



Genex Power Limited

ACN 152 098 854

NOTICE OF ANNUAL GENERAL MEETING

EXPLANATORY MEMORANDUM

PROXY FORM

Date of Meeting

Thursday 23rd November 2017

Time of Meeting

11.00 a.m. (AEDST)

Place of Meeting

Baker McKenzie
Level 27
(Hong Kong Meeting Room)
AMP Centre
50 Bridge Street
Sydney NSW 2000

NOTICE OF ANNUAL GENERAL MEETING

Genex Power Limited (Company) hereby gives notice that the Annual General Meeting of Shareholders will be held at the offices of Baker McKenzie, Level 27, AMP Centre, 50 Bridge Street, Sydney on **Thursday 23rd November 2017** commencing at **11.00 a.m.** (AEDST).

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

AGENDA

ITEM 1 – FINANCIAL REPORT

To receive and consider the consolidated financial report of the Company, together with the reports of the Directors and Auditor, for the year ended 30 June 2017.

Note:

There is no requirement for Shareholders to approve these reports.

ITEM 2 - ORDINARY BUSINESS

To consider and, if thought fit, pass the following ordinary resolutions of the Company:

Resolution 1:

Adoption of Remuneration Report

“That the Shareholders adopt the Remuneration Report for the year ending 30 June 2017.”

Voting Exclusion Statement:

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

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

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

Chairman appointed as proxy:

If the Chairman is appointed as a proxy for a person who is permitted to vote on this Resolution 1, the Chairman will vote any proxies which do not indicate on their proxy form the way the Chairman must vote, in favour of Resolution 1.

Note:

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

Resolution 2:**Re-election of Dr Ralph Craven as a Non-Executive Director**

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

Resolution 3:**Re-election of Mr Ben Guo as a Director**

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

Resolution 4:**Appointment of Ernst & Young as Auditor**

“That for the purposes of section 327B of the Corporations Act 2001 (Cth.) and for all other purposes, Ernst & Young, having been nominated by a Shareholder and, having consented in writing to act as auditor of the Company, is appointed as auditor of the Company.”

ITEM 3 – SPECIAL BUSINESS

To consider and, if thought fit, pass the following ordinary resolutions of the Company:

Resolution 5:**Ratification of Prior Issue of Shares**

“That, for the purposes of Listing Rule 7.4 and for all other purposes, the Shareholders approve and ratify the prior allotment and issue of 31,250,000 Shares by Genex Power Limited to various parties as announced to the ASX on 9 February 2017 and on the terms and conditions set out in the Explanatory Memorandum accompanying this Notice of Meeting.”

Notes:

The Directors unanimously support the approval of the ratification of the issue of the Shares.

Voting Exclusion Statement:

In accordance with Listing Rule 14.11, the Company will disregard any votes cast on Resolution 5 by any person or entity that participated in the placement, or any associate of any person or entity that participated in the placement.

However, in accordance with the Listing Rules, the Company need not disregard a vote if:

- *it is cast by a person as a proxy for a Shareholder who is entitled to vote, in accordance with the directions on the proxy form; or*
- *if it is cast by the Chairman of the Meeting as proxy for a Shareholder who is entitled to vote, in accordance with the directions on the proxy form.*

ITEM 4 – SPECIAL RESOLUTION

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

Resolution 6:

Approval for Additional Placement Capacity

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

Voting Exclusion Statement:

The Company will disregard any votes cast on this Resolution by a person (and any associates of such a person) who may participate in the 10% Placement Facility and a person who might obtain a benefit, except solely in the capacity of a holder of Shares, if this Resolution is passed.

However, the Company will not disregard a vote if:

- *It is cast by the person as proxy for a person who is entitled to vote, in accordance with directions on the proxy form; or*
- *It is cast by the Chairman 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.*

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

Dated at Sydney, 29th day of September 2017.

BY ORDER OF THE BOARD



Justin Clyne
Company Secretary

NOTES

1. Explanatory Memorandum

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

2. Record Date

For the purposes of regulation 7.11.37 of the Corporations Regulations, the Company determines that Shareholders recorded on the Company's register at 7.00 pm (AEDST) on Tuesday 21st November, 2017 (**Record Date**) will be entitled to attend and vote at the Meeting. If you are not the registered Shareholder in respect of a particular Share on the Record Date, you will not be entitled to vote in respect of that Share.

If you cannot attend the Meeting in person, you are encouraged to sign and deliver the proxy form attached to this Notice and return it in accordance with the instructions set out below.

3. Appointment of Proxies

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

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

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

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

For Shareholders registered on the Australian register, section 250B of the Act stipulates that proxies must be delivered at least 48 hours prior to the Meeting. For the purposes of section 250B, the Board has determined that all proxies must be received by no later than 11.00 am on Tuesday 21st November 2017 (AEDST) or in the event of the meeting being adjourned at least 48 hours prior to the adjourned meeting, to the Company's Share Registry Service Provider, Boardroom Pty Limited as follows:

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

By fax: +61 2 9290 9655

In person: Share Registry – Boardroom Pty Limited
Level 12
225 George Street
Sydney NSW 2000

4. Corporate Representative

Any corporate Shareholder who has appointed a person to act as its corporate representative at the Meeting should provide that person with a certificate or letter executed in accordance with the Act authorising him or her to act as the Company's representative. The authority may be sent to the Company in advance of the Meeting or handed in at the Meeting when registering as a corporate representative.

EXPLANATORY MEMORANDUM

This Explanatory Memorandum forms part of the Notice convening the Annual General Meeting of the Shareholders of **Genex Power Limited** to be held on **Thursday 23rd November 2017** at the offices of **Baker McKenzie, Level 27, AMP Centre, 50 Bridge Street, Sydney** at **11.00 am (AEDST)**.

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

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

ORDINARY RESOLUTIONS

Resolution 1:

Remuneration Report

“That the Shareholders adopt the Remuneration Report for the year ending 30 June 2017.”

Background

The Remuneration Report is set out on pages 11 to 15 of the Company’s Annual Report for the year ending 30 June 2017 which was lodged with the ASX on 29 September 2017. The Remuneration Report sets out the Company’s remuneration policy and reports on the remuneration arrangements in place for the Directors and key executives of the Company.

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

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

Under recent amendments to the Act:

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

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

The Company has not yet received a first strike in relation to its Remuneration Report with just under 98% of votes being cast either in favour of the Remuneration Report resolution or open which were cast in favour of the resolution by the Chairman at the Company’s 2016 AGM.

Chairman as proxy

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

Recommendation

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

Resolution 2:

Re-election of Dr Ralph Craven as a Non-Executive Director

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

Information about Dr Craven

Dr Craven was last appointed by the Board on 29 May 2015 and then by shareholders at the Company’s 2016 AGM.

Dr Craven is a Member of the Audit & Risk Management Committee and the Chairman of the Remuneration Committee.

Dr Craven has served on the boards of listed and unlisted companies for over 10 years. He has deep governance and related experience. Dr Craven’s professional experience spans energy, resources and infrastructure. His background encompasses electricity and gas businesses, mining, commodities trading, and the management of large scale system operations at the national level and the delivery of major infrastructure projects.

Dr Craven is currently non-executive Chairman of Stanwell Corporation and a non-executive director of both AusNet Services Limited (ASX: AST) and Senex Energy Limited (ASX: SXY). Other recent directorships include Windlab Limited, Chairman of Invion Limited and Director and Chairman of the Audit Committee of Mitchell Services Limited.

Dr Craven was formerly Chairman of Ergon Energy Corporation Limited, Tully Sugar Limited and Deputy Chairman of Arrow Energy Ltd. At the end of 2015 he completed a six-year term as Director of the International Electrotechnology Commission (IEC) and Chairman of the IEC National

Committee of Australia. Dr Craven was CEO of Transpower New Zealand Limited and also held senior executive positions in Shell Coal Pty Ltd and NRG Asia Pacific Limited.

Recommendation

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

Resolution 3:

Re-election of Mr Ben Guo as a Director

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

Information about Mr Ben Guo

Mr Guo was originally appointed as a Director of the Company on 25 October 2013 and reappointed by Shareholders at the Company’s 2014 and 2015 AGM’s.

Ben has over 10 year’s management experience in Australia. Prior to joining Genex, he held senior financial roles at Helmsec Global Capital Limited and Estrella Resources Limited. Ben has also worked at PwC Corporate Finance and Ernst and Young.

Recommendation

The Board, with the exception of Mr Guo, unanimously recommends that the Shareholders approve Resolution 3 as each Director allowed to vote intends to do with regard to their own shareholdings in the Company.

Resolution 4:

Appointment of Ernst & Young as Auditor

“That for the purposes of section 327B of the Corporations Act 2001 (Cth.) and for all other purposes, Ernst & Young, having been nominated by a Shareholder and, having consented in writing to act as auditor of the Company, is appointed as auditor of the Company.”

Background

The Company applied to ASIC for ASIC’s consent to the resignation of the Company’s previous auditor, William Buck & Co, Chartered Accountants. The consent of ASIC was announced to the ASX on 25 July 2017.

The primary reasons for the Company seeking the consent of ASIC to the change were that the construction of Genex’s Kidston Solar Project (Phase One 50MW) will be one of the key focus areas for the Genex group of companies (Genex Group) going forward. Along with the Group’s future projects, Genex needs the experience and assistance of an auditor that has deep renewable energy and construction experience given the risks and complexities these areas have on the recognition and disclosure in the financial statements. Ernst & Young’s Australian and global network gives Genex a large network to draw on industry, financial and tax experience.

In accordance with section 328B (1) of the Corporations act, the Company has received a nomination from a Shareholder for Ernst & Young to be appointed as the Company's Auditor. A copy of this nomination is attached to the Explanatory Memorandum.

The Directors recommend that Shareholders appoint Ernst & Young as auditor of the Company.

Resolution 5:

Ratification of Prior Issue of Shares

Background

On 9 February 2017, the Company issued a total of 31,250,000 shares pursuant to ASX Listing Rule 7.1 to various persons and entities by way of a capital raising as announced to the ASX on 3 February 2017. None of these persons or entities were Related Parties of the Company.

The prior approval of Shareholders was not required in respect of the issue of the Shares as it did not exceed the 15% Restriction imposed upon listed companies by Listing Rule 7 nor were they issued to a Related Party.

Listing Rule 7.4 provides that if the issue of the Shares is ratified by Shareholders, the Company will again have the flexibility to issue further securities without Shareholder approval within the 15% Restriction over the next 12-month period. Note, the Company is seeking a separate resolution (Resolution 6) by way of a special resolution for the approval of an additional 10% placement capacity. Neither resolution 5 or 6 (or any of the resolutions) are dependent on the other.

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

Information for Shareholders in accordance with Listing Rule 7.4

The following information is provided in relation to Resolution 5 in accordance with Listing Rule 7.5:

- Number of securities allotted: The issue consisted of the issue and allotment of 31,250,000 new Fully Paid Ordinary Shares (Shares) in the Company.
- Issue price: \$0.16 per Share.
- Term of the securities: The Shares were issued with the same rights as Shares already on issue in the Company and subject to the Corporations Act, the ASX Listing Rules and the Company's Constitution.
- Allottees: The Shares were issued to a range of persons and entities introduced by Morgans Corporate Limited and Canaccord Genuity (Australia) Limited, none of whom is a Related Party of the Company.
- Use of funds: The funds have been and continue to be used in accordance with the following:
 - Reach financial close in respect of the Company's 50MW Kidston Solar Project and for further development work;
 - Continue development of the Kidston 250MW Pumped Storage Hydro Project;
 - Advancing the development of the Kidston Phase Two Solar Project; and
 - For costs associated with the share placement and working capital.

Directors' Recommendation

The Board unanimously recommends that the Shareholders vote in favour of the ratification of the share placement.

Resolution 6: Special Resolution

Approval for Additional Placement Capacity

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

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

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

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

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

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

Description of Listing Rule 7.1A

(a) Shareholder approval

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

(b) Equity Securities

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

(c) Formula for calculating 10% Placement Facility

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

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

A is the number of shares on issue 12 months before the date of issue or agreement. Pursuant to Listing Rule 7.1B.4 this number is 180,268,750:

(A) plus the number of fully paid shares issued in the 12 months under an exception in Listing Rule 7.2 which is 31,393,077;

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

(C) plus the number of fully paid shares issued in the 12 months with approval of holders of shares under Listing Rule 7.1 and 7.4 which is 76,317,187 (assuming the passing of resolution 5 herein). This does not include an issue of fully paid shares under the entity's 15% placement capacity without shareholder approval;

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

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

D is 10%

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

(d) Listing Rule 7.1 and Listing Rule 7.1A

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

As at the date of this Notice, the Company has on issue **287,979,014** Shares and assuming the approval of Resolution 5 herein, there is a capacity to issue:

- (i) 42,971,852 Equity Securities under Listing Rule 7.1; and
- (ii) a further 28,647,901 Equity Securities under Listing Rule 7.1A.

The actual number of Equity Securities that the Company will have capacity to issue under Listing Rule 7.1A will be calculated at the date of issue of the Equity Securities in accordance with the formula prescribed in Listing Rule 7.1A.2 (refer to Section subparagraph (c) above). Therefore, if Resolution 5 is not passed by Shareholders then the placement capacity under Listing Rules 7.1 and 7.1A will be lower than the figures provided in (d) (i) and (ii) above.

(e) Minimum Issue Price

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

- (i) the date on which the price at which the Equity Securities are to be issued is agreed; or
- (ii) if the Equity Securities are not issued within 5 Trading Days of the date in paragraph (i) above, the date on which the Equity Securities are issued.

(f) 10% Placement Period

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

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

(10% Placement Period).

Listing Rule 7.1A

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

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

Specific information required by Listing Rule 7.3A

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

- (a) The Equity Securities will be issued at an issue price of not less than 75% of the VWAP for the Company's Equity Securities over the 15 Trading Days immediately before:
 - (i) the date on which the price at which the Equity Securities are to be issued is agreed; or
 - (ii) if the Equity Securities are not issued within 5 Trading Days of the date in paragraph (i) above, the date on which the Equity Securities are issued.
- (b) If Resolution 6 is approved by Shareholders and the Company issues Equity Securities under the 10% Placement Facility, the existing Shareholders' voting power in the Company will be diluted as shown in the below table (in the case of Options, only if the Options are exercised). There is a risk that:
 - (i) the market price for the Company's Equity Securities may be significantly lower on the date of the issue of the Equity Securities than on the date of the Meeting; and

- (ii) the Equity Securities may be issued at a price that is at a discount to the market price for the Company's Equity Securities on the issue date or the Equity Securities are issued as part of consideration for the acquisition of a new asset,

which may have an effect on the amount of funds raised by the issue of the Equity Securities.

The below table shows the dilution of existing Shareholders on the basis of the market price of Shares of \$0.235 and the current number of ordinary securities for variable "A" calculated in accordance with the formula in Listing Rule 7.1A (2) as at 15 September, 2017.

The table also shows:

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

Variable 'A' in Listing Rule 7.1A.2		Dilution \$0.1175 50% decrease in Issue Price	Dilution \$0.235 Issue Price	Dilution \$0.47 100% increase in Issue Price
Current Variable 'A' 287,979,014 Shares	10% voting dilution	28,797,901 Shares	28,797,901 Shares	28,797,901 Shares
	Funds raised	\$3,383,753	\$6,767,506	\$13,535,013
50% increase in current Variable 'A' 431,968,521	10% voting dilution	43,196,852 Shares	43,196,852 Shares	43,196,852 Shares
	Funds raised	\$5,075,630	\$10,151,260	\$20,302,520
100% increase in current Variable 'A' 575,958,028	10% voting dilution	57,595,802	57,595,802 Shares	57,595,802 Shares
	Funds raised	\$6,767,506	\$13,535,013	\$27,070,026

The table has been prepared on the following assumptions:

- (i) The Company issues the maximum number of Equity Securities available under the 10% Placement Facility and assumes that none of the Issued or Future Convertible Notes have been converted and Shares subsequently issued.
- (ii) No Options are exercised into Shares before the date of the issue of the Equity Securities;

- (iii) The 10% voting dilution reflects the aggregate percentage dilution against the issued share capital at the time of issue. This is why the voting dilution is shown in each example as 10%.
 - (iv) The table does not show an example of dilution that may be caused to a particular Shareholder by reason of placements under the 10% Placement Facility, based on that Shareholder's holding at the date of the Meeting.
 - (v) The table shows only the effect of issues of Equity Securities under Listing Rule 7.1A, not under the 15% placement capacity under Listing Rule 7.1.
 - (vi) The issue of Equity Securities under the 10% Placement Facility consists only of Shares.
 - (vii) The issue price is \$0.235, being the closing price of the Shares on ASX on 15 September, 2017.
- (c) The Company will only issue and allot the Equity Securities during the 10% Placement Period. The approval under Resolution 6 for the issue of the Equity Securities will cease to be valid in the event that Shareholders approve a transaction under Listing Rule 11.1.2 (a significant change to the nature or scale of activities or Listing Rule 11.2 (disposal of main undertaking). The approval under Resolution 6 for the issue of the Equity Securities will also cease on the date that is 12 months after the date of the AGM at which the approval is obtained.
- (d) The Company may seek to issue the Equity Securities for the following purposes:
- (i) non-cash consideration to acquire new projects, assets or investments or for feasibility, construction and/or development work on its current or future projects and/or for working capital. In such circumstances, the Company will provide a valuation of the non-cash consideration as required by Listing Rule 7.1A.3; or
 - (ii) cash consideration. In such circumstances, the Company intends to use the funds raised to acquire new projects, assets or investments or for feasibility, construction and/or development work on its current or future projects and/or for working capital.

The Company will comply with the disclosure obligations under Listing Rules 7.1A (4) and 3.10.5A upon issue of any Equity Securities.

The Company's allocation policy is dependent on the prevailing market conditions at the time of any proposed issue pursuant to the 10% Placement Facility. The identity of the allottees of Equity Securities will be determined on a case-by-case basis having regard to the factors including, but not limited to the following:

- a. the methods of raising funds that are available to the Company, including but not limited to, rights issue or other issues in which existing security holders can participate;
- b. the effect of the issue of the Equity Securities on the control of the Company;
- c. the financial situation and solvency of the Company; and

- d. advice from corporate, financial and broking advisers (if applicable).

The allottees under the 10% Placement Facility have not been determined as at the date of this Notice but may include existing substantial Shareholders and/or new Shareholders who are not related parties or associates of a related party of the Company.

Further, if the Company is successful in acquiring new projects, assets or investments, it is likely that the allottees under the 10% Placement Facility will be the vendors of the new projects, assets or investments.

The Company obtained Shareholder approval under Listing Rule 7.1A at its 2016 AGM and provides the following information pursuant to Listing Rule 7.3A.6 (a):

The total number of equity securities issued in the 12 months preceding the date of meeting is 125,610,264 (comprising 107,710,264 shares and 17,900,000 options) representing approximately 43.6% of the total fully diluted ordinary shares and 37.4% of the fully diluted equity securities on issue as at the date of the Notice of Meeting.

The following information is provided pursuant to Listing Rule 7.3A.6 (b):

<u>Date of Issue:</u>	<u>8 December 2016</u>
Number Issued:	50,000
Class:	Fully paid ordinary shares
Recipient:	Loyalty option holder who subscribed for shares under the Company's Replacement Prospectus lodged with the ASX on 22 June 2015, and is not a Related Party of the Company
Price/Discount:	\$0.20 per share being the exercise price upon the conversion of the 50,000 options
Consideration and use of funds:	The funds are being used for the Company's Projects at its Kidston Energy Hub in North Queensland and working capital.

<u>Date of Issue:</u>	<u>15 December 2016</u>
Number Issued:	45,067,187
Class:	Fully paid ordinary shares
Recipients:	Various persons and entities introduced by Morgans Corporate Limited and Canaccord Genuity (Australia) Limited, none of whom are Related Parties of the Company
Price/Discount:	\$0.22 per share representing an 18.5% discount to the closing price on the day prior to the Company entering a trading halt for the capital raising.

Consideration and

use of funds: For the development of the Company's 50MW Kidston Solar Project, to advance development of the Kidston Pumped Storage Hydro Project and general working capital purposes.

Date of Issue: 18 January 2017

Number Issued: 14,000,000

Class: Unlisted Options

Recipients: 4 of the Company's Directors approved by shareholders at the Company's EGM on 17 January 2017.

Price/Discount: The Options were issued for nil consideration

Consideration and

use of funds: The Options were issued for nil consideration however if the Options are exercised in the future, any funds raised will likely be used for the Company's Phase Two Projects and general working capital purposes.

Date of Issue: 23 January 2017

Number Issued: 11,640,770

Class: Fully paid ordinary shares

Recipients: Various shareholders of the Company who participated in the Company's Share Purchase Plan.

Price/Discount: \$0.22 per share representing an 18.5% discount to the closing price on the day prior to the Company entering a trading halt for the capital raising.

Consideration and

use of funds: For the development of the Company's 50MW Kidston Solar Project, to advance development of the Kidston Pumped Storage Hydro Project and general working capital purposes.

Date of Issue: 9 February 2017

Number Issued: 31,250,000

Class: Fully paid ordinary shares

Recipients: Various persons and entities introduced by Morgans Corporate Limited and Canaccord Genuity (Australia) Limited, none of whom are Related Parties of the Company

Price/Discount: \$0.16 being a 23.8% discount to the Theoretical Ex Rights Price on 31 January 2017, being the day before the Offer was announced.

Consideration and

use of funds: To reach financial close on Kidston Solar Phase One 50MW, to continue development of the Kidston Pumped Storage Hydro Project, to advance the development of the Kidston Solar Phase Two Project and general working capital purposes.

Date of Issue: 9 February 2017

Number Issued: 250,000
 Class: Fully paid ordinary shares
 Recipient: Loyalty option holder who subscribed for shares under the Company's Replacement Prospectus lodged with the ASX on 22 June 2015, and is not a Related Party of the Company

Price/Discount: \$0.20 per share being the exercise price upon the conversion of the 50,000 options

Consideration and

use of funds: The funds are being used for the Company's Projects at its Kidston Energy Hub in North Queensland and working capital.

Date of Issue: 1 March 2017

Number Issued: 19,181,057
 Class: Fully paid ordinary shares
 Recipients: Various shareholders of the Company who participated in the Company's Rights Issue.

Price/Discount: \$0.16 being a 23.8% discount to the Theoretical Ex Rights Price on 31 January 2017, being the day before the Offer was announced.

Consideration and

use of funds: To reach financial close on Kidston Solar Phase One 50MW, to continue development of the Kidston Pumped Storage Hydro Project, to advance the development of the Kidston Solar Phase Two Project and general working capital purposes.

Date of Issue: 6 March 2017

Number Issued: 50,000
 Class: Fully paid ordinary shares
 Recipient: Loyalty option holder who subscribed for shares under the Company's Replacement Prospectus lodged with the ASX on 22 June 2015, and is not a Related Party of the Company.

Price/Discount: \$0.20 per share being the exercise price upon the conversion of the 50,000 options.

Consideration and

use of funds: The funds are being used for the Company's Projects at its Kidston Energy Hub in North Queensland and working capital.

Date of Issue: 26 April 2017

Number Issued: 50,000

Class: Fully paid ordinary shares

Recipient: Loyalty option holder who subscribed for shares under the Company's Replacement Prospectus lodged with the ASX on 22 June 2015, and is not a Related Party of the Company.

Price/Discount: \$0.20 per share being the exercise price upon the conversion of the 50,000 options

Consideration and

use of funds: The funds are being used for the Company's Projects at its Kidston Energy Hub in North Queensland and working capital.

Date of Issue: 1 July 2017

Number Issued: 1,500,000

Class: Unlisted Options

Recipients: The Company Secretary

Price/Discount: The Options were issued for nil consideration.

Consideration and

use of funds: The Options were issued for nil consideration however if the Options are exercised in the future, any funds raised will likely be used for the Company's Phase Two Projects and general working capital purposes.

Date of Issue: 21 July 2017

Number Issued: 66,250

Class: Fully paid ordinary shares

Recipients: Loyalty option holder who subscribed for shares under the Company's Replacement Prospectus lodged with the ASX on 22 June 2015, and is not a Related Party of the Company.

Price/Discount: \$0.20 per share being the exercise price upon the conversion of the 66,250 options

Consideration and

use of funds: The funds are being used for the Company's Projects at its Kidston Energy Hub in North Queensland and working capital.

Date of Issue: **23 August 2017**

Number Issued: 105,000

Class: Fully paid ordinary shares

Recipients: Loyalty option holder who subscribed for shares under the Company's Replacement Prospectus lodged with the ASX on 22 June 2015, and is not a Related Party of the Company.

Price/Discount: \$0.20 per share being the exercise price upon the conversion of the 105,000 options

Consideration and

use of funds: The funds are being used for the Company's Projects at its Kidston Energy Hub in North Queensland and working capital.

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

Recommendation

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

GLOSSARY

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

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

AEDST means Australian Eastern Daylight Savings Time.

AGM means the Annual General Meeting of the Company held in accordance with the Act.

ASIC means the Australian Securities and Investments Commissions.

ASX means the Australian Securities Exchange.

Chairman means the chairman of the Meeting.

Company means Genex Power Limited ACN 152 098 854.

EGM means the Extraordinary General Meeting of the Company held on 17 January 2017 in accordance with the Act.

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

Listing Rules means the ASX Listing Rules.

Meeting means the Annual General Meeting convened by this Notice.

Notice means this document, including the Explanatory Memorandum.

Options mean an unlisted option in the Company to acquire Shares.

Related Party means a related party of the Company.

Resolution means Resolution 1, Resolution 2, Resolution 3, Resolution 4 and Resolution 5 to be considered at the Meeting.

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

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

Special Resolution means Resolution 6 to be considered at the Meeting.

29 September 2017

The Secretary
Genex Power Limited
Suite 6.02, Level 6
28 O'Connell Street
SYDNEY NSW 2000

Dear Sir,

For the purposes of Section 328B (1) of the *Corporations Act 2001 (Cth.)*, We, **Pacific Investment Management Pty Ltd <Pacific Investment A/C>**, being a member of *Genex Power Limited* hereby nominate Ernst & Young as auditor of the company at the Annual General Meeting to be held on 23rd November, 2017.

Yours sincerely,

A handwritten signature in blue ink, consisting of several overlapping loops and a long horizontal stroke extending to the right.

Craig Francis
Director



All Correspondence to:

✉ **By Mail** Boardroom Pty Limited
GPO Box 3993
Sydney NSW 2001 Australia

📠 **By Fax:** +61 2 9290 9655

💻 **Online:** www.boardroomlimited.com.au

☎ **By Phone:** (within Australia) 1300 737 760
(outside Australia) +61 2 9290 9600

YOUR VOTE IS IMPORTANT

For your vote to be effective it must be recorded **before 11:00am (AEDST) on Tuesday, 21 November 2017.**

💻 TO VOTE ONLINE

- STEP 1: VISIT** www.votingonline.com.au/gnxagm2017
- STEP 2: Enter your Postcode OR Country of Residence (if outside Australia)**
- STEP 3: Enter your Voting Access Code (VAC):**

📱 BY SMARTPHONE



Scan QR Code using smartphone
QR Reader App

TO VOTE BY COMPLETING THE PROXY FORM

STEP 1 APPOINTMENT OF PROXY

Indicate who you want to appoint as your Proxy.

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

Appointment of a Second Proxy

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

To appoint a second proxy you must:

- complete two Proxy Forms. On each Proxy Form state the percentage of your voting rights or the number of securities applicable to that form. If the appointments do not specify the percentage or number of votes that each proxy may exercise, each proxy may exercise half your votes. Fractions of votes will be disregarded.
- return both forms together in the same envelope.

STEP 2 VOTING DIRECTIONS TO YOUR PROXY

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

Proxy which is a Body Corporate

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

STEP 3 SIGN THE FORM

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

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

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

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

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

STEP 4 LODGEMENT

Proxy forms (and any Power of Attorney under which it is signed) must be received no later than 48 hours before the commencement of the meeting, therefore by **before 11:00am (AEDST) on Tuesday, 21 November 2017.** Any Proxy Form received after that time will not be valid for the scheduled meeting.

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

- 💻 **Online** www.votingonline.com.au/gnxagm2017
- 📠 **By Fax** + 61 2 9290 9655
- ✉ **By Mail** Boardroom Pty Limited
GPO Box 3993,
Sydney NSW 2001 Australia
- 👤 **In Person** Boardroom Pty Limited
Level 12, 225 George Street,
Sydney NSW 2000 Australia

Attending the Meeting

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

Genex Power Limited

ACN 152 098 854

☐

Your Address

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

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

PROXY FORM

STEP 1 APPOINT A PROXY

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

☐

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

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

or failing the individual or body corporate named, or if no individual or body corporate is named, the Chair of the Meeting as my/our proxy at the Annual General Meeting of the Company to be held at **Baker McKenzie Lawyers, Level 27 AMP Centre, 50 Bridge Street, Sydney NSW 2000 on Thursday, 23 November 2017 at 11:00am (AEDST)** and at any adjournment of that meeting, to act on my/our behalf and to vote in accordance with the following directions or if no directions have been given, as the proxy sees fit.

Chairman authorised to exercise undirected proxies on remuneration related matters: If I/we have appointed the Chairman of the Meeting as my/our proxy or the Chairman of the Meeting becomes my/our proxy by default and I/we have not directed my/our proxy how to vote in respect of Resolution 1, I/we expressly authorise the Chairman of the Meeting to exercise my/our proxy in respect of this resolution even though the resolution is connected with the remuneration of a member of key management personnel for Genex Power Limited.

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

STEP 2 VOTING DIRECTIONS

* If you mark the Abstain box for a particular item, you are directing your proxy not to vote on your behalf on a show of hands or on a poll and your vote will not be counted in calculating the required majority if a poll is called.

		For	Against	Abstain*
Resolution 1	Adoption of Remuneration Report	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Resolution 2	Re-election of Dr Ralph Craven as a Non-Executive Director	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Resolution 3	Re-election of Mr Ben Guo as a Director	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Resolution 4	Appointment of Ernst & Young as Auditor	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Resolution 5	Ratification of Prior Issue of Shares	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Resolution 6	Approval for Additional Placement Capacity (Special Resolution)	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

STEP 3 SIGNATURE OF SHAREHOLDERS

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

Individual or Securityholder 1

Sole Director and Sole Company Secretary

Securityholder 2

Director

Securityholder 3

Director / Company Secretary

Contact Name.....

Contact Daytime Telephone.....

Date / / 2017