

2020 Annual General Meeting

Melbourne (Australia), Greer (South Carolina, US) – 13 November 2020:

In accordance with Listing Rule 3.17, attached are the following documents:

1. A Letter to Shareholders regarding arrangements for the 2020 Annual General Meeting as dispatched to Shareholders in lieu of the Notice of Meeting;
2. Notice of Meeting 2020; and
3. Proxy Form

Yours faithfully

Mark Licciardo
Company Secretary

ENDS

About Alexium International Group Limited

Alexium International Group Limited (ASX: AJX) is a performance chemicals provider for advanced materials applications with a focus on flame retardancy and thermal management. The Company is driven by an innovation model for addressing market gaps with patent-protected technologies. These environmentally friendly solutions have applications for several industries and can be customized to meet customer needs. Key markets for Alexium are military uniforms, workwear, and bedding products. Alexium brands include Alexicool® and Alexiflam®. For additional information about Alexium, please visit www.alexiuminternational.com.

Authorised for release by the Company Secretary of Alexium International Group Limited

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13 November 2020

Alexium International Group Limited (AJX) – Annual General Meeting 2020

Dear Shareholder

Alexium International Group Limited (**ASX:AJX**) (“**the Company**”) is pleased to invite shareholders to attend the Annual General Meeting (“**Meeting**”) to be held on **Tuesday, 15 December 2020 at 11:30am (AEDT)**.

Due to the coronavirus pandemic and related issues, the Meeting will be held virtually via a live Zoom webinar, supported by the Company’s Share Registrar, Automic Group.

In accordance with Section 5(1)(f) of the Corporations (Coronavirus Economic Response) Determination (No.1) 2020 made by the Commonwealth Treasurer on 5 May 2020, the Notice of Meeting and accompanying Explanatory Memorandum (“**Meeting Materials**”) are being made available to shareholders electronically. This means that:

- You are able to access the Meeting Materials online at the Company’s website, <https://www.alexiuminternational.com/>
- A complete copy of the Meeting Materials has been posted on the Company’s Investors page.

How to attend the virtual Meeting and vote virtually

To attend the virtual Meeting, please pre-register in advance for the Meeting here:

https://us02web.zoom.us/webinar/register/WN_dW3oyZWQSDOBFU_UjpvGyw

After registering, you will receive a confirmation containing information on how to attend the virtual Meeting.

To attend the Meeting and vote virtually, shareholders will need to access <https://investor.automic.com.au/#/home>. You will be able to login to your Automic account with your username and password. If live voting for the virtual Meeting is open, click on ‘Meeting open for voting’ and follow the steps.

Shareholders who do not have an account with Automic are strongly encouraged to register for an account well in advance of the Meeting to avoid any delays on the day of the Meeting. To create an account, visit <https://investor.automic.com.au/#/home>, click on ‘register’ and follow the steps.

A detailed Virtual Meeting Registration and Voting Guide can be found on the Company’s website at <https://www.alexiuminternational.com/>.

How to submit your vote in advance of the Meeting

Shareholders may also vote at this Meeting by completing and lodging their Proxy Form online at <https://investor.automic.com.au/#/loginsah>.

For your voting instructions to be valid and counted towards this Meeting, please ensure that your online lodgement is received no later than 11:30 am (AEDT) Sunday 13 December 2020.

Voting instructions received after this time will not be valid for the scheduled Meeting.

As a valued shareholder of the Company, we look forward to your participation in the Meeting.

Belinda Cleminson
Company Secretary

ALEXIUM INTERNATIONAL GROUP LIMITED
ACN 064 820 408
NOTICE OF ANNUAL GENERAL MEETING

Notice is given that the Meeting will be held at:

TIME: 11:30 am (AEDT)

DATE: 15 December 2020

PLACE: Virtual meeting supported by the Company share registry, Automic

The business of the Meeting affects your shareholding and your vote is important.

This Notice of Meeting should be read in its entirety. If Shareholders are in doubt as to how they should vote, they should seek advice from their professional advisers prior to voting.

The Directors have determined pursuant to Regulation 7.11.37 of the Corporations Regulations 2001 (Cth) that the persons eligible to vote at the Meeting are those who are registered Shareholders at 7:00 pm (AEDT) on 14 December 2020.

LETTER TO SHAREHOLDERS

Dear Shareholders,

I am pleased to invite you to the 2020 Annual General Meeting (**AGM**) of Alexium International Group Limited to be held virtually via a live webinar on 15 December 2020 at 11:30 am (Sydney time).

If you are not able to attend the meeting, you are encouraged to vote by:

- Completing and lodging the enclosed proxy form by 11:30 am (Sydney time) on 13 December 2020; or
- Registering your proxy electronically by visiting the following website: <https://investor.automic.com.au/#/loginsah>.

A detailed summary of the activities of the Company over the last 12 months is contained in the Annual Report which will be mailed to those shareholders who have elected to receive a printed copy of this document. A copy of this document will be lodged with the ASX and available on the Company's website at: <http://alexiuminternational.com/invest-in-alexium>.

The Board and Alexium team thank you for your support and look forward to welcoming you to the virtual 2020 AGM.

Yours sincerely

Ms. Rosheen Garnon
Non-Executive Chair

BUSINESS OF THE MEETING

AGENDA

1. FINANCIAL STATEMENTS AND REPORTS

To receive and consider the annual financial report of the Company for the financial year ended 30 June 2020 together with the declaration of the directors, the director's report, the Remuneration Report and the auditor's report.

2. RESOLUTION 1 – ADOPTION OF REMUNERATION REPORT

To consider and, if thought fit, to pass, with or without amendment, the following resolution as a **non-binding resolution**:

“That, for the purposes of section 250R(2) of the Corporations Act and for all other purposes, approval is given for the adoption of the Remuneration Report as contained in the Company's annual financial report for the financial year ended 30 June 2020.”

Note: the vote on this Resolution is advisory only and does not bind the Directors or the Company.

Voting Prohibition Statement:

A person appointed as proxy must not vote, on the basis of that appointment, on this Resolution if:

- (a) the proxy is either:
 - (i) a member of a Key Management Personnel; or
 - (ii) a Closely Related Party of such member; and
 - (b) the appointment does not specify the way the proxy is to vote on the Resolution.
- However, the above prohibition does not apply if:
- (a) the proxy is the Chair; and
 - (b) the appointment expressly authorises the Chair to exercise the proxy even though this Resolution is connected directly or indirectly with the remuneration of a member of the Key Management Personnel.

3. RESOLUTION 2 - ELECTION OF DIRECTOR – SIMON MOORE

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

“That, for the purpose of clause 14.4 of the Constitution, ASX Listing Rule 14.5 and for all other purposes, Mr Simon Moore, a Director who was appointed as an additional Director on 1 February 2020, retires, and being eligible, is elected as a Director.

4. RESOLUTION 3 – ELECTION OF DIRECTOR – PAUL STENSON

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

“That, for the purpose of clause 14.4 of the Constitution, ASX Listing Rule 14.5 and for all other purposes, Dr Paul Stenson, a Director who was appointed as an additional Director on 15 June 2020, retires, and being eligible, is elected as a Director.

5. RESOLUTION 4 – RE - ELECTION OF DIRECTOR – ROSHEEN GARNON

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

“That, for the purpose of clause 14.2 of the Constitution, ASX Listing Rule 14.5 and for all other purposes, Ms Rosheen Garnon, a Director, retires by rotation, and being eligible, is re-elected as a Director.”

6. RESOLUTION 5 – GRANT OF SHARES TO RELATED PARTIES IN LIEU OF DIRECTOR REMUNERATION – BRIGADIER GENERAL STEPHEN CHENEY

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

“That, for the purposes of ASX Listing Rule 10.14 and all other purposes, for the 12-month period of 1 October 2020 to 30 September 2021, approval is given for the Company to issue up to that number of Shares when multiplied by the issue price and USD/AUD exchange rate will equal US\$19,500, to Brigadier General Stephen Cheney (or his nominee), on the terms and conditions set out in the Explanatory Memorandum.”

Voting Exclusion Statement:

In accordance with Listing Rule 14.11, the Company will disregard any votes cast in favour of the resolution set out below by or on behalf of any person referred to in Listing Rule 10.14.1, 10.14.2 or 10.14.3 who is eligible to participate in the employee incentive scheme in question (including Brigadier General Stephen Cheney) or an associate of that person or those persons.

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

- (a) a person as a proxy or attorney for a person who is entitled to vote on the Resolution, in accordance with the directions given to the proxy or attorney to vote on the Resolution in that way; or
- (b) the Chair 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
- (c) a holder acting solely in a nominee, trustee, custodial or other fiduciary capacity on behalf of a beneficiary provided the following conditions are met:
 - (i) the beneficiary provides written confirmation to the holder that the beneficiary is not excluded from voting, and is not an associate of a person excluded from voting, on the resolution; and
 - (ii) the holder votes on the resolution in accordance with directions given by the beneficiary to the holder to vote in that way.

Voting Prohibition Statement:

A person appointed as proxy must not vote, on the basis of that appointment, on this Resolution if:

- (a) the proxy is either:
 - (i) a member of a Key Management Personnel; or
 - (ii) a Closely Related Party of such member; and
- (b) the appointment does not specify the way the proxy is to vote on the Resolution.

However, the above prohibition does not apply if:

- (a) the proxy is the Chair; and
- (b) the appointment expressly authorises the Chair to exercise the proxy even though this Resolution is connected directly or indirectly with the remuneration of a member of the Key Management Personnel.

7. RESOLUTION 6 – GRANT OF SHARES TO RELATED PARTIES IN LIEU OF DIRECTOR REMUNERATION – MS ROSHEEN GARNON

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

"That, for the purposes of ASX Listing Rule 10.14 and all other purposes, for the 12-month period of 1 October 2020 to 30 September 2021, approval is given for the Company to issue up to that number of Shares when multiplied by the issue price and USD:AUD exchange rate will equal US\$30,000 to Ms Rosheen Garnon (or her nominee) on the terms and conditions set out in the Explanatory Memorandum."

Voting Exclusion Statement:

In accordance with Listing Rule 14.11, the Company will disregard any votes cast in favour of the resolution set out below by or on behalf of any person referred to in Listing Rule 10.14.1, 10.14.2 or 10.14.3 who is eligible to participate in the employee incentive scheme in question (including Ms Rosheen Garnon) or an associate of that person or those persons.

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

- (a) a person as a proxy or attorney for a person who is entitled to vote on the Resolution, in accordance with the directions given to the proxy or attorney to vote on the Resolution in that way; or
- (b) the Chair 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
- (c) a holder acting solely in a nominee, trustee, custodial or other fiduciary capacity on behalf of a beneficiary provided the following conditions are met:
 - (i) the beneficiary provides written confirmation to the holder that the beneficiary is not excluded from voting, and is not an associate of a person excluded from voting, on the resolution; and
 - (ii) the holder votes on the resolution in accordance with directions given by the beneficiary to the holder to vote in that way.

Voting Prohibition Statement:

A person appointed as proxy must not vote, on the basis of that appointment, on this Resolution if:

- (a) the proxy is either:
 - (i) a member of a Key Management Personnel; or
 - (ii) a Closely Related Party of such member; and
 - (b) the appointment does not specify the way the proxy is to vote on the Resolution.
- However, the above prohibition does not apply if:
- (a) the proxy is the Chair; and
 - (b) the appointment expressly authorises the Chair to exercise the proxy even though this Resolution is connected directly or indirectly with the remuneration of a member of the Key Management Personnel.

8. RESOLUTION 7 – GRANT OF SHARES TO RELATED PARTIES IN LIEU OF DIRECTOR REMUNERATION – BRIGADIER GENERAL STEPHEN CHENEY

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

"That, for the purposes of ASX Listing Rule 10.14 and all other purposes, for the 12-month period of 1 October 2019 to 30 September 2020, approval is given for the Company to issue up to that number of Shares when multiplied by the issue price and USD/AUD exchange rate will equal US\$19,500, to Brigadier General Stephen Cheney (or his nominee), on the terms and conditions set out in the Explanatory Memorandum."

Voting Exclusion Statement:

In accordance with Listing Rule 14.11, the Company will disregard any votes cast in favour of the resolution set out below by or on behalf of any person referred to in Listing Rule 10.14.1, 10.14.2 or 10.14.3 who is eligible to participate in the employee incentive scheme in question (including Brigadier General Stephen Cheney) or an associate of that person or those persons.

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

- (d) a person as a proxy or attorney for a person who is entitled to vote on the Resolution, in accordance with the directions given to the proxy or attorney to vote on the Resolution in that way; or
- (e) the Chair 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
- (f) a holder acting solely in a nominee, trustee, custodial or other fiduciary capacity on behalf of a beneficiary provided the following conditions are met:
 - (i) the beneficiary provides written confirmation to the holder that the beneficiary is not excluded from voting, and is not an associate of a person excluded from voting, on the resolution; and
 - (ii) the holder votes on the resolution in accordance with directions given by the beneficiary to the holder to vote in that way.

Voting Prohibition Statement:

A person appointed as proxy must not vote, on the basis of that appointment, on this Resolution if:

- (a) the proxy is either:
 - (i) a member of a Key Management Personnel; or
 - (ii) a Closely Related Party of such member; and
- (b) the appointment does not specify the way the proxy is to vote on the Resolution. However, the above prohibition does not apply if:
 - (c) the proxy is the Chair; and
 - (d) the appointment expressly authorises the Chair to exercise the proxy even though this Resolution is connected directly or indirectly with the remuneration of a member of the Key Management Personnel.

9. RESOLUTION 8 – GRANT OF SHARES TO RELATED PARTIES IN LIEU OF DIRECTOR REMUNERATION – MS ROSHEEN GARNON

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

“That, for the purposes of ASX Listing Rule 10.14 and all other purposes, for the 12-month period of 1 October 2019 to 30 September 2020, approval is given for the Company to issue up to that number of Shares when multiplied by the issue price and USD:AUD exchange rate will equal US\$30,000 to Ms Rosheen Garnon (or her nominee) on the terms and conditions set out in the Explanatory Memorandum.”

Voting Exclusion Statement:

In accordance with Listing Rule 14.11, the Company will disregard any votes cast in favour of the resolution set out below by or on behalf of any person referred to in Listing Rule 10.14.1, 10.14.2 or 10.14.3 who is eligible to participate in the employee incentive scheme in question (including Ms Rosheen Garnon) or an associate of that person or those persons.

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

- (d) a person as a proxy or attorney for a person who is entitled to vote on the Resolution, in accordance with the directions given to the proxy or attorney to vote on the Resolution in that way; or
- (e) the Chair 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
- (f) a holder acting solely in a nominee, trustee, custodial or other fiduciary capacity on behalf of a beneficiary provided the following conditions are met:
 - (i) the beneficiary provides written confirmation to the holder that the beneficiary is not excluded from voting, and is not an associate of a person excluded from voting, on the resolution; and
 - (ii) the holder votes on the resolution in accordance with directions given by the beneficiary to the holder to vote in that way.

Voting Prohibition Statement:

A person appointed as proxy must not vote, on the basis of that appointment, on this Resolution if:

- (a) the proxy is either:
 - (i) a member of a Key Management Personnel; or
 - (ii) a Closely Related Party of such member; and
 - (b) the appointment does not specify the way the proxy is to vote on the Resolution.
- However, the above prohibition does not apply if:
- (c) the proxy is the Chair; and
 - (d) the appointment expressly authorises the Chair to exercise the proxy even though this Resolution is connected directly or indirectly with the remuneration of a member of the Key Management Personnel.

10. RESOLUTION 9 – ISSUE OF SHARES

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

“That, the issue of 3,333,333 fully paid ordinary shares in the Company at an issue price of US\$0.06 In exchange for services rendered as agreed in the professional services agreement between the Company and S3 Consortium Pty Ltd as soon as practicable following the conclusion of the Annual General Meeting, and in any case, by no later than 3 months after the conclusion of Annual General Meeting, on the terms set out in the explanatory memorandum by approved for the purposes of ASX Listing Rule 7.1 and for all other purposes.

Voting Exclusion Statement:

In accordance with Listing Rule 14.11, the Company will disregard any votes cast in favour of the resolution set out below by S3 Consortium Pty Ltd or any other person who might obtain a material benefit (except a benefit solely in the capacity of a holder of ordinary Shares) if the resolution is passes, or an associate of any such person.

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

- (a) a person as a proxy or attorney for a person who is entitled to vote on the Resolution, in accordance with the directions given to the proxy or attorney to vote on the Resolution in that way; or
- (b) the Chair 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
- (c) a holder acting solely in a nominee, trustee, custodial or other fiduciary capacity on behalf of a beneficiary provided the following conditions are met:
 - (i) the beneficiary provides written confirmation to the holder that the beneficiary is not excluded from voting, and is not an associate of a person excluded from voting, on the resolution; and
 - (ii) the holder votes on the resolution in accordance with directions given by the beneficiary to the holder to vote in that way.

Voting Prohibition Statement:

A person appointed as proxy must not vote, on the basis of that appointment, on this Resolution if:

- (a) the proxy is either:
 - (i) a member of a Key Management Personnel; or
 - (ii) a Closely Related Party of such member; and
 - (b) the appointment does not specify the way the proxy is to vote on the Resolution.
- However, the above prohibition does not apply if:
- (a) the proxy is the Chair; and
 - (b) the appointment expressly authorises the Chair to exercise the proxy even though this Resolution is connected directly or indirectly with the remuneration of a member of the Key Management Personnel.
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11. RESOLUTION 10 – APPROVAL OF 10% PLACEMENT FACILITY

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

“That, for the purposes of Listing Rule 7.1A and for all other purposes, approval is given for the Company to issue up to that number of Equity Securities equal to 10% of the issued capital of the Company at the time of issue, calculated in accordance with the formula prescribed in ASX Listing Rule 7.1A.2 and otherwise on the terms and conditions set out in the Explanatory Memorandum.”

The Company will, in accordance with ASX Listing Rule 14.11, disregard any votes cast in favour on Resolution 10 by any person who is expected to participate in, or who will obtain a material benefit as a result of, the proposed issue (except a benefit solely by reason of being a holder of ordinary securities in the entity) and any of their associates, unless the vote is cast:

- (a) by a person as proxy for a person who is entitled to vote, in accordance with the directions on the proxy form; or
- (b) 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.

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

- (a) a person as a proxy or attorney for a person who is entitled to vote on the resolution, in accordance with the directions given to the proxy or attorney to vote on the resolution in that way; or
- (b) the chair of the meeting as proxy or attorney for a person who is entitled to vote on the resolution as the chair decides; or
- (c) a holder acting solely in a nominee, trustee, custodial or other fiduciary capacity on behalf of a beneficiary provided the following conditions are met:
 - 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.

If you are a Restricted Voter and purport to cast a vote other than as permitted above, that vote will be disregarded by the Company (as indicated above) and you may be liable for breaching the voting restrictions that apply to you under the Corporations Act.

Note: In accordance with ASX Listing Rule 14.11.1 and the relevant note under that rule concerning ASX Listing Rule 7.1A, as at the date of this notice of meeting it is not known who may participate in the proposed issue (if any). On that basis, no Shareholders are currently excluded.

Dated: 13 November 2020

By order of the Board

Mark Licciardo
Company Secretary

Voting in person

The Company is pleased to offer Shareholders the opportunity to attend and participate in a virtual Meeting through an online meeting platform supported by Automic. Shareholders will be able to watch, listen and vote online.

Voting by proxy

To vote by proxy, please complete and sign the enclosed Proxy Form and return by the time and in accordance with the instructions set out on the Proxy Form.

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

- each Shareholder has a right to appoint a proxy;
- the proxy need not be a Shareholder of the Company; and
- a Shareholder who is entitled to cast 2 or more votes may appoint 2 proxies and may specify the proportion or number of votes each proxy is appointed to exercise. If the member appoints 2 proxies and the appointment does not specify the proportion or number of the member's votes, then in accordance with section 249X(3) of the Corporations Act, each proxy may exercise one-half of the votes.

Shareholders and their proxies should be aware that changes to the Corporations Act made in 2011 mean that:

- if proxy holders vote, they must cast all directed proxies as directed; and
- any directed proxies which are not voted will automatically default to the Chair, who must vote the proxies as directed.

Virtual Meeting

To attend the virtual Meeting, please pre-register in advance for the Meeting here:

https://us02web.zoom.us/webinar/register/WN_dW3oyZWQsdOBFU_UjpvGyw

After registering, you will receive a confirmation containing information on how to attend the virtual Meeting.

To attend the Meeting and vote virtually:

1. Login to the Automic website https://investor.automic.com.au/#/home_using_your using your username and password.
2. If registration for the virtual Meeting is open, click on 'Meeting open for registration' and follow the steps

Shareholders who do not have an account with Automic are strongly encouraged to register for an account well in advance of the Meeting to avoid any delays on the day of the Meeting. To create an account, visit <https://investor.automic.com.au/#/home>, click on 'register' and follow the steps.

A detailed Virtual Meeting Registration and Voting Guide can be found on the Company's website at <https://www.alexiuminternational.com/>.

Should you wish to discuss the matters in this Notice of Meeting please do not hesitate to contact the Company Secretary on +61 3 8689 9997.

EXPLANATORY MEMORANDUM

This Explanatory Memorandum has been prepared to provide information which the Directors believe to be material to Shareholders in deciding whether or not to pass the Resolutions.

1. FINANCIAL STATEMENTS AND REPORTS

In accordance with the Constitution, the business of the Meeting will include receipt and consideration of the annual financial report of the Company for the financial year ended 30 June 2020 together with the declaration of the directors, the directors' report, the Remuneration Report and the auditor's report.

The Company will not provide a hard copy of the Company's annual financial report to Shareholders unless specifically requested to do so. The Company's annual financial report will be available on its website at www.alexiuminternational.com.

2. RESOLUTION 1 – ADOPTION OF REMUNERATION REPORT

2.1 General

The Corporations Act requires that at a listed company's annual general meeting, a resolution that the remuneration report be adopted must be put to the shareholders. However, such a resolution is advisory only and does not bind the company or the directors of the company.

The remuneration report sets out the company's remuneration arrangements for the directors and senior management of the company. The remuneration report is part of the directors' report contained in the annual financial report of the company for a financial year. The Company's 2020 Remuneration Report can be found at pages 10 to 17 of the Company's 2020 Annual Report.

The chair of the meeting must allow a reasonable opportunity for its shareholders to ask questions about or make comments on the remuneration report at the annual general meeting.

2.2 Voting consequences

A company is required to put to its shareholders a resolution proposing the calling of another meeting of shareholders to consider the appointment of directors of the company (**Spill Resolution**) if, at consecutive annual general meetings, at least 25% of the votes cast on a remuneration report resolution are voted against adoption of the remuneration report and at the first of those annual general meetings a Spill Resolution was not put to vote. If required, the Spill Resolution must be put to vote at the second of those annual general meetings.

If more than 50% of votes cast are in favour of the Spill Resolution, the company must convene a shareholder meeting (**Spill Meeting**) within 90 days of the second annual general meeting.

All of the directors of the company who were in office when the directors' report (as included in the company's annual financial report for the most recent financial year) was approved, other than the managing director of the

company, will cease to hold office immediately before the end of the Spill Meeting but may stand for re-election at the Spill Meeting.

Following the Spill Meeting those persons whose election or re-election as directors of the company is approved will be the directors of the company.

2.3 Previous voting results

At the Company's previous annual general meeting, the votes cast against the remuneration report were less than 25%.

The Board recommends that shareholders vote **in favour** of this Resolution.

3. RESOLUTION 2 – ELECTION OF DIRECTOR – SIMON MOORE

3.1 General

The Constitution allows the Directors to appoint at any time a person to be a Director either to fill a casual vacancy or as an addition to the existing Directors, but only where the total number of Directors does not at any time exceed the maximum number specified by the Constitution.

Pursuant to the Constitution, any Director so appointed holds office only until the next following annual general meeting and is then eligible for election by Shareholders but shall not be taken into account in determining the Directors who are to retire by rotation (if any) at that meeting.

Mr Simon Moore, having been appointed by other Directors on 1 February 2020 in accordance with the Constitution, will retire in accordance with the Constitution and ASX Listing Rule 14.5 and being eligible, seeks election from Shareholders.

3.2 Qualifications

Mr Moore has been an independent Non-Executive Director of the Company since February 2020 and is currently Chair of the Audit Committee and a member of the Nomination and Remuneration Committee and the Risk Committee.

Mr Moore is the Senior Partner of investment firm, Colinton Capital Partners. Prior to establishing Colinton Capital Partners in 2017, Mr Moore was a Global Partner of The Carlyle Group having established their operation in Australia in 2005. In his time at The Carlyle Group, he oversaw the Firm's investments in and served on the Boards of Directors of Coates Hire, Healthscope and Qube. Mr Moore's qualifications include a Bachelor of Commerce (Hons) and a Bachelor of Laws (Hons) from the University of Queensland.

3.3 Board recommendation

The Board supports the election of Simon Moore and recommends that Shareholders vote **in favour** of Resolution 2.

4. RESOLUTION 3 – ELECTION OF DIRECTOR – PAUL STENSON

4.1 General

The Constitution allows the Directors to appoint at any time a person to be a Director either to fill a casual vacancy or as an addition to the existing

Directors, but only where the total number of Directors does not at any time exceed the maximum number specified by the Constitution.

Pursuant to the Constitution, any Director so appointed holds office only until the next following annual general meeting and is then eligible for election by Shareholders but shall not be taken into account in determining the Directors who are to retire by rotation (if any) at that meeting.

Dr Paul Stenson, having been appointed by other Directors on 15 June 2020 in accordance with the Constitution, will retire in accordance with the Constitution and ASX Listing Rule 14.5 and being eligible, seeks election from Shareholders.

4.2 Qualifications

Dr Stenson has been an independent Non-Executive Director of the Company since 15 June 2020. Dr Stenson is the chair of the Risk Committee and a member of the Audit Committee and Remuneration Committee.

Dr Stenson has a distinguished career with the research, development, manufacture, and commercialisation of new materials in the fields of coatings, adhesives, nonwovens, and pharmaceuticals. Dr Stenson has been President and CEO of StanChem Inc. since January 2018. StanChem Inc. comprises two companies – StanChem Polymers which is a manufacturer of water-based polymers for the coatings and adhesives industries, and Albi Protective Coatings which focuses on the specialty sector of fire protective intumescent paints. Prior to joining StanChem in 2017, Dr Stenson worked as a global technology director at Axalta Coating Systems. Between 2011 and 2016, Dr Stenson was the executive vice president of technology and product development at Ahlstrom for nonwoven and specialty high performance paper products. Prior to joining Ahlstrom, Dr Stenson was the vice president of technology for industrial and packaging coatings at Valspar based in Minneapolis and Zurich, Switzerland from 1993 until 2011. Dr Stenson is also the chairman of TopChem Pharmaceuticals (Ireland) which is a manufacturer of active pharmaceutical ingredients.

Dr Stenson earned a PhD in chemistry from University College Dublin, Ireland in 1986 and studied at Institute Chimie Substances Naturelles - Paris, France.

4.3 Board recommendation

The Board supports the election of Dr Paul Stenson and recommends that Shareholders vote **in favour** of Resolution 3.

5. RESOLUTION 4 – RE - ELECTION OF DIRECTOR – ROSHEEN GARNON

5.1 General

The Constitution sets out the requirements for determining which Directors are to retire by rotation at an annual general meeting.

Rosheen Garnon, who has served as a director since 19 September 2018, retires by rotation and seeks re-election.

5.2 Qualifications

Ms Garnon has been an independent Non-Executive Director of the Company since 19 September 2018. She was appointed Non-Executive Chair of the Board of Directors on 31 March 2019.

Ms Garnon has had a distinguished career in the accounting profession as a chartered accountant and taxation advisor. She was a senior partner with KPMG and held senior executive leadership roles with the firm in Australia and at a global level. Ms Garnon was a member of the KPMG Australian Executive Leadership Team for 6 years as the National Managing Partner for the Taxation Division. She has extensive experience of working with Boards and C Suite executives.

Ms Garnon is a Non-Executive Director of Australian Rail Track Corporation, a Non-Executive Director of Resolution Life Australia, and a Trustee of the Sydney Cricket and Sports Ground Trust. She is Chair of the Board of Taxation, an independent advisory board that advises the Federal Treasurer and the Assistant Treasurer on Australia's taxation policy. Her not for profit and volunteer roles include a Non-Executive Director of The Smith Family; a Non-Executive Director of Creative Partnerships Australia; Member of the Finance, Audit and Risk Committee, The University of Sydney and a Non-Executive Director of Women Corporate Directors. Ms Garnon's qualifications include a Bachelor of Economics (Accounting Major) and Bachelor of Laws from the Australian National University. She is a Fellow of Chartered Accountants in Australia and New Zealand, a Chartered Tax Advisor, and a Graduate of the Australian Institute of Company Directors.

Ms Garnon is based in Sydney, New South Wales, Australia.

5.3 Board recommendation

The Board supports the re-election of Rosheen Garnon and recommends that Shareholders vote **in favour** of Resolution 4.

6. RESOLUTIONS 5, 6, 7 & 8 – GRANT OF SHARES TO RELATED PARTIES IN LIEU OF DIRECTOR REMUNERATION

6.1 Introduction

The Company proposes to grant Shares to the Directors of the Company (**Share Issue**).

The purpose of this grant of Shares is to better align the interests of the Directors of the Company (each of which are non-executive Directors) with the interests of Shareholders by providing an opportunity for the Directors to acquire shareholdings in the Company, noting that this issue is in lieu of Directors' fees that would otherwise be paid to these Directors.

Subject to Shareholder approval, the Directors of the Company are proposing to provide an option for Directors to salary sacrifice their non-executive cash remuneration (or part of) and elect to be paid an equivalent number of Shares.

The proposed arrangements are as follows:

- (a) Brigadier General Stephen Cheney's non-executive cash remuneration is US\$70,000 per annum of which he has agreed to
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accept up to US\$19,500 of remuneration to be paid by the grant of Shares; and

- (b) Ms Rosheen Garnon's non-executive cash remuneration is US\$100,000 per annum of which she has agreed to accept up to US\$30,000 of remuneration to be paid by the grant of Shares.

It is proposed that the Shares will be issued under the Employee Incentive Share Plan (**Share Plan**).

To the extent that Shareholders do not approve the Share Issue, the Directors' respective Share component of remuneration will be paid in cash.

It is proposed that the Shares will be issued in two equal tranches on 31 March 2021 and 30 September 2021 subject to the Director remaining a Director at that time.

6.2 Requirement for Shareholders' approval - ASX Listing Rule 10.14

While the Board can make offers to issue the Shares under the Share Plan, allotment is not able to proceed until after Shareholder approval is obtained under ASX Listing Rule 10.14.

ASX Listing Rule 10.14 provides that an entity must not permit a director of that entity to acquire securities under an employee incentive scheme without the approval of the members in a general meeting, where the applicable notice of meeting complies with requirements under ASX Listing Rule 10.15.

Resolutions 5, 6, 7 & 8 therefore seek the required Shareholder approval for the issue of the Shares to the Directors under the Share Plan for the purposes of Listing Rule 10.14.

If Resolutions 5, 6, 7 & 8 are passed, the Company will be able to proceed with the issue of Shares to the Directors under the Share Plan to the Directors within three years after the date of the Meeting (or such later date as permitted by any ASX waiver or modification of the Listing Rules). As approval pursuant to Listing Rule 7.1 is not required for the issue of the Shares (because approval is being obtained under Listing Rule 10.14), the issue of the Shares will not use up any of the Company's 15% annual placement capacity.

If Resolution 5, 6, 7 & 8 are not passed, the Company will not be able to proceed with the issue of the Shares and the Directors will continue to be paid cash for their services, including outstanding fees owing to them from the period 1 October 2019 to 30 September 2020 and 1 October 2020 to 30 September 2021, and ongoing from that date.

6.3 Information required by ASX Listing Rule 10.15

For the purposes of ASX Listing Rule 10.15, the following information is provided to Shareholders to enable them to assess the merits of Resolutions 5, 6, 7 and 8:

- (a) The Shares may be granted in accordance with the Employee Incentive Share Plan to Stephen Cheney (Resolutions 5 & 7) and Rosheen Garnon (Resolution 6 & 8) or their nominees (**Participating Directors**), each of whom falls within the category set out in Listing Rule 10.14.1 by virtue of being a Director;
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(b) For Resolutions 7 & 8 the total remuneration that the Company has agreed to pay to the Participating Directors through the issue of Shares for the 12-month period 1 October 2019 to 30 September 2020 will be US\$49,500, comprising:

(i) US\$19,500 to Brigadier General Stephen Cheney; and

(ii) US\$30,000 to Ms Rosheen Garnon;

For Resolutions 5 & 6 the total remuneration that the Company has agreed to pay to the Participating Directors through the issue of Shares for the 12-month period 1 October 2020 to 30 September 2021 will be US\$49,500, comprising:

(iii) US\$19,500 to Brigadier General Stephen Cheney; and

(iv) US\$30,000 to Ms Rosheen Garnon;

(c) The maximum number of Shares which may be granted to the Participating Directors is determined by the Directors' remuneration that the Company has agreed through the issue of Shares to the Participating Directors for the 12-month period 1 October 2019 to 30 September 2020, being US\$49,500;

The maximum number of Shares which may be granted to the Participating Directors is determined by the Directors' remuneration that the Company has agreed through the issue of Shares to the Participating Directors for the 12-month period 1 October 2020 to 30 September 2021, being US\$49,500;

(d) For Resolutions 5 & 6 the issue price of the Shares will be calculated using the AUD/USD exchange rate published by the Reserve Bank of Australia on the date immediately preceding the issue of the Share and the 14-day VWAP of the Company's Shares immediately preceding the date of issue of the Shares;

(e) For Resolutions 7 & 8 and based on the formula above (using an AUD/USD exchange rate of 1.4522 published by the Reserve Bank of Australia (as at 13-Sep-2019) and 14-day VWAP Share Price of \$0.1374 to 13 – Sep-2019) the maximum number of Shares to be issued to the Participating Directors (being the nature of the financial benefit proposed to be given) is 1,164,179 Shares, comprising:

(i) 206,106 Shares to Stephen Cheney (or their nominee) pursuant to Resolution 7; and

(ii) 317,086 Shares to Rosheen Garnon (or their nominee) pursuant to Resolution 8;

Based on the formula above (assuming an AUD/USD exchange rate of 0.7105 and 14-day VWAP Share Price of \$0.0598) the maximum number of Shares to be issued to the Participating Directors (being the nature of the financial benefit proposed to be given) is 1,164,179 Shares, comprising:

(iii) 458,616 Shares to Stephen Cheney (or their nominee) pursuant to Resolution 5; and

- (iv) 705,563 Shares to Rosheen Garnon (or their nominee) pursuant to Resolution 6;

For resolutions, 5 & 6 The Company notes that these figures have been used for illustrative purposes only as at the date of the meeting and that the actual number of Shares to be issued to the Participating Directors will vary depending on the formula variables when they are determined;

- (f) The Shares will be granted for nil cash consideration in satisfaction of the AUD equivalent Share component of Directors' remuneration (set out in Section (b) above);
 - (g) The Shares subject to Resolutions 5 & 6 will be issued in equal proportions for each Director on 31 March 2021 and 30 September 2021 subject to the holder remaining a Director at that time;
 - (h) The Shares subject to Resolutions 7 & 8 will be issued by no later than 3 years after the date of the meeting, in accordance with listing rule 10.15.7;
 - (i) The Shares are fully paid ordinary shares in the capital of the Company on the same terms as existing Shares on issue;
 - (j) The Company proposes to grant the Shares in accordance with the terms and conditions of the Employee Incentive Share Plan, a summary of the terms and conditions of the Share Plan is set out in Schedule 1;
 - (k) Since the Employee Incentive Share Plan was last approved, none of the existing Directors have received Shares under the Employee Incentive Share Plan;
 - (l) The Board may from time to time at its absolute discretion, declare that any full time or part time employee or Director of the Company or a subsidiary of the Company is eligible to be offered Shares under the Employee Incentive Share Plan. The Directors in office as at the date of preparing this Notice of Meeting are Brigadier General Stephen Cheney, Dr Robert Brookins, Ms Rosheen Garnon, Mr Simon Moore and Dr Paul Stenson;
 - (m) No loan will be provided in respect of the grant of the Shares as they are being issued in consideration of Directors' remuneration which the Company has agreed to pay the Directors for a 12-month period from 1 October 2019 and 30 September 2020 and 1 October 2020 to 30 September 2021; and
 - (n) Details of the Shares issued under Resolutions 5, 6, 7 & 8 will be published in the annual report of the Company relating to the period in which they are issued (being the 2021 financial year and 2022 financial year), along with a statement that they were issued under approval obtained under Listing Rule 10.14. Any additional persons covered by Listing Rule 10.14 who become entitled to participate in any issue of securities under the Share Plan after these Resolutions 5, 6, 7 & 8 are passed and who was not named in this Notice will not participate in the Share Plan until approval is obtained.
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6.4 Directors' recommendation

The Directors **abstain** from making any recommendation on Resolution 5, 6, 7 & 8.

7. RESOLUTION 9 – ISSUE OF SHARES

7.1 General

ASX Listing Rule 7.1 allows the Company to issue a maximum of 15% of its capital in any 12 month period without requiring Shareholder approval. Accordingly, in order to preserve its placement capacity, the Company is seeking the approval of Shareholders for the purpose of ASX Listing Rule 7.1 for the issue of Shares to S3 Consortium Pty Ltd on the terms set out in this Explanatory Memorandum.

In accordance with ASX Listing Rule 7.3, the Company provides the following details in relation to Resolution 7:

S3 Consortium Pty Ltd are to be issued Shares under the Professional Services Agreement between the Company and S3 Consortium Pty Ltd. The Agreement stated that the total service fee for providing investor relation services of AU\$200,000 for a period of 12 months was to be payable via the issue of 3,333,333 Alexium International Group Ltd shares at an issue price of AU\$0.06 per share.

The Company proposes to issue 3,333,333 fully paid ordinary Shares, which will rank equally with the other fully paid ordinary Shares in the Company once issued save for a trading lock and issued at AU\$0.0600 per share calculated per the signed agreement, to S3 Consortium Pty Ltd in exchange for professional services rendered.

The Company intends to issue the Shares the subject of Resolution no later than 3 months following the Meeting.

The purpose is to issue Shares in lieu of cash payment for professional services rendered. No funds will be raised by the issue of shares.

While the issue does not exceed the 15% limit in Listing Rule 7.1 and can therefore be made without breaching that rule, Alexium International Group Ltd wishes to retain as much flexibility as possible to issue additional equity securities in to the future without having to obtain shareholder approval under Listing Rule 7.1. To do this, the Company is asking shareholders to approve the issue under Listing Rule 7.1 so that it does not use up any of the 15% limit on issuing equity securities without shareholder approval set out in Listing Rule 7.1.

If resolution 9 is passed, the issue can proceed without using up any of the Company's 15% limit on issuing equity securities without shareholder approval set out in Listing Rule 7.1.

If resolution 9 is not passed, the issue can still proceed but it will reduce, to the extent, the Company's capacity to issue equity securities without shareholder approval under Listing Rule 7.1 for 12 months following the issue.

7.2 Directors' recommendation

The Board recommends that Shareholders vote **in favour** of Resolution 9.

8. RESOLUTION 10 – APPROVAL OF 10% PLACEMENT FACILITY

8.1 General

Broadly speaking, and subject to a number of exceptions, Listing Rule 7.1 limits the amount of Equity Securities that a listed company can issue without the approval of its shareholders over any 12 month period to 15% of the fully paid ordinary securities it had on issue at the start of that period.

However, under Listing Rule 7.1A, an eligible entity may seek shareholder approval by way of a special resolution passed at its annual general meeting to increase this 15% limit by an extra 10% to 25% (**7.1A Mandate**).

An 'eligible entity' means an entity which is not included in the S&P/ASX 300 Index and has a market capitalisation of \$300,000,000 or less. The Company is an eligible entity for these purposes.

Resolution 10 seeks Shareholder approval by way of special resolution for the Company to have the additional 10% placement capacity provided for in Listing Rule 7.1A to issue Equity Securities without Shareholder approval

If Resolution 10 is passed, the Company will be able to issue Equity Securities up to the combined 25% limit in Listing Rules 7.1 and 7.1A without any further Shareholder approval.

If Resolution 10 is not passed, the Company will not be able to access the additional 10% capacity to issue Equity Securities without Shareholder approval under Listing Rule 7.1A, and will remain subject to the 15% limit on issuing Equity Securities without Shareholder approval set out in Listing Rule 7.1.

8.2 Technical information required by Listing Rule 7.1A

Pursuant to and in accordance with Listing Rule 7.3A, the information below is provided in relation to Resolution 10:

(a) **Period for which the 7.1A Mandate is valid**

The 7.1A Mandate will commence on the date of the Meeting and expiring on the first to occur of the following:

- (i) the date that is 12 months after the date of this Meeting;
 - (ii) the time and date of the Company's next annual general meeting; and
 - (iii) the time and date of approval by Shareholders of any transaction under Listing Rule 11.1.2 (a significant change in the nature or scale of activities) or Listing Rule 11.2 (disposal of the main undertaking).
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(b) **Minimum Price**

Any Equity Securities issued under the 7.1A Mandate must be in an existing quoted class of Equity Securities and be issued at a minimum price of 75% of the volume weighted average price of Equity Securities in that class, calculated over the 15 trading days on which trades in that class were recorded 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 Equity Securities; or
- (ii) if the Equity Securities are not issued within 10 trading days of the date in Section 8.2(b)(i), the date on which the Equity Securities are issued.

(c) **Use of funds raised under the 7.1A Mandate**

The Company intends to use funds raised from issues of Equity Securities under the 7.1A Mandate for working capital and acquisition of materials or new asset opportunities consistent with the Company's existing business operations.

(d) **Risk of Economic and Voting Dilution**

Any issue of Equity Securities under the 7.1A Mandate will dilute the interests of Shareholders who do not receive any Shares under the issue.

If Resolution 10 is approved by Shareholders and the Company issues the maximum number of Equity Securities available under the 7.1A Mandate, the economic and voting dilution of existing Shares would be as shown in the table below.

The table below shows the dilution of existing Shareholders calculated in accordance with the formula outlined in Listing Rule 7.1A.2, on the basis of the closing market price of Shares and the number of Equity Securities

The table also shows the voting dilution impact where the number of Shares on issue (Variable A in the formula) changes and the economic dilution where there are changes in the issue price of Shares issued under the 7.1A Mandate.

Number of Shares on Issue (Variable A in Listing Rule 7.1A.2)		Shares issued – 10% voting dilution	Dilution		
			Issue Price		
			\$0.030	\$0.059	\$0.09
			50% decrease	Issue Price	50% increase
		Funds Raised			
Current	634,456,542 Shares	63,445,654 Shares	\$1,871,646	\$3,743,293	\$5,614,940
50% increase	951,684,813 Shares	95,168,481 Shares	\$2,807,470	\$5,614,940	\$8,422,410
100% increase	1,268,913,084 Shares	126,891,308 Shares	\$3,743,293	\$7,486,587	\$11,229,880

*The number of Shares on issue (Variable A in the formula) could increase as a result of the issue of Shares that do not require Shareholder approval (such as under a pro-rata rights issue or scrip issued under a takeover offer) or that are issued with Shareholder approval under Listing Rule 7.1.

The table above uses the following assumptions:

1. There are currently 634,456,542 Shares on issue as at the date of this Notice of Meeting;
2. The table does not include any shares to be issued pursuant to Resolutions 5, 6, 7 & 8 of this Notice;
3. The issue price set out above is the closing market price of the Shares on the ASX on 6 October 2020;
4. The Company issues the maximum possible number of Equity Securities under the 7.1A Mandate;
5. The Company has not issued any Equity Securities in the 12 months prior to the Meeting that were not issued under an exception in Listing Rule 7.2 or with approval under Listing Rule 7.1;
6. The issue of Equity Securities under the 7.1A Mandate consists only of Shares. It is assumed that no Options are exercised into Shares before the date of issue of the Equity Securities;
7. The calculations above do not show the dilution that any one particular Shareholder will be subject to. All Shareholders should consider the dilution caused to their own shareholding depending on their specific circumstances;
8. This table does not set out any dilution pursuant to approvals under Listing Rule 7.1 unless otherwise disclosed;
9. 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%; and
10. The table does not show an example of dilution that may be caused to a particular Shareholder by reason of placements under the 7.1A mandate, based on that Shareholder's holding at the date of the Meeting.

Shareholders should note that there is a risk that:

- (i) the market price for the Company's Shares may be significantly lower on the issue date than on the date of the Meeting; and
- (ii) the Shares may be issued at a price that is at a discount to the market price for those Shares on the date of issue.

(e) **Allocation policy under the 7.1A Mandate**

The recipients of the Equity Securities to be issued under the 7.1A Mandate have not yet been determined. However, the recipients of Equity Securities could consist of current Shareholders or new investors (or both), none of whom will be related parties of the Company.

The Company will determine the recipients at the time of the issue under the 7.1A Mandate, having regard to the following factors:

- (i) the purpose of the issue;
 - (ii) alternative methods for raising funds available to the Company at that time, including, but not limited to, an entitlement issue, share purchase plan, placement or other offer where existing Shareholders may participate;
 - (iii) the effect of the issue of the Equity Securities on the control of the Company;
 - (iv) the circumstances of the Company, including, but not limited to, the financial position and solvency of the Company;
 - (v) prevailing market conditions; and
 - (vi) advice from corporate, financial and broking advisers (if applicable).
- (f) **Previous approval under Listing Rule 7.1A**

The Company previously obtained approval from its Shareholders pursuant to Listing Rule 7.1A at its annual general meeting held on 29 October 2019 (**Previous Approval**).

During the 12 month period preceding the date of the Meeting, being on and from 18 November 2019, the Company has not issued any Equity Securities pursuant to the Previous Approval.

8.3 Directors' recommendation

The Board recommends that Shareholders vote **in favour** of Resolution 10.

GLOSSARY

AU\$ means Australian dollars.

US\$ means US dollars.

10% Placement Facility has the meaning given in Section 9.1.

AEDT means Australian Eastern Daylight Time as observed in Sydney, New South Wales.

Annual General Meeting or **Meeting** means the meeting convened by the Notice.

ASIC means the Australian Securities & Investments Commission.

ASX means ASX Limited (ACN 008 624 691) or the financial market operated by ASX Limited, as the context requires.

ASX Listing Rules means the Listing Rules of ASX.

Board means the current board of directors of the Company.

Business Day means Monday to Friday inclusive, except New Year's Day, Good Friday, Easter Monday, Christmas Day, Boxing Day, and any other day that ASX declares is not a business day.

Chair means the chair of the Meeting.

Closely Related Party of a member of the Key Management Personnel means:

- (a) a spouse or child of the member;
- (b) a child of the member's spouse;
- (c) a dependent of the member or the member's spouse;
- (d) anyone else who is one of the member's family and may be expected to influence the member, or be influenced by the member, in the member's dealing with the entity;
- (e) a company the member controls; or
- (f) a person prescribed by the Corporations Regulations 2001 (Cth) for the purposes of the definition of 'closely related party' in the Corporations Act.

Company means Alexium International Group Limited (ACN 064 820 408).

Constitution means the Company's constitution.

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

Directors means the current directors of the Company.

Eligible Entity means an entity that, at the date of the relevant general meeting:

- (a) is not included in the S&P/ASX 300 Index; and
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(b) has a maximum market capitalisation (excluding restricted securities and securities quoted on a deferred settlement basis) of \$300,000,000.

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

Explanatory Memorandum means the explanatory memorandum accompanying the Notice.

Key Management Personnel has the same meaning as in the accounting standards issued by the Australian Accounting Standards Board and means those persons having authority and responsibility for planning, directing and controlling the activities of the Company, or if the Company is part of a consolidated entity, of the consolidated entity, directly or indirectly, including any director (whether executive or otherwise) of the Company, or if the Company is part of a consolidated entity, of an entity within the consolidated group.

Managing Director means the managing director of the Company who may, in accordance with the ASX Listing Rules, continue to hold office indefinitely without being re-elected to the office.

Notice or **Notice of Meeting** means this notice of meeting including the Explanatory Memorandum and the Proxy Form.

Ordinary Securities has the meaning set out in the ASX Listing Rules.

Proxy Form means the proxy form accompanying the Notice.

Remuneration Report means the remuneration report set out in the Director's report section of the Company's annual financial report for the year ended 30 June 2020.

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

Section means a section of the Explanatory Memorandum.

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

Shareholder means a registered holder of a Share.

Variable A means "A" as set out in the formula in ASX Listing Rule 7.1A(2).

SCHEDULE 1 – SUMMARY OF TERMS OF EMPLOYEE INCENTIVE SHARE PLAN

The key terms of the Employee Share Plan are as follows:

- (a) **Eligibility:** Participants in the Scheme may be Directors, full-time and part-time employees of the Company or any of its subsidiaries (Participants).
 - (b) **Administration of Plan:** The Board is responsible for the operation of the Plan and has a broad discretion to determine which Participants will be offered Shares under the Plan.
 - (c) **Offer:** The Board may issue an offer to a Participant to participate in the Plan. The offer:
 - (i) will invite application for the number of Shares specified in the offer;
 - (ii) will specify the issue price for the Shares or the manner in which the Issue Price is to be calculated;
 - (iii) may invite applications for a loan up to the amount payable in respect of the Shares accepted by the Participant in accordance with the offer;
 - (iv) will specify any restriction conditions applying to the Shares;
 - (v) will specify an acceptance period; and
 - (vi) specify any other terms and conditions attaching to the Shares.
 - (d) **Issue price:** the issue price of each Share will be not less the volume weighted average price at which Shares were traded on the ASX over the 10 trading days up to and including the actual date of acceptance of the Shares offered under the Offer.
 - (e) **Restriction Conditions:** Shares may be subject to restriction conditions (such as a period of employment) which must be satisfied before the Shares can be sold, transferred, or encumbered. Shares cannot be sold, transferred or encumbered until any loan in relation to the Shares has been repaid or otherwise discharged under the Plan.
 - (f) **Loan:** A Participant who is invited to subscribe for Shares may also be invited to apply for a loan up to the amount payable in respect of the Shares accepted by the Participant (**Loan**), on the following terms:
 - (i) the Loan will be interest free;
 - (ii) the Loan made available to a Participant shall be applied by the Company directly toward payment of the issue price of the Shares;
 - (iii) the Loan repayment date and the manner for making such payments shall be determined by the Board and set out in the offer;
 - (iv) a Participant must repay the Loan in full by the loan repayment date but may elect to repay the Loan amount in respect of any or all of the Shares at any time prior to the loan repayment date;
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- (v) the Company shall have a lien over the Shares in respect of which a Loan is outstanding and the Company shall be entitled to sell those Shares in accordance with the terms of the Plan;
 - (vi) a Loan will be non-recourse except against the Shares held by the Participant to which the Loan relates; and
 - (vii) the Board may, in its absolute discretion, agree to forgive a Loan made to a Participant.
- (g) **Salary Sacrifice:** Eligible Participants may, at the invitation of the Directors elect to salary sacrifice their cash remuneration (or part of) and elect to be paid an equivalent number of Shares under the Plan.
- (h) **Unfulfilled Restriction Condition:** Where a restriction condition in relation to Shares is not satisfied by the due date, or becomes incapable of satisfaction in the opinion of the Board, the Company must, unless the restriction condition is waived by the Board, either:
- (i) buy back and cancel the relevant Shares within 12 months of the date the restriction condition was not satisfied (or became incapable of satisfaction) under Part 2J.1 of the Corporations Act at a price equal to the cash consideration paid by the Participant for the Plan Shares (with any Loan not being treated as cash consideration but any Loan Amount repayments by the Participant being treated as cash consideration); or
 - (ii) arrange to sell the Shares as soon as reasonably practicable either on the ASX or to an investor who falls within an exemption under section 708 of the Corporations Act provided that the sale must be at a price that is no less than 80% of the volume weighted average price at which Shares were traded on the ASX on the 10 trading days before the sale date and apply the sale proceeds (Sale Proceeds) in the following priority:
 - (A) first, to pay the Company any outstanding Loan Amount (if any) in relation to the Shares and the Company's reasonable costs in selling the Shares;
 - (B) second, to the extent the Sale Proceeds are sufficient, to repay the Participant any cash consideration paid by the Participant or Loan Amount repayments (including any cash dividends applied to the Loan Amount) made by or on behalf of the Participant; and
 - (C) lastly, any remainder to the Company to cover its costs of managing the Plan.
- (i) **Sale of Shares to repay Loan:**
- (i) A Loan shall become repayable in full where:
 - (A) the Participant (or, where the Participant is an Associate of an Eligible Employee, the Eligible Employee) ceases to be an Eligible Employee for any reason (including death);
 - (B) the Participant suffers an event of insolvency;
 - (C) the Participant breaches any condition of the Loan or the Plan; or
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- (D) a Restriction Condition in relation to Shares subject to the Loan is not satisfied by the due date, or becomes incapable of satisfaction in the opinion of the Board (and is not waived).
 - (ii) Where a Loan becomes repayable and at that time a Restriction Condition in relation to Shares subject to the Loan is not satisfied, or is incapable of being satisfied in the opinion of the Board (and is not waived), the Shares must be sold and the Sale Proceeds applied to repay the Loan in accordance the Plan.
 - (iii) Where a Loan in relation to Shares becomes repayable and at that time Restriction Conditions in relation to the Shares have either been satisfied or are waived, the Company must give the Participant a 30 day period to repay the Loan, failing which the Company must sell the Shares and apply the Sale Proceeds in accordance with the Plan.
 - (j) **Power of Attorney:** The Participant irrevocably appoints each of the Company and each director of the Company severally as his or her attorney to do all things necessary to give effect to the sale of the Participant's Shares in accordance with the Plan.
 - (k) **Plan limit:** The Company must take reasonable steps to ensure that the number of Shares offered by the Company under the Plan when aggregated with:
 - (i) the number of Shares issued during the previous 5 years under the Plan (or any other employee share plan extended only to Eligible Employees); and
 - (ii) the number of Shares that would be issued if each outstanding offer for Shares (including options to acquire unissued Shares) under any employee incentive scheme of the Company were to be exercised or accepted,does not exceed 5% of the total number of Shares on issue at the time of an offer (but disregarding any offer of Shares or option to acquire Shares that can be disregarded in accordance with relevant ASIC Class Orders).
 - (l) **Restriction on transfer:** Participants may not sell or otherwise deal with a Plan Share until the Loan Amount in respect of that Plan Share has been repaid and any restriction conditions in relation to the Shares have been satisfied or waived. The Company is authorised to impose a holding lock on the Shares to implement this restriction.
 - (m) **Quotation on ASX:** The Company will apply for each Plan Share to be admitted to trading on ASX upon issue of the Plan Share. Quotation will be subject to the ASX Listing Rules and any holding lock applying to the Shares.
 - (n) **Rights attaching to Shares:** Each Plan Share shall be issued on the same terms and conditions as the Company's issued Shares (other than in respect of transfer restrictions imposed by the Plan) and it will rank equally with all other issued Shares from the issue date except for entitlements which have a record date before the issue date.
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ALEXIMUM

Alexium International Group Limited | ACN 064 820 408

Proxy Voting Form

If you are attending the virtual Meeting please retain this Proxy Voting Form for online Securityholder registration.

Holder Number:

Your proxy voting instruction must be received by **11.30am (AEDT) on Sunday, 13 December 2020**, being **not later than 48 hours** before the commencement of the Meeting. Any Proxy Voting instructions received after that time will not be valid for the scheduled Meeting.

SUBMIT YOUR PROXY

Complete the form overleaf in accordance with the instructions set out below.

YOUR NAME AND ADDRESS

The name and address shown above is as it appears on the Company's share register. If this information is incorrect, and you have an Issuer Sponsored holding, you can update your address through the investor portal: <https://investor.automic.com.au/#/home> Shareholders sponsored by a broker should advise their broker of any changes.

STEP 1 – APPOINT A PROXY

If you wish to appoint someone other than the Chair of the Meeting as your proxy, please write the name of that Individual or body corporate. A proxy need not be a Shareholder of the Company. Otherwise if you leave this box blank, the Chair of the Meeting will be appointed as your proxy by default.

DEFAULT TO THE CHAIR OF THE MEETING

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

STEP 2 - VOTES ON ITEMS OF BUSINESS

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

APPOINTMENT OF SECOND PROXY

You may appoint up to two proxies. If you appoint two proxies, you should complete two separate Proxy Voting Forms and specify the percentage or number each proxy may exercise. If you do not specify a percentage or number, each proxy may exercise half the votes. You must return both Proxy Voting Forms together. If you require an additional Proxy Voting Form, contact Automic Registry Services.

SIGNING INSTRUCTIONS

Individual: Where the holding is in one name, the Shareholder must sign.

Joint holding: Where the holding is in more than one name, all Shareholders should sign.

Power of attorney: If you have not already lodged the power of attorney with the registry, please attach a certified photocopy of the power of attorney to this Proxy Voting Form when you return it.

Companies: To be signed in accordance with your Constitution. Please sign in the appropriate box which indicates the office held by you.

Email Address: Please provide your email address in the space provided.

By providing your email address, you elect to receive all communications despatched by the Company electronically (where legally permissible) such as a Notice of Meeting, Proxy Voting Form and Annual Report via email.

CORPORATE REPRESENTATIVES

If a representative of the corporation is to attend the Meeting the appropriate 'Appointment of Corporate Representative' should be produced prior to admission. A form may be obtained from the Company's share registry online at <https://automic.com.au>.

Lodging your Proxy Voting Form:

Online:

Use your computer or smartphone to appoint a proxy at

<https://investor.automic.com.au/#/login>

or scan the QR code below using your smartphone

Login & Click on 'Meetings'. Use the Holder Number as shown at the top of this Proxy Voting Form.



BY MAIL:

Automic
GPO Box 5193
Sydney NSW 2001

IN PERSON:

Automic
Level 5, 126 Phillip Street
Sydney NSW 2000

BY EMAIL:

meetings@automicgroup.com.au

BY FACSIMILE:

+61 2 8583 3040

All enquiries to Automic:

WEBCHAT: <https://automicgroup.com.au/>

PHONE: 1300 288 664 (Within Australia)
+61 2 9698 5414 (Overseas)

