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

Notice is given that the Meeting will be held at:

TIME: 11.00am (Sydney time)
DATE: Wednesday, 22 January 2020
PLACE: Grant Thornton
Level 17
383 Kent Street
Sydney, New South Wales

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 7.00pm (Sydney time) on 20 January 2020.

BUSINESS OF THE MEETING

AGENDA

RESOLUTION 1 – RATIFICATION OF TRANCHE 1 OF PLACEMENT

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

"That, for the purposes of ASX Listing Rule 7.4 and for all other purposes, Shareholders ratify the issue of 51,250,001 Shares on the terms and conditions set out in the Explanatory Statement."

Voting Exclusion: The Company will disregard any votes cast in favour of this Resolution by or on behalf of:

- (a) a person who participated in the issue; or
- (b) an associate of that person or those persons.

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

- (a) a person as proxy or attorney for a person who is entitled to vote on this Resolution, in accordance with 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 this Resolution, in accordance with a direction given to the chair to vote on this 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 this Resolution; and
 - (ii) the holder votes on this Resolution in accordance with directions given by the beneficiary to the holder to vote in that way.

RESOLUTION 2 – APPROVAL FOR COLINTON CAPITAL PARTNERS FUND I (A) PTY LIMITED TO PARTICIPATE IN TRANCHE 2 OF THE PLACEMENT

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

"That, for the purposes of ASX Listing Rule 7.1 and for all other purposes, approval is given for the Company to issue up to 21,666,667 Shares on the terms and conditions set out in the Explanatory Statement."

Voting Exclusion: The Company will disregard any votes cast in favour of this Resolution by or on behalf of:

- (d) a person who is expected to participate in, or who will obtain a material benefit as a result of, the proposed issue (except a benefit solely by reason of being a holder of ordinary securities in the Company); or
- (e) an associate of that person or those persons.

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

- (f) a person as proxy or attorney for a person who is entitled to vote on this Resolution, in accordance with directions given to the proxy or attorney to vote on the resolution in that way; or
- (g) the chair of the meeting as proxy or attorney for a person who is entitled to vote on this Resolution, in accordance with a direction given to the chair to vote on this Resolution as the chair decides; or
- (h) 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 this Resolution; and

- (ii) the holder votes on this Resolution in accordance with directions given by the beneficiary to the holder to vote in that way.

RESOLUTION 3 – APPROVAL FOR RELATED PARTY TO PARTICIPATE IN PLACEMENT – ROBERT BROOKINS

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

“That, for the purposes of section 195(4) and section 208 of the Corporations Act, ASX Listing Rule 10.11 and for all other purposes, approval is given for the Company to issue up to 8,333,334 Shares at \$0.06 per Share to Robert Brookins, a Director, (or his nominee/s) under the Placement on the terms and conditions set out in the Explanatory Statement.”

Voting Prohibition Statement:

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

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

Provided the Chair is not a Resolution 2 Excluded Party, 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 remuneration of a member of the Key Management Personnel.

Voting Exclusion: The Company will disregard any votes cast in favour of this Resolution by or on behalf of:

- (i) Robert Brookins (and his nominee/s) and any other person who will obtain a material benefit as a result of the issue of the securities (except a benefit solely by reason of being a holder of ordinary securities in the Company); or
- (j) an associate of that person or those persons.

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

- (a) a person as proxy or attorney for a person who is entitled to vote on this Resolution, in accordance with 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 this Resolution, in accordance with a direction given to the chair to vote on this 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 this Resolution; and
 - (ii) the holder votes on this Resolution in accordance with directions given by the beneficiary to the holder to vote in that way.

RESOLUTION 4 – APPROVAL FOR RELATED PARTY TO PARTICIPATE IN PLACEMENT – ROSHEEN GARNON

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

“That, for the purposes of section 195(4) and section 208 of the Corporations Act, ASX Listing Rule 10.11 and for all other purposes, approval is given for the Company to issue up to 1,666,667 Shares at

\$0.06 per Share to Rosheen Garnon, a Director, (or her nominee/s) under the Placement on the terms and conditions set out in the Explanatory Statement."

Voting Prohibition Statement:

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

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

Provided the Chair is not a Resolution 3 Excluded Party, 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 remuneration of a member of the Key Management Personnel.

Voting Exclusion: The Company will disregard any votes cast in favour of this Resolution by or on behalf of:

- (d) Rosheen Garnon (and her nominee/s) and any other person who will obtain a material benefit as a result of the issue of the securities (except a benefit solely by reason of being a holder of ordinary securities in the Company); or
- (e) an associate of that person or those persons.

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

- (a) a person as proxy or attorney for a person who is entitled to vote on this Resolution, in accordance with 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 this Resolution, in accordance with a direction given to the chair to vote on this 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 this Resolution; and
 - (ii) the holder votes on this Resolution in accordance with directions given by the beneficiary to the holder to vote in that way.

RESOLUTION 5 – APPROVAL FOR RELATED PARTY TO PARTICIPATE IN PLACEMENT – CLAIRE POLL

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

"That, for the purposes of section 195(4) and section 208 of the Corporations Act, ASX Listing Rule 10.11 and for all other purposes, approval is given for the Company to issue up to 333,334 Shares at \$0.06 per Share to Claire Poll, a Director, (or her nominee/s) under the Placement on the terms and conditions set out in the Explanatory Statement."

Voting Prohibition Statement:

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

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

Provided the Chair is not a Resolution 4 Excluded Party, 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 remuneration of a member of the Key Management Personnel.

Voting Exclusion: The Company will disregard any votes cast in favour of this Resolution by or on behalf of:

- (d) Claire Poll (and her nominee/s) and any other person who will obtain a material benefit as a result of the issue of the securities (except a benefit solely by reason of being a holder of ordinary securities in the Company); or
- (e) an associate of that person or those persons.

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

- (a) a person as proxy or attorney for a person who is entitled to vote on this Resolution, in accordance with 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 this Resolution, in accordance with a direction given to the chair to vote on this 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 this Resolution; and
 - (ii) the holder votes on this Resolution in accordance with directions given by the beneficiary to the holder to vote in that way.

RESOLUTION 6 – APPROVAL TO COMPLETE TRANCHE 2 OF PLACEMENT

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

"That, for the purposes of ASX Listing Rule 7.1 and for all other purposes, approval is given for the Company to issue up to 63,483,333 Shares at \$0.06 per Share on the terms and conditions set out in the Explanatory Statement."

Voting Exclusion: The Company will disregard any votes cast in favour of this Resolution by or on behalf of:

- (d) a person who is expected to participate in, or who will obtain a material benefit as a result of, the proposed issue (except a benefit solely by reason of being a holder of ordinary securities in the Company); or
- (e) an associate of that person or those persons.

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

- (a) a person as proxy or attorney for a person who is entitled to vote on this Resolution, in accordance with 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 this Resolution, in accordance with a direction given to the chair to vote on this 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 this Resolution; and
 - (ii) the holder votes on this Resolution in accordance with directions given by the beneficiary to the holder to vote in that way.

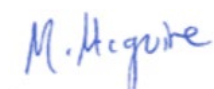
RESOLUTION 7 – REPLACEMENT OF CONSTITUTION

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

"That, for the purposes of section 136(2) of the Corporations Act and for all other purposes, approval is given for the Company to repeal its existing Constitution and adopt a new constitution in its place in the form as signed by the chairman of the Meeting for identification purposes."

Dated: 23 December 2019

By order of the Board



Maja McGuire
Company Secretary

Voting in person

To vote in person, attend the Meeting at the time, date and place set out above.

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.

Should you wish to discuss the matters in this Notice of Meeting please do not hesitate to contact the Company Secretary on +61 8 9278 2538.

EXPLANATORY STATEMENT

This Explanatory Statement 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. BACKGROUND

1.1 Background on the Capital Raising

On 27 November 2019, the Company announced that it had secured approximately \$22.3 million to fully retire its current debt and to support the Company's transition to a high growth performance chemicals company by way of:

- (a) an underwritten pro rata non-renounceable entitlement offer to eligible Shareholders on the basis of 2 Shares for every 5 existing Shares held by eligible Shareholders at an issue price of \$0.06 per Share to raise approximately \$8,339,656 (before costs) (**Entitlement Issue**);
- (b) a Share placement to sophisticated and professional investors, Directors and management at \$0.06 per Share to raise up to \$8,804,000 (**Placement**), comprised of two tranches:
 - (i) 51,250,001 Shares to be issued to sophisticated and professional investors via the Company's presently existing ASX Listing Rule 7.1 capacity (**Tranche 1**); and
 - (ii) 95,483,334 Shares to be issued to sophisticated and professional investors, Directors and management pursuant to the approval of Shareholders (**Tranche 2**); and
- (c) the issue of a 6% senior secured convertible note to Colinton Capital Partners Fund I (A) Pty Ltd (ACN 620 748 718) as trustee for the Colinton Capital Partners Fund I (A) Trust (**Colinton Capital**) to the value of \$5,150,000 (**Convertible Note**),

(together, the **Capital Raising**).

The prospectus for the Entitlement Issue was lodged with ASIC and announced on ASX on 27 November 2019 (**Prospectus**).

The Shares under Tranche 1 of the Placement, and the issue of the Convertible Note will be issued following the conclusion of the Entitlement Issue.

The Company has entered into a lead manager mandate with Baker Young Securities Limited. Under the terms of the mandate, the Company will pay Baker Young a lead manager fee of 0.6% (plus GST) on amounts raised under the Offer and the Placement, an advisor handling fee of \$100,000 (plus GST) and legal expenses up to \$13,000. The Company will also pay Baker Young an ongoing corporate advisory fee of \$13,000 per month for a three-month period.

1.2 Background on the Resolutions

The Resolutions set out in this Notice of Meeting seek:

- (a) ratification of Tranche 1 of the Placement (Resolution 1);

- (b) approval to enable Colinton Capital to participate in Tranche 2 of the Placement (Resolution 2);
- (c) approval for the directors (and/or their related parties) to participate in Tranche 2 of the Placement (Resolutions 3, 4 and 5);
- (d) approval to issue the remainder of the Shares under Tranche 2 of the Placement to investors unrelated to the Company (Resolution 6); and
- (e) approval for the Company to replace its existing Constitution, primarily to address changes to the ASX Listing Rules which came into effect on 1 December 2019 (Resolution 7).

Due to recent changes in ASX policy (effective 1 December 2019) concerning Shareholder approval to enable the Convertible Note to be converted into Shares during the term of the Convertible Note, the Company is not seeking Shareholder approval at this Meeting. The terms of the Convertible Note have not been changed and remain as set out in the Prospectus.

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

2. RESOLUTION 1 – RATIFICATION OF THE ISSUE OF THE TRANCHE 1 SHARES

2.1 General

Resolution 1 seeks approval for the ratification of Shares issued under Tranche 1 of the Placement under ASX Listing Rule 7.4.

On 27 November 2019, the Company entered into placement agreements to issue the Tranche 1 Shares. A summary of the placement agreements entered into by the Company for the issue of these Shares is summarised in Annexure A.

2.2 Technical information required by ASX Listing Rules

Pursuant to and in accordance with ASX Listing Rule 7.5, the following information is provided in relation to Resolution 1:

- (a) the Shares are being issued to a Colinton Capital, Wentworth Williamson Management Pty Ltd, Silverflag Investments Pty Ltd and Mainstream Fund Services Pty Limited under Tranche 1 of the Placement. None of these subscribers are related parties of the Company;
- (b) 51,250,001 Shares will be issued prior to the date of the Meeting;
- (c) the Shares issued will all be fully paid ordinary shares in the capital of the Company issued on the same terms and conditions as the Company's existing Shares;
- (d) the Shares will be issued on or around 24 December 2019;

- (e) the issue price will be \$0.06 per Share raising \$3,075,000;
- (f) as set out in the announcement on 27 November 2019, the funds will be used to contribute to the repayment of the Company's existing debt to GPB Debt Holdings II, LLC and providing working capital;
- (g) A summary of the placement agreements entered into by the Company for the issue of these Shares is summarised in Annexure A. Under its placement agreement, Colinton Capital also has the right to appoint a nominee to the Board of the Company. As announced on 27 November 2019, Mr Simon Moore will be appointed as the nominee of Colinton Capital.

3. RESOLUTION 2 – APPROVAL FOR THE ISSUE OF SHARES TO COLINTON CAPITAL

3.1 General

Resolution 2 seeks approval for the Company to issue Shares to Colinton Capital as part of their investment in the Company, which funds will be counted as part of Tranche 2 of the Placement.

On 27 November 2019 the Company entered into a subscription agreement with Colinton Capital for the issue of 21,666,667 Tranche 2 Shares (**Colinton Subscription**). A summary of the terms of the subscription agreement is set out in Annexure A.

3.2 Technical information required by ASX Listing Rules

Pursuant to and in accordance with ASX Listing Rule 7.3, the following information is provided in relation to Resolution 2:

- (a) the Shares will be issued to Colinton Capital. Colinton Capital is not a related party of the Company;
- (b) the maximum number of Shares to be issued is 21,666,667 Shares;
- (c) the Shares issued will be fully paid ordinary shares in the capital of the Company issued on the same terms and conditions as the Company's existing Shares;
- (d) the Shares will be issued no later than 3 months after the date of the Meeting (or such later date to the extent permitted by any ASX waiver or modification of the ASX Listing Rules) and it is intended that issue of the Shares will occur on the same date;
- (e) the issue price will be \$0.06 per Share raising \$1,300,000;
- (f) as set out in the announcement on 27 November 2019, the funds received from the Shares will be used to contribute to the repayment of the Company's existing debt to GPB Debt Holdings II, LLC and providing working capital; and
- (g) A summary of the terms of the placement agreement is set out in Annexure A.

4. RESOLUTIONS 3 TO 5 – APPROVAL FOR RELATED PARTIES TO PARTICIPATE IN TRANCHE 2 OF THE PLACEMENT

As set out in the announcement on 27 November 2019, the Directors, or persons related to the Directors have committed to participate in Tranche 2 of the Placement, subject to the receipt of Shareholder approval.

If Resolutions 3, 4 and 5 are not approved, the relevant Director, or their related parties, will not be able to subscribe for Shares under Tranche 2 of the Placement.

4.1 Chapter 2E of the Corporations Act

For a public company, or an entity that the public company controls, to give a financial benefit to a related party of the public company, the public company or entity must:

- (a) obtain the approval of the public company's members in the manner set out in sections 217 to 227 of the Corporations Act; and
- (b) give the benefit within 15 months following such approval,

unless the giving of the financial benefit falls within an exception set out in sections 210 to 216 of the Corporations Act.

The issue of Shares to the Directors or persons related to them constitutes giving a financial benefit.

In addition, ASX Listing Rule 10.11 also requires shareholder approval to be obtained where an entity issues, or agrees to issue, securities to a related party, or a person whose relationship with the entity or a related party is, in ASX's opinion, such that approval should be obtained unless an exception in ASX Listing Rule 10.12 applies.

It is the view of the Company that the exceptions set out in sections 210 to 216 of the Corporations Act do not apply in the current circumstances. Resolutions 3, 4 and 5 therefore require the approval of the Company's Shareholders under section 208 of the Corporations Act.

It is the view of the Company that the issue of Shares to the Directors, or persons related to the Directors under Tranche 2 of the Placement falls within ASX Listing Rule 10.11.1 and 10.11.4, and does not fall within any of the exceptions in Listing Rule 10.12. Resolutions 3, 4 and 5 therefore require the approval of the Company's Shareholders under ASX Listing Rule 10.11.

If Resolutions 3, 4 and 5 are passed, the Company will be able to proceed with the issue of Shares to the Directors, or persons related to the Directors under Tranche 2 of the Placement.

4.2 Technical information for Resolutions 3 to 5

Pursuant to and in accordance with the requirements of section 219 of the Corporations Act and ASX Listing Rule 10.13, the following information is provided in relation to Resolutions 3 to 5:

- (a) the related parties are Robert Brookins, Rosheen Garnon and Claire Poll, who are all related parties by virtue of being Directors in accordance with ASX Listing Rule 10.11.1;

- (b) the maximum number of Shares that may be issued to the related parties is:
- (i) 8,333,334 Shares to Robert Brookins (or his nominee) (Resolution 3);
 - (ii) 1,666,667 Shares to Rosheen Garnon (or her nominee) (Resolution 4); and
 - (iii) 333,334 Shares to Claire Poll (or her nominee) (Resolution 5);
- (c) the Shares will be issued to the related parties no later than 1 month after the date of the Meeting (or such later date as permitted by any ASX waiver or modification of the ASX Listing Rules) and it is anticipated the Shares will be issued on the same date;
- (d) the Shares will be issued at \$0.06 per Share, and the Company will receive:
- (i) \$500,000 under Resolution 3;
 - (ii) \$100,000 under Resolution 4; and
 - (iii) \$20,000 under Resolution 5;
- (e) as set out in the announcement on 27 November 2019, the funds received from the Shares will be used to contribute to the repayment of the Company's existing debt to GPB Debt Holdings II, LLC and providing working capital;
- (f) the Shares will be issued on the same terms as all existing Shares in the Company;
- (g) A summary of the terms of the placement agreements signed by each of the Related Parties is set out in Annexure A;
- (h) the relevant interests of the Related Parties in securities of the Company are set out below:

Related Party	Shares	Options
Robert Brookins	2,868,600	Nil
Rosheen Garnon	156,172	Nil
Claire Poll	28,572	Nil

- (i) the remuneration and emoluments from the Company to the Related Parties for the previous financial year and the proposed remuneration and emoluments for the current financial year are set out below:

Related Party	Current Financial Year	Previous Financial Year
Robert Brookins	\$492,343	\$470,066
Rosheen Garnon	\$113,542	\$67,271
Claire Poll	\$70,626	\$57,208

- (j) if the Shares are issued, this will increase the number of Shares on issue from 347,485,663 to 633,213,263 (assuming that no other Options are exercised and no shares other than those contemplated by the Resolutions of this Notice are issued with the effect that the shareholding of existing Shareholders would be diluted by an aggregate of 1.63%, comprising 1.32% by Robert Brookins, 0.26% by Rosheen Garnon and 0.05% by Claire Poll.
- (k) the trading history of the Shares on ASX in the 12 months before the date of this Notice is set out below:

	Price	Date
Highest	17.1 cents	1, 2 April 2019 and 12 July 2019
Lowest	6.2 cents	17 December 2019
Last	6.2 cents	17 December 2019

- (l) the primary purpose of the issue of the Shares is to enable the Directors and their related parties to participate in the Capital Raising and show their ongoing support for the future direction of the Company;
- (m) Robert Brookins declines to make a recommendation to Shareholders in relation to Resolution 3 due to his material personal interest in the outcome of the Resolution on the basis that he or his related parties may participate in the Placement should Resolution 3 be passed. However, in respect of Resolutions 4 and 5, Dr Brookins recommends that Shareholders vote in favour of those Resolutions for the following reasons:
- (i) the Directors' willingness to participate in the Placement shows their support and belief in the direction of the Company; and
 - (ii) the Directors' participation is on the same terms and conditions as all other unrelated participants;
- (n) Rosheen Garnon declines to make a recommendation to Shareholders in relation to Resolution 4 due to her material personal interest in the outcome of the Resolution on the basis that she or her related parties may participate in the Placement should Resolution 4 be passed. However, in respect of Resolutions 3 and 5, Ms Garnon recommends that Shareholders vote in favour of those Resolutions for the reasons set out in paragraph (m);
- (o) Claire Poll declines to make a recommendation to Shareholders in relation to Resolution 5 due to her material personal interest in the outcome of the Resolution on the basis that she or her related parties may participate in the Placement should Resolution 5 be passed. However, in respect of Resolutions 3 and 4, Ms Poll recommends that Shareholders vote in favour of those Resolutions for the reasons set out in paragraph (m);
- (p) Brigadier General Stephen Cheney, who does not have any interest in any of Resolutions 3, 4 or 5 recommends Shareholders vote in favour of those Resolutions for the reasons set out in paragraph (m) above;

- (q) in forming their recommendations, each Director considered the pricing of the Placement and the Entitlement Issue and the fact that the related parties are only participating on the same terms as all other unrelated participants in the Placement; and
- (r) the Board is not aware of any other information that would be reasonably required by Shareholders to allow them to make a decision whether it is in the best interests of the Company to pass Resolutions 3 to 5.

Approval pursuant to ASX Listing Rule 7.1 is not required in order to issue the Shares under Resolutions 3, 4 and 5 as approval is being obtained under ASX Listing Rule 10.11. Accordingly, the issue of Shares under Resolutions 3, 4 and 5 will not be included in the 15% calculation of the Company's annual placement capacity pursuant to ASX Listing Rule 7.1.

5. RESOLUTION 6 – APPROVAL FOR THE ISSUE OF SHARES FOR TRANCHE 2 OF THE PLACEMENT

5.1 General

As set out in the announcement dated 27 November 2019, the Company has entered into placement agreements with sophisticated and professional investors for the Placement. A summary of the terms of the placement agreements is set out in Annexure A.

5.2 Technical information required by ASX Listing Rules

Pursuant to and in accordance with ASX Listing Rule 7.3, the following information is provided in relation to Resolution 6:

- (a) the Shares will be issued to a number of sophisticated and professional investors introduced or known to the Company for the purpose of participating in the Placement. None of those parties are related parties of the Company;
- (b) the maximum number of Shares to be issued is 63,483,333 Shares;
- (c) the Shares issued will be fully paid ordinary shares in the capital of the Company issued on the same terms and conditions as the Company's existing Shares;
- (d) the Shares will be issued no later than 3 months after the date of the Meeting (or such later date to the extent permitted by any ASX waiver or modification of the ASX Listing Rules) and it is intended that issue of the Shares will occur on the same date;
- (e) the issue price will be \$0.06 per Share;
- (f) as set out in the announcement on 27 November 2019, the funds received from the Shares will be used to contribute to the repayment of the Company's existing debt to GPB Debt Holdings II, LLC and providing working capital; and
- (g) A summary of the terms of the placement agreements is set out in Annexure A.

6. RESOLUTION 7 – REPLACEMENT OF CONSTITUTION

6.1 General

A company may modify or repeal its constitution or a provision of its constitution by special resolution of Shareholders.

Resolution 7 is a special resolution which will enable the Company to repeal its existing Constitution and adopt a new constitution (**Proposed Constitution**) which is of the type required for a listed public company limited by shares updated to ensure it reflects the current provisions of the Corporations Act and ASX Listing Rules.

On 1 December 2019, new amendments to the ASX Listing Rules came into effect that require amendments to the Company's Constitution. The Directors believe that it is preferable in the circumstances to replace the existing Constitution with the Proposed Constitution rather than to amend a multitude of specific provisions.

The Proposed Constitution is broadly consistent with the provisions of the existing Constitution. Many of the proposed changes are administrative or minor in nature including but not limited to:

- (a) updating references to bodies or legislation which have been renamed (e.g. references to the Australian Settlement and Transfer Corporation Pty Ltd, ASTC Settlement Rules and ASTC Transfer); and
- (b) expressly providing for statutory rights by mirroring these rights in provisions of the Proposed Constitution.

The Directors believe these amendments are not material nor will they have any significant impact on Shareholders. It is not practicable to list all of the changes to the Constitution in detail in this Explanatory Statement, however, a summary of the proposed material changes is set out below.

A copy of the Proposed Constitution can also be sent to Shareholders upon request to the Company Secretary (+61 8 9278 2538). Shareholders are invited to contact the Company if they have any queries or concerns.

6.2 Summary of material proposed changes

Restricted Securities (clause 2.12)

The Proposed Constitution complies with the proposed changes to ASX Listing Rule 15.12 which was finalised and released in December 2019. Under this change, ASX will require certain more significant holders of restricted securities and their controllers (such as related parties, promoters, substantial holders, service providers and their associates) to execute a formal escrow agreement in the form Appendix 9A, as is currently the case. However, for less significant holdings (such as non-related parties and non-promoters), ASX will instead permit the Company to issue restriction notices to holders of restricted securities in the form of a new Appendix 9C advising them of the restriction rather than requiring signed restriction agreements.

In accordance with ASX requirements, the wording of the restricted securities clause is outlined below:

Restricted Securities

The Company shall comply in all respects with the requirements of the Listing Rules with respect to Restricted Securities. Without limiting the generality of the above:

- (a) a holder of Restricted Securities must not Dispose of, or agree or offer to Dispose of, the Securities during the escrow period applicable to those Securities except as permitted by the Listing Rules or the ASX;
- (b) if the Restricted Securities are in the same class as quoted Securities, the holder will be taken to have agreed in writing that the Restricted Securities are to be kept on the Company's issuer sponsored subregister and are to have a Holding Lock applied for the duration of the escrow period applicable to those Securities;
- (c) the Company will refuse to acknowledge any Disposal (including, without limitation, to register any transfer) of Restricted Securities during the escrow period applicable to those Securities except as permitted by the Listing Rules or the ASX;
- (d) a holder of Restricted Securities will not be entitled to participate in any return of capital on those Securities during the escrow period applicable to those Securities except as permitted by the Listing Rules or the ASX; and
- (e) if a holder of Restricted Securities breaches a Restriction Deed or a provision of this Constitution restricting a Disposal of those Securities, the holder will not be entitled to any dividend or distribution, or to exercise any voting rights, in respect of those Securities for so long as the breach continues.

Fee for registration of off market transfers (clause 8.4(c))

On 24 January 2011, ASX amended ASX Listing Rule 8.14 with the effect that the Company may now charge a "reasonable fee" for registering paper-based transfers, sometimes referred to "off-market transfers".

Clause 8.4 of the Proposed Constitution is being made to enable the Company to charge a reasonable fee when it is required to register off-market transfers from Shareholders. The fee is intended to represent the cost incurred by the Company in upgrading its fraud detection practices specific to off-market transfers.

Before charging any fee, the Company is required to notify ASX of the fee to be charged and provide sufficient information to enable ASX to assess the reasonableness of the proposed amount.

Direct Voting (clause 13, specifically clauses 13.35 – 13.40)

The Proposed Constitution includes a new provision which allows Shareholders to exercise their voting rights through direct voting (in addition to exercising their existing rights to appoint a proxy). Direct voting is a mechanism by which Shareholders can vote directly on resolutions which are to be determined by poll. Votes cast by direct vote by a Shareholder are taken to have been cast on the poll as if the Shareholder had cast the votes on the poll at the meeting. In order for direct voting to be available, Directors must elect that votes can be cast via direct vote for all or any resolutions and determine the manner appropriate for the casting of direct votes. If such a determination is made by the Directors, the notice of meeting will include information on the application of direct voting.

Rotation of Directors (clause 14.2)

The Proposed Constitution amends the provision relating to the rotation of Directors at the Company's Annual General Meeting each year to align with the Company's obligations under the Listing Rules and to prevent certain Directors needing to be re-elected within the three year period permitted by the Listing Rules just to comply with the Company's Constitution.

Recommendation of the Board

The Directors do not believe the potential disadvantages outweigh the potential advantages of adopting the proportional takeover provisions and as a result consider that the proportional takeover provision in the Proposed Constitution is in the interest of Shareholders and unanimously recommend that Shareholders vote in favour of Resolution 7.

GLOSSARY

\$ means Australian dollars.

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.

Capital Raising means the capital raising summarised in Section 1.1.

Chair means the chair of the Meeting.

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.

Explanatory Statement means the explanatory statement accompanying the Notice.

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

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

Placement means the placement to be undertaken by the Company summarised in Section 1.

Proxy Form means the proxy form accompanying the Notice.

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 Statement.

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

Shareholder means a registered holder of a Share.

WST means Western Standard Time as observed in Perth, Western Australia.

ANNEXURE A – SUMMARY OF THE PLACEMENT AGREEMENTS

1. Placement Agreements

The Company has entered into separate subscription agreements with various related and unrelated parties of the Company (**Placement Agreements**). The Placement Agreements all contain the same material terms.

By these Placement Agreements, the Investors have agreed to subscribe for a total of 146,733,335 Shares at \$0.06 per Share (**Subscription Shares**) to raise approximately \$8,804,000 (**Subscription Amount**).

The material terms and conditions of the Placement Agreements are summarised below.

- (a) (**Conditions Precedent**): Completion (as defined under the Placement Agreements) is subject to and conditional on the satisfaction or waiver of the following conditions precedent:
 - (i) (**Underwriting**): "Completion" (as defined in the Underwriting Agreements) occurring under the Underwriting Agreements such that on "Completion" (as defined in the Placement Agreements) the Company will raise funds in aggregate under those agreements of not less than \$15,000,000;
 - (ii) (**Placement Agreements**): "Completion" (as defined in the Placement Agreements) has occurred for each of the Placement Agreements; and
 - (iii) (**Listing Rule compliance**): the Company having the capacity under the ASX Listing Rules to issue the Subscription Shares at Completion;

If any of the conditions set out above are not satisfied or waived by 31 January 2020, the Investors may terminate their respective Placement Agreements by notice in writing to the Company.

- (b) (**Subscription and Issue**): The Investors (or their nominees) must subscribe for and pay \$0.06 for each Subscription Share and the Company must allot and issue those Subscription Shares to the Investors (or their nominees).
- (c) (**Use of Funds**): The Company and the Investors agree that the Subscription Amount shall be used for the repayment and retirement of existing debt and general working capital for the ongoing needs of the Company's existing business.

The Placement Agreements otherwise contain provisions considered standard for agreements of this nature (including representations and warranties).



Alexium International Group Limited | ACN 91 064 820 408

GM Registration Card

If you are attending the meeting
in person, please bring this with you
for Securityholder registration.

Holder Number:

Vote by Proxy: AJX

Your proxy voting instruction must be received by **11.00am (Sydney time) on Monday, 20 January 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 VOTE ONLINE

Vote online at <https://investor.automic.com.au/#/loginsah>

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

- ✓ **Save Money:** help minimise unnecessary print and mail costs for the Company.
- ✓ **It's Quick and Secure:** provides you with greater privacy, eliminates any postal delays and the risk of potentially getting lost in transit.
- ✓ **Receive Vote Confirmation:** instant confirmation that your vote has been processed. It also allows you to amend your vote if required.



SUBMIT YOUR PROXY VOTE BY PAPER

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.

VOTING UNDER STEP 1 - APPOINTING A PROXY

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

DEFAULT TO THE CHAIRMAN OF THE MEETING

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

VOTES ON ITEMS OF BUSINESS – PROXY APPOINTMENT

You may direct your proxy how to vote by 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

You must sign this form as follows in the spaces provided

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

Joint holding: Where the holding is in more than one name, all of the 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>.

ATTENDING THE MEETING

Completion of a Proxy Voting Form will not prevent individual Shareholders from attending the Meeting in person if they wish. Where a Shareholder completes and lodges a valid Proxy Voting Form and attends the Meeting in person, then the proxy's authority to speak and vote for that Shareholder is suspended while the Shareholder is present at the Meeting.

POWER OF ATTORNEY

If a representative as power of attorney of a Shareholder of the Company is to attend the Meeting, a certified copy of the Power of Attorney, or the original Power of Attorney, must be received by the Company in the same manner, and by the same time as outlined for proxy forms.



