

---

# ALTECH CHEMICALS LIMITED

ACN 125 301 206

## NOTICE OF ANNUAL GENERAL MEETING

---

**TIME:** 4:00pm (WST)  
**DATE:** 29 November 2021  
**PLACE:** Altech Chemicals Limited  
Suite 8  
295 Rokeby Road  
SUBIACO WA 6008

In light of the status of the ongoing COVID-19 pandemic and the restrictions for public gatherings in place at the time of this Notice and the number of Shareholders that normally attend Shareholder meetings for the Company, the Directors have made a decision that Shareholders will be able to physically attend the Meeting in person and accordingly, the Company will take steps to ensure that the meeting will conform to COVID-19 protocols.

If the Government restrictions and corresponding decision of the Directors changes prior to the Meeting, the Directors will update Shareholders via e-mail and by releasing an announcement on the ASX market announcements platform.

**Shareholders are urged to vote by lodging the Proxy Form attached to this Notice**

*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, Shane Volk, on +61 8 6168 1555.*

---

## CONTENTS PAGE

---

Business of the Meeting (setting out the proposed Resolutions)	3
Explanatory Statement (explaining the proposed Resolutions)	7
Glossary	17
Schedule 1 – Summary of Employee Securities Incentive Plan	19
Schedule 2 – Terms and Conditions of Performance Rights	23
Schedule 3 – Valuation of Performance Rights	25
Proxy Form	26

---

## IMPORTANT INFORMATION

---

### TIME AND PLACE OF MEETING

---

Notice is given that the Annual General Meeting of the Shareholders to which this Notice of Meeting relates will be held at 4.00pm (WST) on Monday 29 November 2021 at:

Suite 8  
295 Rokeby Road  
SUBIACO WA 6008.

**In light of the status of the ongoing COVID-19 pandemic and the restrictions for public gatherings in place at the time of this Notice and the number of Shareholders that normally attend Shareholder meetings for the Company, the Directors have made a decision that Shareholders will be able to physically attend the Meeting in person and accordingly, the Company will take steps to ensure that the meeting will conform to COVID-19 protocols.**

**If the Government restrictions and corresponding decision of the Directors changes prior to the Meeting, the Directors will update Shareholders via e-mail and by releasing an announcement on the ASX market announcements platform.**

### YOUR VOTE IS IMPORTANT

---

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

### VOTING ELIGIBILITY

---

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 at 4:00pm (WST) on 27 November 2021.

### VOTING IN PERSON

---

To vote in person, Shareholders are able to attend the Annual General Meeting at the time, date and place set out above.

## VOTING BY PROXY

---

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

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

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

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

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

Further details on these changes is set out below.

### ***Proxy vote if appointment specifies way to vote***

Section 250BB(1) of the Corporations Act provides that an appointment of a proxy may specify the way the proxy is to vote on a particular resolution and, **if it does**:

- the proxy need not vote on a show of hands, but if the proxy does so, the proxy must vote that way (i.e. as directed); and
- if the proxy has 2 or more appointments that specify different ways to vote on the resolution – the proxy must not vote on a show of hands; and
- if the proxy is the chair of the meeting at which the resolution is voted on – the proxy must vote on a poll, and must vote that way (i.e. as directed); and
- if the proxy is not the chair – the proxy need not vote on the poll, but if the proxy does so, the proxy must vote that way (i.e. as directed).

### ***Transfer of non-chair proxy to chair in certain circumstances***

Section 250BC of the Corporations Act provides that, if:

- an appointment of a proxy specifies the way the proxy is to vote on a particular resolution at a meeting of the Company's members; and
- the appointed proxy is not the chair of the meeting; and
- at the meeting, a poll is duly demanded on the resolution; and
- either of the following applies:
  - the proxy is not recorded as attending the meeting;
  - the proxy does not vote on the resolution,

the chair of the meeting is taken, before voting on the resolution closes, to have been appointed as the proxy for the purposes of voting on the resolution at the meeting.

---

## BUSINESS OF THE MEETING

---

### AGENDA

---

#### ORDINARY BUSINESS

---

#### FINANCIAL STATEMENTS AND REPORTS

To receive and consider the annual financial report of the Company for the financial year ended 30 June 2021 together with the Declaration of the Directors, the Directors' Report, the Remuneration Report and the auditor's report.

---

#### RESOLUTION 1 – ADOPTION OF REMUNERATION REPORT

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

*“That, for the purpose of Section 250R(2) of the Corporations Act and for all other purposes, approval is given for the adoption of the Remuneration Report as contained in the Company's annual financial report for the financial year ended 30 June 2021.”*

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

**Voting Prohibition Statement:**

A vote on this Resolution must not be cast (in any capacity) by or on behalf of any of the following persons:  
a member of the Key Management Personnel, details of whose remuneration are included in the Remuneration Report; or

a Closely Related Party of such a member.

However, a person (the **voter**) described above may cast a vote on this Resolution as a proxy if the vote is not cast on behalf of a person described above and either:

- (a) the voter is appointed as a proxy by writing that specifies the way the proxy is to vote on this Resolution; or
- (b) the voter is the Chair and the appointment of the Chair as proxy:
  - (i) does not specify the way the proxy is to vote on this Resolution; and
  - (ii) expressly authorises the Chair to exercise the proxy even though this Resolution is connected directly or indirectly with the remuneration of a member of the Key Management Personnel for the Company, or if the Company is part of a consolidated entity, for the entity.

---

#### RESOLUTION 2 – RE-ELECTION OF DIRECTOR – MR PETER BAILEY

The Company is seeking the re-election of Mr Bailey to continue as a non-executive Director of the Company. Mr Bailey is an highly experienced and qualified engineer with over 40 years experience in the resources and chemical production industries, having spent the majority of his career in the alumina chemicals and alumina refining sectors. Accordingly, the Company proposes that Shareholders consider and, if thought fit, pass, with or without amendment, the following Resolution as an **ordinary resolution**:

*“That, for the purpose of clause 14.2 of the Constitution, ASX Listing Rule 14.4 and for all other purposes, Peter Bailey, a Director, retires by rotation, and being eligible, is re-elected as a Director.”*

**Short Explanation:** Mr Peter Bailey retires as a Director of the Company, and being eligible seeks re-election as a Director of the Company under this Resolution. Each other Director of the Company supports the re-election of Mr Bailey as a Director.

---

### RESOLUTION 3 – RE-ELECTION OF DIRECTOR – DAN TENARDI

The Company is seeking the re-election of Mr Dan Tenardi to continue as a non-executive Director of the Company. Mr Tenardi has in excess of 40 years experience in the mining and minerals processing industries, including 13 years at Alcoa’s alumina refinery in Kwinana, Western Australia as well as at the company’s bauxite mines in the Darling Ranges of Western Australia. Accordingly, the Company proposes that Shareholders consider and, if thought fit, pass, with or without amendment, the following Resolution as an **ordinary resolution**:

*“That, for the purpose of clause 14.2 of the Constitution, ASX Listing Rule 14.4 and for all other purposes, Dan Tenardi, a Director, retires by rotation, and being eligible, is re-elected as a Director.”*

**Short Explanation:** Dan Tenardi retires as a Director of the Company, and being eligible seeks re-election as a Director of the Company under this Resolution. Each other Director of the Company supports the re-election of Mr. Tenardi as a Director.

---

### RESOLUTION 4 – APPROVAL OF THE EMPLOYEE SECURITIES INCENTIVE SCHEME

Resolution 4 seeks shareholder approval to establish and maintain the Altech Chemicals Limited Employee Securities Incentive Plan to provide ongoing incentives to employees of the Company.

Shareholders previously approved an Employee Performance Rights (**Performance Rights Plan**) at a General Meeting of the Company held on 12 June 2018. This approval was valid for a period of three years and the approval period has now expired. The Employee Securities Incentive Plan (defined below) will replace the Performance Rights Plan, however all Performance Rights that are on issue pursuant to the Performance Rights Plan will continue to be subject to the terms and conditions of that plan.

Listing Rule 7.2 (Exception 13(b)) provides that Listing Rule 7.1 does not apply to an issue of securities under an employee incentive scheme if, within three years before the date of issue of the securities, the holders of the entity’s ordinary securities have approved the issue of equity securities under the scheme as exception to Listing Rule 7.1.

The Board has adopted the Plan. Accordingly, the Company proposes that shareholders consider and, if thought fit, to pass, with or without amendment, the following resolution as an **ordinary resolution**:

*“That, for the purposes of Listing Rule 7.2 (Exception 13(b)) and for all other purposes, approval is given for the Company to:*

- (a) establish and maintain the Altech Chemicals Limited Employee Securities Incentive Plan (**Plan**) on the terms and conditions summarised in the accompanying Explanatory Memorandum; and*
- (b) grant up to a maximum 64,124,236 Securities under the Plan.”*

**Voting Exclusion:** The Company will disregard any votes cast in favour of the Resolution by or on behalf of a person who is eligible to participate in the employee securities incentive plan or an associate of that person or those persons. However, this does not apply to a vote cast in favour of the Resolution by:

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

**Voting Prohibition Statement:**

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

- (a) the proxy is either
  - (i) a member of the Key Management Personnel, details of whose remuneration are included in the Remuneration Report; or
  - (ii) a Closely Related Party of such a member; and
- (b) the appointment does not specify the way the proxy is to vote on this Resolution.

However, a person described above may vote on this Resolution if:

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

---

**RESOLUTION 5 – ISSUE OF REPLACEMENT PERFORMANCE RIGHTS TO MANAGING DIRECTOR MR IGGY TAN**

At the Company's 2014 Annual General meeting, shareholders approved the issue of 10,000,000 Performance Rights (**Existing Performance Rights**) to Mr Iggy Tan, for the purpose of providing a performance linked incentive component of his remuneration package. The Existing Performance Rights will have expired un-vested on 18 November 2021, and the Board has agreed, subject to Shareholder approval of Resolution 3 and this Resolution, to re-issue 10,000,000 Performance Rights to Mr Tan under the Company's proposed Employee Securities Incentive Plan on the terms and conditions as set out in the explanatory statement. These proposed Performance Rights are not additional Performance Rights, but replace the 10,000,000 Performance Rights that have expired, unvested and unexercised.

The primary purpose of the issue of these replacement Performance Rights to Mr Tan is to provide a performance linked incentive component in the remuneration package for Mr Tan and to motivate and reward the performance of Mr Tan in achieving HPA project funding and then the commencement of HPA production from the Company's proposed HPA plant.

The Board considers this issue of replacement Performance Rights to be a cost effective remuneration practice and reasonable given the vesting conditions will align the interests of Mr Tan with those of Shareholders. The Board does not consider that there are any significant opportunity costs to the Company or benefits foregone by the Company in issuing the Performance Rights upon the terms proposed.

Accordingly, the Company proposes that shareholders consider and, if thought fit, to pass the following resolution as an **ordinary resolution**:

*"That, for the purposes of, ASX Listing Rule 10.14 and for all other purposes, approval is given for the Directors to issue 10,000,000 Performance Rights to Mr Iggy Tan (or his nominee) under the Plan on the terms and conditions set out in the Explanatory Statement."*

**Voting Exclusion:** The Company will disregard any votes cast in favour of the Resolution by any person referred to in Listing Rule 10.14.1, 10.14.2 or 10.14.3 who is eligible to participate in the employee incentive scheme in question (including Mr Tan (or his nominee) or an associate of that person or those persons

**Voting Prohibition Statement:**

In accordance with section 250BD of the Corporations Act, a person appointed as a proxy must not vote, on the basis of that appointment, on this Resolution if:

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

The above prohibition does not apply if:

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

---

## RESOLUTION 6 – APPROVAL OF 10% PLACEMENT CAPACITY

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

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

**Short Explanation:** Approval is being sought for the Company to issue new shares of up to 10% of its total shares on issue 12 months prior to the proposed new share issue under ASX Listing Rule 7.1A, which is additional to the 15% annual placement capacity that is available to the Company under ASX Listing Rule 7.1. This will provide the Company with flexibility to raise capital during the next 12 months over and above the 15% placement capacity.

---

**BY ORDER OF THE BOARD**



**SHANE VOLK  
COMPANY SECRETARY  
ALTECH CHEMICALS LIMITED  
25 OCTOBER 2021**

---

## EXPLANATORY STATEMENT

---

This Explanatory Statement has been prepared to provide information that the Directors believe to be material to Shareholders in deciding whether or not to pass the Resolutions which are the subject of the business of the Meeting.

---

### 1. ACTION TO BE TAKEN BY SHAREHOLDERS

Shareholders should read the Notice and this Explanatory Statement carefully before deciding how to vote on the Resolutions.

#### 1.1 Proxies

A Proxy Form is attached to the Notice. This is to be used by Shareholders if they wish to appoint a representative (a 'proxy') to vote in their place. All Shareholders are invited and encouraged to attend the Meeting or, if they are unable to attend in person, sign and return the Proxy Form to the Company in accordance with the instructions thereon. Lodgement of a Proxy Form will not preclude a Shareholder from attending and voting at the Meeting in person.

Please note that:

- (a) a member of the Company entitled to attend and vote at the Annual General Meeting is entitled to appoint a proxy;
- (b) a proxy need not be a member of the Company; and
- (c) a member of the Company entitled to cast two or more votes may appoint two proxies and may specify the proportion or number of votes each proxy is appointed to exercise, but where the proportion or number is not specified, each proxy may exercise half of the votes.

The enclosed Proxy Form provides further details on appointing proxies and lodging Proxy Forms.

---

### 2. FINANCIAL STATEMENTS AND REPORTS

In accordance with section 317 of the Corporations Act and the Constitution, the business of the Meeting will include receipt and consideration of the annual financial report of the Company for the financial year ended 30 June 2021 together with the Declaration of the Directors, the Directors' Report, the Remuneration Report and the auditor's report.

The Company will not provide a hard copy of the Company's annual financial report to Shareholders unless specifically requested to do so. The Company's annual financial report is available on its website at [www.altechchemicals.com](http://www.altechchemicals.com).

---

### 3. RESOLUTION 1 – ADOPTION OF REMUNERATION REPORT

#### General

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

The remuneration report sets out the company's remuneration arrangements for the directors and senior management of the company. The remuneration report is part of the directors' report contained in the annual financial report of the company for a financial year.

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

## **Voting consequences**

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

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

All of the directors of the company who were in office when the directors' report (as included in the company's annual financial report for the most recent financial year) was approved, other than the managing director of the company, will cease to hold office immediately before the end of the Spill Meeting but may stand for re-election at the Spill Meeting.

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

## **Previous voting results**

At the Company's previous annual general meeting the votes cast against the remuneration report considered at that annual general meeting were less than 25%. Accordingly, the Spill Resolution is not relevant for this Annual General Meeting.

---

## **4. RESOLUTIONS 2 AND 3 – RE-ELECTION OF DIRECTORS PETER BAILEY & DAN TENARDI**

### **General**

ASX Listing Rule 14.4 and clause 14.2 of the Constitution provide that, other than a managing director, a director of an entity must not hold office (without re-election) past the third AGM following the director's appointment or 3 years, whichever is the longer. However, where there is more than one managing director, only one is entitled to be exempt from this rotation requirement. The Directors to retire at an annual general meeting are those who have been longest in office since their last election, but, as between persons who became Directors on the same day, those to retire shall (unless they otherwise agree among themselves) be determined by drawing lots.

As Dan Tenardi was last re-elected at the Company's 2018 Annual General Meeting and Mr Peter Bailey at the Company's 2019 Annual General Meeting, both will retire in accordance with clause 14.2 of the Constitution and ASX Listing Rule 14.4 and, being eligible, each seeks re-election.

### **Qualifications and other material directorships**

#### ***Peter Bailey***

Mr Peter Bailey is a highly experienced and qualified engineer with over 40 years of experience in the mining and industrial chemical production industry. Mr Bailey spent the majority of his career in the alumina chemicals and alumina refining industries. He was previously chief executive officer at Sherwin Alumina, an alumina refinery located in Texas, USA.

Prior to Sherwin, in 1998 Mr Bailey was president of Alcoa Worldwide Chemical's industrial chemicals department. He was responsible for managing the company's 13 alumina plants that were located in eight countries, with combined annual revenue of approximately US\$700 million. In 1996, Mr Bailey was president of Alcoa Bauxite and Alumina and was responsible for 8 alumina plants outside of Australia.

He was also the Chairman of the Alcoa Bauxite joint venture in Guinea, Africa. He has a solid business network throughout the global alumina industry.

### **Dan Tenardi**

Mr Dan Tenardi is a highly experienced global resource executive with over 40 years of experience in the mining and processing sectors. During his extensive career, Mr Tenardi spent 13 years at Alcoa's alumina refinery in Kwinana, Western Australia as well as the company's bauxite mines in the Darling Ranges of Western Australia.

Mr Tenardi was the founding Managing Director of Bauxite Resources Limited (since renamed Australian Silica Quartz Group Limited (ASX: ASQ)), where he led the rapid growth of the company from its initial exploration phase, expansion of land holdings, to the commencement of trial shipments of ore and securing supportive strategic partnerships with key Chinese investors. Having built strong networks with industry leaders in the alumina sector, Mr Tenardi provides valuable alumina-specific industry experience.

### **Independence**

If re-elected, the Board does consider that Mr Bailey will be an independent Director.

If re-elected, the Board does not consider the Mr Tenardi will be an independent Director.

### **Board recommendation**

The Board has considered the performance of both Mr Bailey and Mr Tenardi since their appointment to the Board and is of the view that the skills and experience of Mr Bailey and Mr Tenardi will continue to enhance the Board's ability to perform its role. Accordingly, the Board supports the re-election of Mr Bailey and Mr Tenardi and recommends that Shareholders vote in favour of Resolutions 2 and 3.

---

## **RESOLUTION 4 – APPROVAL OF THE EMPLOYEE SECURITIES INCENTIVE PLAN**

### **General**

Resolution 4 seeks shareholder approval to establish and maintain the Altech Employee Securities Incentive Plan (**Plan**) to provide ongoing incentives to employees of the Company. Shareholders previously approved an Employee Performance Rights Plan (**Performance Rights Plan**) at the 2018 Annual General Meeting of the Company. The approval was valid for three years and the approval has now expired. This Plan will replace the Performance Rights Plan, however all Performance Rights issued pursuant the Performance Rights Plan will continue to be subject to the terms and conditions of that plan.

The Board has adopted the Plan.

The objective of the Plan is to provide the Company with a remuneration mechanism, through the issue of securities in the capital of the Company, to motivate and reward the performance of employees in achieving specified performance milestones within a specified performance period. The Board will ensure that any performance milestones that may be attached to any of the securities issued pursuant to the Plan are aligned with the successful growth of the Company's business activities.

The employees of the Company have been, and will continue to be, instrumental in the growth of the Company. The directors consider that the Plan is an appropriate method to:

- (a) reward employees for their past performance;
- (b) provide long term incentives for participation in the Company's future growth;
- (c) motivate employees and generate loyalty from senior employees; and
- (d) assist to retain the services of valuable employees.

## ASX Listing Rule 7.1

ASX Listing Rule 7.1 provides that a company must not, subject to specified exceptions, issue or agree to issue more equity securities during any 12 month period than that amount which represents 15% of the number of fully paid ordinary securities on issue at the commencement of that 12 month period.

One of the exceptions to ASX Listing Rule 7.1 is Listing Rule 7.2 (Exception 13(b)) which provides that ASX Listing Rule 7.1 does not apply to an issue under an employee incentive scheme if, within the 3 years before the date issue, shareholders have approved the issue as an exception to ASX Listing Rule 7.1.

The effect of Resolution 4 will be to allow the directors to grant securities to employees of the Company pursuant to the Plan during the period of 3 years after the meeting (or a longer period, if allowed by ASX), and to issue shares of other securities to those employees in accordance with the terms and condition of the Plan without using the Company's 15% annual placement capacity.

## Terms of the Plan

Pursuant to and in accordance with Listing Rule 7.2 (Exception 13), the following information is provided in relation to Resolution 4:

- (a) a summary of the terms of the Plan is provided in Schedule 1 to this explanatory memorandum. A copy of the Plan will be made available free of charge to any shareholder on request;
- (b) as at the date of this Notice there are no securities on issue pursuant to the Plan, however 10,000,000 Performance Rights will be issued to Mr Tan pursuant to the Plan should Resolution 5 be passed; and
- (c) the maximum number of securities proposed to be issued under the Plan, following Shareholder approval, is 64,124,236 (which includes the Performance Rights proposed to be issued to Mr Tan under Resolution 4). It is not envisaged that the maximum number of securities for which approval is sought will be issued immediately.

---

## RESOLUTION 5 – ISSUE OF PERFORMANCE RIGHTS TO MR IGGY TAN

At the Company's 2014 Annual General meeting, shareholders approved the issue of 10,000,000 Performance Rights (**Existing Performance Rights**) to Mr Iggy Tan, for the purpose of providing a performance linked incentive component of his remuneration package. The Existing Performance Rights will have expired un-vested, on 18 November 2021, and the Board has agreed, subject to Shareholder approval, to re-issue 10,000,000 Performance Rights to Mr Tan under the Company's Employee Securities Incentive Plan on the terms and conditions as set out in the explanatory statement. These proposed Performance Rights are not additional Performance Rights, but replace the 10,000,000 Performance Rights that have expired, unvested and unexercised

The primary purpose of the issue of these replacement Performance Rights to Mr Tan is to provide a performance linked incentive component in the remuneration package for Mr Tan and to motivate and reward the performance of Mr Tan in achieving HPA project funding and then the commencement of HPA production from the Company's proposed HPA plant.

The Board considers this issue of replacement Performance Rights to be a cost effective remuneration practice and reasonable given the vesting conditions will align the interests of Mr Tan with those of Shareholders. The Board does not consider that there are any significant opportunity costs to the Company or benefits foregone by the Company in issuing the Performance Rights upon the terms proposed.

The Company has agreed, subject to obtaining Shareholder approval, to issue a total of 10,000,000 Performance Rights to Mr Iggy Tan (or his nominee) on the terms and conditions set out below.

## **Chapter 2E of the Corporations Act**

The Performance Rights are to be issued to Mr Iggy Tan (or his nominee) to provide further incentive to perform and secure the ongoing commitment of Mr Iggy Tan to the continued growth of the Company.

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

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

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

The issue of the Incentive Performance Rights to Mr Iggy Tan (or their nominee) constitutes giving a financial benefit and Mr Iggy Tan is a related party of the Company by virtue of being a Director.

The Directors (other than Mr Tan who has a material personal interest in the Resolution) consider that Shareholder approval pursuant to Chapter 2E of the Corporations Act is not required in respect of the issue of the Performance Rights because the issue of the Performance Rights is part of the remuneration package for Mr Tan and is considered reasonable remuneration in the circumstances and was negotiated on an arm's length basis.

### **ASX Listing Rule 10.14**

Listing Rule 10.14 provides that an entity must not permit any of the following persons to acquire equity securities under an employee incentive scheme without the approval of the holders of its ordinary securities:

10.14.1 a director of the entity;

10.14.2 an associate of a director of the entity; or

10.14.3 a person whose relationship with the entity or a person referred to in Listing Rules 10.14.1 to 10.14.2 is such that, in ASX's opinion, the acquisition should be approved by security holders.

The issue of Incentive Performance Rights to Mr Iggy Tan falls within Listing Rule 10.14.1 and therefore requires the approval of Shareholders under Listing Rule 10.14.

Resolution 4 seeks the required Shareholder approval for the issue of the Performance Rights under and for the purposes of Listing Rule 10.14

### **Technical information required by Listing Rule 14.1A**

If Resolution 5 is passed, the Company will be able to proceed with the issue of the Performance Rights to Mr Iggy Tan under the Plan within three years after the date of the Meeting (or such later date as permitted by any ASX waiver or modification of the Listing Rules). As approval pursuant to Listing Rule 7.1 is not required for the issue of the Performance Rights (because approval is being obtained under Listing Rule 10.14), the issue of the Performance Rights will not use up any of the Company's 15% annual placement capacity.

If Resolution 5 is not passed, the Company will not be able to proceed with the issue of the Performance Rights to Mr Tan under the Plan.

### **Technical information required by Listing Rule 10.15.**

Pursuant to and in accordance with the requirements of Listing Rule 10.15, the following information is provided in relation to Resolution 5:

- (a) the Performance Rights will be issued to Mr Iggy Tan (or their nominee), who falls within the category set out in Listing Rule 10.14.1, by virtue of Mr Iggy Tan being a Director;
- (b) the maximum number of Performance Rights to be issued to Mr Iggy Tan (or their nominee) is 10,000,000;
- (c) the current total remuneration package for Mr Iggy Tan is \$568,172, comprising of a salary of \$435,000, a superannuation payment of \$43,500 and share-based payments of \$89,672. If the Performance Rights are issued, the total annual remuneration of Mr Iggy Tan will be subject to a once-off increase of \$900,000, being the value of the Incentive Performance Rights (based on the Black Scholes methodology – as set out in schedule 3);
- (d) No Performance Rights have previously been issued to Mr Iggy Tan for nil cash consideration under the Plan;
- (e) a summary of the material terms and conditions of the Performance Rights is set out in Schedule 2;
- (f) the Performance Rights are unquoted performance rights. The Company has chosen to grant the Performance Rights to Mr Iggy Tan for the following reasons:
  - (i) the Performance Rights are unlisted, therefore the grant of the Performance Rights has no immediate dilutionary impact on Shareholders;
  - (ii) the issue of Performance Rights to Mr Iggy Tan will align the interests of Mr Iggy Tan with those of Shareholders;
  - (iii) the issue of the Performance Rights is a reasonable and appropriate method to provide cost effective remuneration as the non-cash form of this benefit will allow the Company to spend a greater proportion of its cash reserves on its operations than it would if alternative cash forms of remuneration were given to Mr Iggy Tan; and
  - (iv) it is not considered that there are any significant opportunity costs to the Company or benefits foregone by the Company in granting the Performance Rights on the terms proposed;
- (g) the Company values the Performance Rights at \$900,000 (being \$0.09 per Performance Rights) based on the Black-Scholes methodology as set out in Schedule 3;
- (h) the Performance Rights will be issued to Mr Iggy Tan (or his nominee) no later than 3 months after the date of the Meeting (or such later date as permitted by any ASX waiver or modification of the Listing Rules) and it is anticipated the Performance Rights will be issued on one date;
- (i) the issue price of the Performance Rights will be nil, as such no funds will be raised from the issue of the Performance Rights;
- (j) a summary of the material terms and conditions of the Plan is set out in Schedule 1;
- (k) no loan is being made to Mr Iggy Tan in connection with the issue of the Performance Rights;
- (l) details of any Performance Rights issued under the Plan will be published in the annual report of the Company relating to the period in which they were issued, along with a statement that approval for the issue was obtained under Listing Rule 10.14; and
- (m) any additional persons covered by Listing Rule 10.14 who become entitled to participate in an issue of Performance Rights under the Plan after Resolution 4 is approved and who were not named in this Notice will not participate until approval is obtained under Listing Rule 10.14.

---

## RESOLUTION 6 – APPROVAL OF 10% PLACEMENT CAPACITY

### General

ASX Listing Rule 7.1A provides that an Eligible Entity may seek Shareholder approval at its annual general meeting to allow it to issue Equity Securities up to 10% of its issued capital (**10% Placement Capacity**).

The Company is an Eligible Entity.

If Shareholders approve Resolution 6, the number of Equity Securities the Eligible Entity may issue under the 10% Placement Capacity will be determined in accordance with the formula prescribed in ASX Listing Rule 7.1A.2.

The effect of Resolution 6 will be to allow the Directors to issue Equity Securities up to 10% of the Company's fully paid ordinary securities on issue under the 10% Placement Capacity during the period up to 12 months after the Meeting, without subsequent Shareholder approval and without using the Company's 15% annual placement capacity granted under ASX Listing Rule 7.1.

Resolution 6 is a special resolution. Accordingly, at least 75% of votes cast by Shareholders present and eligible to vote at the Meeting must be in favour of Resolution 6 for it to be passed.

### ASX Listing Rule 7.1A

ASX Listing Rule 7.1A enables an Eligible Entity to seek Shareholder approval at its annual general meeting to issue Equity Securities in addition to those under the Eligible Entity's 15% annual placement capacity.

An Eligible Entity is one that, as at the date of the relevant annual general meeting:

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

As at the date of this Notice, the Company is an Eligible Entity as it is not included in the S&P/ASX 300 Index and has a current market capitalisation of approximately \$115,838,747 (based on the number of Shares on issue and to be issued, and the closing price of \$0.09 on the ASX on 22 October 2021).

An Equity Security is a share, a unit in a trust, a right to a share or unit in a trust or option, an option over an issued or unissued security, a convertible security, or, any security that ASX decides to classify as an equity security.

Any Equity Securities issued under the 10% Placement Capacity must be in the same class as an existing class of quoted Equity Securities.

As at the date of this Notice, the Company currently has 1 class of quoted Equity Securities on issue, being the Shares (ASX Code: ATC).

If Shareholders approve Resolution 6, the number of Equity Securities the Company may issue under the 10% Placement Capacity will be determined in accordance with the formula prescribed in ASX Listing Rule 7.1A.2.

## Technical information required by ASX Listing Rule 7.1A

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

### (a) **Minimum Price**

The minimum price at which the Equity Securities may be issued is 75% of the volume weighted average price of Equity Securities in that class, calculated over the 15 ASX trading days on which trades in that class were recorded immediately before:

- (i) the date on which the price at which the Equity Securities are to be issued is agreed; or
- (ii) if the Equity Securities are not issued within 10 (ten) ASX trading days of the date in Section 4.3(a)(i), the date on which the Equity Securities are issued.

### (b) **Date of Issue**

The Equity Securities may be issued under the 10% Placement Capacity commencing on the date of the Meeting and expiring on the first to occur of the following:

- (i) 12 months after the date of this Meeting;
- (ii) the time and date of the Company's next annual general meeting; and
- (i) the date of approval by Shareholders of any transaction under ASX Listing Rules 11.1.2 (a significant change to the nature or scale of the Company's activities) or 11.2 (disposal of the Company's main undertaking) (after which date, an approval under ASX Listing Rule 7.1A ceases to be valid),

**(10% Placement Capacity Period).**

### (c) **Risk of voting dilution**

Any issue of Equity Securities under the 10% Placement Capacity will dilute the interests of Shareholders who do not receive any Shares under the issue.

If Resolution 6 is approved by Shareholders and the Company issues the maximum number of Equity Securities available under the 10% Placement Capacity, the economic and voting dilution of existing Shares would be as shown in the table below.

The table below shows the dilution of existing Shareholders calculated in accordance with the formula outlined in ASX Listing Rule 7.1A(2), on the basis of the current market price of Shares and the current number of Equity Securities on issue as at the date of this Notice.

The table also shows the voting dilution impact where the number of Shares on issue (Variable A in the formula) changes and the economic dilution where there are changes in the issue price of Shares issued under the 10% Placement Capacity.

Number of Shares on Issue  (Variable "A" in Listing Rule 7.1A2)	Dilution			
	Issue Price (per Share)	\$0.045 (50% decrease in current issue price)	\$0.09 (Current issue price)	\$0.135 (50% increase in current issue price)
1,287,097,184	Shares issued – 10% voting dilution	128,709,718	128,709,718	128,709,718
(Current Variable A)	Funds Raised	\$5,791,937	\$11,583,875	\$17,375,812
1,930,645,776	Shares issued – 10% voting dilution	193,064,578	193,064,578	193,064,578
(50% increase in Variable A)*	Funds Raised	\$8,687,906	\$17,375,812	\$26,063,718
2,574,194,368	Shares issued – 10% voting dilution	257,419,437	74,313,387	257,419,437
(100% increase in Variable A)*	Funds Raised	\$11,583,875	11,583,875	\$34,751,624

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

**The table above uses the following assumptions:**

1. There are 1,287,097,184 Shares on issue.
2. No Performance Rights, vest and convert to Shares before the date of the issue of the Equity Securities.
3. The issue price set out above is the closing price of the Shares on the ASX on 22 October 2021.
4. The Company issues the maximum possible number of Equity Securities under the 10% Placement Capacity.
5. The Company has not issued any Equity Securities in the 12 months prior to the Meeting that were not issued under an exception in ASX Listing Rule 7.2 or with approval under ASX Listing Rule 7.1..
6. The issue of Equity Securities under the 10% Placement Capacity consists only of Shares. If the issue of Equity Securities includes quoted Options, it is assumed that those quoted Options are exercised into Shares for the purpose of calculating the voting dilution effect on existing Shareholders.
7. The calculations above do not show the dilution that any one particular Shareholder will be subject to. All Shareholders should consider the dilution caused to their own shareholding depending on their specific circumstances.
8. This table does not set out any dilution pursuant to approvals under ASX Listing Rule 7.1.
9. The 10% voting dilution reflects the aggregate percentage dilution against the issued share capital at the time of issue. This is why the voting dilution is shown in each example as 10%.
10. 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 Capacity, based on that Shareholder's holding at the date of the Meeting.

Shareholders should note that there is a risk that:

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

**(d) Purpose of Issue under 10% Placement Capacity**

The Company may issue Equity Securities under the 10% Placement Capacity as cash consideration in which case the Company intends to use funds raised for the continued

development of the Company's High Purity Alumina Project, acquisition of new resources, assets and investments (including expenses associated with such an acquisition) and general working capital.

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

(e) **Allocation under the 10% Placement Capacity**

The Company's allocation policy for the issue of Equity Securities under the 10% Placement Capacity will be dependent on the prevailing market conditions at the time of the proposed placement(s).

The recipients of the Equity Securities to be issued under the 10% Placement Capacity have not yet been determined. However, the recipients of Equity Securities could consist of current Shareholders or new investors (or both), none of whom will be related parties of the Company. The Company will determine the recipients at the time of the issue under the 10% Placement Capacity, having regard to the following factors:

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

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

(f) **Previous Approval under ASX Listing Rule 7.1A**

The Company previously obtained approval from its Shareholders under ASX Listing Rule 7.1A at its annual general meeting held on 14 November 2019 (**Previous Approval**).

During the 12 month period preceding the date of the Meeting, being on and 29 November 2020, the Company has not issued any Equity Securities pursuant to the Previous Approval.

---

## ENQUIRIES

Shareholders are requested to contact the Company Secretary, Shane Volk, on (+61 8) 6168 1555 or [shane@altechchemicals.com](mailto:shane@altechchemicals.com) if they have any queries in respect of the matters set out in these documents.

---

## GLOSSARY

---

**\$** means Australian dollars.

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

**ASIC** means the Australian Securities & Investments Commission.

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

**ASX Listing Rules** or **Listing Rules** means the Listing Rules of ASX.

**Board** means the current board of Directors of the Company.

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

**Chair** means the chair of the Meeting.

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

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

**Company** means Altech Chemicals Limited (ACN 125 301 206).

**Constitution** means the Company's constitution.

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

**Directors** means the current directors of the Company.

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

**Explanatory Statement** means the explanatory statement accompanying the Notice.

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

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

**Proxy Form** means the proxy form accompanying the Notice.

**Remuneration Report** means the remuneration report set out in the Directors report section of the Company's annual financial report for the year ended 30 June 2021.

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

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

**Shareholder** means a registered holder of a Share.

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

**VWAP** means the Volume Weighted Average Price.

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

---

## SCHEDULE 1 – SUMMARY OF EMPLOYEE SECURITIES INCENTIVE PLAN

---

The material terms of the Employee Securities Incentive Plan (**Plan**) are summarised below:

### **Eligible Participant**

Eligible Participant means a person that:

- (a) is an 'eligible participant' (as that term is defined in ASIC Class Order 14/1000) in relation to the Company or an Associated Body Corporate (as that term is defined in ASIC Class Order 14/1000); and
- (b) has been determined by the Board to be eligible to participate in the Plan from time to time.

### **Maximum allocation**

The Company must not make an offer of securities under the Plan, in reliance on ASIC Class Order 14/1000, where the total number of Shares to be issued under the offer (**Plan Shares**) (or that will be issued upon conversion of convertible securities to be issued (**Convertible Securities**)), when aggregated with the number of Plan Shares that may be issued as a result of offers made under the Plan, in reliance on ASIC Class Order 14/1000, at any time during the previous 3 year period, would exceed 5% of the total number of Shares on issue at the date of the offer.

### **Purpose**

The purpose of the Plan is to:

- (a) assist in the reward, retention and motivation of Eligible Participants;
- (b) link the reward of Eligible Participants to Shareholder value creation; and
- (c) align the interests of Eligible Participants with Shareholders by providing an opportunity to Eligible Participants to receive an equity interest in the Company in the form of securities.

### **Plan administration**

The Plan will be administered by the Board. The Board may exercise any power or discretion conferred on it by the Plan rules in its sole and absolute discretion. The Board may delegate its powers and discretion.

### **Eligibility, invitation and application**

The Board may from time to time determine that an Eligible Participant may participate in the Plan and make an invitation to that Eligible Participant to apply for securities on such terms and conditions as the Board decides.

On receipt of an Invitation, an Eligible Participant may apply for the securities the subject of the invitation by sending a completed application form to the Company. The Board may accept an application from an Eligible Participant in whole or in part.

If an Eligible Participant is permitted in the invitation, the Eligible Participant may, by notice in writing to the Board, nominate a party in whose favour the Eligible Participant wishes to renounce the invitation.

### **Grant of Securities**

The Company will, to the extent that it has accepted a duly completed application, grant the Eligible Participant that has participated (**Participant**) the relevant number of securities, subject to the terms and conditions set out in the invitation, the Plan rules and any ancillary documentation required.

## **Terms of Convertible Securities**

Each Convertible Security represents a right to acquire one or more Shares, subject to the terms and conditions of the Plan.

Prior to a Convertible Security being exercised, a Participant does not have any interest (legal, equitable or otherwise) in any Share the subject of the Convertible Security by virtue of holding the Convertible Security. A Participant may not sell, assign, transfer, grant a security interest over, collateralise a margin loan against, utilise for the purposes of short selling, enter into a derivative with reference to, or otherwise deal with a Convertible Security that has been granted to them. A Participant must not enter into any arrangement for the purpose of hedging their economic exposure to a Convertible Security that has been granted to them. For the avoidance of doubt, a Participant includes any contractor or consultant to the Company.

## **Vesting**

Any vesting conditions applicable to the grant of Convertible Securities will be described in the invitation. If all the vesting conditions are satisfied and/or otherwise waived by the Board, a vesting notice will be sent to the Participant by the Company informing them that the relevant Plan Convertible Securities have vested. Unless and until the vesting notice is issued by the Company, the Convertible Securities will not be considered to have vested. For the avoidance of doubt, if the vesting conditions relevant to a Convertible Security are not satisfied and/or otherwise waived by the Board, that Convertible Security will lapse.

## **Exercise of Options and cashless exercise**

To exercise a Convertible Security, the Participant must deliver a signed notice of exercise and, subject to a cashless exercise of Convertible Securities (see below), pay the exercise price (if any) to or as directed by the Company, at any time prior to the earlier of any date specified in the vesting notice and the expiry date as set out in the invitation.

An invitation may specify that at the time of exercise of the Convertible Securities, the Participant may elect not to be required to provide payment of the Convertible Security exercise price for the number of Convertible Securities specified in a notice of exercise, but that on exercise of those Convertible Securities the Company will transfer or issue to the Participant that number of Shares equal in value to the positive difference between the Market Value of the Shares at the time of exercise and the exercise price that would otherwise be payable to exercise those Convertible Securities.

**Market Value** means, at any given date, the volume weighted average price per Share traded on the ASX over the 5 trading days immediately preceding that given date, unless otherwise specified in an invitation.

A Convertible Security may not be exercised unless and until that Convertible Security has vested in accordance with the Plan rules, or such earlier date as set out in the Plan rules.

## **Delivery of Shares on exercise of Convertible Securities**

As soon as practicable after the valid exercise of a Convertible Security by a Participant, the Company will issue or cause to be transferred to that Participant the number of Shares to which the Participant is entitled under the Plan rules and issue a substitute certificate for any remaining unexercised Convertible Securities held by that Participant.

## **Forfeiture of Convertible Securities**

Where a Participant who holds Convertible Securities ceases to be an Eligible Participant or becomes insolvent, all unvested Convertible Securities will automatically be forfeited by the Participant, unless the Board otherwise determines in its discretion to permit some or all of the Convertible Securities to vest.

Where the Board determines that a Participant has acted fraudulently or dishonestly, acted negligently, acted in contravention of a Company policy or wilfully breached his or her duties to the Company

(including but not limited to breaching a material term of an employment, executive services or consultancy agreement), the Board may in its discretion deem all unvested Convertible Securities held by that Participant to have been forfeited.

Unless the Board otherwise determines, or as otherwise set out in the Plan rules:

- (a) any Convertible Securities which have not yet vested will be forfeited immediately on the date that the Board determines (acting reasonably and in good faith) that any applicable vesting conditions have not been met or cannot be met by the relevant date; and
- (b) any Convertible Securities which have not yet vested will be automatically forfeited on the expiry date specified in the invitation.

A Participant may by written notice to the Company voluntarily forfeit their Convertible Securities for no consideration.

### **Change in control**

If a change of control event occurs in relation to the Company, or the Board determines that such an event is likely to occur, the Board may in its discretion determine the manner in which any or all of the Participant's Convertible Securities will be dealt with, including, without limitation, in a manner that allows the Participant to participate in and/or benefit from any transaction arising from or in connection with the change of control event.

### **Rights attaching to Plan Shares**

All Plan Shares issued or transferred to a Participant upon the valid exercise of a Convertible Security will rank *pari passu* in all respects with the Shares of the same class. A Participant will be entitled to any dividends declared and distributed by the Company on the Plan Shares and may participate in any dividend reinvestment plan operated by the Company in respect of Plan Shares. A Participant may exercise any voting rights attaching to Plan Shares.

### **Disposal restrictions on Plan Shares**

If the invitation provides that any Plan Shares are subject to any restrictions as to the disposal or other dealing by a Participant for a period, the Board may implement any procedure it deems appropriate to ensure the compliance by the Participant with this restriction.

For so long as a Plan Share is subject to any disposal restrictions under the Plan, the Participant will not:

- (a) transfer, encumber or otherwise dispose of, or have a security interest granted over that Plan Share; or
- (b) take any action or permit another person to take any action to remove or circumvent the disposal restrictions without the express written consent of the Company.

### **Adjustment of Convertible Securities**

If there is a reorganisation of the issued share capital of the Company (including any subdivision, consolidation, reduction, return or cancellation of such issued capital of the Company), the rights of each Participant holding Convertible Securities will be changed to the extent necessary to comply with the ASX Listing Rules applicable to a reorganisation of capital at the time of the reorganisation.

If Shares are issued by the Company pro rata to Shareholders generally by way of bonus issue (other than an issue in lieu of dividends or by way of dividend reinvestment), the holder of Convertible Securities is entitled, upon exercise of the Convertible Securities, to receive an allotment of as many additional Shares as would have been issued to the holder if the holder held Shares equal in number to the Shares in respect of which the Convertible Securities are exercised.

Unless otherwise determined by the Board, a holder of Convertible Securities does not have the right to participate in a pro rata issue of Shares made by the Company or sell renounceable rights.

### **Participation in new issues**

There are no participation rights or entitlements inherent in the Convertible Securities and holders are not entitled to participate in any new issue of Shares of the Company during the currency of the Convertible Securities without exercising the Convertible Securities.

### **Amendment of Plan**

Subject to the following paragraph, the Board may at any time amend any provisions of the Plan rules, including (without limitation) the terms and conditions upon which any securities have been granted under the Plan and determine that any amendments to the Plan rules be given retrospective effect, immediate effect or future effect.

No amendment to any provision of the Plan rules may be made if the amendment materially reduces the rights of any Participant as they existed before the date of the amendment, other than an amendment introduced primarily for the purpose of complying with legislation or to correct manifest error or mistake, amongst other things, or is agreed to in writing by all Participants.

### **Plan duration**

The Plan continues in operation until the Board decides to end it. The Board may from time to time suspend the operation of the Plan for a fixed period or indefinitely and may end any suspension. If the Plan is terminated or suspended for any reason, that termination or suspension must not prejudice the accrued rights of the Participants.

If a Participant and the Company (acting through the Board) agree in writing that some or all of the securities granted to that Participant are to be cancelled on a specified date or on the occurrence of a particular event, then those securities may be cancelled in the manner agreed between the Company and the Participant.

---

## SCHEDULE 2 - TERMS AND CONDITIONS OF PERFORMANCE RIGHTS

---

The following is a summary of the key terms and conditions of the Performance Rights to be issued to Mr Iggy Tan:

**Performance Rights:** Each Performance Right, once vested, entitles the holder, on exercise, to the issue of one fully paid ordinary share in the capital of the Company (**Share**).

**Not transferrable:** Performance Rights are only transferrable with the prior written consent of the Board of the Company or by force of law upon death to the holder's legal personal representative or upon bankruptcy to the holder's trustee in bankruptcy.

**Vesting Conditions:** The vesting conditions attaching to the Performance Rights are as follows:

50% of the Performance Rights issued to Iggy Tan will vest upon successful funding of the HPA project and the first anniversary date of the issue of the Performance Rights; and

50% of the Performance Rights issued to Iggy Tan will vest upon sale of the first tonne of HPA product, and confirmation that the plant is operating at a steady state of production (plant is stable and producing at a constant rate), and the third anniversary date of the issue of the Performance Rights.

Each Performance Right will, at the election of the holder, convert to one Share (subject to compliance with the ASX Listing Rules and Corporations Act).

**Vesting:** A Performance Right will vest where Vesting Conditions are satisfied or where, despite Vesting Conditions not being satisfied, the Board (in its absolute discretion) resolves that unvested Performance Rights have vested as a result of:

death, total and permanent disability, retirement or redundancy, terminal illness, severe financial hardship of the holder; or

the Company undergoing a change in control or winding up.

**Exercise of vested Performance Right (Convertible Security):** A Convertible Security may not be exercised unless and until that Convertible Security has vested, or such earlier date on which the Participant is entitled to exercise that Convertible Security in accordance with the Plan Rules.

To exercise a Convertible Security, the Participant must:

- (c) deliver a signed Notice of Exercise; and
- (d) subject to the Plan Rules, pay the Exercise Price (if any) to or as directed by the Company, at any time prior to the earlier of:
  - (e) any date specified in the Vesting Notice; and
  - (f) the Expiry Date.

If the Participant does not deliver a signed Notice of Exercise and, subject to the Plan Rules, pay the Exercise Price to or as directed by the Company in relation to a Convertible Security by the requisite date, that Convertible Security will automatically be forfeited.

**Shares:** Shares resulting from the vesting of the Performance Rights shall, from the date of issue, rank on equal terms with all other Shares on issue.

**Quotation of Shares:** the Company will apply to the ASX for those Shares issued on the exercise of a Performance Right to be quoted on ASX.

**Lapse of a Performance Right:** a Performance Right will lapse upon the earlier to occur of:

an unauthorised dealing in, or hedging of, the Performance Right;

a Vesting Condition in relation to the Performance Right not being satisfied by the due date, or becoming incapable of satisfaction, as determined by the Board in its absolute discretion;

a vested Performance Right is not exercised where required;

the Board deems that a Performance Right lapses due to fraud, dishonesty or other improper behaviour of the holder;

the Company undergoes a change in control or winding up, and the Board does not exercise its discretion to vest the Performance Right; and

the five (5) year anniversary of the date of grant of the Performance Right.

**No Participation Rights:** There are no participating rights or entitlements inherent in the Performance Rights and the holder will not be entitled to participate in new issues of capital offered to Shareholders during the currency of the Performance Rights without exercising the Performance Right

**No Change:** A Performance Right does not confer the right to a change in the number of underlying Shares over which the Performance Right can be exercised.

**Reorganisation:** If, at any time, the issued capital of the Company is reorganised (including consolidation, subdivision, reduction or return), all rights of a holder of a Performance Right are to be changed in a manner consistent with the Corporations Act and the ASX Listing Rules at the time of the reorganisation.

**Dividend and Voting Rights:** The Performance Rights do not confer on the holder an entitlement to vote (except as otherwise required by law) or receive dividends.

**No rights to return of capital:** A Performance Right does not entitle the holder to a return of capital, whether in a winding up, upon a reduction of capital or otherwise.

**Rights on winding up:** A Performance Right does not entitle the holder to participate in the surplus profits or assets of the Company upon winding up.

**No other rights:** A Performance Right gives the holder no rights other than those expressly provided by these terms and those provided at law where such rights at law cannot be excluded by these terms.

**SCHEDULE 3 – VALUATION OF PERFORMANCE RIGHTS**

The fair value of the Performance Rights was calculated using the Black Scholes pricing model that took into account the term, the underlying value of the shares, the exercise price, the expected dividend yield, the impact of dilution and the risk-free interest rate. Inputs used for the valuation were:

<b>Variable</b>	
Exercise price for the Performance Right	\$0.00
Market price for the shares at date of valuation / issue	\$0.09
Volatility of Company share price	50%
Dividend yield	0%
Risk free rate	0.3%
Expiry from date of grant (number of years)	5.00
<b>Number of Rights issued</b>	<b>10,000,000</b>

The expected volatility during the term of the shares is based around assessments of the historical volatility of the Company share price and the dividend yield of 0% is on the basis that the Company does not anticipate paying dividends in the period between the issue date and the final vesting date for the shares.

Value of Performance Rights to be issued to Mr Tan is: \$900,000.

# APPOINTMENT OF PROXY FORM

## ALTECH CHEMICALS LIMITED

ACN 125 301 206

### ANNUAL GENERAL MEETING (29 November 2021)

I/We

of:

being a Shareholder entitled to attend and vote at the Meeting, hereby appoint:

Name:

OR:

the Chair of the Meeting as my/our proxy.

or failing the person so named or, if no person is named, the Chair, or the Chair's nominee, to vote in accordance with the following directions, or, if no directions have been given, and subject to the relevant laws as the proxy sees fit, at the Meeting to be held at Suite 8, 295 Rokeby Road, Subiaco at 4:00pm WST on 29 November 2021, and at any adjournment thereof.

#### AUTHORITY FOR CHAIR TO VOTE UNDIRECTED PROXIES ON REMUNERATION RELATED RESOLUTIONS

Where I/we have appointed the Chair as my/our proxy (or where the Chair becomes my/our proxy by default), I/we expressly authorise the Chair to exercise my/our proxy on Resolutions 1, 4, and 5 (except where I/we have indicated a different voting intention below) even though Resolutions 1, 4 and 5 are connected directly or indirectly with the remuneration of a member of the Key Management Personnel, which includes the Chair.

#### CHAIR'S VOTING INTENTION IN RELATION TO UNDIRECTED PROXIES

The Chair intends to vote undirected proxies in favour of all Resolutions. In exceptional circumstances the Chair may change his/her voting intention on any Resolution. In the event this occurs an ASX announcement will be made immediately disclosing the reasons for the change.

Voting on business of the Meeting		FOR	AGAINST	ABSTAIN
Resolution 1	Adoption of Remuneration Report	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Resolution 2	Re-Election of Director – Peter Bailey	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Resolution 3	Re-Election of Director – Dan Tenardi	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Resolution 4	Approval of the Altech Chemicals Employee Securities Incentive Plan	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Resolution 5	Approval of the Issue of Performance Rights to Mr Iggy Tan	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Resolution 6	Approval of 10% Placement Capacity	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

**Please note:** If you mark the abstain box for a particular Resolution, you are directing your proxy not to vote on that Resolution on a show of hands or on a poll and your votes will not be counted in computing the required majority on a poll.

If two proxies are being appointed, the proportion of voting rights this proxy represents is:

%

Signature of Shareholder(s):

Individual or Shareholder 1

Sole Director/Company Secretary

Shareholder 2

Director

Shareholder 3

Director/Company Secretary

Date:

Contact name:

Contact ph (daytime):

E-mail address:

Consent for contact by e-mail:

YES  NO

## Instructions for Completing 'Appointment of Proxy' Form

1. **(Appointing a proxy):** A Shareholder entitled to attend and cast a vote at the Meeting is entitled to appoint a proxy to attend and vote on their behalf at the Meeting. If a Shareholder is entitled to cast 2 or more votes at the Meeting, the Shareholder may appoint a second proxy to attend and vote on their behalf at the Meeting. However, where both proxies attend the Meeting, voting may only be exercised on a poll. The appointment of a second proxy must be done on a separate copy of the Proxy Form. A Shareholder who appoints 2 proxies may specify the proportion or number of votes each proxy is appointed to exercise. If a Shareholder appoints 2 proxies and the appointments do not specify the proportion or number of the Shareholder's votes each proxy is appointed to exercise, each proxy may exercise one-half of the votes. Any fractions of votes resulting from the application of these principles will be disregarded. A duly appointed proxy need not be a Shareholder.
2. **(Direction to vote):** A Shareholder may direct a proxy how to vote by marking one of the boxes opposite each item of business. The direction may specify the proportion or number of votes that the proxy may exercise by writing the percentage or number of Shares next to the box marked for the relevant item of business. Where a box is not marked the proxy may vote as they choose subject to the relevant laws. Where more than one box is marked on an item the vote will be invalid on that item.
3. **(Signing instructions):**
  - **(Individual):** Where the holding is in one name, the Shareholder must sign.
  - **(Joint holding):** Where the holding is in more than one name, all of the Shareholders should sign.
  - **(Power of attorney):** If you have not already provided the power of attorney with the registry, please attach a certified photocopy of the power of attorney to this Proxy Form when you return it.
  - **(Companies):** Where the company has a sole director who is also the sole company secretary, that person must sign. Where the company (pursuant to Section 204A of the Corporations Act) does not have a company secretary, a sole director can also sign alone. Otherwise, a director jointly with either another director or a company secretary must sign. Please sign in the appropriate place to indicate the office held. In addition, if a representative of a company is appointed pursuant to Section 250D of the Corporations Act to attend the Meeting, the documentation evidencing such appointment should be produced prior to admission to the Meeting. A form of a certificate evidencing the appointment may be obtained from the Company.
4. **(Attending the Meeting):** Completion of a Proxy Form will not prevent individual Shareholders from attending the Meeting in person if they wish. Where a Shareholder completes and lodges a valid Proxy Form and attends the Meeting in person, then the proxy's authority to speak and vote for that Shareholder is suspended while the Shareholder is present at the Meeting.
5. **(Return of Proxy Form):** To vote by proxy, please complete and sign the enclosed Proxy Form and return by:
  - (a) e-mail to the Company at [shane@altechchemicals.com](mailto:shane@altechchemicals.com); or
  - (b) post to Altech Chemicals Limited, Suite 8, 295 Rokeby Road, Subiaco WA 6008

**so that it is received not less than 48 hours prior to commencement of the Meeting.**

**Proxy Forms received later than this time will be invalid.**