



Genex Power Limited

ACN 152 098 854

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

Date of Meeting

Wednesday, 30th November 2022

Time of Meeting

3.00 p.m. (AEDT)

Place of Meeting

Christie Spaces Conferencing
Level 4, 100 Walker Street
North Sydney NSW 2060

NOTICE OF ANNUAL GENERAL MEETING

Genex Power Limited (Company) hereby gives notice that the Annual General Meeting of Shareholders will be held at the offices of Christie Spaces Conferencing, Level 4, 100 Walker Street, North Sydney, NSW 2060 on **Wednesday, 30th November 2022** commencing at **3.00 p.m. (AEDT)**.

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

AGENDA

ITEM 1 – FINANCIAL REPORT

To receive and consider the consolidated financial report of the Company, together with the reports of the Directors and Auditor, for the year ended 30 June 2022.

Note:

There is no requirement for Shareholders to approve these reports.

ITEM 2 - ORDINARY BUSINESS

Resolution 1:

Adoption of Remuneration Report

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

“That the Shareholders adopt the Remuneration Report for the year ending 30 June 2022.”

Voting Exclusion Statement:

In accordance with section 250R (4) of the Corporations Act, no member of the key management personnel (as defined in the Corporations Act) of the Company named in the Remuneration Report or a closely related party (as defined in the Corporations Act) of such a member may vote on Resolution 1.

However, in accordance with the Corporations Act, a person described above may vote on Resolution 1 if:

- *it is cast by such person as proxy for a person who is permitted to vote, in accordance with the direction specified on the proxy form how to vote; or*
- *it is cast by the Chairman as proxy for a person who is permitted to vote, in accordance with an express direction specified on the proxy form to vote as the proxy decides.*

Note:

The outcome of Resolution 1 is advisory only and does not bind the Company or the Directors.

Resolution 2:**Re-election of Simon Kidston as a Director**

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

“That, for the purposes of clause 11.3 of the Company’s Constitution and for all other purposes, Simon Kidston retires as a Director of the Company by rotation and, being eligible, is re-elected as a Director of the Company.”

Resolution 3:**Re-election of Yongqing Yu as a Director**

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

“That, for the purposes of clause 11.3 of the Company’s Constitution and for all other purposes, Yongqing Yu retires as a Director of the Company by rotation and, being eligible, is re-elected as a Director of the Company.”

ITEM 3 – SPECIAL BUSINESS**Resolution 4:****Ratification of Prior Issue of Shares**

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

“That, for the purposes of Listing Rule 7.4 and for all other purposes, the Shareholders approve and ratify the prior allotment and issue of 266,666,667 Shares by Genex Power Limited to certain sophisticated and institutional investors as part of the placement that was announced to the ASX on 23 February 2022 on the terms and conditions set out in the Explanatory Memorandum accompanying this Notice.”

Voting Exclusion Statement:

In accordance with Listing Rule 14.11, the Company will disregard any votes cast in favour of Resolution 4 by or on behalf of a person, or any associate of that person, who participated in the issue of those Shares.

However, in accordance with the Listing Rules, this does not apply to a vote cast in favour of Resolution 4 by:

- *a person as proxy or attorney for a person who is entitled to vote on Resolution 4, in accordance with the directions given to the proxy or attorney to vote on Resolution 4 in that way; or*
- *the Chair of the Meeting as proxy or attorney for a person who is entitled to vote on Resolution 4, in accordance with a direction given to the Chair to vote on Resolution 4 as the Chair decides; or*
- *a holder acting solely in a nominee, trustee, custodial or other fiduciary capacity on behalf of a beneficiary provided the following conditions are met:*
 - *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*
 - *the holder votes on Resolution 4 in accordance with directions given by the beneficiary to the holder to vote in that way.*

Resolution 5:**Implementation of Employee Share Option Plan**

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

“That, for the purpose of ASX Listing Rule 7.2 exception 13, the Company’s Constitution and for all other purposes, shareholders approve the implementation of the Employee Share Option Plan, and the issue of up to the maximum number of Securities permitted under the Employee Share Option Plan”.

Voting Exclusion Statement:

In accordance with Listing Rule 14.11, the Company will disregard any votes cast in favour of Resolution 5 by or on behalf of a person, or any associate of that person, who is eligible to participate in the Employee Share Option Plan.

However, in accordance with the Listing Rules, this does not apply to a vote cast in favour of Resolution 5 by:

- *a person as proxy or attorney for a person who is entitled to vote on Resolution 5, in accordance with the directions given to the proxy or attorney to vote on Resolution 5 in that way; or*
- *the Chair of the Meeting as proxy or attorney for a person who is entitled to vote on Resolution 5, in accordance with a direction given to the Chair to vote on Resolution 5 as the Chair decides; or*
- *a holder acting solely in a nominee, trustee, custodial or other fiduciary capacity on behalf of a beneficiary provided the following conditions are met:*
 - *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*
 - *the holder votes on Resolution 4 in accordance with directions given by the beneficiary to the holder to vote in that way.*

Resolution 6:**Approval for Additional Placement Capacity**

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

“That, pursuant to and in accordance with ASX Listing Rule 7.1A, and for all other purposes, the Shareholders approve the issue of Equity Securities equating to up to 10% of the issued ordinary capital of the Company (at the time of issue) calculated in accordance with the formula prescribed in Listing Rule 7.1A.2 and on the terms and conditions in the Explanatory Memorandum.”

Voting Exclusion Statement:

In accordance with Listing Rule 14.11, the Company will disregard any votes cast in favour of Resolution 6 by or on behalf of a person who may participate in the 10% placement issue and a person who may obtain a benefit (excluding where a benefit was obtained solely by reason of being a holder of ordinary securities in the Company) if Resolution 6 is passed, and any associates of those persons.

As at the date of this Notice the Company has no specific plans to issue equity securities under the 10% placement issue and therefore it is not known who (if any) may participate in a potential (if any) issue of equity securities under the 10% placement issue.

However, in accordance with the Listing Rules, this does not apply to a vote cast in favour of Resolution 6 by:

- *a person as proxy or attorney for a person who is entitled to vote on Resolution 6, in accordance with the directions given to the proxy or attorney to vote on Resolution 6 in that way; or*
- *the Chair of the Meeting as proxy or attorney for a person who is entitled to vote on Resolution 6, in accordance with a direction given to the Chair to vote on Resolution 6 as the Chair decides; or*

- *a holder acting solely in a nominee, trustee, custodial or other fiduciary capacity on behalf of a beneficiary provided the following conditions are met:*
 - *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*
 - *the holder votes on Resolution 6 in accordance with directions given by the beneficiary to the holder to vote in that way.*

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

Dated at Sydney, 21st day of October 2022.

BY ORDER OF THE BOARD

Justin Clyne
Company Secretary

NOTES

1. Explanatory Memorandum and Glossary

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

2. Record Date

For the purposes of regulation 7.11.37 of the Corporations Regulations, the Company determines that Shareholders recorded on the Company's register at 7.00 pm (AEDT) on Monday, 28 November, 2022 (**Record Date**) will be entitled to attend and vote at the Meeting. If you are not the registered Shareholder in respect of a particular Share on the Record Date, you will not be entitled to vote in respect of that Share.

3. Appointment of Proxies

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

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

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

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

For Shareholders registered on the Australian register, section 250B of the Corporations Act stipulates that proxies must be delivered at least 48 hours prior to the Meeting. For the purposes of section 250B, the Board has determined that all proxies must be received by no later than 3.00 pm (AEDT) on Monday, 28 November, 2022 or in the event of the meeting being adjourned at least 48 hours prior to the adjourned meeting, to the Company's Share Registry Service Provider, Boardroom Pty Limited as follows:

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

By fax: +61 2 9290 9655

In person: Share Registry – Boardroom Pty Limited,
Level 8
210 George Street
Sydney NSW 2000

Lodge electronically: in accordance with the instructions on the proxy form.

4. Corporate Representative

Any corporate Shareholder who has appointed a person to act as its corporate representative at the Meeting should provide that person with a certificate or letter executed in accordance with the Corporations Act authorising him or her to act as the Company's representative. The authority must be received by the Company at least 48 hours in advance of the Meeting.

EXPLANATORY MEMORANDUM

This Explanatory Memorandum forms part of the Notice convening the Annual General Meeting of the Shareholders to be held at the offices of Christie Spaces Conferencing, Level 4, 100 Walker Street, North Sydney, NSW 2060 on **Wednesday, 30th November 2022** commencing at **3.00 p.m.** (AEDT).

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

All Resolutions, except Resolution 6 which is a special resolution, are ordinary resolutions.

ORDINARY RESOLUTIONS

Resolution 1:

Remuneration Report

“That the Shareholders adopt the Remuneration Report for the year ending 30 June 2022.”

Background

The Remuneration Report is set out on pages 29 to 34 of the Company’s Annual Report for the year ending 30 June 2022, which was lodged with ASX on 29 August 2022. The Remuneration Report sets out the Company’s remuneration policy and reports on the remuneration arrangements in place for the Directors and key executives of the Company.

Section 250R(2) of the Corporations Act stipulates that the Company must propose a resolution to the Shareholders that the Remuneration Report be adopted. The outcome of the resolution is advisory only and does not bind the Directors or the Company. The Directors will consider the outcome of the vote and comments made by Shareholders on the Remuneration Report at the meeting at which the Directors review the Company’s remuneration policies.

At the Meeting, the Chairman must allow a reasonable opportunity for the Shareholders at the Meeting, as a whole, to ask questions about or make comments on the management of the Company or the Remuneration Report.

Under the Corporations Act:

- (a) the Company is required to disregard any votes cast on this Resolution by any member of the “Key Management Personnel” (**KMP**) of the Company named in the Remuneration Report and their closely related parties, except as directed by any proxies; and
- (b) a ‘two-strike’ process in relation to the advisory and non-binding vote on the remuneration report has been introduced. Under the two-strike process if, at two consecutive AGMs, at least 25% of votes cast on a resolution that the remuneration report be adopted are against the adoption of the report, at the second of these AGMs, there must be put to the vote a resolution that another meeting be held within 90 days at which all Directors (except the Managing Director) who were Directors when the second 25% ‘no’ vote was passed must stand for re-election.

KMP are people having authority and responsibility for planning, directing and controlling the activities of the entity, directly or indirectly, and include Directors. “Closely related parties” include certain family members and dependents of KMP and companies they control.

The Company has not yet received a first strike in relation to its Remuneration Report with 92.53% of votes being cast on the poll either in favour of the Remuneration Report resolution or open proxies which were cast in favour of the resolution by the Chairman at the Company’s 2021 AGM.

Chairman as proxy

It is very important that the Shareholders appointing the Chairman as their proxy clearly indicate on the attached proxy form the way the Chairman must vote their proxy on Resolution 1. Otherwise, if the Chairman is appointed as a proxy for a person who is permitted to vote on Resolution 1 and the Shareholder does not indicate on their proxy form the way the Chairman must vote, the Chairman will vote that proxy in favour of Resolution 1. Please see the proxy form attached to the Notice for further information.

Recommendation

Noting that each Director of the Company has a personal interest in their own remuneration the subject of this Resolution, the Board does not consider it appropriate to make a recommendation to Shareholders in relation to voting on this Resolution.

Resolution 2:

Re-election of Simon Kidston as a Director

“That, for the purposes of clause 11.3 of the Company’s Constitution and for all other purposes, Simon Kidston retires as a Director of the Company by rotation and, being eligible, is re-elected as a Director of the Company.”

Information about Mr Kidston

Mr Kidston was last re-elected by Shareholders at the Company’s 2019 AGM.

Mr Kidston is a founding director and shareholder of Genex. Prior to Genex, Mr Kidston successfully established three ASX listed companies, Endocoal Limited, Carabella Resources Limited and Estrella Resources Limited.

In addition, Mr Kidston has over 20 years’ investment banking experience in Australia and overseas with groups such as Macquarie Bank Limited, HSBC and Helmsec Global Capital Limited. During this period, he assisted companies grow by accessing capital, negotiating strategic relationships and acquisitions. He has a Bachelor of Commerce degree and is a Member of the Australian Institute of Company Directors.

Mr Kidston is a Member of the Remuneration Committee.

Recommendation

The Board, with the exception of Mr Kidston, unanimously recommends that the Shareholders approve Resolution 2 as each Director allowed to vote intends to do with regard to their own shareholdings in the Company.

Resolution 3:**Re-election of Yongqing Yu as a Director**

“That, for the purposes of clause 11.3 of the Company’s Constitution and for all other purposes, Yongqing Yu retires as a Director of the Company by rotation and, being eligible, is re-elected as a Director of the Company.”

Information about Mr Yu

Mr Yu was last re-elected by shareholders at the Company’s 2019 AGM.

Mr Yu is the Vice Chairman of Shenzhen listed Asia Ecoenergy Development Limited (Asia Ecoenergy) (formerly Zhefu), one of the largest hydroelectric electrical and mechanical equipment manufacturers in China and Genex’s current second largest shareholder. Mr Yu has been a key member of Asia Ecoenergy since the company’s inception. He is a senior engineer and has extensive hydro experience. Mr Yu has been involved in many significant projects including the Shuangling Hydropower Project in Liaoning Province, the Wannipo Hydropower Project in Hunan province and the Changzhou Hydropower Project in the Guangxi Zhuang Autonomous Region of China.

Recommendation

The Board, with the exception of Mr Yu, does not recommend that the Shareholders approve Resolution 3. Each Director allowed to vote intends to vote against the re-election of Mr Yu as a director with regard to their own shareholdings in the Company.

Resolution 4:**Ratification of Prior Share Issue**

“That, for the purposes of Listing Rule 7.4 and for all other purposes, the Shareholders approve and ratify the prior allotment and issue of 266,666,667 Shares by Genex Power Limited to certain sophisticated and institutional investors as part of the placement announced to the ASX on 23 February 2022 on the terms and conditions set out in the Explanatory Memorandum accompanying this Notice.”

Background

On 23 February 2022, the Company announced that it was undertaking a capital raising which included a placement to raise a total of AUD\$40m resulting in the issue of a total of 266,666,667 Shares (**Placement**).

Pursuant to the placement component of the capital raising, a total of 266,666,667 Shares were issued pursuant to ASX Listing Rules 7.1 and 7.1A to various sophisticated and institutional investors which was completed on 28 February 2022. None of these persons or entities participating in the Placement are Related Parties of the Company.

At the time of issue, it was permissible for the Company to issue the Shares pursuant to the Placement without prior approval of Shareholders as it did not exceed the 15% Restriction imposed upon listed companies by Listing Rule 7.1 or the additional 10% placement capacity under Listing Rule 7.1A, and none were issued to a Related Party.

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

If Resolution 4 is passed by Shareholders, the issue of the 266,666,667 Shares referred to above will be excluded in calculating the Company's placement capacity under Listing Rule 7, effectively increasing the number of Equity Securities it can issue without the need to obtain Shareholder approval over the 12 month period following the issue date.

If Resolution 4 is not passed, the issue will be included in calculating the Company's 15% placement capacity under Listing Rule 7.1, effectively decreasing the number of equity securities that the Company can issue without the need to obtain shareholder approval over the 12 month period following the issue date.

Note that the Company is seeking a separate resolution (Resolution 6) by way of a special resolution for the approval of an additional 10% placement capacity. Neither Resolution 4 or 6 are dependent on the other.

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

Information for Shareholders in accordance with Listing Rule 7.4

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

- (c) *Allottees*: The Shares were issued to a range of sophisticated and institutional investors introduced by Morgans Corporate Limited and Canaccord Genuity (Australia) Limited acting as Joint Lead Managers and Euroz Hartleys Limited as Co-Manager, none of whom is a Related Party of the Company.
- (d) *Number and class of securities allotted*: The issue consisted of the issue and allotment of 266,666,667 new fully paid ordinary shares in the capital of the Company.
- (e) *Term of the securities*: The Shares have with the same rights as Shares already on issue in the Company and subject to the Corporations Act, the ASX Listing Rules and the Company's Constitution.
- (f) *Date on which securities were issued*: The Shares were issued on 28 February 2022.
- (g) *Issue price*: \$0.15 per Share. A total of AUD\$40m was raised by the Company through the issue of these Shares.
- (h) *Use of funds*: The funds will be used in accordance with the following:
 - (i) To fund the equity contribution for the construction of the Company's 50MW/100MWh Bouldercombe Battery Project; and
 - (ii) Costs associated with the capital raising.
- (i) *Where the securities issued under an agreement?* No, the securities were not issued under an agreement; and
- (j) *A Voting Exclusion Statement* is included in Resolution 4 of the Notice.

Effect if Resolution 4 is not passed

If Resolution 4 is not passed by Shareholders, the Company will not be able to make any further issuances pursuant to Listing Rule 7.1 until on or about 28 February 2023 being the date that is 12 months from when the Company issued the Shares using its full 15% placement capacity pursuant to Listing Rule 7.1 in the Placement announced to the ASX on 23 February 2023.

Recommendation

The Board unanimously recommends that the Shareholders vote in favour of the ratification of the prior issue of the Shares as each Director intends to do with regard to their own shareholdings in the Company.

Resolution 5:**Implementation of Employee Share Option Plan:**

“That, for the purpose of ASX Listing Rule 7.2 exception 13, the Company’s Constitution and for all other purposes, shareholders approve the implementation of the Employee Share Option Plan, and the issue of up to the maximum number of Securities permitted under the Employee Share Option Plan.”

Objective

The objective of the Employee Share Option Plan is to attract, motivate and retain key employees and the Company considers that the adoption of the Employee Share Option Plan and the future issue of securities under the Employee Share Option Plan will provide selected employees with the opportunity to participate in the future growth of the Company, such that their interests are aligned with that of the Company's.

Resolution 5 seeks Shareholder approval for the adoption of the Employee Share Option Plan, and for the issue of securities under the Employee Share Option Plan, in accordance with Listing Rule 7.2 exception 13(b).

Listing Rule 7.2 exception 13(b)

ASX Listing Rule 7.1 provides that a company must not, subject to exceptions set out in Listing Rule 7.2, issue or agree to issue more Equity Securities during any 12-month period than that amount which represents 15% of the number of fully paid ordinary securities on issue at the commencement of that 12-month period.

Listing Rule 7.2 exception 13(b) provides that Listing Rule 7.1 does not apply to an issue of securities under an employee incentive plan if, within three years before the date of issue of the securities, the holders of the entity’s ordinary securities have approved the issue of Equity Securities under the scheme as exception to Listing Rule 7.1.

Exception 13(b) is only available if and to the extent that the number of Equity Securities issued under the scheme does not exceed the maximum number set out in the entity’s notice of meeting dispatched to shareholders in respect of the meeting at which shareholder approval was obtained pursuant to Listing Rule 7.2 exception 13(b). Exception 13(b) also ceases to be available if there is a material change to the terms of the scheme from those set out in the notice of meeting.

If Resolution 5 is passed, the Company will be able to issue up to the maximum number of securities permitted under the Employee Share Option Plan to eligible participants over the next three years. The issue of any securities to eligible participants under the Employee Share Option Plan will be

excluded from the calculation of the number of Equity Securities that the Company can issue without Shareholder approval under Listing Rule 7.1.

For the avoidance of doubt, the Company must seek Shareholder approval under Listing Rule 10.14 in respect of any future issues of securities under the Employee Share Option Plan to a related party or a person whose relationship with the Company or the related party is, in ASX's opinion, such that approval should be obtained.

Information for Shareholders in accordance with Listing Rule 7.2 exception 13(b)

The following information is provided in relation to Resolution 5 in accordance with Listing Rule 7.2 exception 13(b):

- (a) *A summary of the terms of the Employee Share Option Plan:* See Annexure "A" to this Notice.
- (b) *The number of securities issued under the Employee Share Option Plan since the date that it was listed:* nil
- (c) *The maximum number of Equity Securities proposed to be issued under the Employee Share Option Plan following Shareholder approval:* 5% (or such other maximum permitted under any Applicable Law) of the total number of Shares on issue at the date of an Invitation under the Employee Share Option Plan.
- (d) *A Voting Exclusion Statement* is included in Resolution 4 of the Notice.

Effect if Resolution 5 is not passed

If Resolution 5 is not passed, the Company will be able to proceed with the issue of securities under the Employee Share Option Plan to eligible participants, but any issues of securities will reduce, to that extent, the Company's capacity to issue Equity Securities without Shareholder approval under Listing Rule 7.1 for the 12-month period following the issue of the securities.

Recommendation

The Board unanimously recommends that the Shareholders vote in favour of Resolution 5.

SPECIAL RESOLUTION

Resolution 6 – this is the only Special Resolution to be considered by Shareholders:

Approval for Additional Placement Capacity

“That, pursuant to and in accordance with ASX Listing 7.1A, and for all other purposes, the Shareholders approve the issue of Equity Securities equating to up to 10% of the issued ordinary capital of the Company (at the time of issue) calculated in accordance with the formula prescribed in Listing Rule 7.1A.2 and on the terms and conditions in the Explanatory Memorandum.”

Background

Listing Rule 7.1A enables eligible entities to issue Equity Securities up to 10% of their issued share capital through placements over a 12-month period after the annual general meeting (**10% Placement Facility**). The 10% Placement Facility is in addition to the Company's 15% placement capacity under Listing Rule 7.1.

An eligible entity for the purposes of Listing Rule 7.1A is an entity that is not included in the S&P/ASX 300 Index and has a market capitalisation of \$300 million or less. The Company is an eligible entity.

The Company is now seeking shareholder approval by way of a special resolution to have the ability to issue Equity Securities under the 10% Placement Facility.

The exact number of Equity Securities to be issued under the 10% Placement Facility will be determined in accordance with the formula prescribed in Listing Rule 7.1A.2 (refer to subparagraph (c) below).

The Company may use the 10% Placement Facility to acquire new projects, assets or investments or for feasibility, financing, equity, construction and/or development work on its current or future projects and/or for working capital.

Description of Listing Rule 7.1A

(a) Shareholder approval

The ability to issue Equity Securities under the 10% Placement Facility is subject to shareholder approval by way of a special resolution at an annual general meeting.

(b) Equity Securities

Any Equity Securities issued under the 10% Placement Facility must be in the same class as an existing quoted class of Equity Securities of the Company and will be issued for cash consideration only. The Company, as at the date of the Notice, has only one class of quoted Equity Securities, being the Ordinary Shares.

(c) Formula for calculating 10% Placement Facility

Listing Rule 7.1A.2 provides that eligible entities which have obtained shareholder approval at an annual general meeting may issue or agree to issue, during the 12-month period after the date of the annual general meeting, a number of Equity Securities calculated in accordance with the following formula:

$$(A \times D) - E$$

A is the number of shares on issue 12 months before the date of issue or agreement which is 1,069,900,045:

(A) plus the number of fully paid shares issued in the 12 months under an exception in Listing Rule 7.2 which is 48,610,428;

(B) plus the number of partly paid shares that became fully paid in the 12 months which is nil;

(C) plus the number of fully paid shares issued in the 12 months with approval of holders of shares under Listing Rule 7.1 and 7.4, assuming resolution 4 herein is passed, which is 266,666,667;

(D) less the number of fully paid shares cancelled in the 12 months which is nil.

[Note that A has the same meaning in Listing Rule 7.1 when calculating an entity's 15% placement capacity.]

D is 10%

E is the number of Equity Securities issued or agreed to be issued under Listing Rule 7.1A.2 in the 12 months before the date of the issue or agreement to issue (or since the date of quotation if less than 12 months) that are not issued with the approval of shareholders under Listing Rule 7.1 or 7.4.

(d) Listing Rule 7.1 and Listing Rule 7.1A

The ability of an entity to issue Equity Securities under Listing Rule 7.1A is in addition to the entity's 15% placement capacity under Listing Rule 7.1.

As at the date of this Notice, the Company has 1,385,177,140 Shares on issue and, assuming resolution 4 herein is passed, the capacity to issue:

- (i) 207,776,571 Equity Securities under Listing Rule 7.1; and
- (ii) subject to the passing of Resolution 6, a further 138,517,714 Equity Securities under Listing Rule 7.1A.

The actual number of Equity Securities that the Company will have capacity to issue under Listing Rule 7.1A will be calculated at the date of issue of the Equity Securities in accordance with the formula prescribed in Listing Rule 7.1A.2 (refer to Section subparagraph (c) above).

(e) Minimum Issue Price

The issue price of Equity Securities issued under Listing Rule 7.1A must be not less than 75% of the VWAP of Equity Securities in the same class calculated over the 15 Trading Days immediately before:

- (i) the date on which the price at which the Equity Securities are to be issued is agreed; by the entity and the recipient of the securities; or
- (ii) if the Equity Securities are not issued within 10 Trading Days of the date in paragraph (i) above, the date on which the Equity Securities are issued.

(f) 10% Placement Period

Shareholder approval of the 10% Placement Facility under Listing Rule 7.1A is valid from the date of the annual general meeting at which the approval is obtained and expires on the earlier to occur of:

- (i) the date that is 12 months after the date of the annual general meeting at which the approval is obtained; or
- (ii) the time and date of the entity's next annual general meeting; or
- (iii) the date of the approval by shareholders of a transaction under Listing Rules 11.1.2 (a significant change to the nature or scale of activities) or 11.2 (disposal of main undertaking),

(10% Placement Period).

Listing Rule 7.1A

The effect of Resolution 6 will be to allow the Directors to issue the Equity Securities under Listing Rule 7.1A during the 10% Placement Period without using the Company's 15% placement capacity under Listing Rule 7.1.

Resolution 6 is a special resolution and therefore requires approval of 75% of the votes cast by Shareholders present and eligible to vote (in person, by proxy, by attorney or, in the case of a corporate Shareholder, by a corporate representative).

Specific information required by Listing Rule 7.3A

Pursuant to and in accordance with Listing Rule 7.3A, information is provided in relation to the approval of the 10% Placement Facility as follows:

- (b) The Equity Securities will be issued at an issue price of not less than 75% of the VWAP for the Company's Equity Securities over the 15 Trading Days immediately before:
 - (i) the date on which the price at which the Equity Securities are to be issued is agreed; or
 - (ii) if the Equity Securities are not issued within 10 Trading Days of the date in paragraph (i) above, the date on which the Equity Securities are issued.
- (c) If Resolution 6 is approved by Shareholders and the Company issues Equity Securities under the 10% Placement Facility, the existing Shareholders' voting power in the Company will be diluted as shown in the below table (in the case of Options, only if the Options are exercised). There is a risk that:
 - (i) the market price for the Company's Equity Securities may be significantly lower on the date of the issue of the Equity Securities than on the date of the Meeting; and
 - (ii) the Equity Securities may be issued at a price that is at a discount to the market price for the Company's Equity Securities on the issue date.

The below table shows the dilution of existing Shareholders on the basis of the market price of Shares of \$0.215 and the current number of ordinary securities for variable "A" calculated in accordance with the formula in Listing Rule 7.1A (2) as at the close of trading on 11 October, 2022.

The table also shows:

- (i) two examples where variable "A" has increased, by 50% and 100%. Variable "A" is based on the number of ordinary securities the Company has on issue as at the date of the Notice. The number of ordinary securities on issue may increase as a result of issues of ordinary securities that do not require Shareholder approval (for example, a pro rata entitlements issue or scrip issued under a takeover offer) or future specific placements under Listing Rule 7.1 that are approved at a future Shareholders' meeting ; and
- (ii) two examples of where the issue price of ordinary securities has decreased by 50% and increased by 100% as against the current market price.

| | | | |
|--|--|-------------------------------|---|
| Variable 'A' in Listing Rule 7.1A.2 | Dilution | Dilution | Dilution |
| | \$0.1075 50% decrease in Issue Price | \$0.215 Issue Price | \$0.43 100% increase in Issue Price |

| | | | | |
|---|---------------------|-----------------------|-----------------------|-----------------------|
| Current Variable 'A' 1,385,177,140 Shares | 10% voting dilution | 138,517,714 Shares | 138,517,714 Shares | 138,517,714 Shares |
| | Funds raised | \$14,890,654 | \$29,781,308 | \$59,562,617 |
| 50% increase in current Variable 'A' 2,077,765,710 Shares | 10% voting dilution | 207,776,571 Shares | 207,776,571 Shares | 207,776,571 Shares |
| | Funds raised | \$22,335,981 | \$44,671,962 | \$89,343,925 |
| 100% increase in current Variable 'A' 2,770,354,280 Shares | 10% voting dilution | 277,035,428 Shares | 277,035,428 Shares | 277,035,428 Shares |
| | Funds raised | \$29,781,308 | \$59,562,617 | \$119,125,234 |

The table has been prepared on the following assumptions:

- (i) The Company issues the maximum number of Equity Securities available under the 10% Placement Facility.
 - (ii) No Options are exercised into Shares before the date of the issue of the Equity Securities.
 - (iii) The 10% voting dilution reflects the aggregate percentage dilution against the issued share capital at the time of issue. This is why the voting dilution is shown in each example as 10%.
 - (iv) The table does not show an example of dilution that may be caused to a particular Shareholder by reason of placements under the 10% Placement Facility, based on that Shareholder's holding at the date of the Meeting.
 - (v) The table shows only the effect of issues of Equity Securities under Listing Rule 7.1A, not under the 15% placement capacity under Listing Rule 7.1.
 - (vi) The issue of Equity Securities under the 10% Placement Facility consists only of Shares.
 - (vii) The issue price is \$0.215, being the closing price of the Shares on ASX on 11 October, 2022; and
 - (viii) Resolutions 4 and 6 are passed at the Meeting.
- (d) The Company will only issue and allot the Equity Securities during the 10% Placement Period. The approval under Resolution 6 for the issue of the Equity Securities will cease to be valid on the earlier of:
- (i) the date that is 12 months after the date of the AGM at which the approval is obtained; or
 - (ii) the time and date of the entity's next annual general meeting; or
 - (iii) in the event that Shareholders approve a transaction under Listing Rule 11.1.2 (a significant change to the nature or scale of activities or Listing Rule 11.2 (disposal of

main undertaking)). The approval under Resolution 6 for the issue of the Equity Securities will also cease on.

- (e) The Company may seek to issue the Equity Securities for the following purposes:
 - (i) to raise funds for the consideration to acquire or otherwise invest into new projects or assets;
 - (ii) fund feasibility studies for existing or new projects;
 - (iii) fund the financing costs or equity component contributions to existing or new projects;
 - (iv) fund the construction and/or development work on existing or new projects; and/or
 - (v) for working capital.
- (f) The Company will comply with the disclosure obligations under Listing Rules 7.1A(4) and 3.10.5A upon issue of any Equity Securities.
- (g) Allocation policy
 - (i) The Company's allocation policy is dependent on the prevailing market conditions at the time of any proposed issue pursuant to the 10% Placement Facility. The identity of the allottees of Equity Securities will be determined on a case-by-case basis having regard to the factors including, but not limited to the following:
 - a. the methods of raising funds that are available to the Company, including but not limited to, rights issue or other issues in which existing security holders can participate;
 - b. the effect of the issue of the Equity Securities on the control of the Company;
 - c. the financial situation and solvency of the Company; and
 - d. advice from corporate, financial and broking advisers (if applicable).
 - (ii) The allottees under the 10% Placement Facility have not been determined as at the date of this Notice but may include existing substantial Shareholders and/or new Shareholders who are not Related Parties or associates of a Related Party of the Company.
 - (iii) Further, if the Company is successful in acquiring new projects, assets or investments, it is likely that the allottees under the 10% Placement Facility will be the vendors of the new projects, assets or investments.
- (h) The Company has obtained Shareholder approval under Listing Rule 7.1A at each of its AGMs since 2015 and provides the following information pursuant to Listing Rule 7.3A.6(a):

The total number of equity securities issued in the 12 months preceding the date of meeting pursuant to Listing Rule 7.1A.2 is 315,277,095 representing approximately 29.47% of the total fully diluted equity securities on issue 12 months preceding the date of the Meeting.
- (i) The following information is provided pursuant to Listing Rule 7.3A.6(b):

| | |
|---------------------------------|---|
| <u>Date of Issue:</u> | <u>28 February 2022</u> |
| Number Issued: | 106,181,661 |
| Class: | Fully Paid Ordinary Shares |
| Recipient: | Investors introduced by Morgans Corporate Limited and Canaccord Genuity (Australia) Limited, being either a sophisticated, professional or experienced investor who met the requirements for each classification as required under s.708 of the <i>Corporations Act 2001 (Cth.)</i> . |
| Price/Discount: | \$0.15 per share representing a discount of \$0.02 to the last closing price prior to the trading halt for the announcement of the capital raising. |
| Consideration and use of funds: | Total funds raised for the Shares issued under Listing Rule 7.1A2 were \$15,927,249 which have been/continue to be used for development of the Company's Bouldercombe Battery Project and costs associated with the capital raise. |

- (j) A voting exclusion statement is included in the Notice. At the date of the Notice, the Company has not approached any particular existing Shareholder or security holder or an identifiable class of existing security holder to participate in the issue of the Equity Securities. No existing Shareholder's votes will therefore be excluded under the voting exclusion in the Notice.

Effect if Resolution 6 is not passed

If Resolution 6 is not passed by Shareholders, the Company will be limited to the 15% placement capacity under Listing Rule 7.1 of the ASX Listing Rules.

Recommendation

The Directors of the Company believe that Resolution 6 is in the best interests of the Company and unanimously recommend that Shareholders vote in favour of this Special Resolution.

GLOSSARY

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

AEDT means Australian Eastern Daylight Savings Time.

AGM means an annual general meeting of the Company held in accordance with the Corporations Act.

ASIC means the Australian Securities & Investments Commission.

Associate has the meaning given in ASX Listing Rule 19.12.

ASX means the Australian Securities Exchange.

Auditor means the auditor of the Company.

Chairman or **Chair** means the chairman of the Meeting.

Company means Genex Power Limited ACN 152 098 854.

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

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

Director means a Director of the Company.

Employee Share Option Plan means the Company's proposed employee share option plan, details of which are set out in Annexure "A" to this Notice.

Equity Securities includes a Share, a right to a Share or Option, a convertible security and any other security that ASX decides to classify as an Equity Security.

Listing Rules means the official listing rules of ASX.

Meeting means the AGM convened by this Notice.

Notice means this document, including the Explanatory Memorandum.

Options mean an option in the Company to acquire Shares.

Ordinary Security has the meaning given in ASX Listing Rule 19.12.

Person has the meaning given in ASX Listing Rule 19.12.

Related Party has the meaning given in ASX Listing Rule 19.12.

Resolution means the resolutions set out in this Notice to be considered at the Meeting.

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

Shareholder means a holder of Shares in the capital of the Company.

Trading Day means a day on which ASX is open for trading.

VWAP means Volume Weighted Average Price.

ANNEXURE "A" GENEX POWER LIMITED EMPLOYEE SHARE OPTION PLAN

Employee Securities Incentive Plan

Genex Power Limited

ACN 152 098 854

Error! Unknown document property name.

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Table of contents

| | | |
|-----------|--|-----------|
| 1. | Definitions and interpretation | 1 |
| 1.1 | Definitions | 1 |
| 1.2 | Interpretation | 6 |
| 1.3 | Inconsistencies | 7 |
| 1.4 | Income Tax Assessment Act | 7 |
| 1.5 | Construed against a party | 7 |
| 1.6 | Applicable Law | 8 |
| 1.7 | Rounding | 8 |
| 1.8 | Constitution | 8 |
| 2. | Introduction | 8 |
| 2.1 | Purpose | 8 |
| 2.2 | Commencement | 8 |
| 2.3 | Rules are binding | 8 |
| 3. | Eligibility, Invitation and Application | 9 |
| 3.1 | Eligibility | 9 |
| 3.2 | Invitation | 9 |
| 3.3 | Form of Application | 9 |
| 3.4 | Eligible Participant agrees to be bound | 9 |
| 3.5 | Who may apply | 10 |
| 3.6 | Acceptance of Application | 10 |
| 3.7 | When an Application will not be accepted | 10 |
| 3.8 | Right to nominate | 10 |
| 3.9 | Multiple Invitations | 11 |
| 4. | Grant of Securities | 11 |
| 4.1 | Company to grant Securities | 11 |
| 4.2 | Certificate of Security | 11 |
| 5. | Terms of Convertible Securities | 12 |
| 5.1 | Participant's rights | 12 |
| 5.2 | Restriction of dealing | 12 |
| 5.3 | Prohibition on hedging | 12 |

| | | |
|------------|---|-----------|
| 5.4 | Register of Convertible Securities | 12 |
| 5.5 | Listing | 12 |
| 6. | Vesting of Convertible Securities | 13 |
| 6.1 | Vesting | 13 |
| 6.2 | Waiver of Vesting Condition | 13 |
| 7. | Exercise of Convertible Securities | 13 |
| 7.1 | Exercise of Convertible Securities | 13 |
| 7.2 | Cashless exercise of Convertible Securities | 14 |
| 8. | Delivery of Shares on exercise of Convertible Securities | 14 |
| 9. | Forfeiture of Convertible Securities | 14 |
| 9.1 | Leaver | 14 |
| 9.2 | Fraudulent or dishonest actions | 14 |
| 9.3 | Failure to satisfy Vesting Conditions | 15 |
| 9.4 | Insolvency | 15 |
| 9.5 | Other forfeiture events | 15 |
| 9.6 | Discretion to determine that the Convertible Securities are not forfeited | 15 |
| 9.7 | Voluntary forfeiture | 15 |
| 9.8 | Application of Part 2D.2 Division 2 of the Corporations Act | 15 |
| 10. | Effect of Forfeiture of Convertible Securities | 16 |
| 11. | Change of Control | 16 |
| 12. | Rights attaching to Plan Shares | 16 |
| 12.1 | Plan Shares to rank equally | 16 |
| 12.2 | Listing | 17 |
| 12.3 | Dividends | 17 |
| 12.4 | Dividend reinvestment plan | 17 |
| 12.5 | Voting rights | 17 |
| 13. | Disposal Restrictions on Plan Shares | 17 |
| 13.1 | Disposal restriction | 17 |
| 13.2 | Participant's undertaking | 17 |
| 13.3 | Expiry of restriction | 18 |

| | | |
|------------|---|-----------|
| 13.4 | Share entitlements | 18 |
| 14. | Irrevocable Power of Attorney | 18 |
| 15. | Adjustment of Convertible Securities | 18 |
| 15.1 | Reorganisation | 18 |
| 15.2 | Bonus Issue | 18 |
| 15.3 | Rights Issue | 19 |
| 15.4 | No other participation | 19 |
| 15.5 | Rounding | 19 |
| 15.6 | Application of adjustment | 19 |
| 16. | Administration of the Plan | 20 |
| 16.1 | Board administration | 20 |
| 16.2 | Board powers and discretions | 20 |
| 16.3 | Delegation of Board powers and discretions | 20 |
| 16.4 | Documents | 20 |
| 16.5 | Decisions final | 20 |
| 17. | Trust | 21 |
| 18. | Restrictions on and amendments to the Plan | 21 |
| 18.1 | Compliance with Applicable Laws | 21 |
| 18.2 | Amendment of Plan | 22 |
| 19. | Duration | 23 |
| 19.1 | Termination | 23 |
| 19.2 | Suspension | 23 |
| 19.3 | Effect of termination / suspension | 23 |
| 19.4 | Cancellation of Convertible Securities | 23 |
| 20. | Miscellaneous | 23 |
| 20.1 | Rights of Participants | 23 |
| 20.2 | Non-exclusivity | 24 |
| 20.3 | Notice | 24 |
| 20.4 | Further assurances | 25 |
| 20.5 | Costs and charges | 25 |
| 20.6 | No representation or warranty | 25 |

| | | |
|------|------------------|----|
| 20.7 | Data protection | 25 |
| 20.8 | Governing law | 25 |
| 20.9 | Waiver of rights | 26 |

Genex Power Limited - Employee Securities Incentive Plan

1. Definitions and interpretation

1.1 Definitions

In these Rules, unless the context otherwise requires, the following terms and expressions will have the following meanings:

| | |
|--------------------------------|--|
| Ancillary Documentation | means all documentation which the Board specifies in an Invitation that an Eligible Participant must enter into and/or provide in connection with an Application for Securities. |
| Applicable Law | means any one or more or all, as the context requires of: <ul style="list-style-type: none"> (a) the Corporations Act; (b) the Listing Rules; (c) the Constitution; (d) the <i>Income Tax Assessment Act 1936</i> (Cth) and the <i>Income Tax Assessment Act 1997</i> (Cth); (e) any relevant practice note, policy statement, regulatory guide, class order, declaration, guideline, policy, procedure, ruling, judicial interpretation or other guidance note made to clarify, expand or amend (a), (b), or (d) above; (f) any other legal requirement (including, without limitation, the rules of the general law, including common law and equity, and any judgment, order, decree, declaration or ruling of a court of competent jurisdiction or government agency binding on a person or the assets of that person) that applies to the Plan; and (g) in respect of acquisition or disposals of any Shares, any formal policy relating to dealings in Shares adopted by the Board from time to time, including the Share Trading Policy. |
| Application | means, in respect of a Security, an application for that Security made by an Eligible Participant in response to an Invitation. |
| Application Form | means an application form attached to, or enclosed with, an Invitation. |
| ASIC | means the Australian Securities and Investments Commission. |

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| ASIC Class Order 14/1000 | means ASIC Class Order (CO 14/1000) which provides relief for employee incentive scheme offers from disclosure, licensing, advertising, hawking and on-sale in relation to listed bodies. |
| Associate | has the same meaning as in section 12 of the Corporations Act. |
| Associated Body Corporate | has the meaning given to that term in ASIC Class Order 14/1000. |
| ASX | means the ASX Limited (ABN 98 008 624 691) trading as the Australian Securities Exchange or the securities exchange operated by that entity, as appropriate. |
| ASX Holding Lock | has the same meaning as 'Holding Lock' in Chapter 19 of the Listing Rules. |
| Board | means the board of directors of the Company, a committee appointed by the board of directors of the Company as constituted from time to time, or, in respect of a particular matter, any person who is provided with delegated authority by the board of directors of the Company in respect of that particular matter from time to time. |
| Business Day | means a day (other than a Saturday, Sunday or public holiday) on which banks are open for general banking business in Sydney, Australia. |
| Certificate | means a certificate evidencing the grant of a Security. |
| Change of Control Event | means: <ul style="list-style-type: none"> (a) a change in Control of the Company; (b) where members of the Company approve any compromise or arrangement for the purpose of, or in connection with, a scheme for the reconstruction of the Company or its amalgamation with any other body corporate or bodies corporate (other than a scheme that does not involve a change in the ultimate beneficial ownership of the Company), which will, upon becoming effective, result in any person (either alone or together with its Associates) owning more than fifty per cent (50%) of Issued Capital; (c) where a person becomes the legal or the beneficial owner of, or has a Relevant Interest in, more than fifty per cent (50%) of Issued Capital; (d) where a person becomes entitled to acquire, hold or has an equitable interest in more than fifty per cent (50%) of Issued Capital; and |

- (e) where a Takeover Bid is made to acquire more than fifty per cent (50%) of Issued Capital (or such lesser number of Shares that when combined with the Shares that the bidder (together with its Associates) already owns will amount to more than 50% of Issued Capital) and the Takeover Bid becomes unconditional and the bidder (together with its Associates) has a Relevant Interest in more than 50% of Issued Capital,

but, for the avoidance of doubt, does not include any internal reorganisation of the structure, business and/or assets of the Group.

| | |
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| Company | means Genex Power Limited ACN 152 098 854. |
| Constitution | means the constitution of the Company. |
| Control | has the same meaning as in section 50AA of the Corporations Act. |
| Convertible Security | means a Security exercisable for Plan Share(s) in accordance with these Rules, including an Option or Performance Right. |
| Corporations Act | means the <i>Corporations Act 2001</i> (Cth). |
| Derivatives | include: <ul style="list-style-type: none"> (a) derivatives within the meaning given in section 761D of the Corporations Act (such as options, forward contracts, swaps, futures, warrants, caps and collars); and (b) any other transaction in financial products which operate to limit (in any way) the economic risk associated with holding the relevant securities. |
| Eligible Participant | means a person that: <ul style="list-style-type: none"> (a) is an 'eligible participant' (as that term is defined in ASIC Class Order 14/1000) in relation to the Company or an Associated Body Corporate; and (b) has been determined by the Board to be eligible to participate in the Plan from time to time. |
| Engagement Arrangement | means in respect of: <ul style="list-style-type: none"> (a) an employee of a member of the Group, the terms under which the relevant member of the Group has employed that person; (b) a director of a member of the Group that is not also an employee, the terms under which the relevant member of the Group has appointed that director to their office; or |

- (c) a contractor or consultant to a member of the Group, the terms under which the relevant member of the Group has engaged that contractor or consultant.

Exercise Price means, in respect of a Convertible Security, the price to be paid by the Participant (if any) when exercising that Security as specified in the relevant Invitation. For the avoidance of doubt, the Exercise Price for a Security may be nil.

Expiry Date means, in relation to a Convertible Security, the 'expiry date' which is specified in the Invitation or Vesting Notice (if any).

Grant Date means, in relation to a Security, the date on which that Security is granted to a Participant, as set out on the relevant Certificate.

Group means the Company and each of its Associated Bodies Corporate from time to time.

Insolvent A person is Insolvent if:

- (a) it is (or states that it is) an insolvent under administration or insolvent (each as defined in the Corporations Act);
- (b) it has had a controller appointed or is in liquidation, in provisional liquidation, under administration, wound up or has had a receiver appointed to any part of its property;
- (c) it is subject to any arrangement, assignment, moratorium or composition, protected from creditors under any statute or dissolved (in each case, other than to carry out a reconstruction or amalgamation while solvent on terms approved by the Company);
- (d) an application or order has been made (and in the case of the application, it is not stayed, withdrawn or dismissed within 30 days), resolution passed, proposal put forward, or any other action taken, in each case in connection with that person, which is likely to result in any of (a), (b) or (c) above);
- (e) it is taken (under s.459F(1) of the Corporations Act) to have failed to comply with a statutory demand);
- (f) it is subject to an event described in section 459C(2)(b) or section 585 of the Corporations Act;
- (g) it is otherwise unable to pay its debts when they fall due; or
- (h) something having a substantially similar effect to (a) to (g) happens in connection with that person under the law of any jurisdiction.

| | |
|---------------------------|---|
| Invitation | means an invitation to an Eligible Participant to apply for the grant of one or more Securities made in accordance with clause 3.2 of these Rules. |
| Issued Capital | means issued Shares from time to time. |
| Leaver | means a Participant who ceases to be an Eligible Participant. |
| Listing Rules | means the listing rules, market rules and operating rules of a financial market in respect of which the Company's shares are quoted or are the subject of an application for quotation, including but not limited to, the official listing rules of the ASX. |
| Market Value | means, at any given date, the volume weighted average price per Share traded on the ASX over the five (5) trading days immediately preceding that given date, unless otherwise specified in an Invitation. |
| Nominated Party | means, in respect of an Eligible Participant: <ul style="list-style-type: none"> (a) that person's spouse; (b) that person's biological or legally adopted child of at least 18 years of age; (c) a trustee or trustees of a trust set up wholly for the benefit of that Eligible Participant and/or a person mentioned in sub-clauses (a) or (b) above (but not including any trust established by the Company under clause 17); or (d) a company in which all of the issued shares are beneficially held by, and all of the voting rights are beneficially held by: <ul style="list-style-type: none"> (i) the Eligible Participant; and/or (ii) a person or persons mentioned in sub-clauses (a), (b) or (c) above. |
| Notice of Exercise | means a notice given by or on behalf of the Participant (in a form to be determined by the Board from time to time) to exercise a Convertible Security in accordance with clause 7.1. |
| Option | means an option granted under these Rules to acquire one or more Shares by transfer or allotment, as set out in the relevant Invitation. |
| Participant | means an Eligible Participant who has been granted any Security under this Plan. |
| Performance Right | means a right granted under these Rules to acquire one or more shares by transfer or allotment as set out in the relevant Invitation. |

| | |
|-----------------------------|---|
| Plan | means the Genex Power Limited Employee Incentive Plan. |
| Plan Shares | means all Shares issued or transferred to a Participant under these Rules, including upon the valid exercise of a Security. |
| Rules | means the rules of the Plan which are set out in this document. |
| Security | means a security in the capital of the Company granted under these Rules, including a Plan Share, Option, Performance Right or other Convertible Security. |
| Security Interest | means a mortgage, charge, pledge, lien, encumbrance or other third party interest of any nature. |
| Share | means a fully paid ordinary share in the capital of the Company. |
| Shareholder | means a holder of a Share. |
| Share Trading Policy | means any share trading policy of the Company, as amended from time to time. |
| Takeover Bid | has the meaning given to that term in the Corporations Act. |
| Trustee | means the trustee, from time to time, of any employee share trust used by the Company to deliver any Plan Shares arising from the exercise of a Convertible Security under these Rules. |
| Vesting Condition | means, in relation to a Convertible Security, any conditions to vesting of that Convertible Security that are set out in the Invitation for that Convertible Security. |
| Vesting Notice | means, in relation to a Convertible Security, the notice given by or on behalf of the Company to a Participant informing him or her that the Convertible Security may be exercised in accordance with the terms of these Rules. |

1.2 Interpretation

In these Rules, unless otherwise stated or the contrary intention appears:

- (a) the singular includes the plural and vice versa;
- (b) a gender includes all genders;
- (c) a reference to a document, agreement, plan or rules includes that document, agreement, plan or rules as novated, amended, varied, supplemented or replaced from time to time;
- (d) headings are for convenience only and do not affect the interpretation of these Rules;

- (e) a reference to any thing (including any amount) includes any part of that thing and a reference to a group of things or persons includes each thing or person in that group;
- (f) a reference to any legislation includes any modification or replacement of it and all regulations and statutory instruments issued under it and a reference to any provision of any legislation includes any modification or substitution of it;
- (g) a reference to these Rules includes all recitals, annexures, addendums and schedules to these Rules;
- (h) a reference to a person includes a reference to the person's executors, legal personal representatives, administrators and successors or a body corporate including any person taking by way of novation and, in the case of a trustee, includes any substituted or additional trustee;
- (i) the expression 'person' includes an individual, the estate of an individual, the legal personal representative of an individual, a corporation, an authority, an association or a joint venture (whether incorporated or unincorporated), a partnership and a trust;
- (j) in these Rules any reference to 'include' means to include without limitation;
- (k) a reference to 'including' (or any similar term) is not to be construed as implying any limitation;
- (l) a monetary amount is a reference to Australian dollars;
- (m) where any word is given a defined meaning, any other part of speech or other grammatical form in respect of such word or phrase has a corresponding meaning; and
- (n) any capitalised terms in these Rules that are not defined in clause 1.1 have the meaning given to them in the Corporations Act.

1.3 Inconsistencies

Notwithstanding anything to the contrary in any Engagement Arrangement with a Participant, but subject at all times to these Rules, if there is any inconsistency between these Rules and an Engagement Arrangement, these Rules prevail.

1.4 Income Tax Assessment Act

This Plan is a plan to which Subdivision 83A-C of the *Income Tax Assessment Act 1997* (Cth) applies (subject to the conditions in that Act).

1.5 Construed against a party

No provision or expression in these Rules is to be construed against a party on the basis that the party (or its advisers) was responsible for the drafting of these Rules.

1.6 Applicable Law

These Rules, the offering and granting of any Security and the rights attaching to or interests in any Security will at all times be subject to Applicable Law.

1.7 Rounding

Where any calculation or adjustment to be made pursuant to these Rules produces a fraction of a cent or a fraction of a Security, the fraction will be eliminated by rounding to the nearest whole number.

1.8 Constitution

The entitlements of Eligible Participants under these Rules are subject to the Constitution. In the event of any inconsistency between these Rules and the Constitution, the terms of the Constitution will prevail.

2. Introduction

2.1 Purpose

The purpose of the Plan is to:

- (a) assist in the reward, retention and motivation of Eligible Participants;
- (b) link the reward of Eligible Participants to Shareholder value creation; and
- (c) align the interests of Eligible Participants with shareholders of the Group by providing an opportunity to Eligible Participants to receive an equity interest in the Company in the form of Securities.

2.2 Commencement

The Plan will commence on the date on which the Company obtains shareholder approval for the issue of Securities under this Plan for the purposes of Listing Rule 7.2, Exception 13.

2.3 Rules are binding

On the commencement of this Plan, the Company and each Participant are bound by these Rules.

3. Eligibility, Invitation and Application

3.1 Eligibility

The Board may from time to time determine that an Eligible Participant may participate in the Plan.

3.2 Invitation

- (a) Following determination that an Eligible Participant may participate in the Plan, the Board may at any time and from time to time make an Invitation to that Eligible Participant.
- (b) An Invitation to an Eligible Participant to apply for Securities may be made on such terms and conditions as the Board decides from time to time, including as to:
 - (i) the number of Securities for which that Eligible Participant may apply;
 - (ii) the Grant Date;
 - (iii) the amount payable (if any) for the grant of each Security or how such amount is calculated;
 - (iv) the Exercise Price (if any);
 - (v) the Vesting Conditions (if any);
 - (vi) disposal restrictions attaching to the Plan Shares (if any);
 - (vii) whether cashless exercise of the Securities is permitted under clause 7.2;
 - (viii) the method by which Shares will be delivered to the Participant under clause 8 after the valid exercise of the Convertible Security (if relevant); and
 - (ix) any other supplementary terms and conditions.

3.3 Form of Application

An Invitation to an Eligible Participant must be accompanied by an Application Form and the Ancillary Documentation (if any).

3.4 Eligible Participant agrees to be bound

Each Eligible Participant is, by submitting a completed Application Form, deemed to have agreed to be bound by:

- (a) the terms of the Invitation and the Application Form;

- (b) the Ancillary Documentation (if any);
- (c) these Rules; and
- (d) the Constitution.

3.5 Who may apply

On receipt of an Invitation, an Eligible Participant may apply for the Securities the subject of the Invitation by sending the completed Application Form to the Company (or its designated officer as set out in the Application Form) by the time and date specified in the Invitation, unless otherwise determined by the Board.

3.6 Acceptance of Application

- (a) The Board may accept an Application from an Eligible Participant in whole or in part.
- (b) The Company may not grant a Security to an Eligible Participant unless it has received a duly signed and completed Application Form together with all applicable Ancillary Documentation from that Eligible Participant. The Application Form and, where applicable, the Ancillary Documentation must be in the form included with the Invitation, and may not be made on the basis that it is subject to any terms and conditions other than those specified in the Invitation.

3.7 When an Application will not be accepted

Unless otherwise determined by the Board, an Application will not be accepted if at the time the Company received the duly signed and completed Application Form together with all Ancillary Documentation:

- (a) the applicant is not an Eligible Participant;
- (b) notice of termination of the applicant's Engagement Arrangement has been given (whether by the applicant or by one or more members of the Group); or
- (c) the Board has determined that the applicant is no longer eligible to participate in the Plan.

3.8 Right to nominate

- (a) Unless otherwise expressly permitted in the Invitation, an Eligible Participant may only submit an Application in the Eligible Participant's name and not on behalf of any other person.
- (b) If an Eligible Participant is permitted in the Invitation, the Eligible Participant may, by notice in writing to the Board, nominate a Nominated Party in whose favour the Eligible Participant wishes to renounce the Invitation in order for the Nominated Party to be granted the Securities the subject of the Invitation.

- (c) The Board may in its discretion resolve not to allow a renunciation of an Invitation in favour of a Nominated Party without giving any reason for that decision. For the avoidance of doubt, the Board will not facilitate the renunciation of the Invitation as set out in clause 3.8(b) in favour of the Nominated Party where to do so would be inconsistent with:
 - (i) ASIC Class Order 14/1000; or
 - (ii) any covenant or other provision set out in an exemption or modification granted from time to time by ASIC in respect of the Plan or which applies to the Plan pursuant to ASIC's power to exempt or modify the Corporations Act.
- (d) If the Board resolves to allow a renunciation of an Invitation in favour of a Nominated Party:
 - (i) the Board may impose any such conditions that it thinks fit in respect of that renunciation; and
 - (ii) the Eligible Participant must procure that the permitted Nominated Party accepts the Invitation made to the Eligible Participant and that both the Eligible Participant and the Nominated Party agree to be bound by the Rules and execute any documents required by the Company in order to receive the grant and to give effect to these Rules.
- (e) If Securities are granted to a Nominated Party nominated by an Eligible Participant, then to the extent necessary to give effect to the intent of these Rules, the Eligible Participant will continue to be treated as the Participant.

3.9 Multiple Invitations

The Board may invite an Eligible Participant to apply for any number and type of Security, notwithstanding that the Eligible Participant has previously been invited to apply for Securities.

4. Grant of Securities

4.1 Company to grant Securities

Following receipt of a duly completed and signed Application Form together with all applicable Ancillary Documentation, the Company will, to the extent that it has accepted such Application, grant the Participant the relevant number and type of Securities, subject to the terms and conditions set out in the Invitation, these Rules and the Ancillary Documentation.

4.2 Certificate of Security

Following the grant of a Security, the Company will issue to the Participant a Certificate.

5. Terms of Convertible Securities

5.1 Participant's rights

Prior to a Convertible Security being exercised in accordance with clause 7:

- (a) a Participant does not have any interest (legal, equitable or otherwise) in any Share the subject of the Convertible Security other than those expressly set out in these Rules; and
- (b) a Participant is not entitled to:
 - (i) notice of, or to vote or attend at, a meeting of the shareholders of the Company; or
 - (ii) receive any dividends declared by the Company,

by virtue of holding the Convertible Security.

5.2 Restriction of dealing

Unless determined otherwise by the Board in its absolute discretion, or the relevant dealing is effected by force of law on death or legal incapacity to the Participant's legal personal representative, a Participant may not sell, assign, transfer, grant a Security Interest over, collateralise a margin loan against, utilise for the purposes of short selling, enter into a Derivative with reference to, or otherwise deal with a Convertible Security that has been granted to them. The Convertible Security is forfeited immediately on purported sale, assignment, transfer, dealing or grant of a Security Interest other than in accordance with these Rules.

5.3 Prohibition on hedging

A Participant must not enter into any arrangement for the purpose of hedging their economic exposure to a Convertible Security that has been granted to them. For the avoidance of doubt, a Participant includes any contractor or consultant to a member of the Group.

5.4 Register of Convertible Securities

Each Convertible Security granted under these Rules will be registered in the appropriate register of the Company.

5.5 Listing

Unless determined otherwise by the Board in its absolute discretion, a Convertible Security granted under the Plan will not be quoted on the ASX or any other recognised exchange.

6. Vesting of Convertible Securities

6.1 Vesting

A Convertible Security will vest when a Vesting Notice in respect of that Convertible Security is given to the Participant.

6.2 Waiver of Vesting Condition

A Vesting Condition for a Convertible Security may, subject to Applicable Laws, be waived by the Board by written notice to the relevant Participant and on such terms and conditions as determined by the Board and set out in that notice.

7. Exercise of Convertible Securities

7.1 Exercise of Convertible Securities

(a) A Convertible Security may not be exercised unless and until that Convertible Security has vested in accordance with clause 6, or such earlier date on which the Participant is entitled to exercise that Convertible Security in accordance with these Rules.

(b) To exercise a Convertible Security, the Participant must:

(i) deliver a signed Notice of Exercise; and

(ii) subject to clause 7.2, pay the Exercise Price (if any) to or as directed by the Company,

at any time prior to the earlier of:

(iii) any date specified in the Vesting Notice; and

(iv) the Expiry Date.

For the avoidance of doubt and subject to clause 7.2, the total Exercise Price payable by the Participant on exercise of their Convertible Securities is the Exercise Price multiplied by the number of Convertible Securities being exercised by that Participant, rounded up to the nearest cent.

(c) If the Participant does not deliver a signed Notice of Exercise and (subject to clause 7.2) pay the Exercise Price to or as directed by the Company in relation to a Convertible Security by the requisite date, that Convertible Security will automatically be forfeited.

7.2 Cashless exercise of Convertible Securities

At the time of exercise of the Convertible Securities, subject to Board approval at that time, the Participant may elect not to be required to provide payment of the Exercise Price for the number of Convertible Securities specified in a Notice of Exercise but that on exercise of those Convertible Securities the Company will transfer or allot to the Participant that number of Shares equal in value to the positive difference between the then Market Value of the Shares at the time of exercise and the Exercise Price that would otherwise be payable to exercise those Convertible Securities (with the number of Shares rounded down to the nearest whole Share).

8. Delivery of Shares on exercise of Convertible Securities

As soon as practicable after the valid exercise of a Convertible Security by a Participant in accordance with clause 7, the Company will:

- (a) issue, allocate or cause to be transferred to that Participant the number of Shares to which the Participant is entitled under these Rules; and
- (b) issue a substitute Certificate for any remaining unexercised Convertible Securities held by that Participant.

9. Forfeiture of Convertible Securities

9.1 Leaver

Where a Participant who holds Convertible Securities becomes a Leaver, all unvested Convertible Securities will automatically be forfeited by the Participant, unless the Board otherwise determines in its discretion to permit some or all of the Convertible Securities to vest.

9.2 Fraudulent or dishonest actions

Where the Board determines that a Participant has:

- (a) acted fraudulently or dishonestly; or
- (b) acted negligently; or
- (c) acted in contravention of a Group policy, including but not limited to the any one or more of the following:
 - (i) board charter;
 - (ii) continuous disclosure policy;
 - (iii) code of conduct; or

- (iv) securities trading policy, and in particular, where a Participant engages in trading during a blackout period or otherwise trades in a manner that may contravene the insider trading provisions in the Corporations Act; or
- (d) wilfully breached his or her duties to the Group, including but not limited to breaching a material term of an employment, executive services or consultancy agreement (or equivalent),

the Board may in its discretion deem all unvested Convertible Securities held by that Participant to have been forfeited.

9.3 Failure to satisfy Vesting Conditions

Unless otherwise stated in the Invitation or determined by the Board, a Convertible Security which has not yet vested will be forfeited immediately on the date that the Board determines (acting reasonably and in good faith) that any applicable Vesting Conditions have not been met or cannot be met by the relevant date.

9.4 Insolvency

Unless otherwise stated in the Invitation or determined by the Board, a Convertible Security held by a Participant in accordance with these Rules will be forfeited immediately on the date that the Participant becomes Insolvent.

9.5 Other forfeiture events

Unless the Board otherwise determines, or as otherwise set out in these Rules, any Convertible Securities which have not yet vested will be automatically forfeited on the Expiry Date.

9.6 Discretion to determine that the Convertible Securities are not forfeited

Notwithstanding clauses 9.1 to 9.5 (inclusive), the Board may decide (on any conditions which it thinks fit) that some or all of the Participant's Convertible Securities will not be forfeited at that time, but will be forfeited at the time and subject to the conditions it may specify by written notice to the Participant.

9.7 Voluntary forfeiture

A Participant may by written notice to the Company voluntarily forfeit their Convertible Securities for no consideration.

9.8 Application of Part 2D.2 Division 2 of the Corporations Act

- (a) This clause 9.8 applies to all termination payments to which Part 2D.2 Division 2 of the Corporations Act applies.
- (b) Notwithstanding any other provision of these Rules, in the absence of shareholder approval, the Company is not required to provide, or procure the

provision, of any benefit under these Rules which is not permitted by Part 2D.2 Division 2 of the Corporations Act.

- (c) Any benefits required to be provided to a Participant in accordance with these Rules will, by operation of this clause, be reduced to ensure compliance with Part 2D.2 of the Corporations Act and the provision of such reduced benefit shall constitute full satisfaction of the obligations of each member of the Group. In the event of overpayment to a Participant, the Participant must, on receiving written notice from the Board, immediately repay any monies or benefits specified in such notice to ensure compliance with Part 2D.2 of the Corporations Act.
- (d) Where clause 9.8(b) applies, the Company may seek or not seek shareholder approval in its discretion.

10. Effect of Forfeiture of Convertible Securities

Where a Convertible Security has been forfeited in accordance with these Rules:

- (a) the Convertible Security will automatically lapse;
- (b) the Participant or the Participant's agent or attorney must sign any transfer documents required by the Company to effect the forfeiture of that Convertible Security; and
- (c) the Company will not be liable for any damages or other amounts to the Participant in respect of that Convertible Security.

11. Change of Control

Notwithstanding any other provisions of the Rules, if a Change of Control Event occurs, or the Board determines that such an event is likely to occur, the Board may in its discretion determine the manner in which any or all of the Participant's Convertible Securities will be dealt with, including, without limitation, in a manner that allows the Participant to participate in and/or benefit from any transaction arising from or in connection with the Change of Control Event.

12. Rights attaching to Plan Shares

12.1 Plan Shares to rank equally

All Plan Shares will rank *pari passu* in all respects with the Shares of the same class for the time being on issue except for any rights attaching to the Shares by reference to a record date prior to the date of the allotment or transfer of the Plan Shares.

12.2 Listing

If Plan Shares are in the same class as Shares which are listed on the ASX, the Company will apply for quotation of the Plan Shares issued (or any unquoted Plan Shares transferred) within the time required by the Listing Rules after the date of allotment.

12.3 Dividends

A Participant will be entitled to any dividends declared and distributed by the Company on the Plan Shares which, at the closing date for determining entitlement to such dividends, are standing to the account of the Participant (or a Trustee for and on behalf of the Participant).

12.4 Dividend reinvestment plan

A Participant may participate in any dividend reinvestment plan operated by the Company in respect of Plan Shares held by the Participant (or a Trustee for and on behalf of the Participant). Shares issued under any dividend reinvestment plan operated by the Company will be subject to the same terms and conditions as the Plan Shares held by the Participant (or a Trustee for and on behalf of the Participant) unless the Board determines otherwise.

12.5 Voting rights

A Participant may exercise any voting rights attaching to Plan Shares held by the Participant (or a Trustee for and on behalf of the Participant).

13. Disposal Restrictions on Plan Shares

13.1 Disposal restriction

If the Invitation provides that any Plan Shares are subject to any restrictions as to the disposal or other dealing by a Participant for a period, the Board may implement any procedure it deems appropriate to ensure the compliance by the Participant with this restriction, including but not limited to imposing an ASX Holding Lock (where applicable) on the Plan Shares or using an employee share trust to hold the Plan Shares during the relevant restriction period.

13.2 Participant's undertaking

For so long as a Plan Share is subject to any disposal restrictions under this Plan, the Participant will not:

- (a) transfer, encumber or otherwise dispose of, or have a Security Interest granted over that Plan Share; or

- (b) take any action or permit another person to take any action to remove or circumvent the disposal restrictions without the express written consent of the Company.

13.3 Expiry of restriction

Subject at all times to the Share Trading Policy, upon the expiry of any disposal restrictions over a Plan Share, the Company will take all action necessary to ensure that the Participant can deal with that Plan Share.

13.4 Share entitlements

For the avoidance of doubt, the imposition of a disposal restriction on a Plan Share held by a Participant will not affect the Participant's entitlement to receive a notice of, or to vote or attend at, a meeting of the members of the Company, and to receive any dividends declared by the Company during the relevant disposal restriction period on that Plan Share. If an employee share trust arrangement is implemented in respect of this Plan, the Board may implement such procedures it deems appropriate to give effect to the intent of this clause 13.4.

14. Irrevocable Power of Attorney

In order to ensure compliance with these Rules, each Participant must grant an irrevocable power of attorney (in the form set out in the Invitation or such other form determined by the Board) to any person nominated from time to time by the Board.

15. Adjustment of Convertible Securities

15.1 Reorganisation

If there is a reorganisation of the issued share capital of the Company (including any subdivision, consolidation, reduction, return or cancellation of such issued capital of the Company), the rights of each Participant holding Convertible Securities will be changed to the extent necessary to comply with the Listing Rules applicable to a reorganisation of capital at the time of the reorganisation.

15.2 Bonus Issue

- (a) If Shares are issued by the Company pro rata to shareholders generally by way of bonus issue (other than an issue in lieu of dividends or by way of dividend reinvestment), the holder of Convertible Securities is entitled, upon exercise of the Convertible Securities, to receive, in addition to the Shares in respect of which the Convertible Securities are exercised and without the payment of any further consideration, an allotment of as many additional Shares as would have been issued to a shareholder who, on the date for determining entitlements under the bonus issue, held Shares equal in number to the Shares in respect of which the Convertible Securities are exercised.

- (b) Additional Shares to which the holder of Convertible Securities becomes so entitled will, as from the time Shares are issued pursuant to the bonus issue and until those additional Shares are allotted, be regarded as Shares in respect of which the Convertible Securities are exercised for the purposes of subsequent applications of clause 15.2(a), and any adjustments which, after the time just mentioned, are made under clause 15.1 to the number of Shares will also be made to the additional Shares.

15.3 Rights Issue

Unless otherwise determined by the Board, a holder of Convertible Securities does not have the right to participate in a pro rata issue of Shares made by the Company or sell renounceable rights.

15.4 No other participation

Subject to clauses 15.1 to 15.3 (inclusive), during the currency of any Convertible Securities and prior to their exercise, the holders of Convertible Securities are not entitled to participate in any new issue of Shares of the Company as a result of their holding of Convertible Securities.

15.5 Rounding

Until a Convertible Security is exercised, all calculations adjusting the number of Shares must be carried out to include all fractions, but when a Convertible Security is exercised and is settled in Shares the number of Shares to be issued or transferred to the Participant is rounded down to the next lowest whole number.

15.6 Application of adjustment

- (a) In the application of this clause 15, the Board may (as far as possible) make whatever adjustments it deems necessary or desirable to ensure that the consequences of that application are fair as between the Participants and the holders of other securities in the Company, subject to the Listing Rules and other Applicable Laws.
- (b) Unless otherwise provided in these Rules, a Participant has no right to:
 - (i) change the Exercise Price; or
 - (ii) change the number of Shares over which the Convertible Security can be exercised.

16. Administration of the Plan

16.1 Board administration

The Plan will be administered by the Board. For the avoidance of doubt, the Board may make further provisions for the operation of the Plan which are consistent with these Rules.

16.2 Board powers and discretions

Any power or discretion which is conferred on the Board by these Rules may be exercised in its sole and absolute discretion. The Board does not, in exercising any power or discretion under these Rules, owe any fiduciary or other obligations to any Eligible Participant or Participant.

16.3 Delegation of Board powers and discretions

Any power or discretion which is conferred on the Board by these Rules (including, without limitation, the power to invite Eligible Participants to participate in the Plan and to determine the terms and conditions of the Securities) may be delegated by the Board to:

- (a) a committee consisting of such directors, other officers or employees of the Group, or any combination of such persons as the Board thinks fit;
- (b) a member of the Group; or
- (c) a third party,

for such periods and on such conditions as the Board thinks fit.

16.4 Documents

The Company may from time to time require an Eligible Participant invited to participate in the Plan or a Participant or a person nominated by an Eligible Participant under clause 3.8 to complete and return such other documents as may be required by law to be completed by that person or entity, or such other documents which the Company considers should, for legal, taxation and/or administrative reasons, be completed by that Eligible Participant, Participant or person in order to give effect to the intent of the Plan.

16.5 Decisions final

Every exercise of a discretion by the Board (or its delegates) and any decision by the Board (or its delegates) regarding the interpretation, effect or application of these Rules and all calculations and determination made by the Board under these Rules are final, conclusive and binding in the absence of manifest error.

17. Trust

The Board may, in its discretion, use an employee share trust or other mechanism for the purposes of holding Shares and Plan Shares before or after the exercise of a Convertible Security or delivering any Plan Shares arising from exercise of a Convertible Security under these Rules on such terms and conditions as determined by the Board. For the avoidance of doubt, the Board may do all things necessary for the establishment, administration, operation and funding of an employee share trust.

18. Restrictions on and amendments to the Plan

18.1 Compliance with Applicable Laws

- (a) Notwithstanding these Rules or any terms of a Security, no Security may be offered, granted, vested or exercised, and no Share may be issued or transferred, if to do so would contravene any Applicable Laws.
- (b) In particular, the Company must have reasonable grounds to believe, when making an Invitation, that the total number of Plan Shares that may be issued, or acquired upon exercise of Convertible Securities offered, under an Invitation, when aggregated with the number of Shares issued or that may be issued as a result of offers made in reliance on ASIC Class Order 14/1000 at any time during the previous 3 year period under:
 - (i) an employee incentive scheme covered by ASIC Class Oder 14/1000; or
 - (ii) an ASIC exempt arrangement of a similar kind to an employee incentive scheme,

but disregarding any offer made or securities issued in the capital of the Company by way of or as a result of:

 - (iii) an offer to a person situated at the time of receipt of the offer outside Australia;
 - (iv) an offer that did not need disclosure to investors because of section 708 of the Corporations Act (exempts the requirement for a disclosure document for the issue of securities in certain circumstances to investors who are deemed to have sufficient investment knowledge to make informed decisions, including professional investors, sophisticated investors and senior managers of the Company); or
 - (v) an offer made under a disclosure document,

would exceed 5% (or such other maximum permitted under any Applicable Law) of the total number of Shares on issue at the date of the Invitation.

- (c) For the purposes of Listing Rule 7.2 Exception 13, the maximum number of Securities that may be issued under the Plan is such number as is approved by Shareholders from time to time.

18.2 Amendment of Plan

- (a) Subject to clause 18.2(b), the Board may:
 - (i) at any time amend any provisions of these Rules, including (without limitation) the terms and conditions upon which any Securities have been granted under the Plan; and
 - (ii) determine that any amendments to these Rules be given retrospective effect, immediate effect or future effect.
- (b) No amendment to any provision of these Rules may be made if the amendment materially reduces the rights of any Participant as they existed before the date of the amendment, other than an amendment:
 - (i) introduced primarily:
 - (A) for the purposes of complying with or conforming to present or future legislation governing or regulating the Plan or like plans;
 - (B) to correct any manifest error or mistake;
 - (C) to allow the implementation of an employee share trust arrangement pursuant to clause 17;
 - (D) to enable the Plan or any member of the Group to comply with its constituent documents, and any other Applicable Laws; and/or
 - (E) to take into consideration possible adverse taxation implications in respect of the Plan including changes to applicable taxation legislation or the interpretation of that legislation by a court of competent jurisdiction or any rulings from taxation authorities administering such legislation; or
 - (ii) agreed to in writing by all Participant(s).
- (c) As soon as reasonably practicable after making any amendment to any provision of these Rules, the Board will give notice of the amendment to each Participant affected by the amendment. Failure by the Board to notify a Participant of any amendment will not invalidate the amendment as it applies to that Participant.

19. Duration

19.1 Termination

The Plan Continues in operation until the Board decides to end it.

19.2 Suspension

The Board may from time to time suspend the operation of the Plan for a fixed period or indefinitely, and may end any suspension.

19.3 Effect of termination / suspension

If the Plan is terminated or suspended for any reason, that termination or suspension must not prejudice the accrued rights of the Participants.

19.4 Cancellation of Convertible Securities

Notwithstanding any other provisions of these Rules, but subject at all times to any Applicable Laws and regulations, if a Participant and the Company (acting by the Board) agree in writing that some or all of the Securities granted to that Participant are to be cancelled on a specified date or on the occurrence of a particular event, then those Securities may be cancelled in the manner agreed between the Company and the Participant.

20. Miscellaneous

20.1 Rights of Participants

Nothing in these Rules:

- (a) confers on any person any right or expectation to become a Participant, or the right to be invited to apply for, or be offered or to receive any Securities;
- (b) confers on any person the right to continue as an employee or officer of any member of the Group (as the case may be);
- (c) affects the rights of any member of the Group to terminate the Engagement Arrangement of an Eligible Participant;
- (d) forms part of any contract of service between an Eligible Participant and any member of the Group;
- (e) may be used to increase rights of compensation or damages in any action brought against a member of the Group in respect of an Engagement Arrangement;

- (f) confers any legal or equitable right on an Eligible Participant whatsoever to take action against any member of the Group in respect of their Engagement Arrangement; or
- (g) confers on an Eligible Participant any rights to compensation or damages in consequence of the termination of their Engagement Arrangement by any member of the Group for any reason whatsoever including ceasing to have rights under the Plan as a result of such termination.

20.2 Non-exclusivity

- (a) This Plan is not the sole means by which all members of the Group intend to provide incentives to Eligible Participants. Nothing in this Plan is intended to restrict any member of the Group from remunerating or otherwise rewarding employees or directors of any member of the Group outside the Plan.
- (b) Participation in the Plan does not affect, and is not affected by, participation in any other incentive or other scheme operated by any member of the Group unless the terms of that other scheme provide otherwise.

20.3 Notice

- (a) Any notice or other communication under or concerning the Plan is validly given:
 - (i) to a Participant, if delivered personally to the addressee or sent by prepaid post to the Participant's last known residential address, or sent to the Participant by facsimile or email at the Participant's place of work; and
 - (ii) to the Company, if delivered or sent by prepaid post addressed to the company secretary at the Company's registered office (or any other address the Board specifies), or as otherwise notified by the Company from time to time.
- (b) Delivery of notices

Subject to clause 20.3(a), a notice or other communication will be deemed to have been served:

- (i) if delivered by hand, at the time of delivery;
- (ii) if sent by facsimile or electronic mail, on receipt of a successful transmission notice, return receipt or such other confirmation by which the sender can reasonably verify delivery; or
- (iii) if posted, and provided it is properly addressed and stamped, 48 hours after mailing in Australia and 7 days after mailing outside Australia.

20.4 Further assurances

All parties that have agreed to be bound by these Rules must do all things reasonably necessary to give full effect to this Plan and the transactions contemplated by this Plan.

20.5 Costs and charges

- (a) The Company will be responsible for any brokerage, commission, stamp duty or other costs payable in relation to the issue or transfer of Plan Shares to or on behalf of a Participant.
- (b) Each Participant will be responsible for all costs associated with the disposal of a Plan Share by that Participant.

20.6 No representation or warranty

- (a) The Company makes no representation or warranty as to the value of Securities or with respect to any tax matters affecting any Eligible Participant or Participant in connection with the Plan.
- (b) Neither the Company, nor any of its directors, officers or employees are liable for anything done or omitted to be done by such person or any other person with respect to price, time, quantity or other conditions and circumstances of the issue or acquisition of Shares hereunder, with respect of any fluctuations in the market price of Shares, or in any other manner related to the Plan.

20.7 Data protection

By participating in the Plan, the Participant consents to the holding and processing of personal data provided by the Participant for the purposes of the Plan. These purposes include, but are not limited to:

- (a) administering and maintaining records held in respect to a Participant;
- (b) providing information to members of the Group, registrars, brokers or third party administrators of the Plan (if any) or advisers of the Board; and
- (c) providing information to corporate advisers or potential future third party purchasers in connection with a sale of shares in a member of the Group, or the business and assets of a member of the Group.

20.8 Governing law

- (a) This Plan is governed by the laws of New South Wales, Australia.
- (b) Each Participant submits to the non-exclusive jurisdiction of the courts of New South Wales, Australia, and the courts competent to determine appeals from those courts, with respect to any proceedings that may be brought in connection with these Rules.

20.9 Waiver of rights

- (a) A waiver of any right, power, authority, discretion or remedy arising upon a breach of or default under these Rules must be in writing and signed by the party granting the waiver, and may be subject to such terms and conditions as determined by the party granting the waiver.
- (b) A failure or delay in the exercise, or partial exercise, of a right, power, authority, discretion or remedy arising from a breach of or default under these Rules, does not prevent the exercise of or result in a waiver of that right, power, authority, discretion or remedy.
- (c) A party is not entitled to rely on a delay in the exercise or non-exercise of a right, power, authority, discretion or remedy arising from a breach of these Rules or default under these Rules as constituting a waiver of that right, power, authority, discretion or remedy.
- (d) A party may not rely on any conduct of another party as a defence to the exercise of a right, power, authority, discretion or remedy by that other party.
- (e) A waiver is only effective in the specific instance and for the specific purpose for which it is given and subject to any specific terms and conditions as specified in the waiver.
- (f) This clause may not itself be waived except in writing.



All Correspondence to:

- ✉ **By Mail** Boardroom Pty Limited
GPO Box 3993
Sydney NSW 2001 Australia
- 📠 **By Fax:** +61 2 9290 9655
- 💻 **Online:** www.boardroomlimited.com.au
- ☎ **By Phone:** (within Australia) 1300 737 760
(outside Australia) +61 2 9290 9600

YOUR VOTE IS IMPORTANT

For your vote to be effective it must be recorded **before 3:00pm (AEDT) on Monday 28 November 2022.**

🖥 TO VOTE ONLINE

- STEP 1: VISIT** <https://www.votingonline.com.au/genexagm2022>
- STEP 2: Enter your Postcode OR Country of Residence (if outside Australia)**
- STEP 3: Enter your Voting Access Code (VAC):**

📱 BY SMARTPHONE



Scan QR Code using smartphone
QR Reader App

TO VOTE BY COMPLETING THE PROXY FORM

STEP 1 APPOINTMENT OF PROXY

Indicate who you want to appoint as your Proxy.

If you wish to appoint the Chair of the Meeting as your proxy, mark the box. If you wish to appoint someone other than the Chair of the Meeting as your proxy please write the full name of that individual or body corporate. If you leave this section blank, or your named proxy does not attend the meeting, the Chair of the Meeting will be your proxy. A proxy need not be a securityholder of the company. Do not write the name of the issuer company or the registered securityholder in the space.

Appointment of a Second Proxy

You are entitled to appoint up to two proxies to attend the meeting and vote. If you wish to appoint a second proxy, an additional Proxy Form may be obtained by contacting the company's securities registry or you may copy this form.

To appoint a second proxy you must:

- (a) complete two Proxy Forms. On each Proxy Form state the percentage of your voting rights or the number of securities 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.
- (b) return both forms together in the same envelope.

STEP 2 VOTING DIRECTIONS TO YOUR PROXY

To direct your proxy how to vote, mark one of the boxes opposite each item of business. All your securities will be voted in accordance with such a direction unless you indicate only a portion of securities are to be voted on any item by inserting the percentage or number that you wish to vote in the appropriate box or boxes. If you do not mark any of the boxes on a given item, your proxy may vote as he or she chooses. If you mark more than one box on an item for all your securities your vote on that item will be invalid.

Proxy which is a Body Corporate

Where a body corporate is appointed as your proxy, the representative of that body corporate attending the meeting must have provided an "Appointment of Corporate Representative" prior to admission. An Appointment of Corporate Representative form can be obtained from the company's securities registry.

STEP 3 SIGN THE FORM

The form **must** be signed as follows:

Individual: This form is to be signed by the securityholder.

Joint Holding: where the holding is in more than one name, all the securityholders should sign.

Power of Attorney: to sign under a Power of Attorney, you must have already lodged it with the registry. Alternatively, attach a certified photocopy of the Power of Attorney to this form when you return it.

Companies: this form must be signed by a Director jointly with either another Director or a Company Secretary. Where the company has a Sole Director who is also the Sole Company Secretary, this form should be signed by that person. **Please indicate the office held by signing in the appropriate place.**

STEP 4 LODGEMENT

Proxy forms (and any Power of Attorney under which it is signed) must be received no later than 48 hours before the commencement of the meeting, therefore by **3:00pm (AEDT) on Monday, 28 November 2022.** Any Proxy Form received after that time will not be valid for the scheduled meeting.

Proxy forms may be lodged using the enclosed Reply Paid Envelope or:

- 🖥 **Online** <https://www.votingonline.com.au/genexagm2022>
- 📠 **By Fax** + 61 2 9290 9655
- ✉ **By Mail** Boardroom Pty Limited
GPO Box 3993,
Sydney NSW 2001 Australia
- 👤 **In Person** Boardroom Pty Limited
Level 10, 210 George Street,
Sydney NSW 2000 Australia

Attending the Meeting

If you wish to attend the meeting please bring this form with you to assist registration.

Genex Power Limited

ACN 152 098 854

Your Address

This is your address as it appears on the company's share register. If this is incorrect, please mark the box with an "X" and make the correction in the space to the left. Securityholders sponsored by a broker should advise their broker of any changes.

Please note, you cannot change ownership of your securities using this form.

PROXY FORM

STEP 1 APPOINT A PROXY

I/We being a member/s of **Genex Power Limited** (Company) and entitled to attend and vote hereby appoint:

the **Chair of the Meeting** (mark box)

OR if you are **NOT** appointing the Chair of the Meeting as your proxy, please write the name of the person or body corporate (excluding the registered securityholder) you are appointing as your proxy below

or failing the individual or body corporate named, or if no individual or body corporate is named, the Chair of the Meeting as my/our proxy at the Annual General Meeting of the Company to be held at **Christies Spaces Conferencing, Level 4, 100 Walker Street, North Sydney, NSW 2060 on Wednesday, 30 November, 2022 at 3:00pm (AEDT)** and at any adjournment of that meeting, to act on my/our behalf and to vote in accordance with the following directions or if no directions have been given, as the proxy sees fit.

The Chair of the Meeting is authorised to exercise undirected proxies on remuneration related matters: If I/we have appointed the Chair of the Meeting as my/our proxy or the Chair of the Meeting becomes my/our proxy by default and I/we have not directed my/our proxy how to vote in respect of Resolutions 1 and 5, I/we expressly authorise the Chair of the Meeting to exercise my/our proxy in respect of these Resolutions even though Resolutions 1 and 5, are connected with the remuneration of a member of the key management personnel for the Company.

The Chair of the Meeting will vote all undirected proxies in favour of all Items of business (including Resolutions 1 and 5) except resolution 3 which he will vote against the resolution. If you wish to appoint the Chair of the Meeting as your proxy with a direction to vote against, or to abstain from voting on an item, you must provide a direction by marking the 'Against' or 'Abstain' box opposite that resolution.

STEP 2 VOTING DIRECTIONS

* 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 vote will not be counted in calculating the required majority if a poll is called.

| | | For | Against | Abstain* |
|--------------|--|--------------------------|--------------------------|--------------------------|
| Resolution 1 | Adoption of the Remuneration Report | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |
| Resolution 2 | Re-election of Simon Kidston as a Director | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |
| Resolution 3 | Re-election of Yongqing Yu as a Director | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |
| Resolution 4 | Ratification of Prior Issue of Shares | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |
| Resolution 5 | Implementation of Employee Share Option Plan | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |
| Resolution 6 | Approval for Additional Placement Capacity | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |

STEP 3 SIGNATURE OF SECURITYHOLDERS

This form must be signed to enable your directions to be implemented.

Individual or Securityholder 1

Sole Director and Sole Company Secretary

Securityholder 2

Director

Securityholder 3

Director / Company Secretary

Contact Name.....

Contact Daytime Telephone.....

Date / / 2022