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**ALTECH CHEMICALS LIMITED**  
**ACN 125 301 206**  
**NOTICE OF GENERAL MEETING**

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**TIME:** 11.00am (WST)  
**DATE:** Friday 29 July 2016  
**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) 6168 1555*

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**IMPORTANT INFORMATION**

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**TIME AND PLACE OF MEETING**

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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) Friday 29 July 2016** at:

Suite 8, 295 Rokeby Road, Subiaco WA 6008

**YOUR VOTE IS IMPORTANT**

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

**VOTING ELIGIBILITY**

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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 27 July 2016.

**VOTING IN PERSON**

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

**VOTING BY PROXY**

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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.

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## BUSINESS OF THE MEETING

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### AGENDA

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#### ORDINARY BUSINESS

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##### 1. RESOLUTION 1 – RATIFICATION OF PRIOR ISSUE OF SHARES

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

*“That, in accordance with ASX Listing Rule 7.4 and for all other purposes, Shareholders ratify the issue of 14,264,776 Shares at an issue price of \$0.086 per Share on the terms and conditions set out in the Explanatory Statement.”*

**Short Explanation:** This resolution is seeking Shareholder approval under ASX Listing Rule 7.4 to ratify the issue of 14,264,776 shares to professional and sophisticated investors on 5 April 2016 pursuant to a share placement by the Company, as originally announced on the ASX on 24 March 2016. Refer to the Explanatory Statement for details.

**Voting Exclusion:** The Company will disregard any votes cast on this Resolution by a person who participated in the share placement and any of their associates. However, the Company will not disregard a vote if it is cast by the person as proxy for a person who is entitled to vote, in accordance with directions on the Proxy Form; or it is cast by the Chairman as proxy for a person who is entitled to vote, in accordance with a direction on the Proxy Form to vote as the proxy decides.

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##### 2. RESOLUTION 2 – APPROVAL OF \$1,000,000 PLACEMENT OF SHARES TO MAA GROUP BERHAD

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

*“That, for the purpose of ASX Listing Rule 10.11 and for all other purposes, Shareholder approval is given for the Company to issue up to 11,627,907 Shares at an issue price of \$0.086 per Share to MAA Group Berhad on the terms and conditions set out in the Explanatory Statement.”*

**Short Explanation:** On 9 June 2016, the Company announced a \$1,000,000 share placement to MAA Group Berhad (“MAAG”) on the same terms as the various professional and sophisticated investors that participated in the 24 March 2016 share placement; MAAG is a Malaysian public company and its shares are quoted on the Bursa Malaysia (Malaysian stock exchange). MAAG is considered to be a related party of the Company by virtue of Company Non-Executive Director, Tunku Ya’acob bin Tunku Tan Sri Abdullah being the executive chairman and majority shareholder of MAAG. ASX Listing Rule 10.11 provides a general restriction against a company issuing securities to related parties without the prior approval of Shareholders. Refer to the Explanatory Statement for further details.

Resolution 2 seeks Shareholder approval for the issue of up to 11,627,907 Shares at an issue price of \$0.086 per share (\$1,000,000) to MAAG in accordance with the requirements of ASX Listing Rule 10.11.

**Voting Exclusion:** The Company will disregard any votes cast on this Resolution by MAAG and its nominees, and any of its 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.

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**3. RESOLUTION 3 – APPROVAL OF THE ISSUE OF PERFORMANCE RIGHTS TO TUNKU YA'ACOB BIN TUNKU TAN SRI ABDULLAH**

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 1,000,000 Performance Rights to Mr Tunku Ya'acob bin Tunku Tan Sri Abdullah (or his nominees) on the terms and conditions set out in the Explanatory Statement."*

**Short Explanation:** Shareholder approval is sought for the issue of 1,000,000 Performance Rights to Tunku Ya'acob bin Tunku Tan Sri Abdullah, 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 Tunku Ya'acob bin Tunku Tan Sri Abdullah is an appropriate form of Director remuneration considering the current circumstances of the Company. ASX Listing Rule 10.11 provides a general restriction against a company issuing securities to related parties without Shareholder approval, as a Director Tunku Ya'acob bin Tunku Tan Sri Abdullah is a related party of the Company.

**Voting Exclusion:** The Company will disregard any votes cast on this Resolution by Tunku Ya'acob bin Tunku Tan Sri Abdullah 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:

- (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.

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#### 4. RESOLUTION 4 – APPROVAL OF THE ISSUE OF PERFORMANCE RIGHTS TO MR UWE AHRENS

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 1,000,000 Performance Rights to Mr Uwe Ahrens (or his nominees) on the terms and conditions set out in the Explanatory Statement."*

**Short Explanation:** Shareholder approval is sought for the issue of 1,000,000 Performance Rights to Mr Uwe Ahrens, the nominated Alternate Director of Tunku Ya'acob bin Tunku Tan Sri Abdullah, 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 Ahrens is an appropriate form of Alternate Director remuneration considering the current circumstances of the Company. ASX Listing Rule 10.11 provides a general restriction against a company issuing securities to related parties without Shareholder approval, as an Alternate Director Mr Ahrens is a related party of the Company.

**Voting Exclusion:** The Company will disregard any votes cast on this Resolution by Mr Uwe Ahrens 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:

- (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.

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5. **RESOLUTION 5 – RE-ELECTION OF NOMINATED DIRECTOR – TUNKU YA'ACOB BIN TUNKU TAN SRI ABDULLAH**

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

*“That, for the purpose of clause 13.4 of the Constitution and for all other purposes, subject to his appointment as a director of the Company, Tunku Ya’acob bin Tunku Tan Sri Abdullah, retires, and being eligible, is re-elected as a Director.”*

**Short explanation:** Clause 13.4 of the Company Constitution allows the Directors to appoint at any time a person to be a Director as an addition to the existing Directors, but only where the total number of Directors does not at any time exceed the maximum number specified by the Constitution, which is nine (9). Any Director so appointed holds office only until the next following general meeting and is then eligible for re-election. As this is the first General Meeting of the Company since the appointment of Tunku Ya’acob bin Tunku Tan Sri Abdullah as a director of the Company he is required to resign as a Director, and being eligible has nominated himself for re-election.

Each of the other directors of the Company recommends to Shareholders the re-election of Tunku Ya’acob bin Tunku Tan Sri Abdullah as a Director.

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**DATED: 21 JUNE 2016**

**BY ORDER OF THE BOARD**



**SHANE VOLK  
COMPANY SECRETARY**

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## EXPLANATORY STATEMENT

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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.

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### 1. RESOLUTION 1 – RATIFICATION OF PRIOR ISSUE OF SHARES

#### 1.1 Background

On 24 March 2016, the Company announced a \$1,200,000 share placement to sophisticated and professional investors of the Company priced at \$0.086 per share which represented a ~14% discount to the 5 day VWAP of the Company's shares as traded on the ASX on the date on which the placement price was set.

On 5 April 2016, the Company issued the shares pursuant to the Company's 15% annual placement capacity under ASX Listing Rule 7.1

Resolution 1 is seeking Shareholder approval under ASX Listing Rule 7.4 to ratify the issue of the 14,264,776 shares.

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

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

By ratifying the issue of the Shares, the subject to Resolution 1, the Company will retain the flexibility to issue equity securities in the future of up to the 15% annual placement capacity set out in ASX Listing Rule 7.1 without the requirement to obtain prior Shareholder approval.

#### 1.2 Technical information required by ASX Listing Rule 7.4

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

- (a) 14,264,776 Shares were issued;
- (b) the issue price per Share was \$0.086;
- (c) the Shares issued were all fully paid ordinary shares in the capital of the Company issued on the same terms and conditions as the Company's existing Shares;
- (d) the Shares were issued to sophisticated and professional investors. None of these subscribers are related parties of the Company; and
- (e) the Company intends to use the funds raised from this issue (\$1,200,000) for the detailed design of the Company's proposed high purity alumina plant in Malaysia, finalising debt funding for the project and for general working capital purposes.



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## **2. RESOLUTION 2 – APPROVAL OF \$1,000,000 PLACEMENT OF SHARES TO MAA GROUP BERHAD**

Resolution 2 seeks Shareholder approval for the issue of up to 11,627,907 Shares at an issue price of \$0.086 per share (\$1,000,000) to MAA Group Berhad in accordance with the requirements of ASX Listing Rule 10.11.

### General

On 9 June 2016, the Company announced a \$1,000,000 share placement to MAA Group Berhad (“MAAG”) on the same terms as the various professional and sophisticated investors that participated in the 24 March 2016 share placement; MAAG is a Malaysian public company and its shares are quoted on the Bursa Malaysia (Malaysian stock exchange). MAAG is considered to be a related party of the Company by virtue of Company non-executive direction, Tunku Ya’acob bin Tunku Tan Sri Abdullah being the executive chairman and majority shareholder of MAAG. ASX Listing Rule 10.11 provides a general restriction against a company issuing securities to related parties without the prior approval of Shareholders.

Resolution 2 seeks Shareholder approval for the issue of up to 11,627,907 Shares to MAAG.

### Chapter 2E of the Corporations Act

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

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

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

The Participation will result in the issue of Shares which constitutes giving a financial benefit and MAAG is considered to be a related party of the Company by virtue of Company non-executive direction, Tunku Ya’acob bin Tunku Tan Sri Abdullah being the executive chairman and majority shareholder of MAAG.

The Directors (other than Tunku Ya’acob bin Tunku Tan Sri Abdullah) consider that Shareholder approval pursuant to Chapter 2E of the Corporations Act is not required in respect of the issue because the Shares will be issued to MAAG on the same terms as Shares issued to non-related party participants under the 24 March 2016 share placement and as such the giving of the financial benefit is on arm’s length terms.

### ASX 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, or a person whose relationship with the entity or a related party is, in ASX’s opinion, such that approval should be obtained unless an exception in ASX Listing Rule 10.12 applies.

Shareholder approval is required under ASX Listing Rule 10.11 because Tunku Ya’acob bin Tunku Tan Sri Abdullah is a Director of the Company and is the executive chairman and majority shareholder of MAA Group Berhad. It is the view of the Directors that the exceptions set out in ASX Listing Rule 10.12 do not apply in the current circumstances.

ASX Listing Rule 10.11 restricts the Company’s ability to issue securities to a related party unless approval is obtained from Shareholders. The effect of passing Resolution 2 will be to allow the Company to issue a maximum of up to 11,627,907 Shares to MAAG within one (1) month after the Meeting (or a longer period, if allowed by ASX) without breaching Listing Rule 10.11 or using up the Company’s 15% placement capacity under ASX Listing Rule 7.1 or its 10% placement capacity under ASX Listing Rule 7.1A.

### **Technical information required by ASX Listing Rule 10.13**

ASX Listing Rule 10.13 requires that the following information be provided to Shareholders for the purpose of obtaining Shareholder approval pursuant to ASX Listing Rule 10.11:

- (a) the Shares shall be issued to MAA Group Berhad;
- (b) the maximum number of Shares the Company will issue is up to 11,627,907;
- (c) the Shares will be issued no later than one (1) month after the date of the Meeting, or such longer period of time as ASX may in its discretion allow;
- (d) the Shares will be issued by the Company at an issue price of \$0.086 each per Share, being the same price as all other Shares issued under the 24 March 2016 share placement;
- (e) the Shares will be all fully paid ordinary shares in the capital of the Company issued on the same terms and conditions as the Company's existing Shares;
- (f) the funds raised from this issue (\$1,000,000) are to be applied towards the detailed design of the Company's proposed high purity alumina plant, finalising debt funding for the project and for general working capital purposes; and
- (g) voting exclusion statements are included in the Notice.

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### **3. RESOLUTIONS 3 AND 4 - ISSUE OF PERFORMANCE RIGHTS TO TUNKU YA'ACOB BIN TUNKU TAN SRI ABDULLAH AND UWE AHRENS**

Resolutions 3 and 4 seek Shareholder approval to grant and issue a total of 2,000,000 Performance Rights to Messrs Tunku Ya'acob bin Tunku Tan Sri Abdullah and Uwe Ahrens (Related Parties), on the terms and conditions set out in Annexure A to the Explanatory Statement accompanying this Notice of Meeting.

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

<b>Director/Alternate Director</b>	<b>Resolution No.</b>	<b>Number of Rights</b>	<b>Expiry Date</b>
Tunku Ya'acob bin Tunku Tan Sri Abdullah	3	1,000,000	5 years from date of grant
Uwe Ahrens	4	1,000,000	5 years from date of grant
<b>Total</b>		<b>2,000,000</b>	

Shareholder approval for the grant and issue of the Rights the subject of Resolutions 3 and 4 is required by ASX Listing Rule 10.11.

#### **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. Tunku Ya'acob bin Tunku Tan Sri Abdullah is a Non-Executive Director of the Company and Uwe Ahrens is his nominated Alternate Director. The Company acknowledges the issue of Rights to Non-Executive Directors (an their respective alternates) 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 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 has been determined based on a number of factors including:

- (a) the role of the Director and Alternate Director, in particular their specialist assistance to management;
- (b) continuity of senior management. The Director and Alternate Director have acquired substantial and extensive knowledge regarding the development of the Company's project and both have specialist knowledge to assist the Company with the development of its project in Malaysia. The retention of the

Director and the Alternate Director with the knowledge possessed by each of them will be critical to the successful development of the Company's project;

- (c) 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 for those persons are in line with market standards; and
- (d) 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 3 and 4 and those Rights are granted, the vesting conditions attained and the Rights are exercised, the Directors will increase their individual shareholdings in the Company.

### 3.2 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:

- i. 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, the Director and Alternate Director are each considered to be a related party of the Company.

Resolutions 3 and 4 provide for the grant of Rights to a Director of the Company and his Alternate Director, which is a financial benefit for the purposes of Chapter 2E of the Corporations Act and, therefore, requires prior Shareholder approval. The Directors (other than Messrs Tunku Ya'acob bin Tunku Tan Sri Abdullah and Uwe Ahrens) are of the view that the issue of the Performance Rights constitutes reasonable remuneration and therefore Shareholder approval is not required.

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

- (a) the Related Parties are Messrs Tunku Ya'acob bin Tunku Tan Sri Abdullah and Uwe Ahrens and they are related parties by virtue of each being a Director and Alternate Director of the Company.
- (b) If Resolutions 3 and 4 are passed by Shareholders it will permit the Company giving the following financial benefit to the Directors:

Director	Resolution Number	Number of Rights	Expiry Date	Consideration	Exercise Price
Tunku Ya'acob bin Tunku Tan Sri Abdullah	3	1,000,000	5 years from date of grant	nil	nil
Uwe Ahrens	4	1,000,000	5 years from date of grant	nil	nil
<b>Total</b>		<b>2,000,000</b>			

- (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 A to this Explanatory Statement. The purpose of the issue is to give each of the Director and the Alternate Director 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 Director and Alternate Director (both now and in the future) to the Company.
- (d) The value of the financial benefit received by the Director and Alternate Director 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 or Alternate Directors who's Rights have vested.

The value of the Rights using the Black and Scholes Right pricing model is \$0.15 per Right using the following material assumptions in valuing the Rights:

- share price of \$0.15 per Share;
- Right exercise price of \$0.00 per Right;
- probability of each tranche of Rights vesting of 90%;
- risk free interest rate of 1.58%; and
- volatility factor of 178.63%.

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
Tunku Ya'acob bin Tunku Tan Sri Abdullah	1,000,000	\$0.15	\$135,000	nil	nil
Uwe Ahrens	1,000,000	\$0.15	\$135,000	nil	nil
<b>Total</b>	<b>2,000,000</b>		<b>\$270,000</b>		

- (e) As at the date of this Notice, the non-executive Director and Alternate Director hold the following relevant interests in the securities of the Company representing 8.6% of the current issued capital of the Company on a fully diluted basis:

Director	Ordinary shares	Total Securities
Tunku Ya'acob bin Tunku Tan Sri Abdullah	16,949,153	<b>16,949,153</b>
Uwe Ahrens	-	-
<b>Total</b>	16,949,153	<b>16,949,153</b>

- (f) If Shareholders approve all Resolutions contained in this Notice, the Director and Alternate Director will hold the following relevant interests in the securities in the Company representing 14.5% of the issued capital of the Company on a fully diluted basis:

Director	Ordinary shares	Unlisted Rights	Total Securities
Tunku Ya'acob bin Tunku Tan Sri Abdullah	28,577,060	1,000,000	29,577,060
Uwe Ahrens	-	1,000,000	1,000,000
<b>Total</b>	<b>28,577,060</b>	<b>2,000,000</b>	<b>30,577,060</b>

- (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 Director and the Alternate Director representing 14.5% of the issued capital of the Company on a fully diluted basis:

	<b>Total</b>	<b>Held by the non-executive Directors</b>	<b>% Held by the non-executive Directors</b>
Shares currently on issue	178,531,733	16,949,153	9.5%
Unlisted options currently on issue	4,850,000	-	-
Rights currently on issue	13,800,000	-	-
<b>Total securities currently on issue</b>	<b>197,181,733</b>	<b>16,949,153</b>	<b>8.6%</b>
Proposed Shares issued under resolution 2	11,627,907	11,627,907	100%
Proposed Rights under resolutions 3 and 4	2,000,000	2,000,000	100%
<b>Total securities after issue of Rights</b>	<b>210,809,640</b>	<b>30,577,060</b>	<b>14.5%</b>

If all of the Rights granted to the Director and Alternate Director as proposed are exercised, the effect would be to dilute the shareholding of existing Shareholders by 0.9% on a fully diluted basis based on the number of securities on issue as at the date of the notice and ignoring the Shares to be issued to the Director under resolution 2.

- (h) During the last 12 months the highest trading price of the Company's shares on the ASX was \$0.20 on 6 June 2016 and the lowest trading price of the Shares was \$0.06 from 22 June 2015 to 30 June 2015 and 9 July 2015 to 14 July 2015. The volume weighted average price of the Company's shares on the ASX over the 5 days before the date of this notice \$0.16. On 20 June 2016, the last trading day before the date of this Notice, the Shares closed at a price of \$0.15 per share.
- (i) The Director and Alternate 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 3 and 4 is as follows:

<b>Director</b>	<b>Salary, fees &amp; superannuation</b>	<b>Value of Rights (refer (d) above)</b>	<b>Total Financial Benefit</b>
Tunku Ya'acob bin Tunku Tan Sri Abdullah	\$40,000	\$135,000	\$175,000
Uwe Ahrens	Nil	\$135,000	\$135,000
<b>Total</b>	<b>\$40,000</b>	<b>\$270,000</b>	<b>\$310,000</b>

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 3 and 4.
- (k) In respect of Resolution 3, all Directors recommend that Shareholders vote in favour of Resolution 3, save for Tunku Ya'acob bin Tunku Tan Sri Abdullah who has an interest in the outcome of Resolution 3 and declines to make a recommendation in respect of it.
- (l) In respect of Resolution 4, all Directors recommend that Shareholders vote in favour of Resolution 4.
- (m) 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 Tunku Ya'acob bin Tunku Tan Sri Abdullah and Uwe Ahrens are each a related party by virtue of being a Director and Alternate Director of the Company.

For the purpose of Listing Rule 10.13 information regarding the issue of the Rights to Messrs Tunku Ya'acob bin Tunku Tan Sri Abdullah and Uwe Ahrens is as follows:

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

<b>Related Party</b>	<b>Performance Rights</b>
Tunku Ya'acob bin Tunku Tan Sri Abdullah	1,000,000
Uwe Ahrens	1,000,000
<b>Total</b>	<b>2,000,000</b>

the Performance Rights will vest in two tranches:

- i) Milestone 1 – ½ of the Performance Rights issued will vest upon successful debt financing of the HPA project satisfactory to the Board and the first anniversary date of the issue of the Performance Rights (that is, vesting will only occur after the first anniversary date); and
  - ii) Milestone 2 – ½ of the Performance Rights issued will vest upon first tonne of HPA product being sold and the HPA plant is at a steady state of production (plant is stable and producing at a constant) and the second anniversary date of the issue of the Rights (that is, vesting will only occur after the second anniversary date);
- (b) The Rights are being issued for nil value;
- (c) The full terms and conditions of the Rights are set out in Annexure A;
- (d) No funds will be raised from the issues as the Rights are being issued as an incentive to the Director and Alternate Director for their ongoing commitment and dedication to the Company;
- (e) The Company will issue and allot the Rights to Messrs Tunku Ya'acob bin Tunku Tan Sri Abdullah and Uwe Ahrens and/or their nominees no later than one (1) 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.

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**4. RESOLUTION 5 – RE-ELECTION OF NOMINATED DIRECTOR – TUNKU YA'ACOB BIN TUNKU TAN SRI ABDULLAH**

Clause 13.4 of the Constitution allows the Directors to appoint at any time a person to be a Director as an addition to the existing Directors, but only where the total number of Directors does not at any time exceed the maximum number specified by the Constitution, which is nine (9).

Any Director so appointed holds office only until the next following general meeting and is then eligible for re-election.

Subject to his appointment as a Director, Tunku Ya'acob bin Tunku Tan Sri Abdullah will retire in accordance with clause 13.4 of the Constitution and being eligible, seeks re-election.

The Board is delighted for Tunku Ya'acob bin Tunku Tan Sri Abdullah to continue as a director of the Company.

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## GLOSSARY

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**\$** means Australian dollars.

**Alternate Director** means the person nominated as the alternate director to a current director of the Company.

**ASX** means ASX Limited.

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

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

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

**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).

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

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

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

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

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

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

**Option** means an option to acquire a Share.

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

**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 A.

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

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

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

## ANNEXURE A

### 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 Performance Rights will vest in two tranches:
  - i) Milestone 1 – ½ of the Performance Rights issued will vest upon successful debt financing of the HPA project satisfactory to the Board and the first anniversary date of the issue of the Performance Rights (that is, vesting will only occur after the first anniversary date); and
  - ii) Milestone 2 – ½ of the Performance Rights issued will vest upon first tonne of HPA product being sold and the HPA plant is at a steady state of production (plant is stable and producing at a constant) and the second anniversary date of the issue of the Rights (that is, vesting will only occur after the second anniversary date);
- (d) **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:
  - (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.



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**ALTECH CHEMICALS LIMITED**

ACN: 125 301 206

**REGISTERED OFFICE:**SUITE 8  
295 ROKEBY ROAD  
SUBIACO WA 6008

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**SHARE REGISTRY:**Security Transfer Registrars Pty Ltd  
PO BOX 535, APPLECROSS WA 6953  
AUSTRALIA  
770 Canning Highway, APPLECROSS WA 6153  
AUSTRALIA  
T: +61 8 9315 2333 F: +61 8 9315 2233  
E: registrar@securitytransfer.com.au  
W: www.securitytransfer.com.au

Code:

ATC

Holder Number:

**PROXY FORM**

THIS DOCUMENT IS IMPORTANT. IF YOU ARE IN DOUBT AS TO HOW TO DEAL WITH IT, PLEASE CONTACT YOUR STOCK BROKER OR LICENSED PROFESSIONAL ADVISOR.

**SECTION A: Appointment of Proxy**

I/We, the above named, being registered holders of the Company and entitled to attend and vote hereby appoint:

The meeting chairperson

**OR**

or failing the person named, or if no person is named, the Chairperson of the meeting, as my/our Proxy to act generally at the meeting on my/our behalf and to vote in accordance with the following directions (or if no directions have been given, as the Proxy sees fit) at the General Meeting of the Company to be held at 11:00am WST on Friday 29 July 2016 at Suite 8, 295 Rokeby Road, Subiaco, WA 6008 and at any adjournment of that meeting.

**SECTION B: Voting Directions**

Please mark "X" in the box to indicate your voting directions to your Proxy. The Chairperson of the Meeting intends to vote undirected proxies in FAVOUR of all the resolutions. In exceptional circumstances, the Chairperson of the Meeting may change his/her voting intention on any resolution, in which case an ASX announcement will be made.

**RESOLUTION**

- |  | <b>For</b>               | <b>Against</b>           | <b>Abstain*</b>          |
|--|--------------------------|--------------------------|--------------------------|
| 1. RATIFICATION OF PRIOR ISSUE OF SHARES   | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |
| 2. APPROVAL OF \$1,000,000 PLACEMENT OF SHARES TO MAA GROUP BERHAD                         | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |
| 3. APPROVAL OF THE ISSUE OF PERFORMANCE RIGHTS TO TUNKU YA'ACOB BIN TUNKU TAN SRI ABDULLAH | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |
| 4. APPROVAL OF THE ISSUE OF PERFORMANCE RIGHTS TO MR UWE AHRENS                            | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |
| 5. RE-ELECTION OF NOMINATED DIRECTOR - TUNKU YA'ACOB BIN TUNKU TAN SRI ABDULLAH            | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |

If no directions are given my proxy may vote as the proxy thinks fit or may abstain. \* If you mark the Abstain box for a particular item, you are directing your Proxy not to vote on your behalf on a show of hands or on a poll and your votes will not be counted in computing the required majority on a poll.

**SECTION C: Signature of Security Holder(s)**

This section must be signed in accordance with the instructions overleaf to enable your directions to be implemented.

Individual or Security Holder

Sole Director &amp; Sole Company Secretary

Security Holder 2

Director

Security Holder 3

Director/Company Secretary

**Proxies must be received by Altech Chemicals Limited no later than 11:00am WST on Wednesday 27 July 2016.**

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ATC

ATCPX2290716

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My/Our contact details in case of enquiries are:

Name:

Number:

(  )

### 1. NAME AND ADDRESS

This is the name and address on the Share Register of the Company. If this information is incorrect, please make corrections on this form. Shareholders sponsored by a broker should advise their broker of any changes. Please note that you cannot change ownership of your shares using this form.

### 2. APPOINTMENT OF A PROXY

If the person you wish to appoint as your Proxy is someone other than the Chairperson of the Meeting please write the name of that person in Section A. If you leave this section blank, or your named Proxy does not attend the meeting, the Chairperson of the Meeting will be your Proxy. A Proxy need not be a shareholder of the Company.

### 3. DIRECTING YOUR PROXY HOW TO VOTE

To direct the Proxy how to vote place an "X" in the appropriate box against each item in Section B. Where more than one Proxy is to be appointed and the proxies are to vote differently, then two separate forms must be used to indicate voting intentions.

### 4. APPOINTMENT OF A SECOND PROXY

You are entitled to appoint up to two (2) persons as proxies to attend the meeting and vote on a poll. If you wish to appoint a second Proxy, an additional Proxy form may be obtained by contacting the Company's share registry or you may photocopy this form.

To appoint a second Proxy you must:

- a) On each of the Proxy forms, state the percentage of your voting rights or number of securities applicable to that form. If the appointments do not specify the percentage or number of votes that each Proxy may exercise, each Proxy may exercise half of your votes; and
- b) Return both forms in the same envelope.

### 5. 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 must sign.

**Power of Attorney:** to sign under Power of Attorney you must have already lodged this document with the Company's share registry. If you have not previously lodged this document for notation, please attach a certified photocopy of the Power of Attorney to this form when you return it.

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

If a representative of the corporation is to attend the meeting the appropriate "Certificate of Appointment of Corporate Representative" should be lodged with the Company before the meeting or at the registration desk on the day of the meeting. A form of the certificate may be obtained from the Company's share registry.

### 6. LODGEMENT OF PROXY

Proxy forms (and any Power of Attorney under which it is signed) must be received by Altech Chemicals Limited no later than the date and time stated on the form overleaf. Any Proxy form received after that time will not be valid for the scheduled meeting.

#### Altech Chemicals Limited

**Postal Address** Suite 8  
295 Rokeby Road  
Subiaco WA 6008 AUSTRALIA

**Facsimile** +61 8 6168 1551

**Email** info@altechchemicals.com

#### PRIVACY STATEMENT

Personal information is collected on this form by Security Transfer Registrars Pty Ltd as the registrar for securities issuers for the purpose of maintaining registers of security holders, facilitating distribution payments and other corporate actions and communications. Your personal details may be disclosed to related bodies corporate, to external service providers such as mail and print providers, or as otherwise required or permitted by law. If you would like details of your personal information held by Security Transfer Registrars Pty Ltd or you would like to correct information that is inaccurate please contact them on the address on this form.

