
ALTECH CHEMICALS LIMITED
ACN 125 301 206
NOTICE OF GENERAL MEETING

TIME: 11.00am (WST)
DATE: 18 March 2015
PLACE: Suite 8, 295 Rokeby Road, Subiaco, WA 6008

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 (+61 8) 9389 5557

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IMPORTANT INFORMATION

TIME AND PLACE OF MEETING

Notice is given that the general meeting of the Shareholders to which this Notice of Meeting relates will be held at 11.00 am (WST) 18 March 2015 at:

Suite 8, 295 Rokeby Road, Subiaco WA 6008

YOUR VOTE IS IMPORTANT

The business of the 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 Meeting are those who are registered Shareholders at 5pm (WST) on 16 March 2015.

VOTING IN PERSON

To vote in person, attend the 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

1. RESOLUTION 1 – APPROVAL FOR MR IGGY TAN TO PARTICIPATE IN THE SHORTFALL OFFER

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

“That, pursuant to and in accordance with ASX Listing Rule 10.11 and for all other purposes, Shareholders authorise and approve Mr Iggy Tan and/or his nominees to participate in the Shortfall Offer to the extent of up to 250,000 Shares, each with a free attaching Option, at an issue price of \$0.10 per share on the terms and conditions in the Explanatory Memorandum accompanying this Notice.”

Short Explanation: Shareholder approval is being sought for the Company to issue its Managing Director, Mr Iggy Tan, \$25,000 of Shares at \$0.10 per share (each with a free attaching option) under the Shortfall Offer of the Entitlement Offer which closed on 19 December 2014. The Shares (and free attaching option) will be issued to Mr Tan on the same terms and conditions as all other participants in the Entitlement Offer and the Shortfall Offer. ASX Listing Rule 10.11 provides a general restriction against a company issuing securities to related parties without shareholder approval, as a director Mr Tan is a related party of the Company.

Voting Exclusion: The Company will disregard any votes cast on this Resolution by Mr Iggy Tan and his nominees, and any of their associates. However, the Company need not disregard a vote if it is cast by a person as proxy for a person who is entitled to vote, in accordance with the directions on the proxy form, or if it is cast by the person chairing the meeting as a proxy for a person who is entitled to vote, in accordance with a direction on the proxy form to vote as the proxy decides.

2. RESOLUTION 2 – APPROVAL OF THE ISSUE OF PERFORMANCE RIGHTS TO MR LUKE ATKINS

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

“That, for the purposes of ASX Listing Rule 10.11 and section 195 and Chapter 2E of the Corporations Act and for all other purposes, the Company approves and authorises the grant and issue of 1,500,000 Performance Rights to Mr Luke Atkins (or his nominees) on the terms and conditions set out in the Explanatory Memorandum.”

Short Explanation: Shareholder approval is sought for the issue of 1,500,000 performance Rights to Mr Luke Atkins, a director and chairman of the Company. The vesting of the performance Rights is conditional on the attainment of specific performance criteria that are aligned to the development of the Company and detailed in the Explanatory Statement. The Board is of the view that the award of the performance Rights to Mr Atkins is an appropriate form of director remuneration considering the current circumstances of the Company, and the current and past director fees of Mr Atkins. ASX Listing Rule 10.11 provides a general restriction against a company issuing securities to related parties without shareholder approval, as a director Mr Atkins is a related party of the Company.

Voting Exclusion: The Company will disregard any votes cast on this Resolution by Mr Luke Atkins and his nominees, and any of their associates. However, the Company need not disregard a vote if it is cast by a person as proxy for a person who is entitled to vote, in accordance with the directions on the proxy form, or if it is cast by the person chairing the meeting as a proxy for a person who is entitled to vote, in accordance with a direction on the proxy form to vote as the proxy decides.

Voting Prohibition Statement:

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

- (a) the proxy is either:
 - (i) a member of the Key Management Personnel; or
 - (ii) a Closely Related Party of such a member; and

(b) the appointment does not specify the way the proxy is to vote on this Resolution.

However, the above prohibition does not apply if:

(a) the proxy is the Chair; and

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

3. RESOLUTION 3 – APPROVAL OF THE ISSUE OF PERFORMANCE RIGHTS TO MR DAN TENARDI

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

"That, for the purposes of ASX Listing Rule 10.11 and section 195 and Chapter 2E of the Corporations Act and for all other purposes, the Company approves and authorises the grant and issue of 1,500,000 Performance Rights to Mr Dan Tenardi (or his nominees) on the terms and conditions set out in the Explanatory Memorandum."

Short Explanation: Shareholder approval is sought for the issue of 1,500,000 performance Rights to Mr Dan Tenardi, a director of the Company. The vesting of the performance Rights is conditional on the attainment of specific performance criteria that are aligned to the development of the Company and detailed in the Explanatory Statement. The Board is of the view that the award of the performance Rights to Mr Tenardi is an appropriate form of director remuneration considering the current circumstances of the Company, and the current and past director fees of Mr Tenardi. ASX Listing Rule 10.11 provides a general restriction against a company issuing securities to related parties without shareholder approval, as a director Mr Tenardi is a related party of the Company

Voting Exclusion: The Company will disregard any votes cast on this Resolution by Mr Dan Tenardi and his nominees, and any of their associates. However, the Company need not disregard a vote if it is cast by a person as proxy for a person who is entitled to vote, in accordance with the directions on the proxy form, or if it is cast by the person chairing the meeting as a proxy for a person who is entitled to vote, in accordance with a direction on the proxy form to vote as the proxy decides.

Voting Prohibition Statement:

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

(a) the proxy is either:

(i) a member of the Key Management Personnel; or

(ii) a Closely Related Party of such a member; and

(b) the appointment does not specify the way the proxy is to vote on this Resolution.

However, the above prohibition does not apply if:

(a) the proxy is the Chair; and

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

4. RESOLUTION 4 – APPROVAL OF THE ISSUE OF PERFORMANCE RIGHTS TO MR PETER BAILEY

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

"That, for the purposes of ASX Listing Rule 10.11 and section 195 and Chapter 2E of the Corporations Act and for all other purposes, the Company approves and authorises the grant and issue of 2,250,000 Performance Rights to Mr Peter Bailey (or his nominees) on the terms and conditions set out in the Explanatory Memorandum."

Short Explanation: Shareholder approval is sought for the issue of 2,250,000 performance Rights to Mr Peter Bailey, a director of the Company. The vesting of the performance Rights is conditional on the attainment of specific performance criteria that are aligned to the development of the Company and detailed in the Explanatory Statement. The Board is of the view that the award of the performance Rights to Mr Bailey is an appropriate form of director remuneration considering the current circumstances of the Company, and the current and past director fees of Mr Bailey. ASX Listing Rule 10.11 provides a general restriction against a company issuing securities to related parties without shareholder approval, as a director Mr Bailey is a related party of the Company

Voting Exclusion: The Company will disregard any votes cast on this Resolution by Mr Peter Bailey and his nominees, and any of their associates. However, the Company need not disregard a vote if it is cast by a person as proxy for a person who is entitled to vote, in accordance with the directions on the proxy form, or if it is cast by the person chairing the meeting as a proxy for a person who is entitled to vote, in accordance with a direction on the proxy form to vote as the proxy decides.

Voting Prohibition Statement:

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

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

However, the above prohibition does not apply if:

- (a) the proxy is the Chair; and
 - (b) the appointment expressly authorises the Chair to exercise the proxy even though this Resolution is connected directly or indirectly with remuneration of a member of the Key Management Personnel.
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DATED: 13 FEBRUARY 2015

BY ORDER OF THE BOARD



**SHANE VOLK
COMPANY SECRETARY**

EXPLANATORY STATEMENT

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

1. RESOLUTION 1 – PARTICIPATION BY MR IGGY TAN IN THE SHORTFALL OFFER

1.1 Background

Altech Chemicals Limited (ACN 125 301 206) (**Altech** or the **Company**) announced the Entitlement Offer on 24 November 2014 and the offer closed on 19 December 2014 with applications totalling \$438,722, before costs, including an application by Mr Iggly Tan for 250,000 of Shares (\$25,000.00).

As Mr Tan was not a shareholder of the Company at the Record Date, he was not eligible to participate in the Entitlement Offer as a shareholder, however under the terms of the offer, Mr. Tan's application for shares can be satisfied from the Shortfall, with the approval of Shareholders, as Mr. Tan is a related party of the Company and Shareholder approval is required under ASX Listing Rule 10.11 for the issue of any shares by the Company to a related party.

Under the terms of the Entitlement Offer the directors have a period of 3 months after the offer closing date to place the Shortfall, the offer closed on 19 December 2014.

1.2 Specific Information Required by Listing Rule 10.13

For the purposes of Listing Rule 10.13 information regarding the participation of Mr Tan in the Shortfall is provided as follows:

- (a) The Shortfall shares will be issued to Mr Iggly Tan or his nominee.
- (b) The maximum number of Shares that the Company can issue to Mr. Tan or his nominee under Resolution 1 is 250,000 Shares.
- (c) The Shares to be issued are ordinary shares and will rank equally in all respects with the Company's existing Shares on issue.
- (d) The Shares will each be allotted at an issue price of \$0.10 per share, with a free attaching Option with an exercise price of \$0.10 and expiry date of 15 December 2015, the full terms of which are set out in Annexure A.
- (e) The funds raised will be used for the Company's bankable feasibility study for the development of a High Purity Alumina (HPA) processing plant.
- (f) The Company will issue and allot the Shares to Mr Tan and/or his nominee no later than once month after the Meeting (or such later date to the extent permitted by any ASX waiver or modification of the Listing Rules).
- (g) A voting exclusion statement is included in the Notice.

2. RESOLUTIONS 2, 3 AND 4 - ISSUE OF PERFORMANCE RIGHTS TO LUKE ATKINS, DAN TENARDI and PETER BAILEY

Resolutions 2, 3 and 4 seek shareholder approval to grant and issue a total of 5,250,000 Rights to Messrs Luke Atkins, Dan Tenardi and Peter Bailey (Related Parties), on the terms and conditions set out in Annexure B to the Explanatory Memorandum accompanying this Notice of Meeting.

Resolutions 2, 3 and 4 seek Shareholder approval to allow the Company to grant the following Rights to Directors at no cost and at an exercise price of nil:

Director	Resolution Number	Total Rights to be issued	Vesting Tranches			Expiry Date
			Tranche 1	Tranche 2	Tranche 3	
Luke Atkins	2	1,500,000	500,000	500,000	500,000	5 years from date of grant
Dan Tenardi	3	1,500,000	500,000	500,000	500,000	5 years from date of grant
Peter Bailey	4	2,250,000	750,000	750,000	750,000	5 years from date of grant
Total		5,250,000	1,750,000	1,750,000	1,750,000	

Tranche 1: 1/3rd of the Rights will vest upon completion of \$1.9m capital raising, delivery of a bankable feasibility study and the first anniversary date of the issue of the Rights;

Tranche 2: 1/3rd of the Rights will vest upon successful funding of the HPA project and the second anniversary date of the issue of the Rights;

Tranche 3: 1/3rd of the Rights will vest upon first tonne of HPA product sold and plant is at a steady state of production (plant is stable and producing at a constant and the third anniversary date of the issue of the Rights);

Shareholder approval for the grant and issue of the Rights the subject of Resolutions 2, 3 and 4 is required by ASX Listing Rule 10.11 and Chapter 2E of the Corporations Act.

Purpose of the Rights

The grant of the Rights is designed to incentivise the recipients and align the Board and management in the setting and achievement of the Company's objectives and participating in the future growth and prosperity of the Company through share ownership. Under the Company's current circumstances, the Directors consider that the incentives to the Directors noted above, represented by the issue of the Rights are a cost effective and efficient reward and incentive for the Company, as opposed to alternative forms of incentive, such as the payment of cash compensation to Directors. Luke Atkins, Dan Tenardi and Peter Baily are Non-Executive Directors of the Company. The Company acknowledges the issue of Rights to Non-Executive Directors is contrary to recommendation 8.2 of the ASX Corporate Governance Principles and Recommendations. However the Directors are of the view that at this stage of the Company's development it is far better for Directors of the Company to be compensated by way of securities in the Company, rather than by way of cash to attract the highest calibre of professionals to the Company, whilst maintaining the Company's cash reserves.

The number of Rights to be issued to each of the Directors has been determined based on a number of factors including:

- the role of each Director, in particular their specialist assistance to management;
- continuity of senior management. The Directors have acquired substantial and extensive knowledge regarding the development of the Company's project. The retention of the current Board with the knowledge possessed by each of them will be critical to the successful development of the Company's project;
- market standards. The Directors have generally reviewed a selection of comparable companies to determine market conditions generally and consider the proposed number of Rights to be issued will ensure that the overall remuneration those persons are in line with market standards; and
- alignment of interests. The Directors consider that it is in the interests of shareholders to align the interests of Directors and shareholders by encouraging Directors to have an equity holding in the Company. However, the Directors consider that similarly to other shareholders, this interest should arise through direct investment by the Directors in the Company. In this regard, if shareholders approve the grant and issue of the Rights under Resolutions 2 to 4 and those Rights granted, the vesting conditions attained and the Rights are exercised, the Directors will increase there individual shareholdings in the Company.

Related Party Transactions

Chapter 2E of the Corporations Act prohibits a public company from giving a financial benefit to a related party (such as a director) of the public company unless either:

- the giving of the financial benefit falls within one of the nominated exceptions in Chapter 2E; or

- ii) shareholder approval is obtained prior to the giving of the financial benefit and the benefit is given within 15 months after obtaining such approval.

For the purposes of Chapter 2E, each of the Directors is considered to be a related party of the Company.

Resolutions 2 to 4 provide for the grant of Rights to Directors of the Company which is a financial benefit for the purposes of Chapter 2E of the Corporations Act and, therefore, requires prior shareholder approval. The Directors are of the view that no exceptions to the requirement to obtain shareholder approval under Chapter 2E currently apply in the circumstances.

In accordance with Chapter 2E of the Corporations Act, the following information is provided to shareholders:

- (a) the Related Parties are Messrs Luke Atkins, Dan Tenardi and Peter Bailey and they are related parties by virtue of each being a Director of the Company.
- (b) If Resolutions 2 to 4 are passed by shareholders it will permit the Company giving the following financial benefit to the following Directors:

Director	Resolution Number	Number of Rights	Expiry Date	Consideration	Exercise Price
Luke Atkins	2	1,500,000	5 years from date of grant	nil	nil
Dan Tenardi	3	1,500,000	5 years from date of grant	nil	nil
Peter Bailey	4	2,250,000	5 years from date of grant	nil	nil
Total		5,250,000			

- (c) The nature of the financial benefit proposed to be given is the grant of Rights in the Company for no consideration on the terms and conditions set out in Annexure B to this Explanatory Memorandum. The purpose of the issue is to give each of the Directors an incentive to provide dedicated and ongoing commitment to the Company. The Directors consider the issue of the Rights is appropriate having regard to the skills, ability and contribution of the Directors (both now and in the future) to the Company.
- (d) The value of the financial benefit and the amounts to be paid by the Directors in the event the Rights are exercised will depend upon the price of the ordinary shares of the Company at the date that the Rights vest.

The Rights are not to be quoted on ASX and as such have no actual market value. The Rights are capable of being converted to shares in the Company at any time after the vesting conditions are met and accordingly have a value at the date of grant. If the Company's shares are trading at a price greater than \$0.00 at the time of vesting, the effect will be to give an immediate financial benefit to the Director who's Rights have vested.

The value of the Rights using the Black and Scholes Right pricing model is \$0.072 per Right using the following material assumptions in valuing the Rights:

- share price of \$0.08 per share;
- Right exercise price of \$0.00 per Right;
- probability of each tranche of Rights vesting of 90%;
- risk free interest rate of 1.88%; and
- volatility factor of 87.95%.

Accordingly under the above assumptions, the value of the Rights to be issued and the amounts to be paid by the Directors in the event the Rights are exercised are as follows:

Director	Number of Rights	Value per Right	Total value of Rights	Exercise price per Right	Total amount to be paid on exercise of Rights
Luke Atkins	1,500,000	\$0.072	\$108,000	nil	nil
Dan Tenardi	1,500,000	\$0.072	\$108,000	nil	nil
Peter Bailey	2,250,000	\$0.072	\$162,000	nil	nil
Total	5,250,000		\$378,000		

- (e) As at the date of this Notice, the non-executive directors hold the following relevant interests in the securities of the Company representing approximately 15.6% of the current issued capital of the Company on a fully diluted basis:

Director	Ordinary shares	Unlisted Options	Listed Options	Total Securities
Luke Atkins	6,943,055	6,000,000	500,000	13,443,055
Dan Tenardi	7,000,000	-	-	7,000,000
Peter Bailey	1,797,437	3,000,000	359,488	5,156,925
Total	15,740,492	9,000,000	859,488	25,599,980

- (f) If Shareholders approve all Resolutions contained in this Notice, the non-executive directors will hold the following relevant interests in the securities in the Company representing approximately 18.2% of the issued capital of the Company on a fully diluted basis:

Director	Ordinary shares	Unlisted Options	Listed Options	Unlisted Rights	Total Securities
Luke Atkins	6,943,055	6,000,000	500,000	1,500,000	14,943,055
Dan Tenardi	7,000,000	-	-	1,500,000	8,500,000
Peter Bailey	1,797,437	3,000,000	359,488	2,250,000	7,406,925
Total	15,740,492	9,000,000	859,488	5,250,000	30,849,980

- (g) If Shareholders approve all Resolutions contained in this Notice, the capital structure of the Company would be as follows with relevant interests in securities held by the non-executive directors representing approximately 5.22% of the issued capital of the Company on a fully diluted basis:

	Total	Held by the non executive Directors	% Held by the non executive Directors
Shares currently on issue	111,536,237	15,740,492	14.1%
Listed options currently on issue	25,242,735	859,488	3.4%
Unlisted options currently on issue	11,800,000	9,000,000	76.3%
Rights currently on issue	15,384,580	-	-
Total securities currently on issue	163,963,552	25,599,980	15.6%
Proposed Rights under resolutions 2 to 4	5,250,000	5,250,000	100.00%
Total securities after issue of Rights	169,213,552	30,849,980	18.2%

If all of the Rights granted to the non-executive directors as proposed are exercised, the effect would be to dilute the shareholding of existing shareholders by 2.6% on a fully diluted basis based on the number of securities on issue as at the date of the notice.

- (h) During the last 12 months before the date of lodgment of this Notice with ASIC, the highest trading price of the Company's shares on the ASX was \$0.11 on 13, 14 and 15 November 2014 and the lowest trading price of the Shares was \$0.061 on 4 February 2015. The volume weighted average price of the Company's shares as traded on the ASX over the 5 days before the date of lodgment of this Notice with ASIC was \$0.064. On 13 February 2015, the last trading day before this Notice was lodged with ASIC, the Shares closed at a price of \$0.062 per share.
- (i) The non-executive directors' current salary or directors' fees per annum (including superannuation where applicable) and the total financial benefit to be received by them as a result of the grant of Rights the subject of Resolutions 2 to 4 is as follows:

Director	Salary, fees & superannuation	Value of Rights (refer (d) above)	Total Financial Benefit
Luke Atkins*	\$280,691	\$108,000	\$108,000
Dan Tenardi	\$20,000	\$108,000	\$108,000
Peter Bailey	\$20,000	\$162,000	\$162,000
Total	\$320,691	\$378,000	\$378,000

* Mr Luke Atkins remuneration consists of Board fees of \$20,000 p.a., plus consulting fees paid to Executive Resource Personnel Pty Ltd, a company controlled by Mr Atkins.

Under Australian Accounting Standards, the Company is required to recognise the value of Rights as an expense in profit or loss with a corresponding adjustment to equity.

- (j) The Directors do not consider that there are any opportunity costs or taxation consequences for the Company or benefits foregone by the Company in granting the Rights under Resolutions 2 to 4.
- (k) In respect of Resolution 2, all Directors recommend that shareholders vote in favour of Resolution 2, save for Luke Atkins who has an interest in the outcome of Resolution 2 and declines to make a recommendation in respect of it.
- (l) In respect of Resolution 3, all Directors recommend that shareholders vote in favour of Resolution 3, save for Dan Tenardi who has an interest in the outcome of Resolution 3 and declines to make a recommendation in respect of it.
- (m) In respect of Resolution 4, all Directors recommend that shareholders vote in favour of Resolution 4, save for Peter Bailey who has an interest in the outcome of Resolution 4 and declines to make a recommendation in respect of it.
- (n) Neither the Directors nor the Company are aware of any other information that would be reasonably required by shareholders to make a decision in relation to the financial benefit contemplated by the proposed resolution.

Listing Rule 10.11

ASX Listing Rule 10.11 requires shareholder approval to be obtained where an entity issues, or agrees to issue, securities to a related party. Messrs Atkins, Tenardi and Bailey are all related parties by virtue of being directors of the Company.

For the purpose of Listing Rule 10.13 information regarding the issue of the Rights to Messrs Atkins, Tenardi and Bailey is as follows:

- (a) The maximum number of Rights to be issued to the Directors (or their nominees) (both individually and in aggregate) is as follows:

Related Party	Rights
Luke Atkins	1,500,000
Dan Tenardi	1,500,000
Peter Bailey	2,250,000
Total	5,250,000

the Rights will vest in three tranches:

- i) Tranche 1 – 1/3rd of the Rights issued to each director will vest upon completion of \$1.9m capital raising, delivery of a bankable feasibility study and the first anniversary date of the issue of the Rights;
 - ii) Tranche 2 – 1/3rd of the Rights issued to each director will vest upon successful funding of the HPA project and the second anniversary date of the issue of the Rights;
 - iii) Tranche 3 – 1/3rd of the Rights issued to each director will vest upon first tonne of HPA product sold and plant is at a steady state of production (plant is stable and producing at a constant and the third anniversary date of the issue of the Rights);
- (b) The Rights are being issued for nil value;
 - (c) The full terms and conditions of the Rights are set out in Annexure B;
 - (d) No funds will be raised from the issues as the Rights are being issued as an incentive to the Directors for their ongoing commitment and dedication to the Company;
 - (e) The Company will issue and allot the Rights to Messrs Atkins, Tenardi and Bailey and/or their nominees no later than once month after the Meeting (or such later date to the extent permitted by any ASX waiver or modification of the Listing Rules); and
 - (f) A voting exclusion statement is included in the Notice.

GLOSSARY

\$ means Australian dollars.

ASIC means the Australian Securities and Investments Commission.

ASX means ASX Limited.

Board means the current board of directors of the Company.

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

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

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

Corporations Act means the Corporations Act 2001 (Cth).

Directors means the current directors of the Company.

Entitlement Offer means the pro-rata entitlement offer on the basis of one (1) new Share at \$0.10 for every (4) four shares held by Shareholders at 1 December 2014 (record date), with one (1) free attaching listed Right (exercise price \$0.10, expiry of 15 December 2015) for every new share subscribed, to raise a maximum of \$2.69 million, before costs, pursuant to a prospectus dated 24 November 2014.

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

Listing Rules means the listing rules of the ASX.

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

Option means an option to acquire a Share.

Prospectus means the Company's pro-rata entitlement offer prospectus lodged with ASIC on 24 November 2014.

Proxy Form means the proxy form accompanying the Notice.

Record Date means 1 December 2014.

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

Right means a right to acquire a Share on the terms and conditions set out in Annexure B.

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

Shareholder means a holder of a Share.

Shortfall means the Shares not applied for under the Entitlement Offer.

Shortfall Offer means the offer of the Shortfall on the terms and conditions as set out the Prospectus.

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

ANNEXURE A

TERMS AND CONDITIONS OF OPTIONS

Each Option will entitle the holder the right to subscribe for one fully paid ordinary share in the capital of the Company (**Share**) on the following terms and conditions (**Option**).

- (a) Each Option entitles the holder to subscribe for and be allotted one Share which is exercisable by paying \$0.10 (**Exercise Price**) at any time on or before 5.00pm (Western Standard Time) on 15 December 2015 (**Expiry Date**).
- (b) Options may be exercised by delivering the form prescribed by the Company from time to time for the purpose of exercising Options (**Exercise Notice**) to the Company's registered office or the Company's share registry at any time prior to the Expiry Date.
- (c) The Exercise Notice must state the number of Options to be exercised and be accompanied by the relevant holding statement(s) and a cheque (in Australian currency) made payable to the Company for an amount being the result of the Exercise Price multiplied by the number of Options being exercised.
- (d) As soon as practical following receipt of a properly executed Exercise Notice and application monies in respect of the exercise of any Options, the Company will issue the resultant Shares and deliver notification of shareholdings.
- (e) The Company shall make an application to have the Options listed for Quotation within 7 days of the date of issue.
- (f) The Company shall make an application to have the Shares (issued pursuant to an exercise of the Options) listed for Quotation within 7 days of the date of issue.
- (g) Shares issued pursuant to an exercise of Options shall rank, from the date of issue, pari passu with existing Shares of the Company in all respects.
- (h) An Option has no right to participate in pro rata issues of securities to shareholders unless the Option is exercised before the record date for determining entitlements to the relevant pro rata issue. Each person or persons registered as the holder of an Option from time to time will be notified by the Company of any proposed pro rata issue of securities to shareholders in accordance with ASX Listing Rules.
- (i) In the event the Company proceeds with a bonus issue of securities to Shareholders after the date of issue of the Options, the number of securities over which an Option is exercisable may be increased by the number of securities which the Optionholder would have received if the Option had been exercised before the record date for the bonus issue.
- (j) Except as expressly set out in the terms, an Option does not confer the right to a change in exercise price or a change in the number of underlying securities over which the Option can be exercised.
- (k) In the event of a reorganisation (including reconstruction, consolidation, subdivision, reduction, or return) of the capital of the Company, the terms of the Options will be changed to the extent necessary to comply with the requirements of ASX Listing Rules (in force at the time of the reorganisation) for the reorganisation of capital.

ANNEXURE B

TERMS AND CONDITIONS OF PERFORMANCE RIGHTS

The following is a summary of the key terms and conditions of the Performance Rights:

- (a) **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).
- (b) **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.
- (c) **Vesting Conditions:** The Board will determine the vesting conditions (if any) that must be satisfied before a Performance Right vests, and the date by which a vesting condition must be satisfied (Vesting Condition).
- (d) **Vesting:** A 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:
 - (i) death, total and permanent disability, retirement or redundancy, terminal illness, severe financial hardship of the holder; or
 - (ii) the Company undergoing a change in control or winding up.
- (e) **Exercise of vested Performance Right:** Unless the Board decides otherwise, any vested Performance Right automatically vests, following which the Company will issue the holder with the applicable number of Shares.
- (f) **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.
- (g) **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.
- (h) **Lapse of a Performance Right:** a Performance Right will lapse upon the earlier to occur of:
 - (i) an unauthorised dealing in, or hedging of, the Performance Right;
 - (ii) 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;
 - (iii) a vested Performance Right is not exercised where required;
 - (iv) the Board deems that a Performance Right lapses due to fraud, dishonesty or other improper behaviour of the holder;
 - (v) the Company undergoes a change in control or winding up, and the Board does not exercise its discretion to vest the Performance Right; and
 - (vi) the five (5) year anniversary of the date of grant of the Performance Right.
- (i) **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.
- (j) **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.
- (k) **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.

APPOINTMENT OF PROXY FORM

ALTECH CHEMICALS LIMITED
ACN 125 301 206

GENERAL MEETING

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 11.00am WST on 18 March 2015, and at any adjournment thereof.

The Chair intends to vote undirected proxies in favour of the Resolution in which the Chair is entitled to vote.

Voting on business of the Meeting		FOR	AGAINST	ABSTAIN
Resolution 1	Approval for Mr Iggy Tan to participate in the Shortfall Offer	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Resolution 2	Approval for the issue of Performance Rights to Mr Luke Atkins	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Resolution 3	Approval for the issue of Performance Rights to Mr Dan Tenardi	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Resolution 4	Approval for the issue of Performance Rights to Mr Peter Bailey	<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:
 - (b) post to Altech Chemicals Limited, Suite 8, 295 Rokeby Road, Subiaco, Western Australia 6008 ; or
 - (c) email to the Company at shane@altechchemicals.com; or
 - (d) facsimile to the Company on facsimile number +61 (0)8 9389 5510

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.