

## Message from the Chair

On behalf of the Board, I am pleased to invite you to the 2023 Annual General Meeting (**AGM**) of Magontec Limited. The meeting will be held on Thursday 11<sup>th</sup> May 2023 starting at 10:00am (AEST).

The items of business to be considered at the AGM are detailed in the following pages which include explanatory notes and the Board's voting recommendations.

The AGM will be conducted in person and will be held at Clifton Events Solutions at Level 13, 60 Margaret Street Sydney NSW.

This information is also available on the Group's website [www.magontec.com/investor-centre/agm2023/](http://www.magontec.com/investor-centre/agm2023/) and the AGM presentation will be available in real time virtually for those who cannot attend in person.

Shareholders are encouraged to check the website for any changes in time or location prior to attending.

I look forward to welcoming you to Magontec's 2023 AGM.

**Nicholas Andrews**

Chair

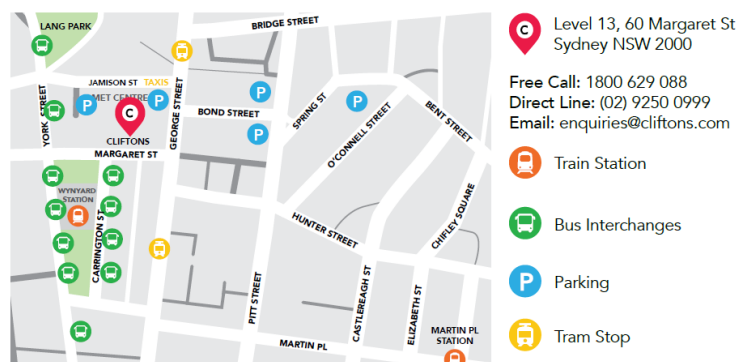
## How to participate at the 2023 AGM

The Fortieth Annual General Meeting (**AGM**) of Magontec Limited (ACN 010 441 666) (the “Company”, “Magontec”) will be held on Thursday 11th May 2023 at 10:00am (AEST).

## Venue

Shareholders can attend the meeting in person at Cliftons Events Solutions at Level 13, 60 Margaret Street Sydney NSW.

## DIRECTIONS AND PARKING GUIDE



<b>CLOSEST TRAIN STATIONS</b> <ul style="list-style-type: none"> <li>• Wynyard Station, 100m (2 min walk)</li> <li>• Martin Place, 700m (6 min walk)</li> </ul>	<b>NEAREST PARKING</b> <ul style="list-style-type: none"> <li>• Secure Parking - Met Centre Car Park, Jamison St (1 min walk)</li> <li>• Secure Parking - Amora Hotel Car Park (1 min walk)</li> <li>• Wilson Parking, 20 Bond St, (2 min walk)</li> </ul>
<b>CLOSEST BUS STOPS</b> <ul style="list-style-type: none"> <li>• Carrington St, 50m (1 min walk)</li> </ul>	<b>CLOSEST TRAM STOPS</b> <ul style="list-style-type: none"> <li>• George St (1 min walk)</li> </ul>

## Registration

Shareholders and proxyholders attending the AGM can register on Level 13 from 9:30am on the day of the AGM. Light refreshments will be available at completion of the AGM providing an opportunity to meet and talk to Directors and Executive staff.

## On-line attendance

Shareholders can attend virtually by observing the following process:

- Pre-registering your Attendance: This must be completed prior to 5:00pm (AEST) Friday 5<sup>th</sup> May 2023. Failure to do so may mean you will be unable to attend the virtual meeting. Register in advance to attend the virtual meeting by emailing the Company Secretary at cosec@magontec.com.
- Meeting Attendance: Following registration and confirmation of your shareholding details, you will receive an email with instructions for connecting to the virtual meeting.

## Determination of Voting Entitlement

For the purposes of this meeting, all persons who are registered holders of shares in the Company at 7:00pm (AEST) on **Tuesday 9<sup>th</sup> May 2023** will be entitled to vote.

## Voting at the Meeting

It is intended that voting on each of the proposed resolutions will be conducted by a poll in terms of articles 11.14 and 11.5 of the Company's constitution.

**TO ENSURE DEMOCRATIC RIGHTS ARE MAINTAINED AND MEETING EFFICIENCY OPTIMISED, SHAREHOLDERS ARE ENCOURAGED TO PRESUBMIT THEIR PROXY VOTING FORM.**

## Appointing a Proxy

A member entitled to vote may appoint a proxy to attend and vote on behalf of the member. If the member is entitled to cast more than two votes, the member may appoint two proxies to attend and vote instead of the member. Where more than one proxy is appointed, each proxy may be appointed to represent a specified portion of the member's voting rights. If no such specification is given and two proxies are appointed, each may exercise half the votes to which the member is entitled. A proxy need not be a member. Proxies must be executed in accordance with the instructions in the notes accompanying the proxy form.

To be valid, the signed proxy form (together with an original or certified copy of the power of attorney if applicable) must be:

- lodged with Boardroom Pty Limited at Level 8, 210 George Street Sydney NSW 2000;
- delivered by post to Boardroom Pty Limited GPO Box 3993, Sydney NSW 2001; or
- sent by facsimile to Boardroom Pty Limited on +61 2 9290 9655,

so as to be received by Boardroom Pty Limited by 10:00am (AEST) on **Tuesday 9th May 2023** being not less than 48 hours before the time for holding the meeting.

Enclosed is a proxy form to be completed if you would like to be represented at the AGM by proxy.

## Chair's Voting Intentions

If you appoint the Chair as your proxy or the Chair is appointed by default and your voting direction is not indicated, the Chair may exercise your proxy even if he has an interest in the outcome of those items.

If you appoint any other member of the Group's Key Management Personnel (**KMP**) or their Closely Related Parties as your proxy, they will not be able to vote your proxy on Items 4, 6 or 7 unless you direct them how to vote.

For the purpose of these resolutions, Closely Related Party is defined in the *Corporations Act 2001* (Cth) (**Corporations Act**) and includes a spouse, dependant, and certain other close family members, as well as any companies controlled by a member of the KMP.

If you intend to appoint a KMP or their Closely Related Party or the Chair as your proxy, you are encouraged to direct them on how to vote on Item 7 (Resolution 6) by marking 'For', 'Against' or 'Abstain' for this item of business. The Chair intends to vote undirected proxies able to be voted **IN FAVOUR** for Resolutions 1 to 6 and **AGAINST** for Resolution 7 if this resolution is required.

The Chair's decision on the validity of a direct vote, vote cast by a proxy or vote cast by a shareholder (including by body corporate representative or attorney) is conclusive.

## Questions / Comments from Shareholders

In accordance with the Corporations Act, a reasonable opportunity will be provided to shareholders to ask questions about, or make comments upon, the matters in relation to the Company. The following process will be adopted –

- a) Shareholders physically attending the meeting – pose questions/comments verbally in the customary format.
- b) Shareholders not personally attending or joining remotely the meeting - submit any questions/comments in writing to the Company by email to: [cosec@magontec.com](mailto:cosec@magontec.com) by 5:00pm (Sydney time) **Friday 5th May 2023**.

During the meeting, the Chair will seek to address as many shareholder questions as reasonably practicable, and where appropriate, will give the auditor representative the opportunity to answer both spontaneous and written questions (per Section 250PA of the Corporations Act) addressed to it in relation to the Auditor's Report. However, please note that there may not be sufficient time to answer all questions at the AGM. Please note that individual responses will not be sent to shareholders in respect of questions asked.

# NOTICE OF ANNUAL GENERAL MEETING



This document constitutes the Notice of Meeting for the 2023 Annual General Meeting of Magontec Limited (ACN 010 441 666).

The Fortieth Annual General Meeting (AGM) of Magontec Limited (ACN 010 441 666) (the “Company”, “Magontec”) will be held on Thursday 11th May 2023 at 10:00am (AEST).

Shareholders can attend the meeting in person at Cliftons Events Solutions at Level 13 Reception, 60 Margaret Street Sydney NSW.

The 2022 Annual Report is available for viewing on the Company’s website at [www.Magontec.com](http://www.Magontec.com) and then follow the tabs “Investor Centre”, “Reports & Presentations” then under the heading “2022 Downloads”, click on “2022 Annual Report”, or alternatively, copy this address into your web browser:

<https://magontec.com/investor-centre/reports-and-presentations-page/>

## Items of Business

(For full details on each resolution, refer to “Explanatory Notes” at the foot of this Notice)

### ITEM 1: MAGONTEC LIMITED 2022 FINANCIAL REPORT

To receive the financial statements, Directors’ Report and Auditor’s Report for the financial year ended 31 December 2022.

Note: No resolution is required for this item of business.

### ITEM 2: RE-ELECTION OF DIRECTOR - Mr. Robert Kaye (Senior Counsel)

#### Resolution 1:

“That for the purposes of article 12.3(a) of the Constitution, ASX Listing Rule 14.4 and for all other purposes, Mr Robert Kaye (Senior Counsel), who is retiring and standing for re-election, be re-elected as an Independent Director of the Company, effective from the close of the Annual General Meeting.”

### ITEM 3: RE-ELECTION OF DIRECTOR – Mr. Xingcai Li

#### Resolution 2:

“That in accordance with article 12.7(b) of the Company’s Constitution Mr Xingcai Li be re-elected as a non-executive Director of the Company effective from the close of the Annual General Meeting.”

### ITEM 4: INCREASE CAP OF PERFORMANCE RIGHTS TO BE ISSUED UNDER MAGONTEC GLOBAL INCENTIVE PLAN

#### Resolution 3:

“Increase the maximum number of Performance Rights able to be issued to Eligible Executives in terms of the Magontec Global Incentive Plan by 310,562 to 8,955,793 in relation to the three 3-year LTI Performance Periods ending 31 Dec 2023, 31 Dec 2024 and 31 Dec 2025 on the basis detailed in the relevant explanatory note.”

### ITEM 5: APPROVAL OF AMENDMENTS TO MAGONTEC GLOBAL INCENTIVE PLAN

#### Resolution 4:

“That in relation to the Magontec Global Incentive Plan, for the purposes of ASX Listing Rule 7.2 (Exception 9 and 13) and for all other purposes, approval is given to amend the “Magontec Global Incentive Plan” with effect from 1 January 2024 on the terms and conditions set out in the relevant Explanatory Note to this resolution.”

## ITEM 6: APPROVE ISSUE OF PERFORMANCE RIGHTS TO EXECUTIVE CHAIR AND CEO

### Resolution 5:

"For the purpose of ASX Listing Rule 10.14 and for all other purposes, approve the issue to the Executive Chair Mr Nicholas Andrews of –

- a. an additional 162,011 Performance Rights in respect of the LTI Performance Period 1 Jan 2023 to 31 Dec 2025 of the Magontec Global Incentive Plan, to take the total Performance Rights issued to him in respect of that Performance Period to 828,175 on the basis of the numbers in Table 3 of the Explanatory Note at Item 4 and as detailed in the relevant Explanatory Note to this Resolution; and
- b. 936,836 Performance Rights in respect of the LTI Performance Period 1 Jan 2024 to 31 Dec 2026 of Magontec Global Incentive Plan on the basis of the numbers in Table 1 of the Explanatory Note at Item 6 and as detailed in the relevant Explanatory Note to this Resolution."

## ITEM 7: ADOPTION OF THE REMUNERATION REPORT for the year ended 31 December 2022

Note: This resolution is advisory only and does not bind the Company or the Directors. The Directors will consider the outcome of the vote and feedback from shareholders at the meeting when reviewing the Company's remuneration policies.

### Resolution 6

"To adopt the Remuneration Report as set out in the Annual Report for the twelve-month reporting period ended 31 December 2022."

## ITEM 8: REMUNERATION REPORT – SECOND STRIKE DIRECTOR SPILL RESOLUTION

Note: Condition for Resolution 7: **SECOND STRIKE DIRECTOR SPILL RESOLUTION:**

This resolution will only be put to the Meeting if at least 25% of the votes validly cast on Resolution 6: **ADOPTION OF REMUNERATION REPORT** is against that resolution.

If you do not want a spill meeting to take place, you should vote '**AGAINST**' Resolution 7: **SECOND STRIKE DIRECTOR SPILL RESOLUTION**. If you want a spill meeting to take place, you should vote '**FOR**' Resolution 7: **SECOND STRIKE DIRECTOR SPILL RESOLUTION**.

### Resolution 7 (Conditional):

"That, subject to and conditional upon at least 25% of the votes validly cast on the resolution to adopt the Remuneration Report for the year ended 31 December 2022 being cast against the adoption of the Report, and as required by the Corporations Act 2001 (Cth) (Corporations Act):

- a) an extraordinary general meeting of the Company (spill meeting) be held within 90 days of the passing of this resolution.
- b) all of the directors who were directors of the Company when the resolution to approve the Directors' Report for the year ended 31 December 2022 was passed (other than the Chief Executive Officer), and who remain in office at the time of the spill meeting, cease to hold office immediately before the end of the spill meeting; and
- c) resolutions to appoint persons to offices that will be vacated immediately before the end of the spill meeting be put to the vote at the spill meeting."

## EXPLANATORY NOTES

### ITEM 1: MAGONTEC LIMITED 2022 FINANCIAL REPORT

The Corporations Act requires that the Financial Report, including the Directors' Declaration for the twelve-month reporting period ended **31 December 2022** and the related Directors' Report and Auditors' Report, be laid before the Annual General Meeting.

In addition, the Company's Constitution provides for such reports and statements to be received and considered at the meeting. None of the Corporations Act, the ASX Listing Rules or the Company's Constitution requires a vote of shareholders at the Annual General Meeting on such reports or statements.

However, shareholders will be given ample opportunity to raise questions with respect to these reports and statements at the meeting.

### ITEM 2: RE-ELECTION OF DIRECTOR - Mr. Robert Kaye (Senior Counsel)

#### Resolution 1:

**"That for the purposes of article 12.3(a) of the Constitution, ASX Listing Rule 14.4 and for all other purposes, Mr Robert Kaye (Senior Counsel), who is retiring and standing for re-election, be re-elected as an Independent Director of the Company, effective from the close of the Annual General Meeting."**

Under article 12.3(a) of the Constitution and ASX Listing Rule 14.4, a director must not retain office for a period in excess of 3 years or beyond the third annual general meeting following their election (whichever is the longer period), without submitting themselves for re-election. As this meeting will be the third annual general meeting since Mr Kaye's appointment as a director by shareholders, Mr Kaye will retire and stand for re-election at the meeting. Under article 12.6(a) of the Constitution, the resolution to appoint Mr Kaye is not required to be preceded by a shareholder nomination.

In circumstances where the shareholders vote in favour of Resolution 1 and Resolution 1 is passed, Mr Robert Kaye will be re-appointed as a director with effect from the end of the meeting.

In circumstances where the shareholders do not vote in favour of Resolution 1, Mr Robert Kaye will not be re-appointed as a director and the Company will have only two remaining independent directors (Mr Labuschagne and Mr Malhotra). On its current Directorship profile, the Company maintains partial compliance with those ASX Corporate Governance recommendations dealing with a requirement for an independent Directors as per the table below.

Relevant ASX Corporate Governance Recommendations		Current & if re-elected	Consequence if not elected
2.1	Have a Nomination Committee comprising a majority of independent directors, the roles and responsibilities of which should be disclosed	Yes	No
2.4	The majority of Board Members should be independent	No	No
2.5	The chair should be independent, and specifically should not be CEO	No	No
4.1	Have an Audit Committee comprising a majority of independent directors, the roles and responsibilities of which should be disclosed	Yes	No
7.1	Have a risk committee (majority independent directors), or disclose how risks are managed	No	No
8.1	Have a Remuneration Committee comprising a majority of independent directors, the roles and responsibilities of which should be disclosed	Yes	No

In such circumstances, the Company may need to consider whether it should appoint another independent director to the board of the Company to at least restore its current level of compliance with ASX Corporate Governance recommendations.

Mr Kaye was appointed July 2013 and last re-elected to the Board of the Company by shareholders as an Independent Director at the AGM on 29 July 2020 in accordance with the provisions of article 12.3(b)(iv) of the Company's Constitution. Since 18 August 2022 Mr Kaye has, at the appointment of the Board, occupied the role of Lead Independent Director.

Mr Kaye was admitted to legal practice in 1978 and employed as a solicitor at Allen, Allen & Hemsley Solicitors. Thereafter he pursued his legal career at the NSW Bar and was appointed Senior Counsel in 2003, practising in commercial law. He has been involved in an array of commercial matters both advisory and litigious in nature and served on a number of NSW Bar Association committees including the Professional Conduct Committee. He has also served as a director for various private companies.

In the conduct of his practice as a barrister, he has acted for many financial institutions and commercial enterprises, both public and private and given both legal and strategic advice. He has had significant mediation experience and been involved in the successful resolution of complex commercial disputes. Mr Kaye was previously the Chairman of Spicers Limited, and also previously served as a non-executive director with both UGL Limited and HT&E Limited.

## Board Recommendation

The Board (other than Mr Kaye) recommends that shareholders vote in **FAVOUR** of Resolution 1.

## Voting Exclusion

The Company will disregard any votes cast in favour of this resolution by Mrs Bella Kaye as an associate of Mr Robert Kaye or their associates. However, the Company need not disregard a vote if –

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

## ITEM 3: RE-ELECTION OF DIRECTOR APPOINTMENT – Mr. Xingcai Li

### Resolution 2:

**“That in accordance with article 12.7(b) of the Company’s Constitution Mr Xingcai Li be re-elected as a non-executive Director of the Company effective from the close of the Annual General Meeting.”**

Mr Xingcai Li was appointed as Director by the Board on the 28 September 2022 under article 12.7(a) of the Company’s Constitution being appointed by the Directors as a casual additional Director.

Under article 12.7 (b) of the Company’s Constitution, a director appointed under article 12.7(a) holds office until the conclusion of the next annual general meeting of the Company but is eligible for election at the next Annual General Meeting, and subsequently Mr Xingcai Li stands for election. Under article 12.6(a) of the Constitution, the resolution to appoint Mr Xingcai Li is not required to be preceded by a shareholder nomination.

Xingcai Li is General Manager of Qinghai Huixin Asset Management Co Ltd (QHAM), the majority owner of Qinghai Salt Lake Magnesium Co Ltd (QSLM), which operates the Qinghai electrolytic magnesium smelter complex in which Magontec’s Magnesium Alloy Cast House is based.

Mr Xingcai Li has held previous positions as the Deputy Director of Finance at the Shanghai and Hong Kong listed Aluminium Corporation of China (Chalco), one of the world’s largest producers of alumina and aluminium. Prior to that Mr Li was Vice President at Western Mining Co Ltd, responsible for overall financial management, fund raising and investment management as well as being secretary to the Board. Western Mining is a ¥23 billion company listed on the Shanghai Stock Exchange engaged in the mining, smelting, and trading of metal minerals, including copper, lead, zinc, iron, gold and silver.

Mr Xingcai Li was appointed to his current role of General Manager at Qinghai Huixin Asset Management in January 2022. He has oversight of and responsibility for all activities at the Qinghai project including the magnesium and associated chemical production units. Mr Li’s extensive experience in the metals industry, particularly in the aluminium industry that has considerable overlap with magnesium production technologies, brings new skills and experience to the Magontec Board that are central to Magontec’s long-term strategic vision to deliver a steady, competitive and significant new supply of magnesium alloys into global markets through the harnessing of revolutionary low-carbon manufacturing processes.

QSLM is a 28.85% substantial shareholder in Magontec Limited and the company with whom Magontec Limited has entered into a number of agreements in relation to the Magontec Qinghai alloy production facility at Golmud in Qinghai Province PRC.

## Board Recommendation

The Board (other than Mr Xingcai Li) recommends that shareholders vote in **FAVOUR** of Resolution 2.

## Voting Exclusion

The Company will disregard any votes cast in favour of this resolution by Mr Xingcai Li or his associates. However, the Company need not disregard a vote if –

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

## ITEM 4: INCREASE CAP OF PERFORMANCE RIGHTS TO BE ISSUED UNDER MAGONTEC GLOBAL INCENTIVE PLAN

### Resolution 3:

"Increase the maximum number of Performance Rights able to be issued to Eligible Executives in terms of the Magontec Global Incentive Plan by 310,562 to 8,955,793 in relation to the three 3-year LTI Performance Periods ending 31 Dec 2023, 31 Dec 2024 and 31 Dec 2025 on the basis detailed in the relevant explanatory note."

### 1. Background

The Magontec Global Incentive Plan was amended by Resolution 5 of the 2022 AGM (specifically Table 1 in the Explanatory Notes to that resolution) whereby the **MGIP** provided for issue of 8,645,231 Performance Rights as per Table 1 below.

**Table 1 – Issue of Performance Rights**

Performance Period	Approved Issue of Performance Rights <sup>1</sup>	
	Exec Chair	Total
1 Jan 21 to 31 Dec 23	666,667	2,809,539
1 Jan 22 to 31 Dec 24	774,074	3,125,212
1 Jan 23 to 31 Dec 25	666,164	2,710,480
<b>Total</b>	<b>2,106,905</b>	<b>8,645,231</b>

*Note 1: Approved per Res 5 2022 AGM*

The Remuneration Committee recommended, and the Board approved the issue of 3,021,042 Performance Rights in respect of the Performance Period 1 Jan 2023 to 31 December 2025. This number of Performance Rights has been calculated in accordance with the formula contained within the approved Rules. The formula components include variables such as –

- individual remuneration at commencement of the Performance Period;
- the Magontec share price at commencement of the Performance Period; and
- exchange rates at commencement of the Performance Period,

all of which were estimated when the number of Performance Rights for the 1 Jan 23 to 31 Dec 25 Performance Period in Table 1 were calculated and approved by shareholders at Resolution 5 of the 2022 AGM on 25 May 2022. The number of Performance Rights to be issued of 3,021,042 (using actual values) exceeds the 2,710,480 formally approved (in Table 1 of this Explanatory Note) by 310,562. It is in respect of this excess that shareholder approval is now sought.

At the same time as approving the issue of Performance Rights in relation to the Performance Period 1 Jan 23 to 31 Dec 25, the Board approved the share price targets that need to be satisfied for these Performance Rights to vest in the hands of participants. Those targets are shown in Table 2.

**Table 2 – Share Price Targets 2023-2025 Performance Period<sup>1</sup>**

Share Price Performance Level	Share Price Target	% of Performance Rights Vesting
Threshold range	>=\$0.45 to <\$0.518	25% to 50% convert to ordinary shares
Target range	>=\$0.518 to <\$0.596	50% to 100% convert to ordinary shares
Stretch	>= \$0.596	100% convert to ordinary shares

*Note 1: Approved by Board 23 February 2023*

The current set of rules governing the **Magontec Global Incentive Plan** (the "Rules") can be located at the Magontec website ([www.magontec.com](http://www.magontec.com)) which is summarised in appendix 1 of this Notice.

### 2. Relevant ASX Listing Rules

- ASX Listing Rule 7.1 provides that a company must not, subject to specified exceptions, without the approval of the holders of its ordinary securities, 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.
- ASX Listing Rule 7.2 (Exception 13) sets out an exception to ASX Listing Rule 7.1 which provides that issues of securities under an employee incentive scheme do not require shareholder approval under ASX Listing Rule 7.1 for a period of 3 years from the date on which shareholders approve the issue of securities under the scheme. However, the approval under Exception 13 ceases to be available if there is a material change to the terms of the scheme.
- ASX Listing Rule 7.2 (Exception 9) sets out an exception to ASX Listing Rule 7.1 which provides that issues of securities as a result of the conversion of convertible securities which were issued in accordance with the ASX Listing Rules do not require approval under ASX Listing Rule 7.1.



## 3. Consequences of Shareholders' Decision

In circumstances where the shareholders vote in favour of Resolution 3 (and also Resolution 5) the maximum number of Performance Rights able to be issued to Eligible Executives in terms of the **Magontec Global Incentive Plan**.

- a. will increase by **310,562** to **8,955,793** reflecting -
  - i. an increase in the Performance Rights pertaining to the three 3-year LTI Performance Period ending 31 Dec 2025 compared to the estimate in the approval at Resolution 5 of the 2022 AGM on 25 May 2022;
  - ii. a total of Performance Rights on issue as per Table 3 below;

**Table 3 – Issue of Performance Rights**

Performance Period	Approved Issue of Performance Rights		Increase on that Previously Approved <sup>1</sup>	
	Exec Chair	Total	Exec Chair	Total
1 Jan 21 to 31 Dec 23	666,667	2,809,539	0	0
1 Jan 22 to 31 Dec 24	774,074	3,125,212	0	0
<b>1 Jan 23 to 31 Dec 25</b>	<b>828,175</b>	<b>3,021,042</b>	<b>162,011</b>	<b>310,562</b>
<b>Total</b>	<b>2,268,916</b>	<b>8,955,793</b>	<b>162,011</b>	<b>310,562</b>

*Note 1: Compared to numbers in Table 1 of the Explanatory Note to this Resolution.*

- iii. the possibility that the **310,562** added Performance Rights on issue may wholly or partially convert to ordinary shares of Magontec Limited depending upon the extent to which the share price targets in Table 2 are satisfied on 31 December 2025; and
  - iv. alignment of actual values in the formula to calculate the number of Performance Rights to be issued with both reality and the expectations of Eligible Executives in terms of application of the Rules previously approved by shareholders.
- b. In circumstances where the shareholders **do not vote in favour** of Resolution 3 (and Resolution 5) the maximum number of Performance Rights able to be issued to Eligible Executives in terms of the **Magontec Global Incentive Plan** -
    - i. will remain at **8,645,231** per Table 1 above; and
    - ii. will be misaligned with the expectations of Participants in terms of their application of the Rules previously approved by shareholders.

## 4. Board Recommendation

The Board (other than Mr Andrews) recommends that shareholders vote in **FAVOUR** of Resolution 3.

## 5. Voting Exclusions

The Company will disregard any votes cast in favour of the resolution by or on behalf of:

- Mr Nicholas Andrews and Dewberri Pty Limited as trustee for Andrews Superannuation Fund, Mr John Talbot, Mr Derryn Chin, Mr Patrick Look, Mr Christoph Klein-Schmeink, and Mr Xunyou Tong; or
- an associate of those persons.

However, the Company need not disregard a vote cast in favour of a resolution by:

- a person as proxy or attorney for a person who is entitled to vote on the resolution, in accordance with directions given to the proxy or attorney to vote on the resolution in that way; or
- the chair of the meeting as proxy or attorney for a person who is entitled to vote on the resolution, in accordance with a direction given to the chair to vote on the resolution 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 the resolution in accordance with directions given by the beneficiary to the holder to vote in that way.

## ITEM 5: APPROVAL OF AMENDMENTS TO MAGONTEC GLOBAL INCENTIVE PLAN

### Resolution 4:

" That in relation to the Magontec Global Incentive Plan and for the purposes of ASX Listing Rule 7.2 (Exception 9 and 13) and for all other purposes, approval is given to amend the "Magontec Global Incentive Plan" with effect from 1 January 2024 on the terms and conditions set out in this Explanatory Note."

### 1. Background

Subsequent to the 'first strike' against the 2021 Remuneration Report (refer Item 8 Resolution 7), and feedback obtained from shareholders regarding the LTI structure and its achievement of incentive objectives, it is considered appropriate to extend the existing plan without material amendment of terms for a further year grant (with a 3-year vesting period). This will allow for a full review of the Long-Term Incentive plan with the aim to seek shareholder approval for a new plan at the 2024 AGM.

In accordance with ASX Listing Rule 7.2 (Exception 13), Resolution 4 is seeking shareholder approval to amend the **Magontec Global Incentive Plan** with the following changes (as follows in accordance with ASX Listing Rule 7.2 (Exception 13)).

Item	Incentive Plan Parameter	Nature of Change	Details of Change
1	Performance Period	New performance period 1 January 2024 to 31 December 2026	Grant date of on or around 1 January 2024, with a vesting date of 31 December 2026 based on vesting conditions being achieved.
2	Number of Performance Rights on Issue <ul style="list-style-type: none"> <li>Already on issue</li> <li>Issued in respect of 24-26 LTI period</li> </ul>	No change Increase	- Issue <b>3,417,420</b> Performance Rights (including 936,836 to the Exec Chair) in respect of 24-26 LTI period (per Table 1 of the Explanatory Note to this Resolution).
3	Terms & Conditions of Issue of Performance Rights	No change	-
4	Title of Incentive Plan	No change	-

### 2. ASX Listing Obligations

ASX Listing Rule 7.1 provides that a company must not, subject to specified exceptions, without the approval of the holders of its ordinary securities, 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.

ASX Listing Rule 7.2 (Exception 9) sets out an exception to ASX Listing Rule 7.1 which provides that issues of securities as a result of the conversion of convertible securities which were issued in accordance with the ASX Listing Rules do not require approval under ASX Listing Rule 7.1.

By Resolution 5 of the 2020 AGM, pursuant to ASX Listing Rule 7.2 (Exception 13) the shareholders approved the terms of the **Magontec Global Incentive Plan** with the number of Performance Rights to be issued under that plan being subsequently amended by shareholder resolutions noted at points a, b and c of Note 1 to Resolution 4 of these Explanatory Notes.

ASX Listing Rule 7.2 (Exception 13) sets out an exception to ASX Listing Rule 7.1 which provides that issues of securities under an employee incentive scheme do not require shareholder approval under ASX Listing Rule 7.1 for a period of 3 years from the date on which the shareholders approve the issue of securities under the scheme. However, the approval under Exception 13 ceases to be available if there is a material change to the terms of the scheme.

## 3. Proposed Issue of Performance Rights Under Magontec Global Incentive Plan

**Table 1 – Estimated Performance Rights to be Issued for Performance period 1 Jan 24 to 31 Dec 26**

Step	Element in Formula	Element Value		
		1 Jan 24 to 31 Dec 26		
	3 Year LTI Performance Period	Exec Chair	Other	Total
1	Aggregate salaries of Eligible Executives at expected grant date	\$559,018	\$1,480,185	\$2,039,203
2	50% * amount in step 1 <sup>4</sup>	\$279,509	\$740,093	\$1,019,602
3	Share price at commencement of 3-year LTI period <sup>2</sup>	\$0.398	\$0.398	
4	Performance Rights <sup>3</sup> issued at commencement of 3-year LTI period = Amount in step 2 / (75% * share price in step 3)	936,836	2,480,584	3,417,420
5	Date of issue of Performance Rights			1-Jan-24
6	Date for conversion to ordinary shares			31-Dec-26

Notes: The assumptions regarding Steps 1 – 4 (Notes 1,2, 3 and 4) are purely that. They will be determined by the relevant values on the commencement date of each Performance Period.

- 1 Assumed salary at commencement date of 3-year LTI period.
- 2 The higher of the actual ASX opening share price on 1 Jan 24 and the share price adopted at 1 Jan 23 in respect of the prior LTI period per paragraph 3ii j ii 2 of LTI/STI Governing Document
- 3 Performance Rights may convert into ordinary shares at the end of the 3-year LTI period depending upon the satisfaction of performance standards or in the event of a takeover in terms of paragraphs 3. ii.o. and 3.ii.p. respectively of LTI/STI Governing Document.
- 4 Per paragraph 3.ii j. i of LTI/STI Governing Document

## 4. Consequences of Shareholders' Decision

In circumstances where the shareholders vote in **FAVOUR** of Resolution 4 (and together with Resolution 3 and 5) is passed, the potential for Performance Rights to be issued under the Shareholder Approved Extended Plan increases from 8,955,793 to 12,373,213 as per Table 2 below.

**Table 2 – Issue of Performance Rights Magontec Global Incentive Plan**

Col 1	Approved Performance Rights <sup>1</sup>		Increase on that Previously Approved <sup>4</sup>	
	Col 2	Col 3	Col 4	Col 5
Performance Period	Exec Chair	Total <sup>2</sup>	Exec Chair	Total <sup>2</sup>
1 Jan 21 to 31 Dec 23	666,667	2,809,539	0	0
1 Jan 22 to 31 Dec 24	774,074	3,125,212	0	0
1 Jan 23 to 31 Dec 25	828,175	3,021,042 <sup>4</sup>	0	0
1 Jan 24 to 31 Dec 26			936,836 <sup>3</sup>	3,417,420 <sup>3</sup>
<b>Total on Issue</b>	<b>2,268,916</b>	<b>8,955,793</b>	<b>2,539,085</b>	<b>12,373,213</b>

Notes:

1. Per approval at 2022 AGM
2. Includes Exec Chair and other Eligible Executives
3. Per Table 1 in the Explanatory Note to this resolution
4. Assuming approval of Resolution 5(a)

In circumstances where the shareholders **do not vote in favour** of Resolution 4 (and also Resolution 5) the maximum number of Performance Rights able to be issued to Eligible Executives in terms of the **Magontec Global Incentive Plan**:

- i. will remain at 8,955,793 per Table 2 above (assuming Resolution 3 is passed); and
- ii. will be misaligned with the expectations of Participants in terms of their application of the Rules previously approved by shareholders.

## 5. Board Recommendation

The Board (other than Mr Andrews) recommends that shareholders vote in **FAVOUR** of Resolution 4.

## 6. Voting Exclusions

The Company will disregard any votes cast in favour of the resolution by or on behalf of:

- Mr Nicholas Andrews and Dewberri Pty Limited as trustee for Andrews Superannuation Fund, Mr John Talbot, Mr Derryn Chin, Mr Patrick Look, Mr Christoph Klein-Schmeink, and Mr Xunyou Tong; or
- an associate of those persons.

However, the Company need not disregard a vote cast in favour of a resolution by:

- a person as proxy or attorney for a person who is entitled to vote on the resolution, in accordance with directions given to the proxy or attorney to vote on the resolution in that way; or
- the chair of the meeting as proxy or attorney for a person who is entitled to vote on the resolution, in accordance with a direction given to the chair to vote on the resolution 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 the resolution in accordance with directions given by the beneficiary to the holder to vote in that way.

## ITEM 6: APPROVE ISSUE OF PERFORMANCE RIGHTS TO EXECUTIVE CHAIR AND CEO

### Resolution 5:

**“For the purpose of ASX Listing Rule 10.14 and for all other purposes, approve the issue to the Executive Chair Mr Nicholas Andrews of –**

- a. an additional 162,011 Performance Rights in respect of the LTI Performance Period 1 Jan 2023 to 31 Dec 2025 of Magontec Global Incentive Plan, to take the total Performance Rights issued to him in respect of that Performance Period to 828,175 on the basis of the numbers in Table 3 of the Explanatory Note at Item 4 and as detailed in the relevant Explanatory Note to this resolution; and**
- b. 936,836 Performance Rights in respect of the LTI Performance Period 1 Jan 2024 to 31 Dec 2026 of Magontec Global Incentive Plan on the basis of the numbers in Table 1 of the Explanatory Note at Item 6 and as detailed in the relevant Explanatory Note to this resolution.”**

## 1. Background

### a. Resolution 5(a)

Resolution 6 of the 2022 AGM approved the issue of 666,164 Performance Rights (which are classified as equity securities) to the Executive Chair, Mr Andrews in relation to the LTI Period 1 Jan 2023 to 31 Dec 2025.

The calculation of that entitlement had been based on Mr Andrews’ assumed total remuneration on 1 January 2023 of \$549,585 and a Magontec opening share price on the same date of \$0.55. In actuality, the value of Mr Andrews’ total remuneration was \$559,018 45 and an opening share price used for the calculation of \$0.45. The calculation of an entitlement of 828,175 Performance Rights reflects the actual value of Mr Andrews’ total remuneration and the opening share price used. Shareholders are asked to approve the issue of an additional 162,011 Performance Rights to Mr Andrews.

If Resolution 5(a) in this 2023 Notice of Annual General Meeting is approved, the issue of an additional 162,011 Performance Rights will be an issue of securities under the **“Magontec Global Incentive Plan”** which is amended by three shareholder approvals –

- a. Resolution 5(a) of the 2020 AGM – approving the originally proposed plan;
- b. Resolution 5 of the 2022 AGM – approving certain changes to the number of Performance Rights able to be issued (adjusting assumptions for actuals); and
- c. Resolution 3 of this 2023 AGM – approving certain changes to the number of Performance Rights able to be issued (adjusting assumptions for actuals).

### b. Resolution 5(b)

If Resolution 5(b) in this 2023 Notice of Annual General Meeting is approved, Mr Andrews will, on the basis of the assumptions in Table 1 in the Explanatory Note in Item 5, be entitled to receive 936,836 Performance Rights in respect of the 2024-2026 LTI Performance Period.

The aggregate of the Performance Rights in respect of Resolutions 5(a) and 5(b) is referred to as the **“Issue”**.

# NOTICE OF ANNUAL GENERAL MEETING



Listing Rule 10.14 provides that a listed company must not permit any of the following persons to acquire equity securities under an employee incentive scheme:

- 10.14.1 - a director of the company;
- 10.14.2 - an associate of a director of the company; or
- 10.14.3 - a person whose relationship with the company or a person referred to in Listing Rule 10.14.1 or 10.14.2 is such that, in ASX's opinion, the acquisition should be approved by its shareholders, unless it obtains the approval of its shareholders.

The **Issue** falls within Listing Rule 10.14.1 above and therefore requires the approval of the Company's shareholders under Listing Rule 10.14. Resolution 4 seeks the required shareholder approval for the **Issue** under and for the purposes of Listing Rule 10.14.

## 2. Consequences of Shareholders' Decision

If Resolution 5 together with Resolution 3 is passed, the Company will be able to proceed with the **Issue** and the consequences set out in Note 3a. to Resolution 3 of this Explanatory Note may apply.

If Resolution 5 together with Resolution 3 is not passed, the Company will not be able to proceed with the **Issue** and the consequences set out in Note 3b. to Resolution 3 of this Explanatory Note may apply.

Details of any securities issued under the **Magontec Global Incentive Plan** will be published in the annual report of the entity relating to the period in which they were issued, along with a statement that approval for the issue was obtained under Listing Rule 10.14.

## 3. Data Requirement under ASX Listing Rule 10.15

10.15.1	Name of the person.	Mr Nicholas Andrews
10.15.2	Which category in rules 10.14.1 – 10.14.3 the person falls within and why.	(10.14.1) Mr Andrews is a director.
10.15.3	Number and class of securities proposed to be issued to the person under the scheme for which approval is being sought.	<ul style="list-style-type: none"> <li>• 162,011 Performance Rights in respect of the 2023-2025 LTI Performance Period.</li> <li>• 936,836 Performance Rights in respect of the 2024-2026 LTI Performance Period.</li> </ul>
10.15.4	If the person is: <ul style="list-style-type: none"> <li>• a director under rule 10.14.1; or</li> <li>• an associate of, or person connected with, a director under rules 10.14.2 or 10.14.3,</li> </ul> details (including the amount) of the director's current total remuneration package.	Total Remuneration = \$559,018 per annum as at 1 Jan 2023.
10.15.5	The number of securities that have previously been issued to the person under the scheme and the average acquisition price (if any) paid by the person for those securities.	<ul style="list-style-type: none"> <li>• 125,163 ordinary shares issued 19 May 2017 being part conversion of Performance Rights issued in respect of 1 Jan 2014 to 31 December 2016 LTI Performance Period.</li> <li>• 2,106,905 Performance Rights in relation to the 3 three-year Performance Periods ended 31 Dec 2023, 31 Dec 2024 and 31 Dec 2025.</li> <li>• All securities so issued have been issued at Nil consideration.</li> </ul>
10.15.6	If the securities are not fully paid ordinary securities: <ul style="list-style-type: none"> <li>• a summary of the material terms of the securities;</li> <li>• why that type of security is being used; and</li> </ul>	<p>Refer to the Magontec Global Incentive Plan on the Company's website at <a href="http://Magontec.com">Magontec.com</a> and then follow the tabs "Investor Centre", "Corporate Governance", "STI LTI Governing Documents", with summary included in Appendix 1 of this notice.</p> <ul style="list-style-type: none"> <li>• Performance Rights are viewed as an appropriate instrument to recognise, in a contractual way, the employee's prospective entitlement to an incentive payment. They place on record that right as far as the employee is concerned and the potential cost as far as shareholders are concerned.</li> </ul>
	<ul style="list-style-type: none"> <li>• the value the entity attributes to that security and its basis.</li> </ul>	<ul style="list-style-type: none"> <li>• 162,011 Performance Rights proposed to be issued in relation to the 2023-2025 Performance Period: Estimated fair value = \$31,106*</li> </ul>

# NOTICE OF ANNUAL GENERAL MEETING

		<ul style="list-style-type: none"> <li>936,836 Performance Rights proposed to be issued in relation to the 2024-2026 Performance Period: Estimated fair value = \$179,872*</li> </ul> <p>*NB. This estimated maximum value has been calculated according to the principles detailed in the explanation marked ** and titled "LTI Rights - Long Term Incentive rights explanatory note" at the foot of page 41 in the Company's 2022 Annual Report.</p>
10.15.7	Date by which securities are to be issued	Within 30 days after the date of the 2023 Annual General Meeting to be held on 11 May 2023.
10.15.8	The price at which the entity will issue the securities to the person under the scheme.	Nil.
10.15.9	A summary of the material terms of the scheme.	Refer to the Magontec Global Incentive Plan in the website details shown at 10.15.6 above in this Table and summarized in Appendix 1 of this Notice.
10.15.10	A summary of the material terms of any loan that will be made to the person in relation to the acquisition.	No loan.
10.15.11	Required statements	<ul style="list-style-type: none"> <li>Details of any securities issued under the scheme will be published in the annual report of the entity relating to the period in which they were issued, along with a statement that approval for the issue was obtained under Listing Rule 10.14.</li> <li>Any additional persons covered by Listing Rule 10.14 who become entitled to participate in an issue of securities under the scheme after the resolution is approved and who were not named in the notice of meeting will not participate until approval is obtained under that rule.</li> </ul>
10.15.12	Voting exclusion statement.	See heading 5 of this Explanatory Note

## 4. Board Recommendation

The Board (other than Mr Andrews) recommends that shareholders vote in favour of Resolution 5(a) and 5(b).

## 5. Voting Exclusions

The Company will disregard any votes cast in favour of the resolution by or on behalf of:

- Mr Nicholas Andrews and Dewberri Pty Limited as trustee for Andrews Superannuation Fund; or
- an associate of those persons.

However, the Company need not disregard a vote cast in favour of a resolution by:

- a person as proxy or attorney for a person who is entitled to vote on the resolution, in accordance with directions given to the proxy or attorney to vote on the resolution in that way; or
- the chair of the meeting as proxy or attorney for a person who is entitled to vote on the resolution, in accordance with a direction given to the chair to vote on the resolution 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 the resolution in accordance with directions given by the beneficiary to the holder to vote in that way.

## ITEM 7: ADOPTION OF THE REMUNERATION REPORT for the year ended 31 December 2022

### Resolution 6

**“To adopt the Remuneration Report as set out in the Annual Report for the twelve-month reporting period ended 31 December 2022.”**

Shareholders (other than excluded Key Management Personnel) are entitled to vote on the question whether the Remuneration Report as contained in the Annual Report for the twelve-month reporting period ended 31 December 2022 is to be adopted. Shareholders should note, however, that this is an "advisory only" resolution, which does not bind the Directors of the Company.

### 1. Voting Exclusions

The Company will disregard any votes cast in favour of the resolution by or on behalf of:

- Mr Nicholas Andrews and Dewberri Pty Limited as trustee for Andrews Superannuation Fund, Mr John Talbot, Mr Derryn Chin, Mr Patrick Look, Mr Christoph Klein-Schmeink, Mr Xunyou Tong, and Ms Bella Kaye as an associate of Mr Robert Kaye; or
- an associate of those persons.

However, the Company need not disregard a vote cast in favour of a resolution by:

- a person as proxy or attorney for a person who is entitled to vote on the resolution, in accordance with directions given to the proxy or attorney to vote on the resolution in that way; or
- the chair of the meeting as proxy or attorney for a person who is entitled to vote on the resolution, in accordance with a direction given to the chair to vote on the resolution 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 the resolution in accordance with directions given by the beneficiary to the holder to vote in that way.

## ITEM 8: REMUNERATION REPORT – SECOND STRIKE DIRECTOR SPILL RESOLUTION

### Resolution 7 (Conditional):

**“That, subject to and conditional upon at least 25% of the votes validly cast on the resolution to adopt the Remuneration Report for the year ended 31 December 2022 being cast against the adoption of the Report, that as required by the Corporations Act 2001 (Cth) (Corporations Act):**

- a) an extraordinary general meeting of the Company (spill meeting) be held within 90 days of the passing of this resolution;
- b) all of the directors who were directors of the Company when the resolution to approve the Directors’ Report for the year ended 31 December 2022 was passed (other than the Chief Executive Officer), and who remain in office at the time of the spill meeting, cease to hold office immediately before the end of the spill meeting; and
- c) resolutions to appoint persons to offices that will be vacated immediately before the end of the spill meeting be put to the vote at the spill meeting.”

The resolution in Item 8 **SECOND STRIKE DIRECTOR SPILL RESOLUTION** is a “conditional resolution”. It will be put to the Meeting only if 25% or more of the votes validly cast on the adoption of the Remuneration Report (Item 7 Resolution 6) are against the adoption of the Report, i.e., if a “second strike” is received.

A “first strike” was received in relation to the adoption of the 2021 Remuneration Report, with a 28.97% vote against the adoption of that Report.

If the Company is required to put the resolution in Item 8 **SECOND STRIKE DIRECTOR SPILL RESOLUTION**, the resolution will only be passed if an ordinary majority (more than 50%) of the votes validly cast on the resolution are voted in favour of it.

If the resolution in Item 8 **SECOND STRIKE DIRECTOR SPILL RESOLUTION** is put to the vote at the Annual General Meeting and passed, then it will be necessary for the Board to convene another general meeting of the Company (**Spill Meeting**) within 90 days after the Annual General Meeting.

If a Spill Meeting is required, it will be subject to a separate notice in accordance with the Constitution of the Company and the Corporations Act, and the date of the meeting will be notified to shareholders in due course.

At the Spill Meeting, all the Directors of the Company who were in office when the Board resolution to approve the Company’s 2022 Directors’ Report was passed, other than the Company’s CEO, Mr Nicholas Andrews, will automatically vacate office at the conclusion of the Spill Meeting



unless they stand for re-election and are re-elected at the Spill Meeting. The Directors who were in office when the Board resolution to approve the Company's 2022 Directors' Report was passed (other than Mr Nicholas Andrews) are:

- Mr Atul Malhotra
- Mr Andre Labuschagne
- Mr Robert Kaye
- Mr Li Zhong Jun
- Mr Li Xing Cai

If the resolution in Item 8 **SECOND STRIKE DIRECTOR SPILL RESOLUTION** is put to, and passed at, the 2023 Annual General Meeting, Mr Robert Kaye and Mr Li Xing Cai would need to be re-elected at the Spill Meeting even if they are re-elected at the 2023 Annual General Meeting.

**Reasons why the Board recommends that shareholders vote against item SECOND STRIKE DIRECTOR SPILL RESOLUTION if it is put to the Meeting:**

The Board considers the following factors to be relevant to shareholders' decisions on how to vote on this item:

- the Board and Management's actions to address the concerns expressed by shareholders in relation to remuneration issues, including: increased and more effective disclosure in the 2022 Remuneration Report in relation to the assessment of executive performance;
- significant differentiation in the remuneration awarded to our executives in the 2022 Financial Year, reflecting different levels of performance among our most senior leaders, as set out in the 2022 Remuneration Report;
- the implementation during the 2022 Financial Year of a strengthened Accountability and Consequence Framework to ensure that meaningful consequences are applied to executives and employees at all levels, where it is appropriate, for material risk events, as set out in the 2022 Remuneration Report;
- the introduction of wide-ranging reforms to how the Company pays people below its Directors, replacing individual bonuses for the vast majority of employees with an incentive based on the overall performance of the Group, as set out in the Chief Executive's Report within the 2022 Annual Report; and
- the significant cost of, and disruption involved in, convening, and holding a Spill Meeting within 90 days of this Annual General Meeting.

## 1. Board Recommendation

Having regard to the matters set out above, the Board does not consider the proposed resolution to be in the best interests of the Company and its shareholders. Therefore, the Board recommends that shareholders eligible to do so vote **AGAINST** Resolution 7.

## 2. Voting Exclusions

The Company will disregard any votes cast in favour of the resolution by or on behalf of:

- Mr Nicholas Andrews and Dewberri Pty Limited as trustee for Andrews Superannuation Fund, Mr John Talbot, Mr Derryn Chin, Mr Patrick Look, Mr Christoph Klein-Schmeink, and Mr Xunyou Tong; or
- an associate of those persons.

However, the Company need not disregard a vote cast in favour of a resolution by:

- a person as proxy or attorney for a person who is entitled to vote on the resolution, in accordance with directions given to the proxy or attorney to vote on the resolution in that way; or
- the chair of the meeting as proxy or attorney for a person who is entitled to vote on the resolution, in accordance with a direction given to the chair to vote on the resolution 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 the resolution in accordance with directions given by the beneficiary to the holder to vote in that way.



# NOTICE OF ANNUAL GENERAL MEETING



By order of the board.

A handwritten signature in black ink, appearing to read "Dean Taylor", written in a cursive style.

**Dean Taylor**  
Company Secretary  
29 March 2023

**Helpline:** If you have any questions regarding the meeting or proxy voting, please do not hesitate to contact the Company's share registrar **Boardroom Pty Limited** on 1300 737 760 for Australian shareholders or +61 2 9290 9600 for overseas shareholders.

## APPENDIX 1 – SUMMARY OF MAGONTEC GLOBAL INCENTIVE PLAN

How is performance measured?	The plan uses absolute total shareholder return (TSR) as the basis for setting share price targets (based on the 30-day VWAP) for each three-year LTI performance period ended 31 December.
How is the TSR calculated?	TSR comprises the percentage change in the Company's share price, plus the value of any future dividends during the period and is measured over the 3-year LTI performance period. The performance condition of TSR is deemed as being the most appropriate by the Board. It aligns the interests of employees in the management group with those of shareholders.
How is LTI granted?	From the 2021-23 Plan onwards, at the commencement date of the relevant 3-year LTI performance period an eligible executive will receive Performance Rights – <ol style="list-style-type: none"> <li>equal in value to 50% of the eligible executive's gross salary at that date;</li> <li>equal in number to the value in i. divided by 75% of the greater of the market value of Magontec ordinary shares on the same date and the market value adopted under this provision at the commencement date of the immediately prior 3-year LTI performance period; and</li> <li>at nil consideration.</li> </ol>
How do Performance Rights Vest?	Performance Rights which are granted may convert into Magontec ordinary shares according to the two tests below: <ol style="list-style-type: none"> <li><b>Tier 1 – Individual KPIs (30%)</b> The executive's performance is rated against multiple KPI's prescribed by the individual and approved by the Board.</li> <li><b>Tier 2 – Group Level Share Price (70%)</b> Under Tier 2, further performance rights may vest upon achievement of the relevant absolute share price targets above (market-based vesting conditions). The number of performance rights vesting under Tier 2 performance rights is only incremental to the Tier 1 entitlement.</li> </ol>
How is the LTI governed?	The resultant payments are subject to approval by the Board upon the recommendation of the Remuneration and Nominations Committee.
How is risk managed in context to the LTI?	There are several ways that risk is managed with the LTI pool: <ul style="list-style-type: none"> <li>The absolute value of the LTI benefit is restricted to 50% of the employees TFR.</li> <li>The determination of the vesting conditions are recommended by the Remuneration and Nominations Committee and are aligned with exceeding the share price of the previous period.</li> <li>The Performance Rights will lapse after 3 years if the vesting conditions are not achieved.</li> <li>Performance Rights will automatically lapse in the event of the death, dismissal, retrenchment, retirement or resignation of the eligible executive prior to the end date of the 3-year LTI performance period unless otherwise determined by the Board.</li> </ul>
What are the terms of the LTI?	<ul style="list-style-type: none"> <li>The commencement date of the LTI plan is 1 January annually.</li> <li>The LTI performance period is the 3-year period from the relevant commencement date.</li> <li>A Performance Right is a conditional right granted by the Company to an eligible executive whereby that conditional right may, subject to the relevant terms and conditions, vest as Magontec ordinary shares.</li> <li>Performance Rights will automatically lapse in the event of the death, dismissal, retrenchment, retirement or resignation of the eligible executive prior to the end date of the 3-year LTI performance period unless otherwise determined by the Board.</li> <li>Performance Rights will vest immediately in the event of a takeover (being the acquisition of control over the voting shares) of the Company.</li> </ul>

	<ul style="list-style-type: none"> <li>• Performance Rights may not be transferred, assigned or novated except with the approval of the Remuneration and Nominations Committee.</li> <li>• Eligible executives will not grant any security interest in or over or otherwise dispose of or deal with any Performance Rights or any interest in them until the relevant Magontec ordinary shares are issued to that eligible executive, and any such security interest or disposal or dealing will not be recognised in any manner by the Company.</li> <li>• Performance Rights do not confer on a participant the right to participate in new issues of shares by the Company, including by way of bonus issue, rights issue or otherwise.</li> <li>• The number of Performance Rights is rounded down to the next whole number if it is not a whole number. Performance rights issued to executives do not have escrow periods.</li> <li>• No entitlement to Performance Rights accrues to the eligible executive until an appropriate confirmation from the Company has been received by the eligible executive.</li> </ul>
How is it paid?	Performance Rights are granted annually. In the event that the vesting conditions are met, the Performance rights will convert to fully paid ordinary shares in Magentec Limited.
What happens if the executive leaves?	In the event of the death, dismissal, retrenchment, retirement or resignation of the executive, unless otherwise determined by the Board having regard to the nature of the contribution to the Company by and circumstances of, the particular executive.