
KALINA POWER LIMITED

ACN 000 090 997

NOTICE OF ANNUAL GENERAL MEETING

TIME: 10.00am (AEDT)

DATE: 25 November 2022

PLACE: Gadens Lawyers, Level 13, Collins Arch, 447 Collins Street, Melbourne, VIC, 3000

Virtual Meeting: <https://meetnow.global/M5CYNLR>

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.

Should you wish to discuss the matters in this Notice of Meeting please do not hesitate to contact the Company Secretary on (03) 9236 2800.

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TIME AND PLACE OF MEETING AND HOW TO VOTE

VENUE

The Annual General Meeting of the Shareholders of Kalina Power Limited to which this Notice of Meeting relates will be held at 10.00 am (AEDT) on 25 November 2022 at:

Gadens Lawyers, Level 13, Collins Arch, 447 Collins Street, Melbourne, VIC 3000 and via live conference facility.

For instructions, please click on the following link: www.computershare.com.au/virtualmeetingguide

To join the Meeting via conference facility please register to attend by 5.00 pm (AEDT) on 22 November 2022 by contacting Debbie Bourke by email to dbourke@kalinapower.com or by calling (03) 9236 2800. Instructions regarding attending, voting, and asking questions at the Meeting will be provided upon registration.

YOUR VOTE IS IMPORTANT

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

VOTING BY PROXY

To vote by proxy, please complete and sign the proxy form enclosed and send the proxy form (and the power of attorney or other authority, if any, under which the proxy form is signed) or a copy which appears on its face to be an authentic copy of the proxy form (and the power of attorney or other authority):

- (a) By mail
C/- Computershare Investor Services Pty Limited
GPO Box 242, Melbourne
Victoria, 3001
- (b) By facsimile
On 1800 783 447 (within Australia) or
(61 3) 9473 2555 (outside Australia)
- (c) Online at
www.investorvote.com.au
- (d) Online at
www.intermediaryonline.com.au
(for intermediary Online subscribers only)

so that it is received not later than 10.00am (AEDT) on 23 November 2022.

Proxy forms received later than this time will be invalid.

A shareholder entitled to attend and vote at the meeting may appoint one or two proxies to attend and vote on their behalf. Each proxy will have the right to vote on a poll and also to speak at the meeting.

A proxy need not be a member of the Company and a proxy can be either an individual or a body corporate.

The appointment of a proxy may specify the proportion or the number of votes that the proxy may exercise. Where more than one proxy is appointed and the appointment does not specify the proportion or number of the shareholder's votes each proxy may exercise, the votes will be divided equally among the proxies (i.e. where there are two proxies, each proxy may exercise half the votes).

If a proxy is not directed how to vote on an item of business, the proxy may vote or abstain from voting on that resolution as they think fit.

If a proxy is instructed to abstain from voting on an item of business, they are directed not to vote on the shareholder's behalf on the poll and the shares that are the subject of the proxy appointment will not be counted in calculating the required majority.

Shareholders who return their proxy forms with a direction on how to vote but do not nominate the identity of their proxy will be taken to have appointed the Chairman of the meeting as their proxy to vote on their behalf.

If a proxy form is returned but the nominated proxy does not attend the meeting, or does not vote on the resolution, the Chairman of the meeting will act in place of the nominated proxy and vote in accordance with any instructions.

Due to the voting exclusions and requirements referred to in the Explanatory Statement, if you intend to appoint any Director or Key Management Personnel or their closely related parties, other than the Chairman, as your proxy, you should direct your proxy how to vote on Resolution 1 by marking either "For", "Against" or "Abstain" on the proxy form for that relevant item of business. Closely related parties are defined in the Corporations Act to include the spouses, dependents, certain other close family members of the members of Key Management Personnel as well as any companies controlled by such a member. If you do not direct such a proxy how to vote on those Resolutions they will not be able to vote an undirected proxy and your vote will not be counted. This does not apply to the Chairman, who is able to vote undirected proxies.

The Chairman intends to vote any undirected proxy in favour of all Resolutions. You should note that if you appoint the Chairman as your proxy, or the Chairman is appointed your proxy by default, you will be taken to authorise the Chairman to exercise the proxy even if the Resolution is connected directly or indirectly with the remuneration of a member of the Key Management Personnel.

If you wish, you can appoint the Chairman as your proxy and direct the Chairman to cast your votes contrary to the above stated voting intention or to abstain from voting on a Resolution. Simply mark your voting directions on the proxy form before you return it.

The proxy form must be signed by the member or his/her attorney duly authorised in writing or, if the member is a corporation, in a manner permitted by the Corporations Act. A proxy given by a foreign corporation must be executed in accordance with the laws of that corporation's place of incorporation.

A proxy form is attached to this Notice of Annual General Meeting.

NOTICE OF ANNUAL GENERAL MEETING

Notice is given that the Annual General Meeting of Shareholders of Kalina Power Limited will be held, at 10.00 am (AEDT) on 25 November 2022.

The Explanatory Statement to this Notice of Meeting provides additional information on matters to be considered at the Annual General Meeting. The Explanatory Statement and the proxy form are part of this Notice of Meeting.

The Directors have determined pursuant to Regulation 7.11.37 of the Corporations Regulations 2001 (Cth) that the persons eligible to vote at the Annual General Meeting are those who are registered Shareholders of the Company at 7.00 pm on 23 November 2022.

Terms and abbreviations used in this Notice of Meeting and Explanatory Statement are defined in the Glossary.

BUSINESS

ADOPTION OF THE ANNUAL FINANCIAL REPORT

To receive the Annual Financial Report, including Directors' declarations and accompanying reports of the Directors and auditors for the financial year ended 30 June 2022.

1. RESOLUTION 1- ADOPTION OF THE REMUNERATION REPORT

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

"That, for the purposes of Section 250R(2) of the Corporations Act and for all other purposes, approval is given to the adoption of the Remuneration Report as contained in the Company's financial report for the year ended 30 June 2022."

Short Explanation: The vote on this resolution is advisory only and does not bind the Directors or the Company.

Voting Exclusion:

Resolution 1 is directly connected with the remuneration of members of the key management personnel of the Company. Accordingly, votes must not be cast (in any capacity) on Resolution 1 either:

- by or on behalf of any member of the key management personnel whose remuneration details are included in the Remuneration Report.
- by a closely related party of such key management personnel; and
- by any proxy for a member of the key management personnel or a closely related party of the key management personnel.

unless the vote is cast as a proxy for a person entitled to vote:

- in accordance with a direction on the proxy form; or
- by the Chairman of the meeting pursuant to an express authorisation in the proxy form to exercise the proxy as the Chairman sees fit, even though Resolution 1 is connected with the remuneration of a member of the key management personnel.

2. RESOLUTION 2 – RE-ELECTION OF A DIRECTOR – DR Malcolm Jacques

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

"That Dr Malcolm Jacques a director of the Company who retires by rotation in accordance with clause 75.1 of the Constitution, and being eligible, is re-elected as a director of the Company."

3. RESOLUTION 3 – ELECTION OF A DIRECTOR – MR Stephen White

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

"That Mr Stephen White, who was appointed a director of the Company on 1 September 2022 retires in accordance with clause 71.2 of the Constitution, and being eligible, is re-elected as a director of the Company."

4. RESOLUTION 4 – ADDITIONAL PLACEMENT CAPACITY

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

"That for the purposes of Listing Rule 7.1A, the directors are authorised to issue totalling up to 10% of the issued capital of the Company (at the time of issue calculated over the period prescribed under Listing Rule 7.1A.2) at an issue price that is at least 75% of the volume weighted price for the Company's shares calculated over the period prescribed under Listing Rule 7.1A.3, and otherwise on the terms and conditions set out in the Explanatory Statement."

Voting exclusion statement on Resolution 4:

The Company will disregard any votes cast in favour of Resolution 4 by or on behalf of, if at the time the approval is sought the Company is proposing to make an issue of Equity Securities under Listing Rule 7.1A.2, any person (or any associates of such 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 Shareholder in the Company if Resolution 4 is passed).

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

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

5. RESOLUTION 5 – RATIFICATION OF PRIOR ISSUE OF OPTIONS

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

"That for the purposes of Listing Rule 7.4 and for all other purposes, the shareholders of the Company approve and ratify the previous issue of 8,000,000 new unlisted options over ordinary shares exercisable at \$0.044 per share exercisable until 11 December 2023 under Listing Rule 7.1 on 28 January 2022 and otherwise on the terms and conditions set out in the Explanatory Statement attached to this Notice of Meeting."

Voting exclusion statement on Resolutions 5:

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

- (a) Harvey Kaplan, and any other person who participated in the issue of the Shares or is a counterparty to the agreement being approved; or
- (b) any Associates of those persons.

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

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

6. RESOLUTION 6 – ADOPTION OF A NEW 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 2001 (Cth) and for all other purposes, the Company's existing Constitution be repealed and replaced with the New Constitution with effect from the close of the meeting."

Important notes to the Resolutions

For further information and explanation on the Resolutions to be put to the Meeting, please refer to the Explanatory Statement which is **enclosed** and forms part of this Notice of Annual General Meeting.

DATED: 24 October 2022
BY ORDER OF THE BOARD
KALINA POWER LIMITED

EXPLANATORY STATEMENT

This Explanatory Statement has been prepared for the information of the Shareholders of the Company in connection with the business to be conducted at the Annual General Meeting to be on 25 November 2022 at 10.00 am (AEDT).

The purpose of this Explanatory Statement is to provide information which the Directors believe to be material to Shareholders in deciding whether or not to pass the Resolutions in the Notice of Meeting.

1. FINANCIAL STATEMENTS AND DIRECTORS' REPORTS

In accordance with the Company's Constitution, the business of the meeting will include receipt and consideration of the Company's Financial Report and reports of Director.

2. RESOLUTION 1 – Adoption of Remuneration Report

The Remuneration Report for the financial year ended 30 June 2022 is set out in the Directors' report of the Company's 2022 Annual Report and is available on the Company's website at www.kalinapower.com. The Remuneration Report sets out the Company's policies and a range of matters relating to the remuneration of Directors and other Key Management Personnel of the Company.

Shareholders attending the Annual General Meeting will be given a reasonable opportunity to ask questions about, or make comments on, the Remuneration Report.

Under the Corporations Act, a listed entity is required to put to the vote a resolution that the Remuneration Report be adopted. Whilst the resolution must be put to a vote, the resolution is advisory only and does not bind the Directors or the Company. However, if at least 25% of votes are cast against the resolution at two consecutive annual general meetings (this did not occur last year), a 'board spill resolution' needs to be put to shareholders. If such a board spill resolution is passed by shareholders, the Company is required to hold a further meeting of shareholders within 90 days to consider replacing those directors (other than the managing director) in office at the time the remuneration report was approved by the board.

The Board will take the outcome of the vote into consideration when reviewing remuneration practices and policies.

Recommendation

The Directors unanimously recommend that shareholders vote in favour of this resolution.

3. RESOLUTIONS 2 and 3 – Re-election and election of Directors

Clause 75.1 of the Constitution requires that one third of the Company's Directors must retire at each annual general meeting. In addition, any Director appointed by the Board in addition to the existing Directors or to fill a casual vacancy holds office until the conclusion of the next annual general meeting and may stand for re-election. Clause 75.4 of the Constitution provides that a retiring Director is eligible for re-election.

Dr Malcolm Jacques will retire by rotation in accordance with the Constitution and seeks re-election.

Dr Malcolm Jacques is an independent energy consultant, focusing on the Renewable and Clean Energy sectors, with special emphasis on technical and regulatory issues

associated with the integration of distributed and renewable energy sources into existing power grids. Dr Malcolm Jacques maintains close working relationships with policy makers, regulators, financial organisations and consultants in the energy sectors in Europe and the United States.

Dr Malcolm Jacques' international career has embraced research, development and implementation of numerous energy technologies in both the public and private sectors. He has worked with several well-known companies and organisations including BP Ventures (United Kingdom), The Energy Laboratory, MIT (Cambridge, United States), Strategic Research Foundation (Australia) and has played key roles in the establishment and management of public and private energy technology companies in Australia and North America.

Mr Stephen White was appointed as a director on 1 September 2022 and is now standing for re-election at the first annual general meeting since his appointment, in accordance with clause 71.2 of the Company's Constitution.

Mr Stephen White has had an impressive entrepreneurial career which included co-founding two successful energy sector companies that eventually sold for a total of ~A\$20 billion. He is currently serving as Strategic Advisory Board Member to a Multinational Investment Bank-sponsored Private Equity Fund.

Mr Stephen White was co-founder, President and Chief Financial Officer of Veresen Inc from 1997 to 2003 and its President and Chief Executive Officer until 2012. Under his leadership, Veresen grew to a 200+ employee business engaged in pipeline transportation, an ownership interest in a world-class natural gas liquids extraction facility near Chicago and a successful power business in Canada and the United States. Veresen was sold in 2017 to Pembina Pipeline Corp for ~A\$10.8 billion. Mr Stephen White was also Co-Founder, Vice President Finance and Chief Financial Officer of Western Oilsands Inc from 1999 to 2000 which was subsequently sold in 2007 to Marathon Oil for ~A\$9 billion.

Mr Stephen White has been engaged with Kalina over the past year as a Senior Industry Advisor, during which time he has provided guidance to the project development team regarding project structure and execution, tolling and project financing strategies as well as broader commercialisation and business development initiatives. In his role as non-executive Chairman, he will provide oversight and guidance on Kalina's priorities and how best to align its strategies with the interests and needs of the capital markets while maximizing value for the Company's shareholders.

Recommendation

The Directors (with Dr Malcolm Jacques and Mr Stephen White abstaining) unanimously recommend that shareholders vote in favour of Resolution 2 and Resolution 3.

4 RESOLUTION 4 – Additional placement capacity

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

Under Listing Rule 7.1A, however, an eligible entity can seek approval from its members, by way of a special resolution passed at its annual general meeting, to increase this 15% limit by an extra 10% to 25% ("10% Placement Facility").

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

Resolution 4 seeks shareholder approval by way of a special resolution for the Company to have the 10% Placement Facility provided for in Listing Rule 7.1A to issue Equity Securities without Shareholder approval.

For the purposes of Listing Rule 14.1A, the following is disclosed:

- (a) If Resolution 4 is passed, the Company will be able to issue Equity Securities up to the combined 25% limit in Listing Rules 7.1 and 7.1A without any further Shareholder approval.
- (b) If Resolution 4 is not passed, the Company will not be able to access the 10% Placement Facility to issue Equity Securities without Shareholder approval provided for in Listing Rule 7.1A and will remain subject to the 15% limit on issuing Equity Securities without Shareholder approval set out in Listing Rule 7.1.

The number of shares which may be issued by a company under Listing Rule 7.1A is calculated in accordance with the following formula:

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

where

A is the number of fully paid ordinary securities on issue at the commencement of the relevant period:

- plus the number of fully paid ordinary securities issued in the relevant period under an exception in Listing Rule 7.2 other than exception 9, 16 or 17;
- plus the number of fully paid ordinary securities issued in the relevant period on the conversion of convertible securities within Listing Rule 7.2 exception 9 where:
 - the convertible securities were issued or agreed to be issued before the commencement of the relevant period; or
 - the issue of, or agreement to issue, the convertible securities was approved, or taken under the Listing Rules to have been approved, under Listing Rule 7.1 or Listing Rule 7.4;
- plus the number of fully paid ordinary securities issued in the relevant period under an agreement to issue securities within Listing Rule 7.2 exception 16 where:
 - the agreement was entered into before the commencement of the relevant period; or
 - the agreement or issue was approved, or taken under the Listing Rules to have been approved, under Listing Rule 7.1 or Listing Rule 7.4;
- plus the number of any other fully paid ordinary securities issued in the relevant period with approval under Listing Rule 7.1 or Listing Rule 7.4;
- plus the number of partly paid ordinary securities that became fully paid in the relevant period;
- less the number of fully paid ordinary securities cancelled in the relevant period.

D is 10%.

- E** is the number of equity securities issued or agreed to be issued under Listing Rule 7.1A.2 in the relevant period where the issue or agreement to issue has not been subsequently approved by the holders of the Company's ordinary securities under Listing Rule 7.4.

Relevant Period is the 12 month period immediately preceding the date of the issue or agreement.

The Directors are seeking approval to issue a number of shares representing 10% of the issued share capital of the Company pursuant to Listing Rule 7.1A.

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

Technical information required by Listing Rule 7.1A

The following information is provided pursuant to and in accordance with Listing Rule 7.3A:

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

If Shareholder approval is granted for Resolution 4, then that approval will cease to be valid on the earlier of:

- i. 21 October 2023 being 12 months from the date of the Meeting; or
- ii. the Company's next annual general meeting; or
- iii. the date Shareholder approval is granted to a transaction under Listing Rule 11.1.2 (proposed change to nature and scale of activities) or Listing Rule 11.2 (change involving main undertaking).

(b) *Minimum price*

The shares must be issued at an issue price that is no less than 75% of the volume weighted average market price for securities in that class calculated over the 15 trading days on which trades in that class were recorded immediately before:

- i. The date of which the price at which the Equity Securities are to be issued is agreed; or
- ii. If the Equity Securities are not issued within 10 Trading Days of the date in paragraph (a) above, the date on which the Equity Securities are issued.

(c) *Use of funds*

The primary purpose for which shares may be issued pursuant to Resolution 4 is to pursue possible further investment opportunities which may arise, for working capital to utilise within the Group for operations and project development.

(d) *Risk of Economic and Voting Dilution*

Provided that Shareholder approval is granted for Resolution 4, Shareholders should note there is a risk that:

- i. the market share price may be significantly lower on the issue date than on the date on which approval is given to this Resolution 4 under Listing Rule 7.1A; and
- ii. the shares may be issued at a price that is at a discount to the market price for those Equity Securities on the issue date.

The table below is provided to illustrate the potential voting and economic dilution of existing Shareholders on the basis of the current market price of shares and the current number of shares for variable "A" calculated in accordance with the formula in Listing Rule 7.1A.2 based on the number of Shares on issue and closing price of Shares on 19 October 2022.

Variable "A" in Listing Rule 7.1A.2		Dilution		
		\$0.0085 50% decrease in Issue Price	\$0.017 Issue Price	\$0.034 100% Increase in Issue Price
Current Variable A 1,515,195,786	10% dilution	151,519,578	151,519,578	151,519,578
	Funds raised	\$1,287,916	\$2,575,832	\$5,151,665
50% increase in current Variable A 2,272,793,679	10% dilution	227,279,367	227,279,367	227,279,367
	Funds raised	\$1,931,874	\$3,863,749	\$7,727,498
100% increase in current Variable A 3,030,391,572	10% dilution	303,039,157	303,039,157	303,039,157
	Funds raised	\$2,575,832	\$5,151,665	\$10,303,331

The table is prepared on the following assumptions:

- (i) The Company issues the maximum number of shares available under Listing Rule 7.1A;
- (ii) The table shows only the effect of shares issues under Listing Rule 7.1A and does not factor in the Company's ability to issue up to 15% of its issued capital under Listing Rule 7.1; and
- (iii) The issue price is \$0.017.

The table shows:

- (i) two examples where variable "A" has increased, by 50% and 100%. Variable "A" is based on the number of shares the Company has on issue. The number of shares on issue may increase as a result of issues of shares that do not require approval (for example, a pro rata entitlements issue) 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 shares has decreased by 50% and increased by 100% as against the current market price.

(e) *Allocation policy*

The Company's allocation policy is dependent on the prevailing market conditions at the time of any proposed issued pursuant to the 10% placement facility under Listing Rule 7.1A. The identity of the allottees of shares will be determined on a case by case basis having regard to factors including but not limited to the following:

- (i) The methods of raising funds that are available to the Company, including rights issue or other issues in which existing Shareholders can participate;
- (ii) The effect of the issue the shares on the control of the Company;
- (iii) The financial situation of the Company;
- (iv) Advice from corporate, financial and broking advisors; and

- (v) The potential benefits an allottee could provide to the Company as a strategic investor (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.

- (f) *Previous approval under Listing Rule 7.1A*

The Company has previously obtained Shareholder approval under Listing Rule 7.1A on 10 December 2021 and 27 November 2020.

In the 12 months prior to the date of the Meeting, the Company has not issued or agreed to issue any ordinary shares under Listing Rule 7.1A.2.

Recommendation

The Directors unanimously recommend that Shareholders vote in favour of this Resolution. A voting exclusion statement is included in the Notice. As 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 utilising this 10% Placement Facility following the 2021 Annual General Meeting. No existing Shareholder's votes will therefore be excluded under the voting at the Meeting.

5. RESOLUTION 5 - Ratification of prior issue of Options

The Resolution set out in item 5 of the Notice seeks Shareholder approval for the prior issue of Shares and Options.

Listing Rule 7.1 provides that a company must not, subject to specified exceptions under Listing Rule 7.2, issue or agree to issue securities during any 12 month period in excess of 15% of the number of ordinary shares on issue at the commencement of that 12 month period, without shareholder approval.

Listing Rule 7.4 provides that an issue of securities made without approval under Listing Rule 7.1 will be treated as having been made with shareholder approval for the purposes of Listing Rule 7.1 if shareholders subsequently approve it and the issue did not breach Listing Rule 7.1.

Shareholder ratification of the prior issue of Shares is now being sought for the purposes of Listing Rule 7.4.

For the purposes of Listing Rule 7.4, the following is disclosed:

- (a) If Resolution 5 is passed, up to a total of 8,000,000 unlisted options issued by the Company will be excluded in calculating the Company's placement capacity in accordance with the Listing Rules, thereby increasing the number of Equity Securities the Company can issue without Shareholder approval over the 12 month period following the date of the issue of those Equity Securities.
- (b) If Resolution 5 is not passed, up to a total of 8,000,000 unlisted options issued by the Company will be included in the Company's placement capacity in accordance with the Listing Rules, thereby reducing the number of Equity

Securities the Company can issue without Shareholder approval over the 12 month period following the date of the issue of those Equity Securities.

The Directors believe that it is in the best interests of the Company that the Company maintains its ability to issue up to 15% of the issued capital of the Company.

The Directors believe this approval will enhance the Company's flexibility to finance its operations through raising equity capital, should the Directors consider it to be in the best interests of the Company to do so.

In particular, the Directors note that, if this approval is not obtained at the Meeting, the Company may be required to incur additional costs and delays if the Directors subsequently propose to issue securities which do not fall under an exception in Listing Rule 7.2 to the 15% rule in Listing Rule 7.1.

For the purposes of Listing Rule 7.5, which contains the requirements as to the contents of a notice sent to shareholders for the purposes of Listing Rule 7.4, the following information is provided to Shareholders.

Resolution 5:

Number of securities issued	8,000,000 unlisted Options were issued under Listing Rule 7.1 on 28 January 2022.
Price	The unlisted Options were issued for nil consideration.
Agreement	<p>The unlisted Options were issued pursuant to the advisory services agreement between the Company and Plutus Capital Advisory (Agreement).</p> <p>The material terms of the Agreement are:</p> <ol style="list-style-type: none"> Commencement Date: 25 November 2021 Services: provision of general corporate advisory services and services in respect of various capital raisings Key personnel: Harvey Kaplan, Managing Director of Plutus Capital Advisory. Fees: initial appointment fee of \$8,000 and thereafter a fee of \$4,000 plus GST per month for works, advices and services related to the Services as a retainer. <p>In addition, 8,000,000 options to be issued to Plutus Capital Advisory (or its nominee) upon execution of the Agreement, exercisable at a price of \$0.44 per option and expiring on 11 December 2023. The options to be exercised 3 months of the date on which the Agreement may be terminated.</p> <ol style="list-style-type: none"> Term of engagement: commence on the Commencement Date and continue on a monthly basis unless terminated by either party giving 30 days' notice.
Terms	A summary of the material terms of the options is as

	<p>follows:</p> <ul style="list-style-type: none"> a. Each Option entitles the holder to subscribe for one (1) fully paid Ordinary Share in the capital of the Company. b. The Options issued are exercisable at a price of \$0.044 per option. c. The Options expire at 5.00 pm (EST) on 11 December 2023. d. All shares issued upon exercise of the Options will rank pari passu in all respects with the Company's then issued shares. The Options will be unlisted. No quotation will be sought from ASX for the Options. e. The Options are not transferable. f. There will be no participation rights inherent in the Options to participate in the new issues of capital by the Company offered to Shareholders during the currency of the Options. g. In the event of a reorganisation of the capital of the Company the rights attaching to the Options will be changed to the extent necessary to comply with the Listing Rules applying to a reorganisation of capital at the time of the reorganisation.
Names of persons to whom securities were issued	The Options were issued to Harvey Kaplan, key personnel of Plutus Capital Advisory engaged by the Company in relation to general corporate advisory services.
Use of funds raised	No monies were raised from the issue of the Options, however the Company may receive gross proceeds of up to \$352,000 upon the exercise of the Options, which the Company intends to apply towards the future working capital of the Company.
Voting exclusion statement	A voting exclusion statement has been inserted in respect of this Resolution.

Recommendation

The Directors unanimously recommend that Shareholders vote in favour of Resolution 5.

6. RESOLUTIONS 6 – Adoption of a new constitution

The Company's constitution has not been updated in more than 10 years, and during this period there have been a number of amendments to the Corporations Act.

Section 136(2) of the Corporations Act provides that a company may modify or repeal its constitution if the company passes a special resolution. A special resolution must be

passed by at least 75% of the votes cast by members present and entitled to vote on the resolution.

A summary of the key provisions of the New Constitution are described below.

A full copy of the New Constitution which is available on the Company's website at kalinapower.com. Shareholders can also request a copy by emailing the Company Secretary at kthurairasa@kalinapower.com.

If Resolution 6 is passed, the New Constitution will take effect from the close of this Meeting.

Summary of the New Constitution

The rights and liabilities attaching to ownership of Shares arise from a combination of the Constitution, statute, the Listing Rules and general law.

A summary of the significant rights, liabilities and obligations attaching to the Shares and a description of other material provisions of the Constitution are set out below. This summary is not exhaustive, nor does it constitute a definitive statement of the rights and liabilities of Shareholders.

Meetings of members

Each Shareholder is entitled to receive notice of, attend and vote at general meetings of the Company and to receive all notices, accounts and other documents required to be sent to Shareholders under the Constitution, Corporations Act and Listing Rules. The Company must give at least 28 days' written notice of a general meeting.

Voting at a general meeting

At a general meeting of the Company, every Shareholder present in person or by proxy, representative or attorney has one vote on a show of hands and, on a poll, one vote for each Share held. In the case of an equality of votes on a resolution, the chairperson of the meeting does not have a casting vote and the resolution will be decided in the negative.

Voting by poll

The New Constitution amends the Constitution to reflect section 250JA in the Corporations Act, which mandates that listed companies must conduct polls (and not a show of hands) if the notice of meeting sets out an intention to propose a resolution, the Company has given notice of a members' resolution, or a poll is demanded. This section operates irrespective of anything to the contrary in the Company's Constitution.

Use of virtual meeting technology

The drafting of the New Constitution takes into account recent developments in law and general corporate practice for ASX listed companies around the use of virtual meeting technology to host meetings of Shareholders.

The Corporations Amendment (Meetings and Documents) Act 2022 amends the Corporations Act to allow for meetings of members to be held physically, as a hybrid or, if expressly permitted by the entity's constitution, virtually (provided that members, as a whole, are given a reasonable opportunity to participate in the meeting).

The Company's existing Constitution does not permit the holding of wholly virtual general meetings. The Company would like to amend its Constitution to ensure that the Company will be able to take advantage of the increased flexibility and accessibility that the virtual meetings provisions offer in respect of general meetings, especially in light of recent unforeseeable events that have highlighted the need for companies to be able to adapt quickly.

The Directors believe the proposed amendments are an important step in ensuring the Company's Shareholders can continue to exercise their rights to participate in and vote at meetings with minimal disruptions in the event of future movement and gathering restrictions caused by the COVID-19 pandemic or otherwise.

Virtual meetings are those which are held entirely online utilising audio or audio and visual communication technology. The amendments will still enable the Company to convene a hybrid meeting where a component is held in a physical location and individuals who cannot or do not wish to attend in person can participate by virtual means.

Dividends

The Board may pay any interim and final dividends that, in its judgement, the financial position of the Company justifies. The Board may also pay any dividend required to be paid under the terms of issue of a Share, and fix a record date, for a dividend and the timing and method of payment.

Transfer of Shares

Subject to the New Constitution and to any restrictions attached to a Shareholder's Share, Shares may be transferred in accordance with the ASX Settlement Operating Rules, the Corporations Act and Listing Rules or by a written transfer in any usual form or in any other form approved by the Board and permitted by the relevant laws and ASX requirements. The Board may decline to register a transfer of Shares or apply a holding lock to prevent a transfer in accordance with the Corporations Act or the Listing Rules.

Issue of further Shares

The Board may, subject to the New Constitution, Corporations Act and the Listing Rules issue, allot or grant options for, or otherwise dispose of, Shares in the Company on such terms as the Board decides.

Winding up

If the Company is wound up, then subject to the New Constitution, the Corporations Act and any rights or restrictions attached to any Shares or classes of shares, Shareholders will be entitled to a share in any surplus property of the Company in proportion to the number of Shares held by them.

If the Company is wound up, the liquidator may, with the sanction of a special resolution, divide among the Shareholders the whole or part of the Company's property and decide how the division is to be carried out as between Shareholders or different classes of shareholders.

Non-marketable parcels

In accordance with the Listing Rules, the Board may sell Shares that constitute less than a marketable parcel by following the procedures set out in the New Constitution. An unmarketable parcel of Shares is defined in the Listing Rules and is generally, a holding of Shares with a market value of less than \$500.

Proportional takeover provisions

The New Constitution contains provisions requiring Shareholder approval in relation to any proportional takeover bid. These provisions will cease to apply unless renewed by Shareholders passing a special resolution by the third anniversary of either the date those rules were adopted or the date those rules were last renewed.

Variation of class rights

The procedure set out in the New Constitution must be followed for any variation of rights attached to the Shares. Under that section, and subject to the Corporations Act and the terms of issue of a class of shares, the rights attached to any class of shares may be varied:

- with the consent in writing of the holders of 75% of the issued shares included in that class; or
- by a special resolution passed at a separate meeting of the holders of those shares.

Directors – appointment and removal

Under the New Constitution, the Board is comprised of a minimum of three (3) Directors and a maximum fixed by the Directors from time to time, but not exceeding ten (10) Directors. Directors are elected or re-elected at annual general meetings of the Company.

No Director (excluding the managing director) may hold office without re-election beyond the third annual general meeting following the meeting at which the Director was last elected or re-elected. The Board may also appoint any eligible person to be a Director either to fill a casual vacancy on the Board or as an addition to the existing Directors, who will then hold office until the conclusion of the next annual general meeting of the Company following their appointment.

Directors – voting

Questions arising at a meeting of the Board must be decided by a majority of votes of the Directors present at the meeting and entitled to vote on the matter. In the case of an equality of votes on a resolution, the chairperson of the meeting does not have a casting vote and the resolution will be decided in the negative.

Directors – remuneration

Under the New Constitution, the Board may decide the remuneration from the Company to which each Director is entitled for his or her services as a Director. However, the total aggregate amount provided to all Non-Executive Directors for their services as Directors must not exceed in any financial year the amount fixed by the Company in general meeting. The remuneration of a Director must not include a commission on, or a percentage of, operating revenue.

Directors may be paid for all travelling and other expenses properly incurred by them in connection with Company's affairs, including attending and returning from general meetings of the Company or meetings of the Board or of committees of the Board. If a

Director performs extra services in connection with the affairs of the Company, the Directors may arrange for a special remuneration to be paid.

Powers and duties of Directors

The Directors are responsible for managing the business of the Company and may exercise to the exclusion of the Company in a general meeting all the powers of the Company which are not required by the Corporations Act, the New Constitution or the Listing Rules, to be exercised by the Company in a general meeting.

Indemnities

The Company may, to the extent permitted by law, indemnify each Director and executive officer of the Company on a full indemnity basis against all losses, liability, costs, charges and expenses incurred by that person as an officer of the Company or of a related body corporate.

The Company may, to the extent permitted by law, purchase and maintain insurance or pay, or agree to pay, a premium for a contract insuring each Director and executive officer of the Company against any liability incurred by that person as an officer of the Company or of a related body corporate, including for negligence or for reasonable costs and expenses incurred by that person in defending or responding to proceedings (whether civil or criminal and whatever the outcome).

Amendment

The New Constitution can only be amended by special resolution passed by at least three-quarters of Shareholders present (in person or by proxy) and entitled to vote on the resolution at a general meeting of the Company.

Recommendation

The Directors unanimously recommend that Shareholders vote in favour of Resolution 6.

7. ENQUIRIES

Shareholders are required to contact the Chairman or Company Secretary on +61 (3) 9236 2800 if they have any queries in respect of the matters set out in these documents.

GLOSSARY

\$ means Australian dollars.

AEDT means Australian Eastern Daylight Time.

ASX means ASX Limited (ACN 008 624 691).

Board means the board of directors of the Company.

Company or Kalina means Kalina Power Limited (ACN 000 090 997).

Constitution means the Company's constitution.

Corporations Act means the Corporations Act 2001 (Cth).

Directors mean the current directors of the Company.

Equity Securities has the meaning given to that term in the Listing Rules.

Explanatory Statement means the explanatory statement which accompanies, and forms part of, the Notice of Meeting.

Key management personnel means those persons having authority or responsibility for planning directing and controlling the activities of the Company, directly or indirectly, including any Director (whether executive or otherwise).

Listing Rules means the Listing Rules of ASX.

Meeting means the meeting convened by the Notice.

Notice means the notice of general meeting accompanying this Explanatory Statement.

Options means an option to acquire a Share.

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

Share means a fully paid ordinary share in the Company.

Shareholder means a holder of a Share.

Kalina Power Limited

ABN 24 000 090 997

Need assistance?



Phone:

1300 850 505 (within Australia)
+61 3 9415 4000 (outside Australia)



Online:

www.investorcentre.com/contact

KPO

MR SAM SAMPLE
FLAT 123
123 SAMPLE STREET
THE SAMPLE HILL
SAMPLE ESTATE
SAMPLEVILLE VIC 3030

Kalina Power Limited Annual General Meeting

The Kalina Power Limited Annual General Meeting will be held on Friday, 25 November 2022 at 10:00am (AEDT). You are encouraged to participate in the meeting using the following options:



MAKE YOUR VOTE COUNT

To lodge a proxy, access the Notice of Meeting and other meeting documentation visit www.investorvote.com.au and use the below information:



Control Number: 999999

SRN/HIN: I9999999999

PIN: 99999

For Intermediary Online subscribers (custodians) go to www.intermediaryonline.com

For your proxy appointment to be effective it must be received by 10:00am (AEDT) Wednesday, 23 November 2022.



ATTENDING THE MEETING VIRTUALLY

To watch the webcast, ask questions and vote on the day of the meeting, please visit:
<https://meetnow.global/XXXXXX>

For instructions refer to the online user guide www.computershare.com.au/virtualmeetingguide



ATTENDING THE MEETING IN PERSON

The meeting will be held at:
Gadens Lawyers, Level 13, Collins Arch, 447 Collins Street, Melbourne, VIC, 3000.

You may elect to receive meeting-related documents, or request a particular one, in electronic or physical form and may elect not to receive annual reports. To do so, contact Computershare.

Kalina Power Limited

ABN 24 000 090 997



KPO

MR SAM SAMPLE
FLAT 123
123 SAMPLE STREET
THE SAMPLE HILL
SAMPLE ESTATE
SAMPLEVILLE VIC 3030

Need assistance?



Phone:

1300 850 505 (within Australia)
+61 3 9415 4000 (outside Australia)



Online:

www.investorcentre.com/contact



YOUR VOTE IS IMPORTANT

For your proxy appointment to be effective it must be received by **10:00am (AEDT) on Wednesday, 23 November 2022.**

Proxy Form

How to Vote on Items of Business

All your securities will be voted in accordance with your directions.

APPOINTMENT OF PROXY

Voting 100% of your holding: Direct your proxy how to vote by marking one of the boxes opposite each item of business. If you do not mark a box your proxy may vote or abstain as they choose (to the extent permitted by law). If you mark more than one box on an item your vote will be invalid on that item.

Voting a portion of your holding: Indicate a portion of your voting rights by inserting the percentage or number of securities you wish to vote in the For, Against or Abstain box or boxes. The sum of the votes cast must not exceed your voting entitlement or 100%.

Appointing a second proxy: You are entitled to appoint up to two proxies to attend the meeting and vote on a poll. If you appoint two proxies you must specify the percentage of votes or number of securities for each proxy, otherwise each proxy may exercise half of the votes. When appointing a second proxy write both names and the percentage of votes or number of securities for each in Step 1 overleaf.

A proxy need not be a securityholder of the Company.

SIGNING INSTRUCTIONS FOR POSTAL FORMS

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

Joint Holding: Where the holding is in more than one name, all of the securityholders 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 form when you return it.

Companies: Where the company has a Sole Director who is also the Sole Company Secretary, this form must be signed by that person. If the company (pursuant to section 204A of the Corporations Act 2001) does not have a Company Secretary, a Sole Director can also sign alone. Otherwise this form must be signed by a Director jointly with either another Director or a Company Secretary. Please sign in the appropriate place to indicate the office held. Delete titles as applicable.

PARTICIPATING IN THE MEETING

Corporate Representative

If a representative of a corporate securityholder or proxy is to participate in the meeting you will need to provide the appropriate "Appointment of Corporate Representative". A form may be obtained from Computershare or online at www.investorcentre.com/au and select "Printable Forms".

Lodge your Proxy Form:

XX

Online:

Lodge your vote online at www.investorvote.com.au using your secure access information or use your mobile device to scan the personalised QR code.

Your secure access information is



Control Number: 999999

SRN/HIN: I999999999

PIN: 99999

For Intermediary Online subscribers (custodians) go to www.intermediaryonline.com

By Mail:

Computershare Investor Services Pty Limited
GPO Box 242
Melbourne VIC 3001
Australia

By Fax:

1800 783 447 within Australia or
+61 3 9473 2555 outside Australia



PLEASE NOTE: For security reasons it is important that you keep your SRN/HIN confidential.

You may elect to receive meeting-related documents, or request a particular one, in electronic or physical form and may elect not to receive annual reports. To do so, contact Computershare.

MR SAM SAMPLE
FLAT 123
123 SAMPLE STREET
THE SAMPLE HILL
SAMPLE ESTATE
SAMPLEVILLE VIC 3030

☐

Change of address. If incorrect, mark this box and make the correction in the space to the left. Securityholders sponsored by a broker (reference number commences with 'X') should advise your broker of any changes.



I 9999999999

I ND

Proxy Form

Please mark ☒ to indicate your directions

Step 1 Appoint a Proxy to Vote on Your Behalf

XX

I/we being a member/s of Kalina Power Limited hereby appoint

☐

the Chairman
of the Meeting

OR

PLEASE NOTE: Leave this box blank if you have selected the Chairman of the Meeting. Do not insert your own name(s).

or failing the individual or body corporate named, or if no individual or body corporate is named, the Chairman of the Meeting, as my/our proxy to act generally at the meeting on my/our behalf and to vote in accordance with the following directions (or if no directions have been given, and to the extent permitted by law, as the proxy sees fit) at the Annual General Meeting of Kalina Power Limited to be held at Gadens Lawyers, Level 13, Collins Arch, 447 Collins Street, Melbourne, VIC 3000 and as a virtual meeting on Friday, 25 November 2022 at 10:00am (AEDT) and at any adjournment or postponement of that meeting.

Chairman authorised to exercise undirected proxies on remuneration related resolutions: Where I/we have appointed the Chairman of the Meeting as my/our proxy (or the Chairman becomes my/our proxy by default), I/we expressly authorise the Chairman to exercise my/our proxy on Resolution 1 (except where I/we have indicated a different voting intention in step 2) even though Resolution 1 is connected directly or indirectly with the remuneration of a member of key management personnel, which includes the Chairman.

Important Note: If the Chairman of the Meeting is (or becomes) your proxy you can direct the Chairman to vote for or against or abstain from voting on Resolution 1 by marking the appropriate box in step 2.

Step 2 Items of Business

PLEASE NOTE: If you mark the **Abstain** box for an item, you are directing your proxy not to vote on your behalf on a show of hands or a poll and your votes will not be counted in computing the required majority.

		For	Against	Abstain
Resolution 1	Adoption of the Remuneration Report	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Resolution 2	Re-election of a Director - DR Malcolm Jacques	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Resolution 3	Election of a Director - MR Stephen White	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Resolution 4	Additional Placement Capacity	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Resolution 5	Ratification of prior issue of options	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Resolution 6	Adoption of a New Constitution	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

The Chairman of the Meeting intends to vote undirected proxies in favour of each item of business. In exceptional circumstances, the Chairman of the Meeting may change his/her voting intention on any resolution, in which case an ASX announcement will be made.

Step 3 Signature of Securityholder(s) *This section must be completed.*

Individual or Securityholder 1

Sole Director & Sole Company Secretary

Securityholder 2

Director

Securityholder 3

Director/Company Secretary

/ /

Date

Update your communication details (Optional)

Mobile Number

Email Address

By providing your email address, you consent to receive future Notice of Meeting & Proxy communications electronically

KPO

292707A



Computershare

