

15 June 2017

Changes to Director Remuneration

In 2016 Clean TeQ Holdings Limited's (CLQ:ASX; CTEQF:OTCQX) Nomination and Remuneration Subcommittee of the Board announced that it had committed to undertake an independent remuneration benchmarking exercise for directors and key employees during FY17. The purpose of the review was to ensure that Clean TeQ is appropriately remunerating directors and key employees in order to attract, retain and motivate high caliber directors and key management personnel.

Mercer Consulting (Australia) Pty Ltd (**Mercer**) was appointed as the independent remuneration consultant to conduct the review. Their scope of work included benchmarking Clean TeQ against a group of comparable peer companies selected by Mercer, and to make recommendations relating to the absolute levels of remuneration and the structure of remuneration that would be required to bring Clean TeQ's remuneration practices into line with the group of peer companies. Mercer's remuneration recommendations were provided directly to the Chair of the Remuneration Committee. Mercer's recommendations were made free of undue influence by members of Key Management Personnel to whom the recommendations relate.

As a result of that review, in order to align Clean TeQ's remuneration levels with the median level of the group of peer companies identified by Mercer, adjustments have been made to the remuneration arrangements for the Managing Director, Mr Sam Riggall, and Executive Director, Mr Peter Voigt, commencing from 1 July 2017. A summary of the material terms of Mr Riggall's and Mr Voigt's revised employment contract is included in Appendix 1.

In order to strongly incentivise Mr Riggall, and to align his remuneration outcomes with the interests of shareholders, under the new arrangements, 47% of Mr Riggall's total remuneration will be 'at risk', of which 32% of total remuneration comprises share rights which vest conditionally on the performance of the Clean TeQ share price relative to the share price performance of the group of peer companies. Approximately 39% of Mr Voigt's total remuneration will be 'at risk'.

Mercer also made a series of recommendations regarding the levels and structure of non-executive director remuneration required to bring Clean TeQ's remuneration practices into line with the group of peer companies. The Company is proposing to adopt those recommendations, subject to shareholder approval to increase the non-executive director fee pool which is to be sought at an Extraordinary General Meeting scheduled for 19 July 2017.

The recommendations include:

- Adjustment of non-executive director and chairmen fees to the median level for the group of peer companies;
- Recognition of the low prevalence of equity based remuneration for non-executive directors in the Australian market; and,
- Recognise the time commitment and contribution to the Company's business by providing subcommittee fees to non-executive directors for chairing and participating in board subcommittees.

The proposed new non-executive director fee arrangements are detailed in Appendix 2.

For more information about Clean TeQ contact:

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About Clean TeQ Holdings Limited (ASX: CLQ) – Based in Melbourne, Clean TeQ, using its proprietary Clean-iX® continuous ion exchange technology, is a leader in metals recovery and industrial water treatment.

About the Syerston Project – Clean TeQ is the 100% owner of the Syerston Project, located in New South Wales. The Syerston Project is one of the largest and highest grade scandium deposits in the world and one of the highest grade and largest nickel and cobalt deposit outside of Africa.

For more information about Clean TeQ please visit the Company's website www.cleanteq.com.

This release may contain forward-looking statements. The actual results could differ materially from a conclusion, forecast or projection in the forward-looking information. Certain material factors or assumptions were applied in drawing a conclusion or making a forecast or projection as reflected in the forward-looking information.

Appendix 1

Summary Material Terms of the Employment Contract of Mr Sam Riggall

Commencement Date	1 July 2017
Total Fixed Remuneration	\$460,000 inclusive of superannuation
Short Term Incentive (see Note 1)	Maximum of \$138,000 per annum subject to meeting a range of key performance indicators and board discretion
Long Term Incentive – Share Rights (see Note 2)	As per the Clean TeQ Long Term Incentive Plan in place from time to time – currently 60% of total fixed remuneration
Termination – Notice by Company (see Notes 3 and 4)	3 months
Termination – Notice by Executive (see Note 3)	3 months
Term	Not specified. On-going appointment.

Summary Material Terms of the Employment Contract of Mr Peter Voigt

Commencement Date	1 July 2017
Total Fixed Remuneration	\$290,000 inclusive of superannuation
Short Term Incentive (see Note 1)	Maximum of \$72,500 per annum subject to meeting a range of key performance indicators and board discretion
Long Term Incentive – Share Rights (see Note 2)	As per the Clean TeQ Long Term Incentive Plan in place from time to time – currently 40% of total fixed remuneration
Termination – Notice by Company (see Notes 3 and 5)	3 months
Termination – Notice by Executive (see Note 3)	3 months
Term	Not specified. On-going appointment.

Notes:

1. Paid in cash or shares at the discretion of the board based on the achievement of performance targets set by the Board each year.
2. Subject to shareholder approval at a meeting of shareholders which will be scheduled at a later date.
3. The Company may pay the Executive in lieu of notice.
4. In the event of redundancy the Executive will be entitled to an additional redundancy benefit equivalent to 6 months base salary.
5. In the event of redundancy the Executive may be entitled to an additional redundancy benefit in accordance with relevant legislation.

Appendix 2

Proposed Non-Executive Director Remuneration

Non-Executive Co-Chair Fee (Note 6)	\$127,000
Non-Executive Director Fee	\$85,000
Audit Committee Chair Fee	\$12,500
Audit Committee Fee	\$5,000
Nom and Rem Chair Committee Fee	\$8,750
Nom and Rem Committee Fee	\$2,500
Sustainability and Risk Committee Chair Fee	\$8,750
Sustainability and Risk Committee Fee	\$2,500

Notes:

6. Mercer market data for typical single incumbent non-executive chair fee was \$170,000. As Clean TeQ has two non-executive chairmen, the difference between the chairman fee and the non-executive director fee is proposed to be shared by Mr Friedland and Mr Jiang.