
ALTECH CHEMICALS LIMITED
ACN 125 301 206
NOTICE OF GENERAL MEETING

TIME: 3.00pm (WST)
DATE: Monday, 29 May 2017
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

TIME AND PLACE OF MEETING

Notice is given that the general meeting of the Shareholders to which this Notice of Meeting relates will be held at **3.00pm (WST) on Monday, 29 May 2017** at:

Suite 8, 295 Rokeby Road, Subiaco WA 6008

YOUR VOTE IS IMPORTANT

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

VOTING ELIGIBILITY

The Directors have determined pursuant to Regulation 7.11.37 of the Corporations Regulations 2001 (Cth) that the persons eligible to vote at the Meeting are those who are registered Shareholders at 5pm (WST) on 27 May 2017.

VOTING IN PERSON

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

VOTING BY PROXY

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

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

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

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

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

Further details on these changes is set out below.

Proxy vote if appointment specifies way to vote

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

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

Transfer of non-chair proxy to chair in certain circumstances

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

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

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

BUSINESS OF THE MEETING

AGENDA

ORDINARY BUSINESS

1. RESOLUTION 1 – APPROVAL OF A \$2,000,000 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 purposes of section 208 of the Corporations Act, ASX Listing Rule 10.11 and for all other purposes, Shareholder approval is given for the Company to issue up to 14,285,714 Shares at an issue price of \$0.14 per Share to MAA Group Berhad on the terms and conditions set out in the Explanatory Statement.”

Short Explanation: On 13 April 2017, the Company announced a \$2,000,000 Share placement to MAA Group Berhad (“MAAG”). MAAG is an existing Shareholder of the Company, 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 Non-Executive Director, Tunku Yaacob Khyra, being the executive chairman and majority shareholder of MAAG. Chapter 2E of the Corporations Act and 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 1 seeks Shareholder approval for the issue of up to 14,285,714 Shares at an issue price of \$0.14 per Share (\$2,000,000) to MAAG in accordance with the requirements of Chapter 2E of the Corporations Act and ASX Listing Rule 10.11.

Voting Exclusion: The Company will disregard any votes cast on this Resolution by MAAG (or its nominee) and any of their associates (**Resolution 1 Excluded Party**). 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, provided the Chair is not a Resolution 1 Excluded Party, it is cast by the person chairing 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.

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.

Provided the Chair is not a Resolution 1 Excluded Party, the above prohibition does not apply if:

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

DATED: 26 April 2017
BY ORDER OF THE BOARD



SHANE VOLK
COMPANY SECRETARY

EXPLANATORY STATEMENT

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

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

Resolution 1 seeks Shareholder approval for the issue of up to 14,285,714 Shares to MAA Group Berhad (“MAAG”) at an issue price of \$0.14 per Share to raise \$2,000,000.

1.1 General

On 13 April 2017, the Company announced a conditional \$2,000,000 Share placement to MAAG at an issue price of \$0.14 per Share, which represented an ~8% premium to the 12 April 2017 closing price of the Company’s Shares as traded on the ASX (being \$0.13). Completion of the Share placement is subject to Shareholder approval.

MAAG is an existing Shareholder of the Company, it 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 Non-Executive Director, Tunku Yaacob Khyra, being the executive chairman and majority shareholder of MAAG.

ASX Listing Rule 10.11 and Chapter 2E of the Corporations Act provides a general restriction against a company issuing securities to related parties without the prior approval of shareholders.

Resolution 1 seeks Shareholder approval for the issue of up to 14,285,714 Shares to MAAG as is required by ASX Listing Rule 10.11 and Chapter 2E of the Corporations Act.

1.2 Chapter 2E of the Corporations Act and ASX Listing Rule 10.11

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

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

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

The issue of Shares to MAAG constitutes giving a financial benefit and MAAG is considered to be a related party of the Company by virtue of being an entity controlled by, Tunku Yaacob Khyra, a Non-Executive Director of the Company.

In addition, ASX Listing Rule 10.11 also 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.

It is the view of the Company that the exceptions set out in sections 210 to 216 of the Corporations Act and ASX Listing Rule 10.12 do not apply in the current circumstances. Accordingly, Shareholder approval is sought for the issue of Shares to MAAG.

1.3 Information Requirements – Chapter 2E of the Corporations Act

For the purposes of Chapter 2E of the Corporations Act, the following information is provided.

The related parties to whom the proposed Resolution would permit the financial benefit to be given and the nature of the financial benefit

The proposed financial benefit to be given is the issue of 14,285,714 Shares to MAAG, a related party by virtue of being an entity controlled by Tunku Yaacob Khyra, a Non-Executive Director of the Company.

Subject to Shareholder approval, the Company proposes to issue up to 14,285,714 Shares to MAAG at an issue price of \$0.14 per Share for total consideration of \$2,000,000.

The details of the financial benefit including reasons for giving, the type and quantity of the benefit

MAAG has agreed to subscribe for \$2,000,000 of Shares of the Company at a price of \$0.14 per Share, subject to the approval of the Company's Shareholders. Funds from the issue are intended to be used by the Company for the completion of the engineering and detailed design of the Company's proposed Malaysian high purity alumina (HPA) plant.

The issue price of the Shares (\$0.14) represents a ~8% premium to the price of the Company's shares as traded on the ASX on 12 April 2017 (\$0.13), the day preceding the announcement of the proposed Share placement and is equal to the 5 day volume weighted average price of the Company's Shares as traded on the ASX in the 5 days immediately preceding the announcement of the Share placement. The current value of the Shares is \$2,071,429 based on the market price of Shares (being \$0.145) as at 24 April 2016.

The Company is of the view that the proposed issue of Shares to MAAG on the terms proposed is reasonable and a cost effective and timely mechanism for the Company to raise the additional working capital that is required to finalise the engineering and detailed design of its proposed Malaysian HPA plant. It is not considered that there are any significant opportunity costs to the Company or benefits foregone by the Company in issuing the Shares upon the terms proposed.

The Board acknowledges the issue of Shares to MAAG is contrary to Recommendation 8.3 of The Corporate Governance Principles and Recommendations with 2014 Amendments (3rd Edition) as published by The ASX Corporate Governance Council. However, the Board considers the issue of Shares to MAAG reasonable in the circumstances for the reason set out above.

Interests in Company Securities – Tunku Yaacob Khyra

The tables below set out the relevant interests of Tunku Yaacob Khyra in the securities of the Company as at the date of this Notice and the relevant interests of Tunku Yaacob Khyra in the securities of the Company if this Resolution 1 is passed:

Relevant Interests in Company Securities as at the date of this Notice:

Director Name	Ordinary Shares	% of all Shares	Performance Rights
Tunku Yaacob Khyra	28,577,060 ¹	10.74	1,000,000 ²

Notes:

1. Comprising 16,949,153 Shares held directly and 11,627,907 Shares held indirectly by MAA Group Berhad (an entity controlled by Tunku Yaacob Khyra).
2. Held directly by Tunku Yaacob Khyra. Each Performance Right, once vested, entitles the holder, on exercise, to the issue of one Share. The terms and conditions of the Performance Rights are set out in the Company's notice of meeting dated 23 June 2016.

Relevant Interests in Company Securities if Resolution 1 is passed:

Director Name	Ordinary Shares	% of all Shares	Performance Rights
Tunku Yaacob Khyra	42,862,774 ¹	15.29	1,000,000 ²

Notes:

1. Comprising 16,949,153 Shares held directly, 11,627,907 Shares held indirectly by MAA Group Berhad (an entity controlled by Tunku Yaacob Khyra) and 14,285,714 Shares to be issued to MAA Group Berhad (an entity controlled by Tunku Yaacob Khyra), being the subject of this Resolution 1.
2. Held directly by Tunku Yaacob Khyra. Each Performance Right, once vested, entitles the holder, on exercise, to the issue of one Share. The terms and conditions of the Performance Rights are set out in the Company's notice of meeting dated 23 June 2016.

Remuneration and Emoluments

The remuneration and emoluments from the Company to Tunku Yaacob Khyra for the previous financial year and the proposed remuneration and emoluments for the current financial year are set out below:

Related Party	Current Financial Year	Previous Financial Year
Tunku Yaacob Khyra	\$40,000 ¹	27,644 ¹

Notes:

1. Exclusive of Superannuation, to which there is no entitlement.

Directors' recommendation to members

The Directors of the Company, other than Tunku Yaacob Khyra (who has a material personal interest in the outcome of this Resolution 1), are independent Directors for the purposes of Resolution 1 as they do not have a material personal interest in the outcome of the Resolution and recommend that Shareholders vote in favour of Resolution 1.

Each of the Directors recommend that Shareholders vote in favour of Resolution 1 as they have formed the view that the circumstances in which the Shares are proposed to be issued to MAAG are appropriate for the reasons outlined above.

Company's Historical Share Price

The following table provides details of the highest, lowest and latest closing prices of the Company's Shares trading on the ASX over the past 12 months ending 24 April 2017:

Highest Price (A\$)/Date	Lowest Price (A\$)/Date	Latest Price (A\$)/Date
\$0.205 / 24 June 2016	\$0.082 / 26 April 2016	\$0.145 / 24 April 2017

Dilution

If Shareholders approve this Resolution 1, a total of 14,285,714 Shares would be issued. This will increase the number of Shares on issue from 266,188,312 to 280,474,026 (assuming that no Options are exercised, no Performance Rights vest and no Shares other than those contemplated by Resolution 1 are issued) with the effect that the shareholding of existing Shareholders would be diluted by an aggregate of 5.09%.

Other Information

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 Resolution 1.

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, a related party of the Company by virtue of being an entity controlled by Non-Executive Director, Tunku Yaacob Khya;
- (b) the maximum number of Shares to be issued is 14,285,714;
- (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 \$0.14 per Share;
- (e) the Shares issued will be 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 (being \$2,000,000) are intended to be applied to finalising the detailed design and engineering of the Company's proposed Malaysian high purity alumina (HPA) plant, finalising project finance due diligence activities, head office costs and for general working capital; and
- (g) a voting exclusion statement is included in the Notice.

Approval pursuant to ASX Listing Rule 7.1 is not required in order to issue the Shares to MAAG as approval is being obtained under ASX Listing Rule 10.11. Accordingly, the issue of Shares to MAAG will not be included in the 15% calculation of the Company's annual placement capacity pursuant to ASX Listing Rule 7.1.

GLOSSARY

\$ 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.

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.

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

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.

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.

APPOINTMENT OF PROXY FORM

ALTECH CHEMICALS LIMITED
ACN 125 301 206

GENERAL MEETING

I/We

of:

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

Name:

OR: ☐ the Chair of the Meeting as my/our proxy.

or failing the person so named or, if no person is named, the Chair, or the Chair's nominee, to vote in accordance with the following directions, or, if no directions have been given, and subject to the relevant laws as the proxy sees fit, at the Meeting to be held at **Suite 8, 295 Rokeby Road, Subiaco at 3.00pm WST on Monday, 29 May 2017**, and at any adjournment thereof.

AUTHORITY FOR CHAIR TO VOTE UNDIRECTED PROXIES ON REMUNERATION RELATED RESOLUTIONS

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

CHAIR'S VOTING INTENTION IN RELATION TO UNDIRECTED PROXIES

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

Voting on business of the Meeting

Resolution 1 Approval of issue of shares to MAA Group Berhad

FOR

☐

AGAINST

☐

ABSTAIN

☐

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

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

Signature of Shareholder(s):

Individual or Shareholder 1

Sole Director/Company Secretary

Shareholder 2

Director

Shareholder 3

Director/Company Secretary

Date: _____

Contact name: _____

Contact ph (daytime): _____

E-mail address: _____

Consent for contact by e-mail: YES ☐ NO ☐

Instructions for Completing 'Appointment of Proxy Form'

1. **(Appointing a proxy):** A Shareholder entitled to attend and cast a vote at the Meeting is entitled to appoint a proxy to attend and vote on their behalf at the Meeting. If a Shareholder is entitled to cast 2 or more votes at the Meeting, the Shareholder may appoint a second proxy to attend and vote on their behalf at the Meeting. However, where both proxies attend the Meeting, voting may only be exercised on a poll. The appointment of a second proxy must be done on a separate copy of the Proxy Form. A Shareholder who appoints 2 proxies may specify the proportion or number of votes each proxy is appointed to exercise. If a Shareholder appoints 2 proxies and the appointments do not specify the proportion or number of the Shareholder's votes each proxy is appointed to exercise, each proxy may exercise one-half of the votes. Any fractions of votes resulting from the application of these principles will be disregarded. A duly appointed proxy need not be a Shareholder.

2. **(Direction to vote):** A Shareholder may direct a proxy how to vote by marking one of the boxes opposite each item of business. The direction may specify the proportion or number of votes that the proxy may exercise by writing the percentage or number of Shares next to the box marked for the relevant item of business. Where a box is not marked the proxy may vote as they choose subject to the relevant laws. Where more than one box is marked on an item the vote will be invalid on that item.

3. **(Signing instructions):**
 - **(Individual):** Where the holding is in one name, the Shareholder must sign.
 - **(Joint holding):** Where the holding is in more than one name, all of the Shareholders should sign.
 - **(Power of attorney):** If you have not already provided the power of attorney with the registry, please attach a certified photocopy of the power of attorney to this Proxy Form when you return it.
 - **(Companies):** Where the company has a sole director who is also the sole company secretary, that person must sign. Where the company (pursuant to Section 204A of the Corporations Act) does not have a company secretary, a sole director can also sign alone. Otherwise, a director jointly with either another director or a company secretary must sign. Please sign in the appropriate place to indicate the office held. In addition, if a representative of a company is appointed pursuant to Section 250D of the Corporations Act to attend the Meeting, the documentation evidencing such appointment should be produced prior to admission to the Meeting. A form of a certificate evidencing the appointment may be obtained from the Company.

4. **(Attending the Meeting):** Completion of a Proxy Form will not prevent individual Shareholders from attending the Meeting in person if they wish. Where a Shareholder completes and lodges a valid Proxy Form and attends the Meeting in person, then the proxy's authority to speak and vote for that Shareholder is suspended while the Shareholder is present at the Meeting.

5. **(Return of Proxy Form):** To vote by proxy, please complete and sign the enclosed Proxy Form and return by:
 - (a) e-mail to the Company at shane@altechchemicals.com; or
 - (b) post to Altech Chemicals Limited, Suite 8, 295 Rokeby Road, Subiaco WA 6008; or
 - (c) facsimile to the Company on facsimile number +61 8 6168 1551.

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

Proxy Forms received later than this time will be invalid.