
MATRIX COMPOSITES & ENGINEERING LTD

ACN 009 435 250

NOTICE OF ANNUAL GENERAL MEETING

TIME: 10.30am (WST)

DATE: Tuesday 25th October 2011

PLACE: The Celtic Club
48 Ord Street, West Perth, Western Australia

This Notice of Annual General 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 Annual General Meeting please do not hesitate to contact the Company Secretary on (+61 8) 9412 1200.

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TIME AND PLACE OF MEETING AND HOW TO VOTE

VENUE

The Annual General Meeting of the Shareholders to which this Notice of Annual General Meeting relates will be held at 10.30 am (WST) on Tuesday, 25th October 2011 at:

The Celtic Club, 48 Ord Street, West Perth, Western Australia.

YOUR VOTE IS IMPORTANT

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

VOTING IN PERSON

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

CORPORATE REPRESENTATIVES

A body corporate which is a shareholder, or which has been appointed as a proxy, is entitled to appoint any person to act as its representative at the Annual General Meeting. The appointment of the representative must comply with the requirements in section 250D of the Corporations Act. The representative should bring to the Annual General Meeting evidence of his or her appointment as the body corporate's representative, including any authority under which the appointment is signed. Unless the appointment states otherwise, the representative may exercise on the body corporate's behalf all of the powers that the appointing body could exercise at a meeting or in voting on a resolution. Shareholders can download and fill out the 'Appointment of Corporate Representation' form from the website of the share registry of the Company – www.linkmarketservices.com.au.

VOTING BY PROXY

A Shareholder has the right to appoint a proxy who need not be a shareholder of the Company. If a Shareholder is entitled to cast two or more votes, the Shareholder may specify the percentage of votes each proxy is appointed to exercise. To vote by proxy, please complete and sign the enclosed proxy form and return by:

- (a) post to the Company's share registry, Link Market Services Limited at Locked Bag A14, Sydney South NSW 1235, or deliver to Link Market Services Limited at Level 12, 680 George Street, Sydney NSW 2000; or
- (b) facsimile to the Company's share registry, Link Market Services Limited on facsimile number (+612) 9287 0309; or
- (c) online by visiting www.linkmarketservices.com.au. You will be taken to have signed your Proxy Form if you lodge it in accordance with the instructions given on the website,

so that it is received not later than 10.30am (WST) on Sunday, 23rd October 2011.

Proxy forms received later than this time will be invalid.

NOTICE OF ANNUAL GENERAL MEETING

Notice is given that the Annual General Meeting of Shareholders of Matrix Composites & Engineering Ltd will be held at 10.30am (WST) on 25th October 2011 at the Celtic Club, 48 Ord Street, West Perth, Western Australia.

The Explanatory Statement to this Notice of Annual General Meeting provides additional information on matters to be considered at the Annual General Meeting. The Explanatory Statement and the proxy form are part of this Notice of Annual General Meeting.

The Directors have determined pursuant to Regulation 7.11.37 of the Corporations Regulations 2001 (Cth) that the persons eligible to vote at the Annual General Meeting are those who are registered Shareholders of the Company at 10.30am (WST) on 23rd October 2011.

Terms and abbreviations used in this Notice of Annual General Meeting and Explanatory Statement are defined in the Glossary.

AGENDA

ORDINARY BUSINESS

ANNUAL FINANCIAL REPORT

To receive and consider the financial statements of the Company for the year ended 30 June 2011, consisting of the Income Statements, Statement of Financial Position, Statements of Changes in Equity, Statements of Cash Flows, the Directors' Report, the Directors' Declaration and the Auditor's Report.

1. RESOLUTION 1 – RE-ELECTION OF MR MAXWELL GRAHAM BEGLEY AS A DIRECTOR

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

“That, Mr Maxwell Graham Begley, being a director of the Company, retiring by rotation in accordance with clause 11.3 of the Company’s constitution, and being eligible, is re-elected as a director of the Company.”

2. RESOLUTION 2 – RE-ELECTION OF MR PAUL RICHARD WRIGHT AS A DIRECTOR

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

“That, Mr Paul Richard Wright, being a director of the Company, retiring by rotation in accordance with clause 11.3 of the Company’s constitution, and being eligible, is re-elected as a director of the Company.”

3. RESOLUTION 3 – ELECTION OF MR PETER JOHN HOOD AS A DIRECTOR

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

“That, Mr Peter John Hood, being a director of the Company, retiring in accordance with clause 11.12 of the Company’s constitution, and being eligible, is elected as a director of the Company.”

4. RESOLUTION 4 – THE REMUNERATION REPORT FOR THE YEAR ENDED 30 JUNE 2010 IS ADOPTED

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

“That the remuneration report, as set out in the Company’s 2011 Annual Report, is adopted.”

The vote on this resolution is advisory only and does not bind the Directors or the Company.

Voting exclusion: A vote on resolution 4 must not be cast (in any capacity) by or on behalf of any of the following persons:

- (a) a member of the key management personnel, details of whose remuneration are included in the remuneration report; or
- (b) a closely related party of such a member.

However, a person described above may cast a vote on resolution 4 if:

- (c) the person does so as a proxy appointed by writing that specifies how the proxy is to vote on the proposed resolution; and
- (d) the vote is not cast on behalf of a person described in subparagraphs (a) or (b) above.

5. OTHER BUSINESS

To deal with any other business which may be brought forward in accordance with the Company's constitution and the *Corporations Act 2001* (Cth).

DATED: 20 September 2011

BY ORDER OF THE BOARD

**MICHAEL KENYON
MATRIX COMPOSITES & ENGINEERING LTD
CHIEF FINANCIAL OFFICER AND COMPANY SECRETARY**

ENQUIRIES

Shareholders may contact the Company Secretary, Michael Kenyon, on (+ 61 8) 9412 1200 if they have any queries in respect of the matters set out in these documents.

EXPLANATORY STATEMENT

This Explanatory Statement has been prepared for the information of the Shareholders in connection with the business to be conducted at the Annual General Meeting to be held at 10.30am (WST) on 25th October 2011 at the Celtic Club, 48 Ord Street, West Perth, Western Australia.

The purpose of this Explanatory Statement is to provide information which the Directors believe to be material to Shareholders in deciding whether or not to pass the Resolutions in the Notice of Annual General Meeting.

1. ANNUAL FINANCIAL REPORT

In accordance with the Constitution, the business of the Annual General Meeting will include receipt and consideration of the financial report of the Company for the financial year ended 30 June 2011 together with the Directors' Declaration, the Directors' Report, and the Auditor's Report.

The financial report of the Company for the financial year ended 30 June 2011 is available on the Company's website at www.matrixap.com.au.

2. RESOLUTIONS 1 AND 2 – RE-ELECTION OF DIRECTORS

Clause 11.3 of the Constitution provides that at every annual general meeting of the Company one-third of the Directors (or the number nearest one-third), and any Director not in such one-third who has held office for three years or more (except a managing director), must retire from office.

The Company currently has six Directors and accordingly two must retire.

Under clause 11.4 of the Constitution, a Director who retires by rotation under clause 11.3 is eligible for re-election.

Accordingly, pursuant to clauses 11.3 and 11.4 of the Constitution, Maxwell Graham Begley and Paul Richard Wright, each being a director of the Company, retire by way of rotation and, being eligible, offer themselves for re-election as a Director.

Details of Messrs Begley and Wright are set in the Company's 2011 Annual Report.

The Board (excluding Mr Begley) recommends the re-election of Mr Begley as a Director.

The Board (excluding Mr Wright) recommends the re-election of Mr Wright as a Director.

3. RESOLUTION 3 – ELECTION OF MR HOOD

Mr Peter John Hood was appointed as a Director on 15 September 2011 in accordance with clause 11.11 of the Constitution which allows the Directors to appoint any person as a Director as an addition to the existing Directors.

Under clause 11.12 of the Constitution, a Director appointed under clause 11.11 holds office until the next annual general meeting and is then eligible for election.

Accordingly, pursuant to clause 11.12 of the Constitution, Mr Hood retires from office and, being eligible, offers himself for election as a Director.

Mr Hood is a chemical engineer with over 40 years experience in senior management and the development of projects in the energy and resources sectors. Mr Hood was previously the CEO of Coogee Resources, an Australian oil and gas operator. Prior to this role, he was CEO of Coogee Chemicals Pty Ltd. His early career was spent with WMC Ltd in nickel and gold production at Kwinana and Kambalda in Western Australia.

Mr Hood is a graduate of the Harvard Business School Advanced Management Program and a Fellow of both the Institute of Chemical Engineers and the Australian Institute of Company Directors. Mr Hood is currently President of the Chamber of Commerce and Industry of Western Australia and Chairman of MAK Industrial Water Systems Pty Ltd and Swan Oil and Gas Ltd. He is also a Non-Executive Director of GR Engineering Ltd and the Australian Chamber of Commerce and Industry.

The Board (excluding Mr Hood) recommends the election of Mr Hood as a Director.

4. RESOLUTION 4

The Corporations Act requires that at a listed company's annual general meeting, a resolution for adoption of the remuneration report is required to be considered and voted on by shareholders. The remuneration report details the Company's policy on the remuneration of non-executive Directors, the Chief Executive Officer and senior executives and is set out in the 2011 Annual Report which is available on the Company's website at www.matrixap.com.au.

The vote on the adoption of the remuneration report is advisory only and does not bind the Directors or the Company. However, as a result of recent amendments to the Corporations Act, if a company's remuneration report receives a 'no' vote of 25 per cent or more at two consecutive annual general meetings, a resolution must then be put to shareholders at the second annual general meeting as to whether another meeting should be held (within 90 days) at which all directors (other than the managing director) who were in office at the date of approval of the applicable directors' report must stand for re-election. In summary, Shareholders will be entitled to vote in favour of holding a general meeting to re-elect the Board if the remuneration report receives 'two strikes' from Shareholders.

A summary of these recent amendments to the Corporations Act is set out below:

- (a) if a 'no' vote of 25 per cent or more is cast on the resolution to adopt the remuneration report at an annual general meeting and comments are made on the report, the subsequent remuneration report must outline the board's proposed action in response (or state the reasons for any inaction);
- (b) if a 'no' vote of 25 per cent or more is cast on the resolution to adopt the subsequent remuneration report at the next annual general meeting (**Second AGM**), the shareholders must then vote at the Second AGM on a resolution (known as the **Spill Resolution**) that a general meeting be convened to consider the election of certain directors (**Spill Meeting**). However, a Spill Meeting need not be convened if a Spill Resolution was put to the vote at the previous year's annual general meeting;
- (c) if the Spill Resolution is carried by an ordinary majority (more than 50% of those present and voting at the Second AGM), the Spill Meeting must be held within 90 days. All directors (other than the managing director) who were in office at the date of approval of the applicable directors' report would cease to hold office immediately before the end of the Spill Meeting;
- (d) resolutions to appoint persons to offices that will be vacated immediately before the end of the Spill Meeting will be put to the vote at the Spill Meeting. If a director is re-appointed at the Spill Meeting, the appointment continues as if uninterrupted;
- (e) the Spill Meeting need not be held if none of the directors being spilled remains in office at the end of the 90 day period;
- (f) the Corporations Act seeks to avoid a complete Board Spill by ensuring that there are at least three directors following a Spill Meeting. These three positions will be occupied by:
 - (i) the managing director; and
 - (ii) the two persons who receive the highest proportion of votes in favour of their appointment at the Spill Meeting (even if less than 50% of the votes cast on their election are in favour of their re-appointment). If two or more individuals have the same proportion of votes, the managing director and any re-elected director have the power to choose which individual will be re-appointed, subject to confirmation at the following annual general meeting; and

Shareholders will be given the opportunity to ask questions and to make comments on the remuneration report.

GLOSSARY

Annual General Meeting means the meeting convened by the Notice of Annual General Meeting.

ASX means ASX Limited.

Board means the current board of Directors.

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

closely related party of a member of the key management personnel means:

- (a) a spouse or child of the member; or
- (b) a child of the member's spouse; or
- (c) a dependant of the member or of the member's spouse; or
- (d) anyone else who is one of the member's family and may be expected to influence the member, or be influenced by the member, in the member's dealings with the Company; or
- (e) a company that the member controls; or
- (f) a person prescribed by the *Corporations Regulations 2001* (Cth).

Company means Matrix Composites & Engineering Ltd (ACN 009 435 250).

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 this Notice of Annual General Meeting.

key management personnel has the same meaning as in the Accounting Standards. The term broadly includes those persons with the authority and responsibility for planning, directing and controlling the activities of the Company (whether directly or indirectly), and includes any Director.

Notice of Annual General Meeting means this notice of annual general meeting including the Explanatory Statement.

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.


By mail:

 Matrix Composites & Engineering Ltd
 C/- Link Market Services Limited
 Locked Bag A14
 Sydney South NSW 1235 Australia

By fax: +61 2 9287 0309

All enquiries to: Telephone: 1300 554 474 Overseas: +61 2 8280 7111

X99999999999

SECURITYHOLDER VOTING FORM

I/We being a member(s) of Matrix Composites & Engineering Ltd and entitled to attend and vote hereby appoint:

STEP 1

APPOINT A PROXY

 the Chairman
 of the Meeting¹
 (mark box)

☐

 OR if you are **NOT** appointing the Chairman of the Meeting as your proxy, please write the name of the person or body corporate (excluding the registered securityholder) you are appointing as your proxy

 or failing the person/body corporate named, or if no person/body corporate is named, the Chairman of the Meeting, as my/our proxy and to vote for me/us on my/our behalf at the Annual General Meeting of the Company to be held at **10:30am (WST) on Tuesday, 25 October 2011, at the Celtic Club, 48 Ord Street, West Perth, Western Australia** and at any adjournment or postponement of the meeting.

¹ If you appoint a proxy, Matrix Composites & Engineering Ltd encourages you to direct your proxy how to vote on each item of business.

The Chairman of the Meeting, other key management personnel of the Company and their closely related parties (see the Notice of Annual General Meeting and overleaf) will not cast any votes in respect of Resolution 4 (Remuneration Report) that arise from any undirected proxy that they hold.

Proxies will only be valid and accepted by the Company if they are signed and received no later than 48 hours before the meeting.

 Please read the voting instructions overleaf before marking any boxes with an **X**

STEP 2

VOTING DIRECTIONS

Resolution 1

Re-Election of Mr Maxwell Graham Begley as a Director

For

☐

Against

☐

Abstain*

☐

Resolution 3

Election of Mr Peter John Hood as a Director

For

☐

Against

☐

Abstain*

☐

Resolution 2

Re-Election of Mr Paul Richard Wright as a Director

☐
☐
☐

Resolution 4

The Remuneration Report for the year ended 30 June 2010 is adopted

☐
☐
☐

² If you mark the Abstain box for a particular Item, you are directing your proxy not to vote on your behalf on a show of hands or on a poll and your votes will not be counted in computing the required majority on a poll.

STEP 3

SIGNATURE OF SECURITYHOLDERS - THIS MUST BE COMPLETED

Securityholder 1 (Individual)

Sole Director and Sole Company Secretary

Joint Securityholder 2 (Individual)

Director/Company Secretary (Delete one)

Joint Securityholder 3 (Individual)

Director

 This form should be signed by the securityholder. If a joint holding, either securityholder may sign. If signed by the securityholder's attorney, the power of attorney must have been previously noted by the registry or a certified copy attached to this form. If executed by a company, the form must be executed in accordance with the company's constitution and the *Corporations Act 2001* (Cth).

MCE PRX101


HOW TO COMPLETE THIS PROXY FORM

Your Name and Address

This is your name and address as it appears on the company's security register. If this information is incorrect, please make the correction on the form. Securityholders sponsored by a broker should advise their broker of any changes. **Please note: you cannot change ownership of your securities using this form.**

Appointment of a Proxy

If you wish to appoint the Chairman of the Meeting as your proxy, mark the box in Step 1. If the person you wish to appoint as your proxy is someone other than the Chairman of the Meeting please write the name of that person in Step 1. If you leave this section blank, or your named proxy does not attend the meeting, the Chairman of the Meeting will be your proxy. A proxy need not be a securityholder of the company. A proxy may be an individual or a body corporate.

Votes on Items of Business - Proxy Appointment

You may direct your proxy how to vote by placing a mark in one of the boxes opposite each item of business. All your securities will be voted in accordance with such a direction unless you indicate only a portion of voting rights are to be voted on any item by inserting the percentage or number of securities you wish to vote in the appropriate box or boxes. If you do not mark any of the boxes on the items of business, your proxy may vote as he or she chooses. If you mark more than one box on an item your vote on that item will be invalid.

Resolution 4: If the Chairman of the Meeting, or another member of key management personnel for the Company or their closely related parties is your proxy, that person will not vote your securities on Resolution 4 (Adoption of Remuneration Report) if you have not directed them how to vote on that resolution.

Appointment of a Second Proxy

You are entitled to appoint up to two persons as proxies to attend the meeting and vote on a poll. If you wish to appoint a second proxy, an additional Proxy Form may be obtained by telephoning the company's security registry or you may copy this form and return them both together.

To appoint a second proxy you must:

- on each of the first Proxy Form and the second Proxy Form state the percentage of your voting rights or number of securities applicable to that form. If the appointments do not specify the percentage or number of votes that each proxy may exercise, each proxy may exercise half your votes. Fractions of votes will be disregarded.
- return both forms together.

Signing Instructions

You must sign this form as follows in the spaces provided:

Individual: where the holding is in one name, the holder must sign.

Joint Holding: where the holding is in more than one name, either securityholder may sign.

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

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

Corporate Representatives

If a representative of the corporation is to attend the meeting the appropriate "Certificate of Appointment of Corporate Representative" should be produced prior to admission in accordance with the Notice of Meeting. A form of the certificate may be obtained from the company's security registry.

Lodgement of a Proxy Form

This Proxy Form (and any Power of Attorney under which it is signed) must be received at an address given below by **10:30am (WST) on Sunday, 23 October 2011**, being not later than 48 hours before the commencement of the meeting. Any Proxy Form received after that time will not be valid for the scheduled meeting.

Proxy Forms may be lodged using the reply paid envelope or:



ONLINE

www.linkmarketservices.com.au

Login to the Link website using the holding details as shown on the proxy form. Select 'Voting' and follow the prompts to lodge your vote. To use the online lodgement facility, securityholders will need their "Holder Identifier" (Securityholder Reference Number (SRN) or Holder Identification Number (HIN) as shown on the front of the proxy form).



by mail:

Matrix Composites & Engineering Ltd
C/- Link Market Services Limited
Locked Bag A14
Sydney South NSW 1235
Australia



by fax:

+61 2 9287 0309



by hand:

delivering it to Link Market Services Limited, Level 12, 680 George Street, Sydney NSW 2000.

**If you would like to attend and vote at the Annual General Meeting, please bring this form with you.
This will assist in registering your attendance.**