



# **Notice of General Meeting and Explanatory Statement**

*A General Meeting of*

## ***CLEAN TEQ HOLDINGS LIMITED***

*ABN 34 127 457 916*

*Will be held at  
10.00am on Tuesday, 6 September 2016*

*At the offices of  
Baker & McKenzie  
Level 19, 181 William Street, Melbourne*

This Notice of General Meeting and Explanatory Statement should be read in its entirety. If shareholders are in doubt as to how they should vote, they should seek advice from their accountant, solicitor or other professional advisor without delay

# CLEAN TEQ HOLDINGS LIMITED

ABN 34 127 457 916

Registered office: 2 Acacia Place, Notting Hill, Victoria, 3168

## NOTICE OF GENERAL MEETING

Notice is given that a General Meeting of Members of Clean TeQ Holdings Limited (the "Company") will be held at the offices of Baker & McKenzie, Level 19, 181 William Street, Melbourne at 10.00am (Melbourne time) on Tuesday, 6 September 2016 ("General Meeting" or "Meeting").

### AGENDA

The Explanatory Statement and proxy form which accompany and form part of this Notice, describe in more detail the matters to be considered. Please consider this Notice, the Explanatory Statement and the proxy form in their entirety.

#### **Resolution 1: Ratification of prior issue of shares**

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

*"That for the purpose of ASX Listing Rule 7.4 and for all other purposes, shareholders approve, ratify and confirm the allotment and issue on 13 May 2016 of 19,047,620 fully paid ordinary shares in the Company at an issue price of \$0.21 (21 cents) per share to professional and sophisticated investors."*

#### **Resolution 2: Approval to issue 831,025 Performance Rights to Mr Sam Riggall (or his nominee)**

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

*"That for the purposes of ASX Listing Rule 10.14 and for all other purposes, approval be given to grant up to 831,025 Performance Rights (being a right to acquire up to 831,025 fully paid ordinary shares in the Company subject to satisfaction of relevant performance conditions) for no consideration to Mr Sam Riggall (a Director of the Company), or his nominee, as described in the Explanatory Statement accompanying this Notice of Meeting."*

#### **Resolution 3: Approval to issue 461,681 Performance Rights to Mr Peter Voigt (or his nominee)**

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

*"That for the purposes of ASX Listing Rule 10.14 and for all other purposes, approval be given to grant up to 461,681 Performance Rights (being a right to acquire up to 461,681 fully paid ordinary shares in the Company subject to satisfaction of relevant performance conditions) for no consideration to Mr Peter Voigt (a Director of the Company), or his nominee, as described in the Explanatory Statement accompanying this Notice of Meeting."*

#### **Resolution 4: Approval to issue 8,000,000 Options to Mr Sam Riggall (or his nominee)**

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

*"That for the purposes of ASX Listing Rule 10.11, Chapter 2E of the Corporations Act and for all other purposes, shareholders approve, the issue of 8,000,000 options to Mr Sam Riggall (or his nominee) on the terms set out in the Explanatory Statement."*

#### **Resolution 5: Approval to issue 1,000,000 Options to Mr Peter Voigt (or his nominee)**

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

*“That for the purposes of ASX Listing Rule 10.11, Chapter 2E of the Corporations Act and for all other purposes, shareholders approve, the issue of 1,000,000 options to Mr Peter Voigt (or his nominee) on the terms set out in the Explanatory Statement.”*

**Resolution 6: Approval to issue 375,000 Options to Mr Roger Harley (or his nominee)**

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

*“That for the purposes of ASX Listing Rule 10.11, Chapter 2E of the Corporations Act and for all other purposes, shareholders approve, the issue of 375,000 options to Mr Roger Harley (or his nominee) on the terms set out in the Explanatory Statement.”*

**Resolution 7: Approval to issue 375,000 Options to Mr Ian Knight (or his nominee)**

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

*“That for the purposes of ASX Listing Rule 10.11, Chapter 2E of the Corporations Act and for all other purposes, shareholders approve, the issue of 375,000 options to Mr Ian Knight (or his nominee) on the terms set out in the Explanatory Statement.”*

**Resolution 8: Approval to issue 375,000 Options to Mr Eric Finlayson (or his nominee)**

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

*“That for the purposes of ASX Listing Rule 10.11, Chapter 2E of the Corporations Act and for all other purposes, shareholders approve, the issue of 375,000 options to Mr Eric Finlayson (or his nominee) on the terms set out in the Explanatory Statement.”*

**BY ORDER OF THE BOARD**



**Melanie Leydin**  
**Company Secretary**  
29 July 2016

## PROXY AND VOTING INSTRUCTIONS

1. On a poll, ordinary shareholders have one vote for every fully paid ordinary share held.
2. A member entitled to attend and vote is entitled to appoint not more than two proxies.
3. A proxy need not be a member of the Company.
4. A proxy may be either an individual or a body corporate. If you wish to appoint a body corporate as your proxy, you must specify on the proxy form:
  - the full name of the body corporate appointed as proxy; and
  - the full name or title of the individual representative of the body corporate to attend the Meeting.
5. Where more than one proxy is appointed, each proxy may be appointed to represent a specified proportion or number of the member's voting rights and neither proxy is entitled to vote on a show of hands if more than one proxy attends. If it is desired to appoint two proxies, you must specify the percentage of votes or number of securities for each proxy, otherwise each proxy may exercise half of the votes. When appointing a second proxy, write both names and the percentage of votes of securities for each proxy.
6. Proxy forms must be signed by a member or the member's attorney or, if a corporation, executed under seal or in accordance with section 127 of the Corporations Act or signed by an authorised officer or agent.
7. Proxy appointments in favour of the Chairman of the meeting, the secretary or any Director that do not contain a direction on how to vote will be used where possible to support each of the resolutions proposed in this Notice.
8. Proxy forms (and if the appointment is signed by the appointer's attorney, the original authority under which the appointment was signed or certified copy of the authority) must be returned using one of the methods below:

### **In person**

#### ***at the Registered Office***

Clean TeQ Holdings Limited  
2 Acacia Place, Notting Hill, Victoria, 3168

#### ***or the Share Registry***

Computershare Investor Services Pty Ltd  
Yarra Falls, 452 Johnston Street, Abbotsford Victoria 3067

### **By mail**

C/- Computershare Investor Services Pty Limited, GPO Box 242, Melbourne Victoria 3001

### **By facsimile**

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

### **Online at**

[www.intermediaryonline.com](http://www.intermediaryonline.com) (for Intermediary Online subscribers only)

prior to **10.00 am (Melbourne time) on 4 September 2016.**

9. The Board has determined, in accordance with the Corporation's Regulations, that a shareholder's voting entitlement at the meeting will be taken to be the entitlement of that person shown in the register of members as at 7.00pm (Melbourne time) on **4 September 2016.**

## **VOTING EXCLUSIONS**

### **Resolution 1**

The Company will disregard any votes cast on Resolution 1 by any person who participated in the issue and any associates of those persons.

However the Company need not disregard a vote if it is cast:

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

### **Resolutions 2 and 3**

In accordance with ASX Listing Rules, the Company will disregard any votes cast on Resolutions 2 and 3 by a Director (except one who is ineligible to participate in any employee incentive scheme in relation to the Company) and any associates of those Directors.

### **Resolutions 4, 5, 6, 7 and 8**

In accordance with the ASX Listing Rules and the Corporations Act, a vote on Resolutions 4, 5, 6, 7, and 8 must not be cast (in any capacity) by or on behalf of:

- in the case of Resolution 4, Mr Sam Riggall or any of his associates;
- in the case of Resolution 5, Mr Peter Voigt or any of his associates;
- in the case of Resolution 6, Mr Roger Harley or any of his associates;
- in the case of Resolution 7, Mr Ian Knight or any of his associates; and
- in the case of Resolution 8, Mr Eric Finlayson or any of his associates,

unless, in relation to the relevant proposed Resolution:

- it is cast by a person as a proxy appointed by writing that specifies how the proxy is to vote on the proposed resolution; and
- it is not cast on behalf of the Director to whom the relevant Resolution would permit a financial benefit or any of his associates.

### **Key Management Personnel voting exclusions for each of Resolutions 2, 3, 4, 5, 6, 7 and 8**

In addition to the above, the Corporations Act provides that a member of the Company's Key Management Personnel or a closely related party of that Key Management Personnel, cannot cast a vote on Resolutions 2, 3, 4, 5, 6, 7, and 8 as a proxy, unless the vote is cast:

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

If you appoint the Chairman as your proxy and you do not direct the Chairman how to vote, you will be expressly authorising the Chairman to exercise the proxy even if the relevant resolution is connected directly or indirectly with the remuneration of a Key Management Personnel of the Company. Shareholders should note that the Chairman intends to vote any undirected proxies in favour of all resolutions.

# CLEAN TEQ HOLDINGS LIMITED

ACN 127 457 916

Registered office: 296 Ferntree Gully Road, Notting Hill, Victoria 3168

## EXPLANATORY STATEMENT

### PURPOSE OF INFORMATION

The purpose of this Explanatory Statement (which is included in and forms part of the Notice of Meeting dated 29 July 2016) is to provide members with an explanation of the business of the meeting and of the Resolutions to be proposed and considered at the Meeting to be held on Tuesday, 6 September 2016 commencing at 10.00am (Melbourne time) at Baker & McKenzie, Level 19, 181 William Street, Melbourne and to assist members to determine how they wish to vote on each Resolution.

The Directors recommend that Shareholders read this Explanatory Statement before making any decisions in relation to the Resolutions. If you are in doubt as to what you should do, you should consult your legal, investment or other professional adviser.

### Resolution 1: Ratification of prior issue of shares

The Company is seeking Shareholder approval to ratify the issue of 19,047,620 fully paid ordinary shares to professional and sophisticated investors on 13 May 2016, as part of the Company's capital raising announced on 9 May 2016.

ASX Listing Rule 7.4 provides that a company may reinstate its capacity to issue up to 15% of the ordinary securities on issue in a 12 month period if shareholders ratify the previous issue of securities and the issue did not breach Listing Rule 7.1.

ASX Listing Rule 7.5 requires that the following information be provided to shareholders for the purpose of obtaining shareholder approval pursuant to ASX Listing Rule 7.4:

- (a) the total number of fully paid ordinary shares in the Company that were issued is 19,047,620;
- (b) the Shares were issued at a price of \$0.21 (21 cents) per share;
- (c) the Shares allotted and issued rank equally with the existing Shares on issue;
- (d) the Shares were allotted and issued to sophisticated and professional investors based in Sydney and Hong Kong and who are clients of BW Equities; and
- (e) the funds raised will be used to strengthen the Company's balance sheet and provide additional working capital for ongoing Syerston marketing activities and water business development.

### ***Board Recommendation***

The Board unanimously recommends that the Shareholders vote in favour of Resolution 1.

### **Resolution 2 and 3: Approval to Grant Performance Rights to Mr Sam Riggall (or his nominee) and Mr Peter Voigt (or his nominee)**

#### **Background**

Resolutions 2 and 3 of this Notice provide for 831,025 Performance Rights to be granted to Mr Sam Riggall (or his nominee) and 461,681 Performance Rights to be granted to Mr Peter Voigt (or his nominee), and on the terms described below.

Performance Rights are proposed to be granted to each of Mr Sam Riggall (or his nominee) and Mr Peter Voigt (or his nominee) to align their interests with the interests of Shareholders. The grant of the Performance Rights (and the subsequent issue of Shares if certain vesting conditions are met) to Mr Sam Riggall (or his nominee) and Mr Peter Voigt (or his nominee) is a cash retentive form of remuneration when compared to the payment of cash consideration.

It should also be noted that the extent to which the rights will vest is dependent on the shareholder returns generated by the Company outperforming a group of peer companies, which is intended to align the interests of all Shareholders.

The establishment of an effective performance management system assists in maintaining a focus on delivering superior shareholder returns. A key role of this program is to ensure that this objective is achieved. It should be recognised that the achievement of these objectives will be to the benefit of all Shareholders, and the conversion of the performance rights can only occur if these benefits are realised.

Consistent with the desire to minimise cash expenditures, the Board believes that in order to incentivise Mr Sam Riggall (or his nominee) and Mr Peter Voigt (or his nominee) in line with current market practices, Performance Rights provide an appropriate and meaningful remuneration component to executive management that is aligned with Shareholder interests.

### **Terms of Performance Rights**

Resolutions 2 and 3 of this Notice provide for a total of 1,292,706 Performance Rights to be granted to Mr Sam Riggall (or his nominee) and Mr Peter Voigt (or his nominee). The Performance Rights will be issued to Mr Riggall and Mr Voigt for nil consideration. The vesting of the Performance Rights is contingent on the Company achieving hurdles over a three year performance period. Further details on how Performance Hurdles are calculated are described below.

The value of the Performance Rights which are proposed to be granted can only be definitively determined at the time of grant, following shareholder approval. Based on an independent valuation obtained in June 2016 for Performance Rights with the same terms and conditions, the tranche of 831,025 Performance Rights to be issued to Mr Riggall are worth approximately \$105,000 and the tranche of 461,681 Performance Rights to be issued to Mr Peter Voigt are worth approximately \$58,000.

The full terms of the Performance Rights are set out in Annexure A of this Explanatory Statement.

### **Mr Sam Riggall's and Mr Peter Voigt's Remuneration Package**

Mr Riggall was appointed to the Board on 4 June 2013 and as Executive Chairman and Chief Executive Officer effective 1 July 2015. As announced on 25 May 2016, his remuneration package with effect from 1 July 2016 will comprise:

- a fixed component of \$300,000 per annum, plus compulsory employer superannuation contributions, reviewable annually;
- the opportunity to earn an annual cash short term incentive bonus of up to \$90,000 if key business performance hurdles achieve target;
- an entitlement to receive Performance Rights under the LTI Plan, subject to Shareholder approval.

Approval is being sought in Resolution 2 in respect of the proposed grant of Performance Rights to Mr Riggall under the LTI Plan as a component of his revised overall executive remuneration package effective 1 July 2016, as announced by the Company on 25 May 2016. The revised terms reflect a level of remuneration which is considered by the Board to be appropriate for Mr Riggall's role given the current stage of the Company's development while providing an incentive to retain and adequately motivate Mr Riggall.

As advised on 25 May 2016, Mr Riggall and the Company have agreed to vary his executive services agreement from 1 July 2016, such that the terms relating to his on-going remuneration are consistent with the Company's general remuneration plan. As such, if any future grant to Mr Riggall of options or share rights is proposed for shareholder approval, such proposed grant shall be determined at the discretion of the Nomination and Remuneration Subcommittee of the Board, rather than being a contractual obligation of the Company. The proposed future grant of any options or share rights, remains subject to shareholder approval.

The Company also announced that the Nomination and Remuneration Subcommittee of the Board has committed to undertaking an independent remuneration benchmarking exercise for directors and key employees during FY17, to ensure that the Company's remuneration policies reflect best industry practise and to ensure that key employees are adequately motivated and retained.

Mr Voigt was appointed to the Board on 10 September 2007 as an Executive Director. His remuneration package from 1 July 2016 comprises:

- a fixed component of \$250,000 per annum, plus compulsory employer superannuation contributions, reviewable annually;
- the opportunity to earn an annual cash short term incentive bonus of up to \$62,500 of the fixed component if key business performance hurdles achieve target; and
- an entitlement to receive Performance Rights under the LTI Plan, subject to shareholder approval.

Approval is being sought in Resolution 3 in respect of the proposed grant of Performance Rights to Mr Voigt under the LTI Plan as a component of his overall executive remuneration package.

### **Performance Rights offered**

The Company proposes to make grants to Mr Riggall and Mr Voigt of Performance Rights under the LTI Plan. The Performance Rights will be issued to Mr Riggall and Mr Voigt for nil consideration. The vesting of the Performance Rights is contingent on the Company achieving performance hurdles over a three year performance period (**Performance Hurdles**). Further details on how Performance Hurdles are calculated are described below.

The number of Performance Rights granted for the three year performance period will be 831,025 to Mr Riggall and 461,681 to Mr Voigt.

### **Conversion of Performance Rights into Shares**

Under the LTI Plan, the Company is required to issue, or procure the transfer of, Shares to Mr Riggall and Mr Voigt in respect of Performance Rights for nil cash consideration on:

- (a) the satisfaction of the Performance Hurdles (to the extent of the satisfaction of those hurdles) for the relevant Performance Period within three years from the date of each grant of Performance Rights (**Performance Date**) provided that in the absence of special circumstances Mr Riggall and Mr Voigt remains employed by the Company; or
- (b) the occurrence of an Accelerated Event (more detail on the meaning of an Accelerated Event is provided below).

### **Performance Hurdles**

Subject to an Accelerated Event, the Performance Rights will not vest unless the Performance Hurdles have been achieved by the Performance Date.

If the Performance Hurdles are not satisfied by the Performance Date the entitlement to Shares will lapse unless:

- (a) the Remuneration & Nomination Committee decide exceptional circumstances justify the reduction or waiver in whole or in part of the Performance Hurdles; or
- (b) an Accelerated Event occurs.

There is no ability to re-test whether or not the Performance Hurdles have been satisfied after the Performance Period has ended.

The number of Performance Rights which vest is determined by assessing the performance of the Company, as measured by Total Shareholder Return (**TSR**) at the Performance Date relative to a comparator group of companies (the **Performance Hurdle**). The VWAP of the Shares in the one-month preceding the Performance Date compared to VWAP of the Shares in the one month preceding the grant date, will be used in calculating TSR over the three year period. The TSR incorporates capital returns as well as dividends notionally reinvested and is considered the most appropriate means of measuring the Company's performance.



Performance Rights will only convert to Shares subject to the Performance Period being met and subject to the Company's TSR being at least equal to the median of the comparator group performance. The entire annual allocation will convert if the Company's TSR is at the 75th percentile or higher than the comparator group performance. The detailed breakdown of the relationship between the Company's performance and the conversion of Performance Rights is:

- 0% converting if the Company TSR performance is below the median performance of the comparator group.
- Straight line Pro-rata conversion if the Company TSR performance is at or above the median performance of the comparator group, but below the 75th percentile performance of the comparator group.
- 100% converting if the Company TSR performance is at or above the 75th percentile performance of the comparator group.

In addition to the Performance Period and Performance Hurdles, the vesting of Performance Rights is subject to the continuing employment of Mr Riggall and Mr Voigt. Subject to an Accelerated Event, Performance Rights will generally lapse on Mr Riggall's and Mr Voigt's resignation or dismissal.

If an Accelerated Event occurs, all Performance Rights granted will automatically vest into Shares, irrespective of whether Performance Hurdles have been achieved.

To the extent that Performance Hurdles have not been satisfied in respect of a Performance Right, and an Accelerated Event has not occurred, once a Performance Period expires, that Performance Right lapses.

Having regard to the Performance Hurdles, the Directors consider that the issue of the Performance Rights represents reasonable remuneration.

### **Accelerated Event**

Performance Rights granted under the LTI Plan will convert to Shares if an Accelerated Event has occurred. For the avoidance of doubt, if an Accelerated Event occurs, the Performance Hurdles and the associated Performance Period do not apply to any of the Performance Rights granted under the LTI Plan to an Executive Officer.

An 'Accelerated Event' means:

- (a) the Company becoming aware of a change of control of the Company occurring;
- (b) a compromise or arrangement is approved by the Court under the Corporations Act in connection with a scheme for the acquisition, reorganisation or merger of the Company;
- (c) the Company is delisted from ASX;
- (d) a resolution is passed to wind up the Company; or
- (e) only in respect of the relevant Executive Officer, a special circumstance occurs (**Special Circumstance**). Special Circumstance means with respect to an Executive Officer:
  - (i) Total and permanent disablement;
  - (ii) Redundancy;
  - (iii) the death of the Executive Officer during his or her employment or office with the Company; or
  - (iv) any other circumstance as the Remuneration & Nomination Committee may at any time determine from time to time.

### *Legal Requirements - Listing Rule 10.14*

Listing Rule 10.14 provides that a company must not permit a Director or their associates to acquire securities under an employee incentive scheme without Shareholder approval. The LTI Plan constitutes an 'employee incentive scheme' under the ASX Listing Rules. If approval is given under ASX Listing Rule 10.14, approval is not required under ASX Listing Rule 7.1.

### *Disclosures for the purposes of Listing Rule 10.14*

It is proposed that the Company's Chairman and Chief Executive Officer, Mr Sam Riggall and Executive Director, Mr Peter Voigt, will participate in the LTI Plan by being granted an award of Performance Rights. As Mr Riggall and Mr Voigt are directors of the Company, shareholder approval is required in respect of the proposed grant of Performance Rights to Mr Riggall and Mr Voigt and the issue of Shares on the vesting of such Performance Rights upon satisfaction of the applicable vesting conditions. The Notice of Meeting and Explanatory Notes have been

prepared to comply with Listing Rule 10.15A. No director of the Company, other than Mr Riggall and Mr Voigt, are eligible for participation in the LTI Plan.

The following disclosures are made for the purposes of Listing Rule 10.15A:

- (a) the maximum number of Performance Rights that can be awarded under this approval are 831,025 to Mr Riggall and 461,681 to Mr Voigt respectively. Subject to the satisfaction of the vesting conditions described above, Mr Riggall and Mr Voigt will receive one Share in the Company for each Performance Right granted;
- (b) no consideration is payable on the grant of the Performance Rights, or the conversion of each Performance Right into a Share upon satisfaction of the vesting conditions;
- (c) persons referred to in Listing rule 10.14 who received securities under the LTI Plan since the last approval, and details of those securities, are as follows:

<b>Name of recipient</b>	<b>Number of securities received</b>	<b>Acquisition price of each security</b>
Sam Riggall	480,000 unlisted performance rights	Nil
Peter Voigt	400,000 unlisted performance rights	Nil

- (d) Mr Riggall and Mr Voigt are the only directors (i.e. person referred to in Listing rule 10.14) entitled to participate in the LTI Plan;
- (e) no loan will be made by the Company in relation to the grant of Performance Rights to Mr Riggall and Mr Voigt;
- (f) details of any Performance Rights issued under the LTI Plan will be published in each annual report of the Company relating to a period in which the Performance Rights have been issued, and the annual report will confirm that approval for the issue of securities was obtained under Listing Rule 10.14;
- (g) any director other than Mr Riggall and Mr Voigt who become entitled to participate in the LTI Plan after Resolution 2 and 3 is approved and who was not named in these Explanatory Notes will not participate until approval is obtained under Listing Rule 10.14; and
- (h) subject to the passing of Resolutions 2 and 3, it is expected that the first tranche of 831,025 Performance Rights to Mr Riggall and 461,681 Performance Rights to Mr Voigt will be granted no later than one month after the Meeting.

In addition, it is noted that:

- (a) Mr Riggall's security interests in the Company are:
  - (i) 6,878,634 fully paid ordinary shares;
  - (ii) 480,000 unlisted performance rights;
  - (iii) 8,000,000 unlisted options exercisable at 15.74 cents per option, expiring 25 February 2018; and
  - (iv) 8,000,000 unlisted options exercisable at 23.05 cents per option, expiring 30 June 2018;
- (b) Mr Voigt's security interests in the Company are:
  - (i) 27,725,794 fully paid ordinary shares;
  - (ii) 400,000 unlisted performance rights; and
  - (iii) 2,000,000 unlisted options exercisable at 14.5 cents per option, expiring 31 March 2018; and

- (c) the dilution effect of the Performance Rights is in aggregate in the order of 0.29% of the total Shares on issue.

#### *Advantages and Disadvantages*

The Board notes that advantages may accrue to the Company and members as a result of the passing of Resolutions 2 and 3. These advantages potentially include the alignment of Mr Riggall and Mr Voigt's interests more closely with those of members, with a strong focus on the delivery of long term total shareholder return.

The Board also notes that disadvantages may accrue to the Company and members as a result of the passing of Resolutions 2 and 3. These disadvantages include dilution to members' interest in the Company as a result of the grant of Shares under the Performance Rights. The fair value of the Performance Rights over the Performance Periods will be expensed in the Company's Consolidated Statement of Comprehensive Income.

#### **Board Recommendation**

The Remuneration and Nomination Committee has approved the grant of Performance Rights to Mr Riggall and Mr Voigt to secure their tenure with the Company as part of their remuneration as Executive Chairman and Chief Executive Officer and Executive Director, having regard to their roles and the current stage of the Company's development, and to provide an incentive to improve the financial performance of the Company and, in turn, shareholder value.

The Board (with Mr Riggall and Mr Voigt each abstaining in respect of Resolutions 2 and 3, respectively) recommends that Shareholders vote in favour of Resolutions 2 and 3.

#### **Resolutions 4, 5, 6, 7 and 8: Approval for the grant of options to Mr Sam Riggall, Mr Peter Voigt, Mr Roger Harley, Mr Ian Knight and Mr Eric Finlayson**

Further to the ASX announcement of 16 May 2016, the Company seeks approval for the proposed grants of options to the Directors of the Company as follows:

Proposed resolution no.	Option recipient/ related party	Number of options	Exercise price	Vesting date	Expiry date
4	Mr Sam Riggall (or his nominee)	8,000,000	31 cents	The options vest immediately on grant	16 May 2019
5	Mr Peter Voigt (or his nominee)	1,000,000	28.2 cents	The options vest immediately on grant	16 May 2019
6	Mr Roger Harley (or his nominee)	375,000	31 cents	The options vest immediately on grant	16 May 2019
7	Mr Ian Knight (or his nominee)	375,000	31 cents	The options vest immediately on grant	16 May 2019
8	Mr Eric Finlayson (or his nominee)	375,000	31 cents	The options vest immediately on grant	16 May 2019

The number of options proposed to be granted to Sam Riggall is in line with the terms of his employment contract in force at the time. The number of options proposed to be granted to each non-executive director represents 50% of the grant approved by shareholders in 2015. As per the ASX announcement of 16 May 2016, the exercise price of 31 cents was adopted at the time as it represented a material premium (43%) to the 30 day VWAP of shares traded in CLQ up to 13 May 2016, being the date at which the board agreed to the issue of options subject to shareholder approval.

The number of options proposed to be granted to Peter Voigt and the exercise price of those options is in line with the number of options and exercise price of options approved by the Board to be granted to other senior executives of the Company on 13 May 2016. The exercise price of 28.2 cents was adopted at the time as it represented a material premium (30%) to the 30 day VWAP of shares traded in CLQ up to 13 May 2016, being the date at which the board agreed to the issue of options subject to shareholder approval.

The 30 day CLQ VWAP up to and including 12 May 2016 was approximately 21.7 cents per share.

ASX Listing Rule 10.11 requires the approval of shareholders before securities can be issued to a related party. If approval is given under ASX Listing Rule 10.11, approval is not required under ASX Listing Rule 7.1.

The following information is given under ASX Listing Rule 10.13 on the options that are proposed to be issued to the Directors:

- (a) the related parties are Mr Sam Riggall, Mr Peter Voigt, Mr Roger Harley, Mr Ian Knight and Mr Eric Finlayson;
- (b) the maximum number of options to be granted in total is 10,125,000;
- (c) the Company will grant the options no later than one month after the Meeting;
- (d) the key terms of the options are as set out above and at Appendix B;
- (e) the options will be granted for nil cash consideration; and
- (f) no funds will be raised from the grant of the options.

Other remuneration (in addition to the proposed grant of options) paid by the Company to Mr Sam Riggall as from 1 July 2016 is set out below:

- a fixed component of \$300,000 per annum, plus compulsory employer superannuation contributions, reviewable annually;
- the opportunity to earn an annual cash short term incentive bonus of up to \$90,000 if key business performance hurdles achieve target;
- an entitlement to receive Performance Rights under the LTI Plan, subject to Shareholder approval; and

Other remuneration (in addition to the proposed grant of options) paid by the Company to Mr Peter Voigt from 1 July 2016 is set out below:

- a fixed component of \$250,000 per annum, plus compulsory employer superannuation contributions, reviewable annually;
- the opportunity to earn an annual cash short term incentive bonus of up to \$62,500 of the fixed component if key business performance hurdles achieve target; and
- an entitlement to receive Performance Rights under the LTI Plan, subject to shareholder approval.

Other remuneration (in addition to the proposed grant of options) paid by the company to Mr Roger Harley, Mr Ian Knight and Mr Eric Finlayson is annual non-executive Directors fees of \$50,000 (including superannuation).

In addition, it is noted that:

- (a) Mr Riggall's security interests in the Company are:
  - (i) 6,878,634 fully paid ordinary shares;
  - (ii) 480,000 unlisted performance rights;
  - (iii) 8,000,000 unlisted options exercisable at 15.74 cents per option, expiring 25 February 2018;
  - (iv) 8,000,000 unlisted options exercisable at 23.05 cents per option, expiring 30 June 2018;
- (b) Mr Voigt's security interests in the Company are:
  - (i) 27,725,794 fully paid ordinary shares;
  - (ii) 400,000 unlisted performance rights;
  - (iii) 2,000,000 unlisted options exercisable at 14.5 cents per option, expiring 31 March 2018;
- (c) Mr Harley's security interests in the Company are 1,754,220 fully paid ordinary shares and 750,000 unlisted options exercisable at 27.12 cents per option, expiring 30 November 2018;
- (d) Mr Knight's security interests in the Company are 1,025,557 fully paid ordinary shares and 750,000 unlisted options exercisable at 27.12 cents per option, expiring 30 November 2018;
- (e) Mr Finlayson's security interests in the Company are 750,000 unlisted options exercisable at 27.12 cents per option, expiring 30 November 2018; and
- (f) the dilution effect of the Options in aggregate is in the order of 2.26% of the total Shares on issue.

The Company believes it is appropriate to grant equity options to non-executive directors. Smaller entities often elect to use equity instruments to remunerate non-executive directors in order to attract and retain high caliber individuals while minimizing the cash cost of engaging those people. In addition, the options also help to create alignment between directors and shareholders.

In particular, the Company wishes to grant the Options to the relevant Directors under the proposed Resolutions 4, 5, 6, 7, and 8 instead of other alternatives considered by the Company including increasing Directors' fees or providing other forms of cash based remuneration at a time when the Company is in the early stages of development of its businesses. The Company considers the issue of the Options to be favourable to other available alternatives because it provides a means of appropriately remunerating and incentivising Directors in a manner that preserves cash resources and also aligns the interests of the Directors with the interests of shareholders.

Although the Options, if their issue is approved by shareholders, must ultimately be valued at the grant date, an indicative valuation of each tranche of Options as at 16 May 2016 (being the date the Company entered into an agreement to issue the options, subject to shareholder approval) is detailed below:

Option Recipient	Number of Options	Exercise Price of options	Indicative Value of Options
Mr Sam Riggall (or his nominee)	8,000,000	\$0.310	\$1,366,000
Mr Roger Harley (or his nominee)	375,000	\$0.310	\$64,000
Mr Ian Knight (or his nominee)	375,000	\$0.310	\$64,000
Mr Eric Finlayson (or his nominee)	375,000	\$0.310	\$64,000
Mr Peter Voigt (or his nominee)	1,000,000	\$0.282	\$177,500

The indicative value of the \$0.310 exercise price options is based on a Black and Scholes valuation of the options as at 16 May 2016 based on the following inputs:

Underlying Share Price:	\$0.31 per share (closing price of CLQ on 13 May 2016)
Exercise Price:	\$0.31 per share (43% premium to the CLQ 30 day VWAP up to and including 12 May 2016)
Risk free rate:	2.28% (Australian Government 10 year bond yield)
Volatility:	84.4% (three year CLQ historic volatility)
Grant Date:	16 May 2016
Expiry:	16 May 2019

The indicative value of the \$0.282 exercise price options is based on a Black and Scholes valuation of the options as at 16 May 2016 based on the following inputs:

Underlying Share Price:	\$0.31 per share (closing price of CLQ on 13 May 2016)
Exercise Price:	\$0.282 per share (30% premium to the CLQ 30 day VWAP up to and including 12 May 2016)
Risk free rate:	2.28% (Australian Government 10 year bond yield)
Volatility:	84.4% (three year CLQ historic volatility)
Grant Date:	16 May 2016
Expiry:	16 May 2019

The Options valuations detailed above are estimates as at 16 May 2016 (being the date the Company entered into an agreement to issue the options, subject to shareholder approval). Since that date the share price of the Company as quoted on ASX has appreciated significantly, which may impact on the potential value of the Options when they are granted, subject to shareholder approval. Although the Options, if their issue is approved by shareholders, must ultimately be valued at the grant date, an updated indicative valuation of each tranche of Options as at 25 July 2016 is detailed below:

Option Recipient	Number of Options	Exercise Price of options	Indicative Value of Options
Mr Sam Riggall (or his nominee)	8,000,000	\$0.310	\$2,011,000
Mr Roger Harley (or his nominee)	375,000	\$0.310	\$94,000
Mr Ian Knight (or his nominee)	375,000	\$0.310	\$94,000
Mr Eric Finlayson (or his nominee)	375,000	\$0.310	\$94,000
Mr Peter Voigt (or his nominee)	1,000,000	\$0.282	\$260,500

The indicative value of the \$0.310 exercise price options is based on a Black and Scholes valuation of the options as at 25 July 2016 based on the following inputs:

Underlying Share Price:	\$0.42 per share (closing price of CLQ on 22 July 2016)
Exercise Price:	\$0.31 per share (43% premium to the CLQ 30 day VWAP up to and including 12 May 2016)
Risk free rate:	1.91% (Australian Government 10 year bond yield)
Volatility:	83.1% (three year CLQ historic volatility)
Grant Date:	25 July 2016
Expiry:	16 May 2019

The indicative value of the \$0.282 exercise price options is based on a Black and Scholes valuation of the options as at 25 July 2016 based on the following inputs:

Underlying Share Price:	\$0.42 per share (closing price of CLQ on 22 July 2016)
Exercise Price:	\$0.282 per share (30% premium to the CLQ 30 day VWAP up to and including 12 May 2016)
Risk free rate:	1.91% (Australian Government 10 year bond yield)
Volatility:	83.1% (three year CLQ historic volatility)
Grant Date:	25 July 2016
Expiry:	16 May 2019

### ***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 proposed grants of the Options constitutes giving a financial benefit and Messrs Sam Riggall, Peter Voigt, Roger Harley, Ian Knight and Eric Finlayson are related parties of the Company by virtue of being Directors.

Shareholder approval is sought for Resolutions 4, 5, 6, 7 and 8 in accordance with Chapter 2E of the Corporations Act. Pursuant to and in accordance with the requirements of section 219 of the Corporations Act, information is set out above and throughout this Explanatory Statement in relation to the proposed issues of Options to the Directors. In addition and in accordance with ASIC guidance, the Directors state the following regarding their recommendations about the proposed Resolutions

#### ***Resolutions 4, 5, 6, 7 and 8***

The following Directors are to receive Options under the relevant Resolutions and accordingly make no recommendation and abstain from making a recommendation because of the material personal interest in the following Resolutions:

- in the case of Resolution 4, Mr Sam Riggall;
- in the case of Resolution 5, Mr Peter Voigt;
- in the case of Resolution 6, Mr Roger Harley;
- in the case of Resolution 7, Mr Ian Knight; and
- in the case of Resolution 8, Mr Eric Finlayson.

The Directors also consider that it is a matter of good practice to avoid making a recommendation about other Directors' remuneration in these circumstances as there may be a conflict of interest if such a recommendation was made. Accordingly, no Director makes any recommendation on the issue of Options to other Directors under Resolutions 4, 5, 6, 7 and 8, as applicable.

The Board is not aware of any other information that would be reasonably required by Shareholders to allow them to make a decision whether it is in the best interests of the Company to pass Resolutions 4 to 8. The full terms of the Option Issues are set out in Annexure B of this Explanatory Statement.

## GLOSSARY

The following terms have the following meanings in this Explanatory Statement:

“**\$**” means Australian Dollars;

“**ASX**” means ASX Limited ABN 98 008 624 691 or the Australian Securities Exchange, as the context requires;

“**Board**” means the Directors acting as the board of Directors of the Company or a committee appointed by such board of Directors;

“**Chairman**” means the person appointed to chair the Meeting of the Company convened by the Notice;

“**Company**” means Clean TeQ Holdings Limited ABN 34 127 457 916;

“**Constitution**” means the constitution of the Company as at the date of the Meeting;

“**Corporations Act**” means the Corporations Act 2001 (Cth);

“**Director**” means a Director of the Company;

“**Explanatory Memorandum**” means the explanatory memorandum which forms part of the Notice;

“**Key Management Personnel**” means those people described as Key Management Personnel in the Company's remuneration report (which forms part of the Directors' Report of Clean TeQ Holdings Limited for the financial year ended 30 June 2015 and which is set out in the 2015 Annual Report) and includes all directors;

“**LTI Plan**” means Employee Share Option Plan adopted by the shareholders on 21 November 2013

“**Listing Rules**” means the Listing Rules of the ASX;

“**Meeting**” has the meaning given in the introductory paragraph of the Notice;

“**Notice**” means the Notice of Meeting accompanying this Explanatory Statement;

“**Proxy Form**” means the proxy form attached to the Notice;

“**Resolution**” means a resolution referred to in the Notice;

“**Schedule**” means schedule to the Notice;

“**Section**” means a section of the Explanatory Memorandum;

“**Share**” means a fully paid ordinary share in the capital of the Company;

“**Shareholder**” means shareholder of the Company;

“**Trading Day**” means a day determined by ASX to be a trading day in accordance with the Listing Rules;

“**VWAP**” means volume weighted average price.



## ANNEXURE A

### Performance Rights Terms Summary

#### Mr Sam Riggall and Mr Peter Voigt

A summary of the terms of the Performance Rights are set out below:

- Each Performance Right gives the recipient the right to acquire one Share.
- The Performance Rights will generally have a maximum life of 3 years, such that if they are not exercised before the 3<sup>rd</sup> anniversary of their grant (“**Expiry Date**”) they will generally lapse.
- The issue price for each Performance Right is \$Nil.
- Shares issued on exercise of the Performance Rights will rank equally with all existing Shares from the date of issue. The Company will apply for quotation of the Shares issued on the exercise of each Performance Right.
- The Performance Rights are not transferrable.
- The Performance Rights will not vest unless the Performance Hurdles have been achieved by the Performance Date.
- When a Performance Right vests, the Company will issue a vesting notification to the holder of the Performance Right, and if exercised, and after which the holder of the Performance Rights will make payment to the Company of the required issue price.
- Lapsing Conditions: Unless otherwise determined by the Board in its sole and absolute discretion, any vested Performance Rights will lapse on the earlier of:
  - where a participant has acted fraudulently, dishonestly or wilfully breaching their duties to the Company;
  - the Expiry Date; or
  - the holder ceases to be employed by the Company in the absence of a Special Circumstance which includes the death, total permanent disablement or redundancy of the participant or any other circumstance as the Plan Committee may at any time determine.
- Performance Rights do not give holders any right to participate in new issues of securities in the Company made to Shareholders generally or to participate in dividends unless the Performance Rights are exercised and the resultant Shares are issued prior to the record date to determine entitlements to the securities or dividend (as applicable).
- Performance Rights do not give holders any right to vote.
- In the event of any reconstruction (including consolidation, subdivision, reduction or return) of the issued capital of the Company:
  - the number of Performance Rights will be reconstructed (as appropriate) in a manner consistent with the Listing Rules but with the intention that such reconstruction will not result in any benefits being conferred on the Performance Right holder which are not conferred on Shareholders; and
  - subject to the provisions with respect to rounding of entitlements as sanctioned by a meeting of Shareholders approving a reconstruction of capital, in all other respects the terms for the exercise of the Performance Rights will remain unchanged.
- Performance Rights will also vest automatically upon a range of events generally constituting a change in control of the Company.

## ANNEXURE B

### Terms and Conditions of Options – Sam Riggall, Peter Voigt, Roger Harley, Ian Knight and Eric Finlayson

The terms and conditions of the options to be granted to Mr Sam Riggall, Mr Peter Voigt, Mr Roger Harley, Mr Ian Knight and Mr Eric Finlayson pursuant to Resolutions 4, 5, 6, 7 and 8, respectively are as follows:

#### **Terms of Options**

##### **(a) Entitlement**

- (i) Each Option entitles the Option holder to subscribe for, and be allotted, one ordinary Share in the capital of the Company.
- (ii) Shares issued on the exercise of Options will rank equally with all existing Shares on issue, as at the exercise date, and will be subject to the provisions of the Constitution of the Company and any escrow restrictions imposed on them by the ASX.

##### **(b) Exercise of Option**

- (i) The options' exercise price, exercise date, vesting date and expiry date are as follows:

Option recipient	Number of options	Exercise price	Vesting date	Expiry date
Mr Sam Riggall (or his nominee)	8,000,000	31 cents	The options vest immediately on grant	16 May 2019
Mr Peter Voigt (or his nominee)	1,000,000	28.2 cents	The options vest immediately on grant	16 May 2019
Mr Roger Harley (or his nominee)	375,000	31 cents	The options vest immediately on grant	16 May 2019
Mr Ian Knight (or his nominee)	375,000	31 cents	The options vest immediately on grant	16 May 2019
Mr Eric Finlayson (or his nominee)	375,000	31 cents	The options vest immediately on grant	16 May 2019

- (ii) Each Option is exercisable by the Option holder signing and delivering a notice of exercise of Option together with the exercise price in full for each Share to be issued upon exercise of each Option to the Company's Share Registry.
- (iii) Remittances must be made payable to 'Clean TeQ Holdings Limited' and cheques should be crossed 'Not Negotiable'.
- (iv) All Options will lapse on the earlier of the
  - (A) receipt by the Company of notice from the Option holder that the Option holder has elected to surrender the Option; and
  - (B) expiry of the final date and time for exercise of the Option.
- (v) In the event of liquidation of the Company, all unexercised Options will lapse.

##### **(c) Quotation**

- (i) The Company will not apply to the ASX for Official Quotation of the Options.
- (ii) If the Shares of the Company are quoted on the ASX, the Company will apply to the ASX for, and will use its best endeavours to obtain, quotation of all Shares issued on the exercise of any Options within 10 Business Days (as defined in the Listing Rules) of issue. The Company gives no assurance that such quotation will be granted.

##### **(d) Participation in Securities Issues**

Subject to paragraph (e) below, the holder is not entitled to participate in new issues of securities without exercising the Options.

##### **(e) Participation in a Reorganisation of Capital**

- (i) In the event of any reconstruction or reorganisation (including consolidation, sub-division, reduction or return of the capital of the Company), the rights of an Option holder will be changed in accordance with the Listing Rules of the ASX applying to a restructure or reorganisation of the capital at the time of that restructure or reorganisation, provided always that the changes to the terms of the Options do not result in any benefit being conferred on the Option holder which is not conferred on Shareholders of the Company.

- (ii) In any reorganisation as referred to in paragraph (e)(i), Options will be treated in the following manner:
- (A) in the event of a consolidation of the share capital of the Company, the number of Options will be consolidated in the same ratio as the ordinary share capital of the Company and the exercise price will be amended in inverse proportion to that ratio;
  - (B) in the event of a subdivision of the share capital of the Company, the number of Options will be subdivided in the same ratio as the ordinary share capital of the Company and the exercise price will be amended in inverse proportion to that ratio;
  - (C) in the event of a return of the share capital of the Company, the number of Options will remain the same and the exercise price will be reduced by the same amount as the amount returned in relation to each ordinary share;
  - (D) in the event of a reduction of the share capital of the Company by a cancellation of paid up capital that is lost or not represented by available assets where no securities are cancelled the number of Options and the exercise price of each Option will remain unaltered;
  - (E) in the event of a pro-rata cancellation of shares in the Company, the number of Options will be reduced in the same ratio as the ordinary share capital of the Company and the exercise price of each Option will be amended in inverse proportion to that ratio; and
  - (F) in the event of any other reorganisation of the issued capital of the Company, the number of Options or the exercise price or both will be reorganised (as appropriate) in a manner which will not result in any benefits being conferred on the Option holder which are not conferred on shareholders.

**(f) Adjustments to Options and Exercise Price**

- (i) Adjustments to the number of Shares over which Options exist and/or the exercise price may be made as described in paragraph (f)(ii) to take account of changes to the capital structure of the Company by way of pro-rata bonus and cash issues.
- (ii) The method of adjustment for the purpose of paragraph (f)(i) shall be in accordance with the Listing Rules of the ASX from time to time, which, under Listing Rules 6.22.2 and 6.22.3, currently provide:

(A) *Pro Rata Cash Issues*

Where a pro-rata issue is made (except a bonus issue) to the holders of underlying securities, the exercise price of an Option may be reduced according to the following formula:

$$O' = O - \frac{E[P-(S+D)]}{N + 1}$$

where:

- O' = the new exercise price of the Option.
- O = the old exercise price of the Option.
- E = the number of underlying securities into which one Option is Exercisable.
- P = the average market price per security (weighted by reference to volume) of the underlying securities during the 5 trading days ending on the day before the ex rights date or ex entitlements date.
- S = the subscription price for a security under the pro-rata issue.
- D = the dividend due but not yet paid on the existing underlying securities (except those to be issued under the pro-rata issue).
- N = the number of securities with rights or entitlements that must be held to receive a right to one new security.

(B) *Pro-Rata Bonus Issues*

If there is a bonus issue to the holders of the underlying securities, on the exercise of any Options, the number of Shares received will include the number of bonus Shares that would have been issued if the Options had been exercised prior to the record date for bonus issues. The exercise price will not change.

**(g) Change of Control**

If:

- (i) a takeover bid within the meaning of the Corporations Act is made for the shares in the Company and the bidder becomes entitled to compulsorily acquire all of the shares, any Options not exercised by the end of the bid period shall lapse; or

- (ii) a court approves a scheme of arrangement in relation to the Company, which has been approved by a resolution passed by the requisite majorities of the Company's shareholders, the effect of which is that a person will have a relevant interest in at least 90% of the ordinary shares of the Company, any Options not exercised within 2 business days after the court order approving the scheme will automatically lapse.



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

## Lodge your vote:



### By Mail:

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

### In Person:

Computershare Investor Services Pty Limited  
Yarra Falls, 452 Johnston Street,  
Abbotsford, Victoria 3067

Alternatively you can fax your form to  
(within Australia) 1800 783 447  
(outside Australia) +61 3 9473 2555

For Intermediary Online subscribers only  
(custodians) [www.intermediaryonline.com](http://www.intermediaryonline.com)

### For all enquiries call:

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

## Proxy Form

 For your vote to be effective it must be received by 10:00am (Melbourne Time) on Sunday 4 September 2016

### How to Vote on Items of Business

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

#### Appointment of Proxy

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

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

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

**A proxy need not be a securityholder of the Company.**

### Signing Instructions

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

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

**Power of Attorney:** If you have not already lodged the Power of Attorney with the registry, please attach a certified photocopy of the Power of Attorney to this form when you return it.

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

### Attending the Meeting

Bring this form to assist registration. If a representative of a corporate securityholder or proxy is to attend the meeting you will need to provide the appropriate "Certificate of Appointment of Corporate Representative" prior to admission. A form of the certificate may be obtained from Computershare or online at [www.investorcentre.com](http://www.investorcentre.com) under the help tab, "Printable Forms".

**Comments & Questions:** If you have any comments or questions for the company, please write them on a separate sheet of paper and return with this form.

**Turn over to complete the form** →



View your securityholder information, 24 hours a day, 7 days a week:

**[www.investorcentre.com](http://www.investorcentre.com)**

- Review your securityholding
- Update your securityholding

**Your secure access information is:**

**SRN/HIN: I9999999999**



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

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

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



I 9999999999

IND

# Proxy Form

Please mark  to indicate your directions

## STEP 1 Appoint a Proxy to Vote on Your Behalf

XX

I/We being a member/s of Clean TeQ Holdings Limited hereby appoint

the Chairman of the Meeting OR

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

or failing the individual or body corporate named, or if no individual or body corporate is named, the Chairman of the Meeting, as my/our proxy to act generally at the Meeting on my/our behalf and to vote in accordance with the following directions (or if no directions have been given, and to the extent permitted by law, as the proxy sees fit) at the General Meeting of Clean TeQ Holdings Limited to be held at the offices of Baker & McKenzie, Level 19, 181 William Street, Melbourne, Victoria on Tuesday, 6 September 2016 at 10:00am (Melbourne Time) and at any adjournment or postponement of that Meeting.

**Chairman authorised to exercise undirected proxies on remuneration related resolutions:** Where I/we have appointed the Chairman of the Meeting as my/our proxy (or the Chairman becomes my/our proxy by default), I/we expressly authorise the Chairman to exercise my/our proxy on Resolutions 2, 3, 4, 5, 6, 7 & 8 (except where I/we have indicated a different voting intention below) even though Resolutions 2, 3, 4, 5, 6, 7 & 8 are connected directly or indirectly with the remuneration of a member of key management personnel, which includes the Chairman.

**Important Note:** If the Chairman of the Meeting is (or becomes) your proxy you can direct the Chairman to vote for or against or abstain from voting on Resolutions 2, 3, 4, 5, 6, 7 & 8 by marking the appropriate box in step 2 below.

## STEP 2 Items of Business

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

		For	Against	Abstain
Resolution 1	Ratification of prior issue of shares	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Resolution 2	Approval to issue 831,025 Performance Rights to Mr Sam Riggall (or his nominee)	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Resolution 3	Approval to issue 461,681 Performance Rights to Mr Peter Voigt (or his nominee)	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Resolution 4	Approval to issue 8,000,000 Options to Mr Sam Riggall (or his nominee)	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Resolution 5	Approval to issue 1,000,000 Options to Mr Peter Voigt (or his nominee)	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Resolution 6	Approval to issue 375,000 Options to Mr Roger Harley (or his nominee)	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Resolution 7	Approval to issue 375,000 Options to Mr Ian Knight (or his nominee)	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Resolution 8	Approval to issue 375,000 Options to Mr Eric Finlayson (or his nominee)	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

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

## SIGN Signature of Securityholder(s) *This section must be completed.*

Individual or Securityholder 1

Sole Director and Sole Company Secretary

Securityholder 2

Director

Securityholder 3

Director/Company Secretary

Contact Name

Contact Daytime Telephone

Date / /