to have been made with shareholder approval for the purpose of ASX Listing Rule 7.1.

The issue of the September 2020 Placement Shares do not fall within any of the exceptions to ASX Listing Rule 7.1, and as the issue of the September 2020 Placement Shares have not yet been approved by Shareholders, they effectively use up part of the Company's available placement capacity under ASX Listing Rule 7.1, thereby reducing the Company's capacity to issue further equity securities without Shareholder approval under ASX Listing Rule 7.1 for the 12 month period following the issue date of the September 2020 Placement Shares.

The effect of Shareholders passing the resolution in Item 13 will be to allow the Company to retain the flexibility to issue equity securities in the future under its available placement capacity in ASX Listing Rule 7.1 without the requirement to obtain prior Shareholder approval.

If the resolutions in Item 13 is not passed, the September 2020 Placement Shares will continue to be included in the Company's 15% limit under ASX Listing Rule 7.1, effectively decreasing the number of equity securities the Company can issue or agree to issue without obtaining prior Shareholder approval to the extent of 42,058,577 Shares for the 12 month period following the issue of the September 2020 Placement Shares.

Accordingly, the proposed resolution in respect of Item 14 seeks Shareholder ratification for the issue of the September 2020 Placement Shares that were issued without prior Shareholder approval.

The resolution in Item 13 is an ordinary resolution.

### **Information required by ASX Listing Rule 7.5**

For the purposes of ASX Listing Rule 7.5, the following information is provided in respect of the September 2020 Placement Shares.

<b>Names of the persons to whom the entity issued or agreed to issue the securities or the basis on which those persons were identified or selected</b>	42,058,577 Shares were issued to institutional, professional and sophisticated investors under the September 2020 Placement, details of which were announced to the ASX on 4 September 2020.
<b>Number and class of securities the entity issued or agreed to issue</b>	42,058,577 Shares were issued to institutional, professional and sophisticated investors under the September 2020 Placement
<b>If the securities are not fully paid ordinary securities, a summary of the material terms of the securities</b>	The 42,058,577 Shares issued to institutional, professional and sophisticated investors under the September 2020 Placement are fully paid ordinary shares in the Company
<b>The date or dates on which the securities were or will be issued. If the securities have not yet been issued, the date of issue must be no later than 3 months after the date of the meeting</b>	The Shares issued to institutional, professional and sophisticated investors under the September 2020 Placement were issued on 11 September 2020
<b>The price or other consideration the entity has received or will receive for the issue</b>	The Company received aggregate consideration approximately \$7,149,958.10 (which excludes the \$500,000 worth of Shares subscribed for by Director James Dack under the September 2020 Placement, which are the subject of the resolution in Item 9 of this Notice of Meeting) from

	the issue of the September 2020 Placement Shares
<b>The purpose of the issue, including the use or intended use of any funds raised by the issue</b>	The funds were used to provide additional working capital for the Company and to advance all projects with the focus being on near-term cell manufacturing from the Company's majority owned Lithium-Ion Battery Plant in New York, along with the Company's battery technology programs

### Board recommendation

The Board recommends that shareholders vote in favour of the proposed resolution in Item 13.

## ITEM 14: APPROVAL OF ISSUE OF PERFORMANCE SHARES TO FRANK POUILLAS

The Nominations & Remuneration Committee has reviewed a number of corporate performance share plans adopted by other comparable companies in the Lithium-Ion battery and Electric Vehicle industries and used these as relevant benchmarks for comparison by the Company having regard to the size of the Company and its potential for future sustainable growth in the medium and long term. The Company wishes to appropriately incentivise its directors to work collaboratively as a team to practically achieve the Company's considerable growth aspirations.

The Committee considered that the proposed milestones and the proposed number of performance shares were suitable and realistic having regard to the Company's current trajectory in its development and its plans to commence successful battery production in calendar 2021.

Having regard to the above, the Company proposes, subject to Shareholders approving this resolution for the purposes of ASX Listing Rule 10.11, that Frank Poullas be issued 2,500,000 performance shares which will entitle Frank Poullas to receive 2,500,000 Shares (**Performance Shares**) on satisfaction of the performance milestones set out below.

The Performance Shares to be issued to Frank Poullas for no consideration and will be issued in the following tranches:

1. 500,000 Performance Shares which will convert into 500,000 Shares upon the market capitalisation of the Company reaching \$500 million;
2. 500,000 Performance Shares which will convert into 500,000 Shares upon the market capitalisation of the Company reaching \$1 billion;
3. 500,000 Performance Shares which will convert to 500,000 Shares upon the market capitalisation of the Company reaching \$1.5 billion;
4. 500,000 Performance Shares which will convert to 500,000 Shares upon the market capitalisation of the Company reaching \$2 billion; and
5. 500,000 Performance which will convert to 500,000 Shares upon the market capitalisation of the Company reaching \$2.5 billion.

The conversion of each of tranche of Performance Shares will also be conditional on Frank Poullas being a Director at the time the performance milestone attaching to the relevant tranche of Performance Shares is satisfied.

The Performance Shares to be granted to Frank Poullas:

- (a) will not be quoted on ASX;
- (b) will not be transferable by Frank Poullas;
- (c) will not carry any voting rights or rights to dividends declared or determined by the Company;

- (d) will have no right to a return of capital on winding of the Company or in the event that the Company undertakes a reduction in capital or otherwise;
- (e) have no right to participate in surplus profits or assets in the event of a winding up of the Company; and
- (f) have no right to participate in any new issues of securities undertaken by the Company.

ASX Listing Rule 10.11 provides that unless one of the exceptions in ASX Listing Rule 10.12 applies, a listed company must not issue or agree to issue equity securities to:

- (a) a related party;
- (b) a person who is, or was at any time in the 6 months before the issue or agreement, a substantial (30%+) holder in the company;
- (c) a person who is, or was at any time in the 6 months before the issue or agreement, a substantial (10%+) holder in the company and who has nominated a director to the board of the company pursuant to a relevant agreement which gives them a right or expectation to do so;
- (d) an associate of a person referred to in Listing Rules 10.11.1 to 10.11.3; or
- (e) a person whose relationship with the company or a person referred to in ASX Listing Rules 10.11.1 to 10.11.4 is such that, in ASX's opinion, the issue or agreement should be approved by its shareholders,

unless it obtains the approval of its shareholders.

The issue of the Performance Shares to Frank Poullas falls within ASX Listing Rule 10.11.1 and does not fall within any of the exceptions in ASX Listing Rule 10.12. It therefore requires the approval of the Company's Shareholders under ASX Listing Rule 10.11.

This resolution seeks the required Shareholder approval of the issue of the Performance Shares to Frank Poullas under and for the purposes of ASX Listing Rule 10.11.

If this resolution is passed, the Company will be able to proceed with the issue of the Performance Shares to Frank Poullas. If this resolution is not passed, the Company will not be able to proceed with the issue of the Performance Shares to Frank Poullas.

#### Specific information required by ASX Listing Rule 10.13

<b>Name of the person</b>	The Company is proposing to issue 2,500,000 Performance Shares to Frank Poullas
<b>Which category in ASX Listing Rule 10.11.1 – 10.11.5 the person falls within and why</b>	Frank Poullas is a related party of the Company by virtue of him being a Director of the Company and therefore falls within the category of persons specified in ASX Listing Rule 10.11.1
<b>The number and class of securities to be issued to the person</b>	2,500,000 Performance Shares (having the terms set out in the introductory section to this resolution) are proposed to be issued to Frank Poullas
<b>If the securities are not fully paid ordinary securities, a summary of the material terms of the securities</b>	A summary of the material terms of the Performance Shares is set out in the introductory section of this resolution
<b>The date or dates on or by which the entity will issue the securities, which must not be more than one month after the date of the meeting</b>	The Company will issue the Performance Shares to Frank Poullas, as soon as practicable after the AGM and in any event no later than one month after the AGM



<b>The price or other consideration the entity will receive for the issue</b>	The Company will receive nil consideration for the issue of the Performance Shares to Frank Poullas
<b>If the person is a director and therefore a related party under ASX Listing Rule 10.11.1, or an associate of or person connected with, a director under ASX Listing Rules 10.11.4 or 10.11.5, and the issue is intended to remunerate or incentivise the director, details (including the amount) of the director's current total remuneration package</b>	<p>The issue is intended to remunerate or incentivise Frank Poullas and as such details (including the amount) of Frank Poullas' current total remuneration package are as follows:</p> <ul style="list-style-type: none"> <li>• Frank Poullas is entitled to gross salary (inclusive of superannuation) of A\$120,000 per annum.</li> <li>• Frank Poullas is entitled to consulting fees of A\$1,000 per business day that is applicable if invoiced from Strong Solutions Pty Ltd, a related party to Mr Poullas.</li> </ul>
<b>The purpose of the issue, including the intended use of any funds raised by the issue</b>	The purpose of the issue is to incentivise Frank Poullas to reach the performance milestones attaching to the Performance Shares. As noted above, no consideration will be received by the Company in respect of the issue of the Performance Shares as the Performance Shares are being issued to Frank Poullas as consideration for the provision of services by him to the Company.
<b>If the securities are issued under an agreement, a summary of any other material terms of the agreement</b>	The Performance Shares are not being issued under an agreement
<b>A voting exclusion statement</b>	A voting exclusion statement has been included in this Notice of Meeting for the resolution

#### **Board recommendation**

The Board (with Frank Poullas abstaining due to his personal interest in the proposed resolution in Item 14) recommends that Shareholders vote in favour of the proposed resolution in Item 14.

#### **ITEM 15: APPROVAL OF ISSUE OF PERFORMANCE SHARES TO PETER TSEGAS**

The Nominations & Remuneration Committee has reviewed a number of corporate performance share plans adopted by other comparable companies in the Lithium-Ion battery and Electric Vehicle industries and used these as relevant benchmarks for comparison by the Company having regard to the size of the Company and its potential for future sustainable growth in the medium and long term. The Company wishes to appropriately incentivise its directors to work collaboratively as a team to practically achieve the Company's considerable growth aspirations.

The Committee considered that the proposed milestones and the proposed number of performance shares were suitable and realistic having regard to the Company's current trajectory in its development and its plans to commence successful battery production in calendar 2021.

Having regard to the above, the Company proposes, subject to Shareholders approving this resolution for the purposes of ASX Listing Rule 10.11, that Peter Tsegas be issued 2,500,000 performance shares which will entitle Peter Tsegas to receive 2,500,000 Shares (**Performance Shares**) on satisfaction of the performance milestones set out below.

The Performance Shares to be issued to Peter Tsegas for no consideration and will be issued in the following tranches:

1. 500,000 Performance Shares which will convert into 500,000 Shares upon the market capitalisation of the Company reaching \$500 million;

2. 500,000 Performance Shares which will convert into 500,000 Shares upon the market capitalisation of the Company reaching \$1 billion;
3. 500,000 Performance Shares which will convert to 500,000 Shares upon the market capitalisation of the Company reaching \$1.5 billion;
4. 500,000 Performance Shares which will convert to 500,000 Shares upon the market capitalisation of the Company reaching \$2 billion; and
5. 500,000 Performance which will convert to 500,000 Shares upon the market capitalisation of the Company reaching \$2.5 billion.

The conversion of each of tranche of Performance Shares will also be conditional on Peter Tsegas being a Director at the time the performance milestone attaching to the relevant tranche of Performance Shares is satisfied.

The Performance Shares to be granted to Peter Tsegas:

- (a) will not be quoted on ASX;
- (b) will not be transferable by Peter Tsegas;
- (c) will not carry any voting rights or rights to dividends declared or determined by the Company;
- (d) will have no right to a return of capital on winding of the Company or in the event that the Company undertakes a reduction in capital or otherwise;
- (e) have no right to participate in surplus profits or assets in the event of a winding up of the Company; and
- (f) have no right to participate in any new issues of securities undertaken by the Company.

ASX Listing Rule 10.11 provides that unless one of the exceptions in ASX Listing Rule 10.12 applies, a listed company must not issue or agree to issue equity securities to:

- (a) a related party;
- (b) a person who is, or was at any time in the 6 months before the issue or agreement, a substantial (30%+) holder in the company;
- (c) a person who is, or was at any time in the 6 months before the issue or agreement, a substantial (10%+) holder in the company and who has nominated a director to the board of the company pursuant to a relevant agreement which gives them a right or expectation to do so;
- (d) an associate of a person referred to in Listing Rules 10.11.1 to 10.11.3; or
- (e) a person whose relationship with the company or a person referred to in ASX Listing Rules 10.11.1 to 10.11.4 is such that, in ASX's opinion, the issue or agreement should be approved by its shareholders,

unless it obtains the approval of its shareholders.

The issue of the Performance Shares to Peter Tsegas falls within ASX Listing Rule 10.11.1 and does not fall within any of the exceptions in ASX Listing Rule 10.12. It therefore requires the approval of the Company's Shareholders under ASX Listing Rule 10.11.

This resolution seeks the required Shareholder approval of the issue of the Performance Shares to Peter Tsegas under and for the purposes of ASX Listing Rule 10.11.

If this resolution is passed, the Company will be able to proceed with the issue of the Performance Shares to Peter Tsegas. If this resolution is not passed, the Company will not be able to proceed with the issue of the Performance Shares to Peter Tsegas.

#### **Specific information required by ASX Listing Rule 10.13**

<b>Name of the person</b>	The Company is proposing to issue 2,500,000 Performance Shares to Peter Tsegas
<b>Which category in ASX Listing Rule 10.11.1 – 10.11.5 the person falls within and why</b>	Peter Tsegas is a related party of the Company by virtue of him being a Director of the Company and therefore falls within the category of persons specified in ASX Listing Rule 10.11.1
<b>The number and class of securities to be issued to the person</b>	2,500,000 Performance Shares (having the terms set out in the introductory section to this resolution) are proposed to be issued to Peter Tsegas
<b>If the securities are not fully paid ordinary securities, a summary of the material terms of the securities</b>	A summary of the material terms of the Performance Shares is set out in the introductory section of this resolution
<b>The date or dates on or by which the entity will issue the securities, which must not be more than one month after the date of the meeting</b>	The Company will issue the Performance Shares to Peter Tsegas, as soon as practicable after the AGM and in any event no later than one month after the AGM
<b>The price or other consideration the entity will receive for the issue</b>	The Company will receive nil consideration for the issue of the Performance Shares to Peter Tsegas
<b>If the person is a director and therefore a related party under ASX Listing Rule 10.11.1, or an associate of or person connected with, a director under ASX Listing Rules 10.11.4 or 10.11.5, and the issue is intended to remunerate or incentivise the director, details (including the amount) of the director's current total remuneration package</b>	<p>The issue is intended to remunerate or incentivise Peter Tsegas and as such details (including the amount) of Peter Tsegas' current total remuneration package are as follows:</p> <ul style="list-style-type: none"> <li>• Peter Tsegas is entitled to receive Directors Fees of A\$65,000 per annum plus an additional A\$5,000 per annum for acting as the Chairman of the Company's Health, Safety and Sustainability Committee.</li> <li>• Peter Tsegas is also entitled to receive a consulting fee of A\$1,000 per business day if applicable if providing consulting services that are considered above and beyond normal non-executive director responsibilities.</li> </ul>
<b>The purpose of the issue, including the intended use of any funds raised by the issue</b>	The purpose of the issue is to incentivise Peter Tsegas to reach the performance milestones attaching to the Performance Shares. As noted above, no consideration will be received by the Company in respect of the issue of the Performance Shares as the Performance Shares are being issued to Peter Tsegas as consideration for the provision of services by him to the Company.
<b>If the securities are issued under an agreement, a summary of any other material terms of the agreement</b>	The Performance Shares are not being issued under an agreement
<b>A voting exclusion statement</b>	A voting exclusion statement has been included in this Notice of Meeting for the resolution

## Board recommendation

The Board (with Peter Tsegas abstaining due to his personal interest in the proposed resolution in Item 15) recommends that Shareholders vote in favour of the proposed resolution in Item 15.

## ITEM 16: APPROVAL OF ISSUE OF PERFORMANCE SHARES TO PROFESSOR STANLEY WHITTINGHAM

The Nominations & Remuneration Committee has reviewed a number of corporate performance share plans adopted by other comparable companies in the Lithium-Ion battery and Electric Vehicle industries and used these as relevant benchmarks for comparison by the Company having regard to the size of the Company and its potential for future sustainable growth in the medium and long term. The Company wishes to appropriately incentivise its directors to work collaboratively as a team to practically achieve the Company's considerable growth aspirations.

The Committee considered that the proposed milestones and the proposed number of performance shares were suitable and realistic having regard to the Company's current trajectory in its development and its plans to commence successful battery production in calendar 2021.

Having regard to the above, the Company proposes, subject to Shareholders approving this resolution for the purposes of ASX Listing Rule 10.11, that Professor Stanley Whittingham be issued 2,500,000 performance shares which will entitle Professor Stanley Whittingham to receive 2,500,000 Shares (**Performance Shares**) on satisfaction of the performance milestones set out below.

The Performance Shares to be issued to Professor Stanley Whittingham for no consideration and will be issued in the following tranches:

1. 500,000 Performance Shares which will convert into 500,000 Shares upon the market capitalisation of the Company reaching \$500 million;
2. 500,000 Performance Shares which will convert into 500,000 Shares upon the market capitalisation of the Company reaching \$1 billion;
3. 500,000 Performance Shares which will convert to 500,000 Shares upon the market capitalisation of the Company reaching \$1.5 billion;
4. 500,000 Performance Shares which will convert to 500,000 Shares upon the market capitalisation of the Company reaching \$2 billion; and
5. 500,000 Performance which will convert to 500,000 Shares upon the market capitalisation of the Company reaching \$2.5 billion.

The conversion of each of tranche of Performance Shares will also be conditional on Professor Stanley Whittingham being a Director at the time the performance milestone attaching to the relevant tranche of Performance Shares is satisfied.

The Performance Shares to be granted to Professor Stanley Whittingham:

- (a) will not be quoted on ASX;
- (b) will not be transferable by Professor Stanley Whittingham;
- (c) will not carry any voting rights or rights to dividends declared or determined by the Company;
- (d) will have no right to a return of capital on winding of the Company or in the event that the Company undertakes a reduction in capital or otherwise;
- (e) have no right to participate in surplus profits or assets in the event of a winding up of the Company; and
- (f) have no right to participate in any new issues of securities undertaken by the Company.

ASX Listing Rule 10.11 provides that unless one of the exceptions in ASX Listing Rule 10.12 applies, a listed company must not issue or agree to issue equity securities to:

- (a) a related party;
- (b) a person who is, or was at any time in the 6 months before the issue or agreement, a substantial (30%+) holder in the company;
- (c) a person who is, or was at any time in the 6 months before the issue or agreement, a substantial (10%+) holder in the company and who has nominated a director to the board of the company pursuant to a relevant agreement which gives them a right or expectation to do so;
- (d) an associate of a person referred to in Listing Rules 10.11.1 to 10.11.3; or
- (e) a person whose relationship with the company or a person referred to in ASX Listing Rules 10.11.1 to 10.11.4 is such that, in ASX's opinion, the issue or agreement should be approved by its shareholders,

unless it obtains the approval of its shareholders.

The issue of the Performance Shares to Professor Stanley Whittingham falls within ASX Listing Rule 10.11.1 and does not fall within any of the exceptions in ASX Listing Rule 10.12. It therefore requires the approval of the Company's Shareholders under ASX Listing Rule 10.11.

This resolution seeks the required Shareholder approval of the issue of the Performance Shares to Professor Stanley Whittingham under and for the purposes of ASX Listing Rule 10.11.

If this resolution is passed, the Company will be able to proceed with the issue of the Performance Shares to Professor Stanley Whittingham. If this resolution is not passed, the Company will not be able to proceed with the issue of the Performance Shares to Professor Stanley Whittingham.

#### Specific information required by ASX Listing Rule 10.13

<b>Name of the person</b>	The Company is proposing to issue 2,500,000 Performance Shares to Professor Stanley Whittingham
<b>Which category in ASX Listing Rule 10.11.1 – 10.11.5 the person falls within and why</b>	Professor Stanley Whittingham is a related party of the Company by virtue of him being a Director of the Company and therefore falls within the category of persons specified in ASX Listing Rule 10.11.1
<b>The number and class of securities to be issued to the person</b>	2,500,000 Performance Shares (having the terms set out in the introductory section to this resolution) are proposed to be issued to Professor Stanley Whittingham
<b>If the securities are not fully paid ordinary securities, a summary of the material terms of the securities</b>	A summary of the material terms of the Performance Shares is set out in the introductory section of this resolution
<b>The date or dates on or by which the entity will issue the securities, which must not be more than one month after the date of the meeting</b>	The Company will issue the Performance Shares to Professor Stanley Whittingham, as soon as practicable after the AGM and in any event no later than one month after the AGM
<b>The price or other consideration the entity will receive for the issue</b>	The Company will receive nil consideration for the issue of the Performance Shares to Professor Stanley Whittingham
<b>If the person is a director and therefore a related party under ASX Listing Rule 10.11.1, or an associate of or person connected with, a director under ASX Listing Rules 10.11.4 or</b>	The issue is intended to remunerate or incentivise Professor Stanley Whittingham and as such details (including the amount) of

<b>10.11.5, and the issue is intended to remunerate or incentivise the director, details (including the amount) of the director's current total remuneration package</b>	Professor Stanley Whittingham's current total remuneration package are as follows: <ul style="list-style-type: none"> <li>• Professor Stanley Whittingham is entitled to receive Directors Fees of A\$70,000 per annum.</li> </ul>
<b>The purpose of the issue, including the intended use of any funds raised by the issue</b>	The purpose of the issue is to incentivise Professor Stanley Whittingham to reach the performance milestones attaching to the Performance Shares. As noted above, no consideration will be received by the Company in respect of the issue of the Performance Shares as the Performance Shares are being issued to Professor Stanley Whittingham as consideration for the provision of services by him to the Company.
<b>If the securities are issued under an agreement, a summary of any other material terms of the agreement</b>	The Performance Shares are not being issued under an agreement
<b>A voting exclusion statement</b>	A voting exclusion statement has been included in this Notice of Meeting for the resolution

#### **Board recommendation**

The Board (with Professor Stanley Whittingham abstaining due to his personal interest in the proposed resolution in Item 16) recommends that Shareholders vote in favour of the proposed resolution in Item 16.

#### **ITEM 17: APPROVAL OF ISSUE OF PERFORMANCE SHARES TO JAMES DACK**

The Nominations & Remuneration Committee has reviewed a number of corporate performance share plans adopted by other comparable companies in the Lithium-Ion battery and Electric Vehicle industries and used these as relevant benchmarks for comparison by the Company having regard to the size of the Company and its potential for future sustainable growth in the medium and long term. The Company wishes to appropriately incentivise its directors to work collaboratively as a team to practically achieve the Company's considerable growth aspirations.

The Committee considered that the proposed milestones and the proposed number of performance shares were suitable and realistic having regard to the Company's current trajectory in its development and its plans to commence successful battery production in calendar 2021.

Having regard to the above, the Company proposes, subject to Shareholders approving this resolution for the purposes of ASX Listing Rule 10.11, that James Dack be issued 2,500,000 performance shares which will entitle James Dack to receive 2,500,000 Shares (**Performance Shares**) on satisfaction of the performance milestones set out below.

The Performance Shares to be issued to James Dack for no consideration and will be issued in the following tranches:

1. 500,000 Performance Shares which will convert into 500,000 Shares upon the market capitalisation of the Company reaching \$500 million;
2. 500,000 Performance Shares which will convert into 500,000 Shares upon the market capitalisation of the Company reaching \$1 billion;
3. 500,000 Performance Shares which will convert to 500,000 Shares upon the market capitalisation of the Company reaching \$1.5 billion;
4. 500,000 Performance Shares which will convert to 500,000 Shares upon the market capitalisation of the Company reaching \$2 billion; and

5. 500,000 Performance which will convert to 500,000 Shares upon the market capitalisation of the Company reaching \$2.5 billion.

The conversion of each of tranche of Performance Shares will also be conditional on James Dack being a Director at the time the performance milestone attaching to the relevant tranche of Performance Shares is satisfied.

The Performance Shares to be granted to James Dack:

- (a) will not be quoted on ASX;
- (b) will not be transferable by James Dack;
- (c) will not carry any voting rights or rights to dividends declared or determined by the Company;
- (d) will have no right to a return of capital on winding of the Company or in the event that the Company undertakes a reduction in capital or otherwise;
- (e) have no right to participate in surplus profits or assets in the event of a winding up of the Company; and
- (f) have no right to participate in any new issues of securities undertaken by the Company.

ASX Listing Rule 10.11 provides that unless one of the exceptions in ASX Listing Rule 10.12 applies, a listed company must not issue or agree to issue equity securities to:

- (a) a related party;
- (b) a person who is, or was at any time in the 6 months before the issue or agreement, a substantial (30%+) holder in the company;
- (c) a person who is, or was at any time in the 6 months before the issue or agreement, a substantial (10%+) holder in the company and who has nominated a director to the board of the company pursuant to a relevant agreement which gives them a right or expectation to do so;
- (d) an associate of a person referred to in Listing Rules 10.11.1 to 10.11.3; or
- (e) a person whose relationship with the company or a person referred to in ASX Listing Rules 10.11.1 to 10.11.4 is such that, in ASX's opinion, the issue or agreement should be approved by its shareholders,

unless it obtains the approval of its shareholders.

The issue of the Performance Shares to James Dack falls within ASX Listing Rule 10.11.1 and does not fall within any of the exceptions in ASX Listing Rule 10.12. It therefore requires the approval of the Company's Shareholders under ASX Listing Rule 10.11.

This resolution seeks the required Shareholder approval of the issue of the Performance Shares to James Dack under and for the purposes of ASX Listing Rule 10.11.

If this resolution is passed, the Company will be able to proceed with the issue of the Performance Shares to James Dack. If this resolution is not passed, the Company will not be able to proceed with the issue of the Performance Shares to James Dack.

#### Specific information required by ASX Listing Rule 10.13

<b>Name of the person</b>	The Company is proposing to issue 2,500,000 Performance Shares to James Dack
<b>Which category in ASX Listing Rule 10.11.1 – 10.11.5 the person falls within and why</b>	James Dack is a related party of the Company by virtue of him being a Director of the Company and therefore falls within the category of persons specified in ASX Listing Rule 10.11.1

<b>The number and class of securities to be issued to the person</b>	2,500,000 Performance Shares (having the terms set out in the introductory section to this resolution) are proposed to be issued to James Dack
<b>If the securities are not fully paid ordinary securities, a summary of the material terms of the securities</b>	A summary of the material terms of the Performance Shares is set out in the introductory section of this resolution
<b>The date or dates on or by which the entity will issue the securities, which must not be more than one month after the date of the meeting</b>	The Company will issue the Performance Shares to James Dack, as soon as practicable after the AGM and in any event no later than one month after the AGM
<b>The price or other consideration the entity will receive for the issue</b>	The Company will receive nil consideration for the issue of the Performance Shares to James Dack
<b>If the person is a director and therefore a related party under ASX Listing Rule 10.11.1, or an associate of or person connected with, a director under ASX Listing Rules 10.11.4 or 10.11.5, and the issue is intended to remunerate or incentivise the director, details (including the amount) of the director's current total remuneration package</b>	<p>The issue is intended to remunerate or incentivise James Dack and as such details (including the amount) of James Dack's current total remuneration package are as follows:</p> <ul style="list-style-type: none"> <li>• James Dack is entitled to gross salary (inclusive of superannuation) of A\$300,000 per annum.</li> <li>• James Dack received a once-off Sign on Fee of A\$380,000 at the commencement of his employment with the Company in June 2020 as an Executive Director.</li> <li>• Subject to shareholder approval, Mr James Dack is entitled to be granted 20 million fully paid ordinary shares in the Company to be housed in the Magnis Energy Technologies Ltd Employee Share Trust. The shares will have a three-year escrow period from the date that they are issued. The shares will be conditional upon Mr Dack serving a full two consecutive year period of employment with the Company.</li> </ul>
<b>The purpose of the issue, including the intended use of any funds raised by the issue</b>	The purpose of the issue is to incentivise James Dack to reach the performance milestones attaching to the Performance Shares. As noted above, no consideration will be received by the Company in respect of the issue of the Performance Shares as the Performance Shares are being issued to James Dack as consideration for the provision of services by him to the Company.
<b>If the securities are issued under an agreement, a summary of any other material terms of the agreement</b>	The Performance Shares are not being issued under an agreement
<b>A voting exclusion statement</b>	A voting exclusion statement has been included in this Notice of Meeting for the resolution

#### **Board recommendation**

The Board (with James Dack abstaining due to his personal interest in the proposed resolution in Item 17) recommends that Shareholders vote in favour of the proposed resolution in Item 17.



## ITEM 18: APPROVAL OF ISSUE OF PERFORMANCE SHARES TO THE HON TROY GRANT

The Nominations & Remuneration Committee has reviewed a number of corporate performance share plans adopted by other comparable companies in the Lithium-Ion battery and Electric Vehicle industries and used these as relevant benchmarks for comparison by the Company having regard to the size of the Company and its potential for future sustainable growth in the medium and long term. The Company wishes to appropriately incentivise its directors to work collaboratively as a team to practically achieve the Company's considerable growth aspirations.

The Committee considered that the proposed milestones and the proposed number of performance shares were suitable and realistic having regard to the Company's current trajectory in its development and its plans to commence successful battery production in calendar 2021.

Having regard to the above, the Company proposes, subject to Shareholders approving this resolution for the purposes of ASX Listing Rule 10.11, that the Hon Troy Grant be issued 2,500,000 performance shares which will entitle the Hon Troy Grant to receive 2,500,000 Shares (**Performance Shares**) on satisfaction of the performance milestones set out below.

The Performance Shares to be issued to the Hon Troy Grant for no consideration and will be issued in the following tranches:

1. 500,000 Performance Shares which will convert into 500,000 Shares upon the market capitalisation of the Company reaching \$500 million;
2. 500,000 Performance Shares which will convert into 500,000 Shares upon the market capitalisation of the Company reaching \$1 billion;
3. 500,000 Performance Shares which will convert to 500,000 Shares upon the market capitalisation of the Company reaching \$1.5 billion;
4. 500,000 Performance Shares which will convert to 500,000 Shares upon the market capitalisation of the Company reaching \$2 billion; and
5. 500,000 Performance which will convert to 500,000 Shares upon the market capitalisation of the Company reaching \$2.5 billion.

The conversion of each of tranche of Performance Shares will also be conditional on the Hon Troy Grant being a Director at the time the performance milestone attaching to the relevant tranche of Performance Shares is satisfied.

The Performance Shares to be granted to the Hon Troy Grant:

- (g) will not be quoted on ASX;
- (h) will not be transferable by the Hon Troy Grant;
- (i) will not carry any voting rights or rights to dividends declared or determined by the Company;
- (j) will have no right to a return of capital on winding of the Company or in the event that the Company undertakes a reduction in capital or otherwise;
- (k) have no right to participate in surplus profits or assets in the event of a winding up of the Company; and
- (l) have no right to participate in any new issues of securities undertaken by the Company.

ASX Listing Rule 10.11 provides that unless one of the exceptions in ASX Listing Rule 10.12 applies, a listed company must not issue or agree to issue equity securities to:

- (f) a related party;

- (g) a person who is, or was at any time in the 6 months before the issue or agreement, a substantial (30%+) holder in the company;
- (h) a person who is, or was at any time in the 6 months before the issue or agreement, a substantial (10%+) holder in the company and who has nominated a director to the board of the company pursuant to a relevant agreement which gives them a right or expectation to do so;
- (i) an associate of a person referred to in Listing Rules 10.11.1 to 10.11.3; or
- (j) a person whose relationship with the company or a person referred to in ASX Listing Rules 10.11.1 to 10.11.4 is such that, in ASX's opinion, the issue or agreement should be approved by its shareholders,

unless it obtains the approval of its shareholders.

The issue of the Performance Shares to the Hon Troy Grant falls within ASX Listing Rule 10.11.1 and does not fall within any of the exceptions in ASX Listing Rule 10.12. It therefore requires the approval of the Company's Shareholders under ASX Listing Rule 10.11.

This resolution seeks the required Shareholder approval of the issue of the Performance Shares to the Hon Troy Grant under and for the purposes of ASX Listing Rule 10.11.

If this resolution is passed, the Company will be able to proceed with the issue of the Performance Shares to the Hon Troy Grant. If this resolution is not passed, the Company will not be able to proceed with the issue of the Performance Shares to the Hon Troy Grant.

#### Specific information required by ASX Listing Rule 10.13

<b>Name of the person</b>	The Company is proposing to issue 2,500,000 Performance Shares to the Hon Troy Grant
<b>Which category in ASX Listing Rule 10.11.1 – 10.11.5 the person falls within and why</b>	The Hon Troy Grant is a related party of the Company by virtue of him being a Director of the Company and therefore falls within the category of persons specified in ASX Listing Rule 10.11.1
<b>The number and class of securities to be issued to the person</b>	2,500,000 Performance Shares (having the terms set out in the introductory section to this resolution) are proposed to be issued to the Hon Troy Grant
<b>If the securities are not fully paid ordinary securities, a summary of the material terms of the securities</b>	A summary of the material terms of the Performance Shares is set out in the introductory section of this resolution
<b>The date or dates on or by which the entity will issue the securities, which must not be more than one month after the date of the meeting</b>	The Company will issue the Performance Shares to the Hon Troy Grant, as soon as practicable after the AGM and in any event no later than one month after the AGM
<b>The price or other consideration the entity will receive for the issue</b>	The Company will receive nil consideration for the issue of the Performance Shares to the Hon Troy Grant
<b>If the person is a director and therefore a related party under ASX Listing Rule 10.11.1, or an associate of or person connected with, a director under ASX Listing Rules 10.11.4 or 10.11.5, and the issue is intended to remunerate or incentivise the director, details (including the amount) of the director's current total remuneration package</b>	<p>The issue is intended to remunerate or incentivise the Hon Troy Grant and as such details (including the amount) of the Hon Troy Grant's current total remuneration package are as follows:</p> <ul style="list-style-type: none"> <li>the Hon Troy Grant is entitled to receive Directors Fees of A\$65,000 per annum.</li> <li>in addition, the Hon Troy Grant is entitled to receive additional Directors Fees of A\$5,000</li> </ul>

	per annum for acting as Chairman of the Company's Audit & Risk Committee and an additional A\$5,000 per annum for also acting as Chairman of the Company's Nominations & Remuneration Committee.
<b>The purpose of the issue, including the intended use of any funds raised by the issue</b>	The purpose of the issue is to incentivise the Hon Troy Grant to reach the performance milestones attaching to the Performance Shares. As noted above, no consideration will be received by the Company in respect of the issue of the Performance Shares as the Performance Shares are being issued to the Hon Troy Grant as consideration for the provision of services by him to the Company.
<b>If the securities are issued under an agreement, a summary of any other material terms of the agreement</b>	The Performance Shares are not being issued under an agreement
<b>A voting exclusion statement</b>	A voting exclusion statement has been included in this Notice of Meeting for the resolution

#### **Board recommendation**

The Board (with the Hon Troy Grant abstaining due to his personal interest in the proposed resolution in Item 18) recommends that Shareholders vote in favour of the proposed resolution in Item 18.

## ANNEXURE A TO THE EXPLANATORY MEMORANDUM

- ✓ The Board is focussed on recognising the work and commitment of employees of the Company for their contribution to the building of the Company. The key values the Board rates highly are strong work ethic with a shared set of values, solutions-focused for greater profitability, respect and loyalty.
- ✓ The Company has established an Employee Share Trust (**EST**) as part of a long term incentive plan which will hold Shares on behalf of eligible employees and seek to meet the following objectives:
  - Support employee retention.
  - Enhance employee involvement in the Company and focus on achieving corporate objectives.
- ✓ The Board may offer Shares in the Company to eligible employees via the EST as well as set the performance milestones or vesting conditions which attach to such Shares.
- ✓ Shares will be allocated at their market value, as determined by the Board of Directors at the date of allocation of the Shares to the relevant eligible employee.
- ✓ Each Share allocated to eligible employees will be held in the EST until such time as the Board has determined they will be transferred from the EST to the eligible employee (whether following satisfaction of performance based vesting conditions or time based vesting conditions)
- ✓ Any dividends paid in respect of Shares held on behalf of an eligible employee in the EST will be distributed to such eligible participant.
- ✓ Plan administration and other costs are met by the Company.

## DEFINITIONS

Terms used in the Notice of Meeting including the Explanatory Memorandum have the following meanings:

**\$** means Australian Dollars.

**AGM or Annual General Meeting** means the annual general meeting of the Company to be held on 30 November 2020 at the at 9:30am (Sydney time).

**Agreement** means the Employment Services Agreement between the Company and James Dack dated 11 June 2020.

**Annual Report** means the Directors' Report, the Financial Report and Independent Auditor's Report in respect of the financial year ended 30 June 2020.

**April 2020 Placement** has the meaning given to that term in the Background to Items 10-13 contained in the Explanatory Memorandum.

**Associate** has the meaning set out in Sections 11 – 17 of the Corporations Act.

**ASX** means ASX Limited ACN 008 624 691 and, where the context permits, the Australian Securities Exchange operated by ASX.

**Board** means the board of directors of the Company.

**Closely Related Party** has the meaning given in the Corporations Act and when used in relation to a member of the KMP will include a spouse, dependent and certain other close family members as well as any other companies controlled by the member of the KMP.

**Company or Magnis** means Magnis Energy Technologies Ltd ABN 26 115 111 763.

**Constitution** means the Company's constitution as at the commencement of the AGM.

**Corporations Act** means the *Corporations Act, 2001* (Cth) as amended from time to time.

**Director** means a director of the Company.

**Directors' Report** means the annual directors report prepared under Chapter 2M of the Corporations Act for the Company and its controlled entities.

**Explanatory Memorandum** means this explanatory memorandum which forms part of the Notice of Meeting.

**Financial Report** means the annual financial report prepared under Chapter 2M of the Corporations Act of the Company and its controlled entities.

**Independent Auditor's Report** means the annual auditor's report prepared under Chapter 2M of the Corporations Act for the Company and its controlled entities.

**Key Management Personnel** has the meaning given to that term in the accounting standards and broadly includes those persons having authority and responsibility for planning, directing and controlling the activities of the Company, directly or indirectly, including any Director (whether executive or otherwise).

**KMP** means key management personnel.

**Listing Rules** means the listing rules of ASX as amended from time to time.

**Magnis Employee Share Trust** means the Magnis Technologies Ltd Employee Share Trust.

**Notice or Notice of Meeting or NOM** means this notice of annual general meeting dated 30 October 2020 and accompanying Explanatory Memorandum and Proxy Form.

**Performance Shares** means the performance shares proposed to be issued to each Director pursuant to the resolutions in Items 14 – 18 of the Notice of Meeting.

**Proxy Form** means the proxy form accompanying this Notice of Meeting and Explanatory Memorandum.

**Remuneration Report** means the remuneration report of the Company contained in the Directors' Report.

**Resolutions** means the resolutions set out in the Notice of Meeting, or any one of them, as the context requires.

**Right** means a right to a Share.

**Share Registry** means the Company's share registry, being Link Market Services.

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

**Shareholder** (or **member**) means a registered member of the Company.

**VWAP** means volume weighted average price.

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**Magnis Energy Technologies Limited:**

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**Email: [info@magnis.com.au](mailto:info@magnis.com.au)**

**Website: [www.magnis.com.au](http://www.magnis.com.au)**

## LODGE YOUR VOTE



### ONLINE

[www.linkmarketservices.com.au](http://www.linkmarketservices.com.au)



### BY MAIL

Magnis Energy Technologies Limited  
 C/- Link Market Services Limited  
 Locked Bag A14  
 Sydney South NSW 1235 Australia



### BY FAX

+61 2 9287 0309



### BY HAND

Link Market Services Limited  
 Level 12, 680 George Street, Sydney NSW 2000



### ALL ENQUIRIES TO

Telephone: 1300 554 474 Overseas: +61 1300 554 474

## LODGE A PROXY FORM

This Proxy Form (and any Power of Attorney under which it is signed) must be received at an address given above by **9:30am (AEDT) on Saturday, 28 November 2020**, being not later than 48 hours before the commencement of the Meeting. Any Proxy Form received after that time will not be valid for the scheduled Meeting.

Proxy Forms may be lodged using the reply paid envelope or:



### ONLINE

[www.linkmarketservices.com.au](http://www.linkmarketservices.com.au)

Login to the Link website using the holding details as shown on the Proxy Form. Select 'Voting' and follow the prompts to lodge your vote. To use the online lodgement facility, shareholders will need their "Holder Identifier" - Securityholder Reference Number (SRN) or Holder Identification Number (HIN).

## HOW TO COMPLETE THIS SHAREHOLDER PROXY FORM

### YOUR NAME AND ADDRESS

This is your name and address as it appears on the 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. **Please note: you cannot change ownership of your shares using this form.**

### APPOINTMENT OF PROXY

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

### DEFAULT TO CHAIRMAN OF THE MEETING

Any directed proxies that are not voted on a poll at the Meeting will default to the Chairman of the Meeting, who is required to vote those proxies as directed. Any undirected proxies that default to the Chairman of the Meeting will be voted according to the instructions set out in this Proxy Form, including where the Resolution is connected directly or indirectly with the remuneration of KMP.

### VOTES ON ITEMS OF BUSINESS – PROXY APPOINTMENT

You may direct your proxy how to vote by placing a mark in one of the boxes opposite each item 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 item 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 the items of business, your proxy may vote as he or she chooses. If you mark more than one box on an item your vote on that item will be invalid.

### 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 the Company's share registry or you may copy this form and return them both together.

To appoint a second proxy you must:

- on each of the first Proxy Form and the second 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.

### SIGNING INSTRUCTIONS

You must sign this form as follows in the spaces provided:

**Individual:** where the holding is in one name, the holder must sign.

**Joint Holding:** where the holding is in more than one name, either shareholder may sign.

**Power of Attorney:** to sign under Power of Attorney, you must lodge the Power of Attorney with the registry. If you have not previously lodged this document for notation, please attach 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 also sign alone. Otherwise this form must be signed by a Director jointly with either another Director or a Company Secretary. Please indicate the office held by signing in the appropriate place.

### CORPORATE REPRESENTATIVES

If a representative of the corporation is to attend the Meeting the appropriate "Certificate of Appointment of Corporate Representative" must be produced prior to admission in accordance with the Notice of Meeting. A form of the certificate may be obtained from the Company's share registry or online at [www.linkmarketservices.com.au](http://www.linkmarketservices.com.au).

**IF YOU WOULD LIKE TO ATTEND AND VOTE AT THE ANNUAL GENERAL MEETING, PLEASE BRING THIS FORM WITH YOU.  
 THIS WILL ASSIST IN REGISTERING YOUR ATTENDANCE.**

NAME SURNAME  
ADDRESS LINE 1  
ADDRESS LINE 2  
ADDRESS LINE 3  
ADDRESS LINE 4  
ADDRESS LINE 5  
ADDRESS LINE 6



X99999999999

## PROXY FORM

I/We being a member(s) of Magnis Energy Technologies Limited and entitled to attend and vote hereby appoint:

### APPOINT A PROXY

☐ the Chairman of the Meeting (mark box)

**OR** if you are **NOT** appointing the Chairman of the Meeting as your proxy, please write the name of the person or body corporate you are appointing as your proxy

or failing the person or body corporate named, or if no person or body corporate is named, the Chairman of the Meeting, as my/our proxy to act 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 the law, as the proxy sees fit) at the Annual General Meeting of the Company to be held at **9:30am (AEDT) on Monday, 30 November 2020 at Doltone House Hyde Park, 3/181 Elizabeth Street, Sydney NSW 2000 (the Meeting)** and at any postponement or adjournment of the Meeting.

**Important for Resolution 3:** If the Chairman of the Meeting is your proxy, either by appointment or by default, and you have not indicated your voting intention below, you expressly authorise the Chairman of the Meeting to exercise the proxy in respect of Resolution 3, even though the Resolution is connected directly or indirectly with the remuneration of a member of the Company's Key Management Personnel (**KMP**).

**The Chairman of the Meeting intends to vote undirected proxies in favour of each item of business.**

### VOTING DIRECTIONS

Proxies will only be valid and accepted by the Company if they are signed and received no later than 48 hours before the Meeting.

Please read the voting instructions overleaf before marking any boxes with an ☒

#### Resolutions

	For	Against	Abstain*		For	Against	Abstain*
2 Appointment of Auditor	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	11 Ratification of Prior Issue of 11,200,000 Shares under Institutional Placement	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
3 Remuneration Report	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	12 Ratification of Prior Issue of 8,800,000 Shares under Institutional Placement	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
4 Re-election of Director – Peter Tsegas	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	13 Ratification of Prior Issue of 42,058,577 Shares under Institutional Placement	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
5 Election of Director – James Dack	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	14 Approval of Issue of Performance Shares to Frank Poullas	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
6 Election of Director – Hon Troy Grant	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	15 Approval of Issue of Performance Shares to Peter Tsegas	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
7 Adoption of Proportional Takeover Provisions	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	16 Approval of Issue of Performance Shares to Professor Stanley Whittingham	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
8 Approval of Issue of Shares to James Dack under the Magnis EST	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	17 Approval of Issue of Performance Shares to James Dack	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
9 Approval of Issue of Shares to James Dack	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	18 Approval of Issue of Performance Shares to the Hon Troy Grant	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
10 Ratification of Prior Issue of Shares to Negma Group	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>				

\* If you mark the Abstain box for a particular Item, 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)

Sole Director and Sole Company Secretary

Joint Shareholder 2 (Individual)

Director/Company Secretary (Delete one)

Joint Shareholder 3 (Individual)

Director

This form should be signed by the shareholder. If a joint holding, either shareholder may 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).

MNS PRX2001N