

MAGONTEC Limited NOTICE OF ANNUAL GENERAL MEETING



Message from the Chair

On behalf of the Board, I am pleased to invite you to the 2024 Annual General Meeting (**AGM**) of Magontec Limited. The meeting will be held on **Wednesday 15th May 2024** starting at **11:00am** (AEST).

The items of business to be considered at the AGM are detailed in the following pages which include explanatory notes and the Board's voting recommendations.

The AGM will be conducted in person and will be held at Clifton Events Solutions at Level 3, 10 Spring Street Sydney NSW. (Please note that the location has changed from 2023 AGM address, but within 5 minutes walking distance.)

This information is also available on the Group's website www.magontec.com/investor-centre/agm2024/

Shareholders are encouraged to check the website for any changes in time or location prior to attending.

I look forward to welcoming you to Magontec's 2024 AGM.

A handwritten signature in black ink, appearing to read "N. Andrews", with a long horizontal stroke extending to the right.

Nicholas Andrews
Chair

MAGONTEC Limited

NOTICE OF ANNUAL GENERAL MEETING



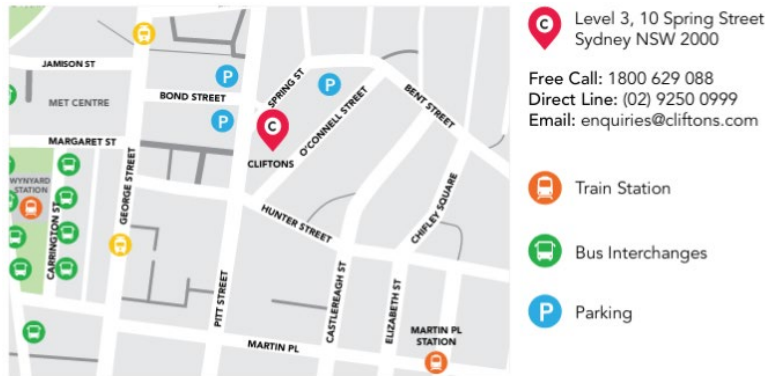
How to participate at the 2024 AGM

The Forty First Annual General Meeting (**AGM**) of Magontec Limited (ACN 010 441 666) (**the “Company”, “Magontec”**) will be held on Wednesday 15th May 2024 at 11:00am (AEST).

Venue

Shareholders can attend the meeting in person at Cliftons Events Solutions at Level 3, 10 Spring Street Sydney NSW.

DIRECTIONS AND PARKING GUIDE



CLOSEST TRAIN STATIONS • Wynyard Station, 210m (2 min walk) • Martin Place, 500m (6 min walk)	NEAREST PARKING • Wilson Parking – 1 O’Connell St (2 min walk) • Secure Parking. 20 Bond St, (2 min walk)
CLOSEST BUS STOPS • Carrington St, 330m (4 min walk)	CLOSEST TRAM STOPS • George St (2 min walk)

Registration

Shareholders and proxyholders attending the AGM can register on Level 3 from 10:30am on the day of the AGM. Light refreshments will be available at completion of the AGM providing an opportunity to meet and talk to Directors and Executive staff.

Determination of Voting Entitlement

For the purposes of this meeting, all persons who are registered holders of shares in the Company at 7:00pm (AEST) on **Monday 13th May 2024** will be entitled to vote.

Voting at the Meeting

It is intended that voting on each of the proposed resolutions will be conducted by a poll in terms of articles 11.14 and 11.5 of the Company’s constitution.

TO ENSURE VOTING RIGHTS ARE MAINTAINED AND MEETING EFFICIENCY OPTIMISED, SHAREHOLDERS ARE ENCOURAGED TO PRESUBMIT THEIR PROXY VOTING FORM.

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Appointing a Proxy

A member entitled to vote may appoint a proxy to attend and vote on behalf of the member. If the member is entitled to cast more than two votes, the member may appoint two proxies to attend and vote instead of the member. Where more than one proxy is appointed, each proxy may be appointed to represent a specified portion of the member's voting rights. If no such specification is given and two proxies are appointed, each may exercise half the votes to which the member is entitled. A proxy need not be a member. Proxies must be executed in accordance with the instructions in the notes accompanying the proxy form.

To be valid, the signed proxy form (together with an original or certified copy of the power of attorney if applicable) must be:

- lodged with Boardroom Pty Limited at Level 8, 210 George Street Sydney NSW 2000.
- delivered by post to Boardroom Pty Limited GPO Box 3993, Sydney NSW 2001; or
- sent by facsimile to Boardroom Pty Limited on +61 2 9290 9655,

so as to be received by Boardroom Pty Limited by 11:00am (AEST) on **Monday 13th May 2024** being not less than 48 hours before the time for holding the meeting.

Enclosed is a proxy form to be completed if you would like to be represented at the AGM by proxy.

Chair's Voting Intentions

If you appoint the Chair as your proxy or the Chair is appointed by default and your voting direction is not indicated, the Chair may exercise your proxy even if he has an interest in the outcome of those items.

If you appoint any other member of the Group's Key Management Personnel (**KMP**) or their Closely Related Parties as your proxy, they will not be able to vote your proxy on Resolutions 3, 4 or 5 unless you direct them how to vote.

For the purpose of these resolutions, Closely Related Party is defined in the *Corporations Act 2001* (Cth) (**Corporations Act**) and includes a spouse, dependant, and certain other close family members, as well as any companies controlled by a member of the KMP.

The Chair intends to vote undirected proxies able to be voted **IN FAVOUR** for Resolutions 1 to 5.

The Chair's decision on the validity of a direct vote, vote cast by a proxy or vote cast by a shareholder (including by body corporate representative or attorney) is conclusive.

Questions / Comments from Shareholders

In accordance with the Corporations Act, a reasonable opportunity will be provided to shareholders to ask questions about, or make comments upon, the matters in relation to the Company. The following process will be adopted –

- a) Shareholders physically attending the meeting – pose questions/comments verbally in the customary format.
- b) Shareholders not personally attending or joining the meeting remotely - submit any questions/comments in writing to the Company by email to: cosec@magontec.com by 5:00pm (Sydney time) **Friday 10th May 2024**.

During the meeting, the Chair will seek to address as many shareholder questions as reasonably practicable, and where appropriate, will give the auditor representative the opportunity to answer both spontaneous and written questions (per Section 250PA of the Corporations Act) addressed to it in relation to the Auditor's Report. However, please note that there may not be sufficient time to answer all questions at the AGM. Please note that individual responses will not be sent to shareholders in respect of questions asked.

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This document constitutes the Notice of Meeting for the 2024 Annual General Meeting of Magontec Limited (ACN 010 441 666).

The 2024 Annual General Meeting (AGM) of Magontec Limited (ACN 010 441 666) (the “Company”, “Magontec”) will be held on Wednesday 15th May 2024 at 11:00am (AEST).

Shareholders can attend the meeting in person at Cliftons Events Solutions at Level 3, 10 Spring Street Sydney NSW.

The 2023 Annual Report is available for viewing on the Company’s website at www.Magontec.com and then follow the tabs “Investor Centre”, or alternatively, copy this address into your web browser:

<https://magontec.com/investor-centre/>

Items of Business

(For full details on each resolution, refer to “Explanatory Notes” at the foot of this Notice)

ITEM 1: MAGONTEC LIMITED 2023 FINANCIAL REPORT

To receive the financial statements, Directors’ Report and Auditor’s Report for the financial year ended 31 December 2023.

Note: No resolution is required for this item of business.

ITEM 2: ADOPTION OF THE REMUNERATION REPORT for the year ended 31 December 2023

Resolution 1:

“To adopt the Remuneration Report as set out in the Annual Report for the twelve-month reporting period ended 31 December 2023.”

Note: This resolution is advisory only and does not bind the Company or the Directors. The Directors will consider the outcome of the vote and feedback from shareholders at the meeting when reviewing the Company’s remuneration policies.

ITEM 3: RE-ELECTION OF DIRECTOR - Mr. Zhong Jun Li

Resolution 2:

“That for the purposes of article 12.3(a) of the Constitution, ASX Listing Rule 14.4 and for all other purposes, Mr Zhong Jun Li, who is retiring and standing for re-election, be re-elected as an Independent Director of the Company, effective from the close of the Annual General Meeting.”

ITEM 4: INCREASE CAP OF PERFORMANCE RIGHTS TO BE ISSUED UNDER MAGONTEC GLOBAL INCENTIVE PLAN

Resolution 3:

“Increase the maximum number of Performance Rights able to be issued to Eligible Executives in terms of the Magontec Global Incentive Plan by 324,807 to 9,888,481 in relation to the three 3-year LTI Performance Periods ending 31 Dec 2024, 31 Dec 2025 and 31 Dec 2026 on the basis detailed in the relevant explanatory note.”

ITEM 5: APPROVE ISSUE OF PERFORMANCE RIGHTS TO EXECUTIVE CHAIR AND CEO

Resolution 4:

“For the purpose of ASX Listing Rule 10.14 and for all other purposes, approve the issue to the Executive Chair Mr Nicholas Andrews of an additional 18,750 Performance Rights in respect of the LTI Performance Period 1 Jan 2024 to 31 Dec 2026 of the Magontec Global Incentive Plan, to take the total Performance Rights issued to him in respect of that Performance Period to 955,586 on the basis of the numbers in Resolution 3 Explanatory Note Table 3 and as detailed in the relevant Explanatory Note to this Resolution.”

ITEM 6: APPROVAL OF MAGONTEC LONG-TERM INCENTIVE PLAN

Resolution 5:

“ That in relation to the Magontec Long-Term Incentive Plan and for the purposes of ASX Listing Rule 7.2 (Exception 9 and 13) and for all other purposes, approval is given to adopt the “Magontec Long-Term Incentive Plan” effective from the close of the Annual General Meeting.”

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EXPLANATORY NOTES

ITEM 1: MAGONTEC LIMITED 2023 FINANCIAL REPORT

The Corporations Act requires that the Financial Report, including the Directors' Declaration for the twelve-month reporting period ended **31 December 2023** and the related Directors' Report and Auditors' Report, be laid before the Annual General Meeting.

In addition, the Company's Constitution provides for such reports and statements to be received and considered at the meeting. None of the Corporations Act, the ASX Listing Rules or the Company's Constitution requires a vote of shareholders at the Annual General Meeting on such reports or statements.

However, shareholders will be given ample opportunity to raise questions with respect to these reports and statements at the meeting.

ITEM 2: ADOPTION OF THE REMUNERATION REPORT for the year ended 31 December 2023

Resolution 1:

"To adopt the Remuneration Report as set out in the Annual Report for the twelve-month reporting period ended 31 December 2023."

Shareholders (other than excluded Key Management Personnel) are entitled to vote on the question whether the Remuneration Report as contained in the Annual Report for the twelve-month reporting period ended 31 December 2023 is to be adopted. Shareholders should note, however, that this is an "advisory only" resolution, which does not bind the Directors of the Company.

Board Recommendation

The Board recommends that shareholders vote in **FAVOUR** of Resolution 1.

Voting Exclusions

The Company will disregard any votes cast in favour of the resolution by or on behalf of:

- Mr Nicholas Andrews and Dewberri Pty Limited as trustee for Andrews Superannuation Fund, Mr Dean Taylor, Mr Derryn Chin, Mr Patrick Look, Mr Zisheng Zhen, Mr Christoph Klein-Schmeink, Mr Xunyou Tong, and Ms Bella Kaye as an associate of Mr Robert Kaye; or
- an associate of those persons.

However, the Company need not disregard a vote cast in favour of a resolution by:

- a person as proxy or attorney for a person who is entitled to vote on the resolution, in accordance with directions given to the proxy or attorney to vote on the resolution in that way; or
- the chair of the meeting as proxy or attorney for a person who is entitled to vote on the resolution, in accordance with a direction given to the chair to vote on the resolution as the chair decides; or
- a holder acting solely in a nominee, trustee, custodial or other fiduciary capacity on behalf of a beneficiary provided the following conditions are met:
 - the beneficiary provides written confirmation to the holder that the beneficiary is not excluded from voting, and is not an associate of a person excluded from voting, on the resolution; and
 - the holder votes on the resolution in accordance with directions given by the beneficiary to the holder to vote in that way.

ITEM 3: RE-ELECTION OF DIRECTOR - Mr. Zhong Jun Li

Resolution 2:

"That for the purposes of article 12.3(a) of the Constitution, ASX Listing Rule 14.4 and for all other purposes, Mr Zhong Jun Li, who is retiring and standing for re-election, be re-elected as an Independent Director of the Company, effective from the close of the Annual General Meeting."

Under article 12.3(a) of the Constitution and ASX Listing Rule 14.4, a director must not retain office for a period in excess of 3 years or beyond the third annual general meeting following their election (whichever is the longer period), without submitting themselves for re-election. As this meeting will be the third annual general meeting since Mr Li's appointment as a director by shareholders, Mr Li will retire and stand for re-election at the meeting. Under article 12.6(a) of the Constitution, the resolution to appoint Mr Li is not required to provide consent to be nominated.

In circumstances where the shareholders vote in favour of Resolution 2 and Resolution 2 is passed, **Mr. Zhong Jun Li** will be re-appointed as a director with effect from the end of the meeting.

In circumstances where the shareholders do not vote in favour of Resolution 2, Mr Li will not be re-appointed as a Non-Executive director giving rise to a possible change in the Magontec Directorship profile. On its current Directorship profile, the Company maintains partial compliance with those ASX Corporate Governance recommendations dealing with a requirement for an independent Directors as per the table below.

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Relevant ASX Corporate Governance Recommendations	Current & if re-elected	Consequence if not elected
2.1 Have a Nomination Committee comprising a majority of independent directors, the roles and responsibilities of which should be disclosed	Yes	No
2.4 The majority of Board Members should be independent	Yes	No
2.5 The chair should be independent, and specifically should not be CEO	No	No
4.1 Have an Audit Committee comprising a majority of independent directors, the roles and responsibilities of which should be disclosed	Yes	Yes
7.1 Have a Risk committee (majority independent directors), or disclose how risks are managed	Yes	Yes
8.1 Have a Remuneration Committee comprising a majority of independent directors, the roles and responsibilities of which should be disclosed	Yes	No

In such circumstances, the Company may need to consider whether it should appoint another independent director to the board of the Company to at least restore its current level of compliance with ASX Corporate Governance recommendations.

Mr Zhong Jun Li was appointed, 31 August 2009 and last re-elected to the Board of the Company by shareholders as a non-executive Director at the AGM on 25 May 2021 in accordance with the provisions of article 12.3(b)(iv) of the Company's Constitution.

Mr Li is a member of Magontec's Remuneration and Nominations Committee. He is the owner of Keweier Metal Co. Limited (KWE). He is a graduate of Wuhan University of Technology and spent 10 years at Tianjin Auto Industry Company Ltd.

For more than 20 years, Mr Li has built a trading and manufacturing business that specialises in magnesium products. KWE has facilities located in Hong Kong and Tianjin and possesses a broad experience of the global magnesium industry. Mr Li is a major beneficial shareholder in Magontec Limited.

Board Recommendation

The Board (other than Mr Li) recommends that shareholders vote in **FAVOUR** of Resolution 2.

Voting Exclusion

The Company will disregard any votes cast in favour of this resolution by Yuanyuan Li as an associate of Mr Li or their associates. However, the Company need not disregard a vote if –

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

ITEM 4: INCREASE CAP OF PERFORMANCE RIGHTS TO BE ISSUED UNDER MAGONTEC GLOBAL INCENTIVE PLAN

Resolution 3:

"Increase the maximum number of Performance Rights able to be issued to Eligible Executives in terms of the Magontec Global Incentive Plan (MGIP) by 324,807 to 9,888,481 in relation to the three 3-year LTI Performance Periods ending 31 Dec 2024, 31 Dec 2025 and 31 Dec 2026 on the basis detailed in the relevant explanatory note."

1. Background

The Magontec Global Incentive Plan was amended by Resolution 4 of the 2023 AGM whereby the **MGIP** provided for issue of 3,417,420 Performance Rights in 2024 as per below.

The number of Performance Rights to be issued for 2024 – 2026 was calculated in accordance with the formula contained within the approved Rules. The formula included certain future variables estimated for the future grant date of 1 January 2024 and included remuneration of eligible participants at commencement of the Performance Period such as.

- the Magontec share price at commencement of the Performance Period (January 2024); and
- exchange rates at commencement of the Performance Period.

In accordance with the Plan Rules, the calculation was updated using actual values at the grant date of 1 January 2024 which has resulted in a requirement to issue an additional 324,807 Performance Rights.

The change in Performance Rights is due to the variance between the estimated and the actual share price at 31 December 2023, and the addition of an eligible executive into the plan.

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At the same time as approving the issue of Performance Rights in relation to the 3-year Performance Period to 31 Dec 26, the Board approved a share price target of \$0.7152 for 31 December 2026 that will need to be satisfied for these Performance Rights to vest in the hands of participants. This reflects a 22.4% compound annual growth rate over the 3-year period.

The current set of rules governing the **Magontec Global Incentive Plan** (the “Rules” or “MGIP”) can be located at the Magontec website [MGIP](#), with a summary included in Appendix 1 of this notice.

2. Relevant ASX Listing Rules

- ASX Listing Rule 7.1 provides that a company must not, subject to specified exceptions, without the approval of the holders of its ordinary securities, issue or agree to issue more equity securities during any 12-month period than that amount which represents 15% of the number of fully paid ordinary securities on issue at the commencement of that 12-month period.
- ASX Listing Rule 7.2 (Exception 13) sets out an exception to ASX Listing Rule 7.1 which provides that issues of securities under an employee incentive scheme do not require shareholder approval under ASX Listing Rule 7.1 for a period of 3 years from the date on which shareholders approve the issue of securities under the scheme. However, the approval under Exception 13 ceases to be available if there is a material change to the terms of the scheme.
- ASX Listing Rule 7.2 (Exception 9) sets out an exception to ASX Listing Rule 7.1 which provides that issues of securities as a result of the conversion of convertible securities which were issued in accordance with the ASX Listing Rules do not require approval under ASX Listing Rule 7.1.

3. Consequences of Shareholders’ Decision

In circumstances where the shareholders vote in favour, the maximum number of Performance Rights able to be issued to Eligible Executives in terms of the **Magontec Global Incentive Plan**:

- will increase by **324,807 to 9,888,481** and is summarised in Table 3 below:

TABLE 3	Approved Performance Rights (2023 AGM)		Additional Performance Rights for Approval		Performance Rights if Approved at 2024 AGM	
Col 1	Col 2	Col 3	Col 4	Col 5	Col 6	Col 7
Performance Period	Exec Chair	Total	Exec Chair	Total	Exec Chair	Total
1 Jan 22 to 31 Dec 24	774,074	3,125,212	-	-	774,074	3,125,212
1 Jan 23 to 31 Dec 25	828,175	3,021,042	-	-	828,175	3,021,042
1 Jan 24 to 31 Dec 26	936,836	3,417,420	18,750	306,057	955,586	3,742,227
	2,539,085	9,563,674	18,750	306,057	2,557,835	9,888,481
% of issued securities						12.6%

Note 1: Compared to numbers in Table 1 of the Explanatory Note to this Resolution.

- reflecting the possibility that the **324,807** added Performance Rights on issue may wholly or partially convert to ordinary shares of Magontec Limited depending upon the extent to which the share price targets in Table 2 are satisfied on 31 December 2026; and
 - reflecting alignment of actual values in the formula to calculate the number of Performance Rights to be issued with both reality and the expectations of Eligible Executives in terms of application of the Rules previously approved by shareholders.
- In circumstances where the shareholders **do not vote in favour** of Resolution 3 (and Resolution 5) the maximum number of Performance Rights able to be issued to Eligible Executives in terms of the **Magontec Global Incentive Plan** -
 - will remain at **9,563,674** per Table 1 above; and
 - will be misaligned with the expectations of Participants in terms of the application of the Rules previously approved by shareholders.

4. Board Recommendation

The Board (other than Mr Andrews) recommends that shareholders vote in **FAVOUR** of Resolution 3.

5. Voting Exclusions

The Company will disregard any votes cast in favour of the resolution by or on behalf of:

- Mr Nicholas Andrews and Dewberri Pty Limited as trustee for Andrews Superannuation Fund, or
- any person who is eligible to participate in the Magontec Global Incentive Plan, or
- an associate of those persons.

However, the Company need not disregard a vote cast in favour of a resolution by:

- a person as proxy or attorney for a person who is entitled to vote on the resolution, in accordance with directions given to the proxy or attorney to vote on the resolution in that way; or

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- the chair of the meeting as proxy or attorney for a person who is entitled to vote on the resolution, in accordance with a direction given to the chair to vote on the resolution as the chair decides; or
- a holder acting solely in a nominee, trustee, custodial or other fiduciary capacity on behalf of a beneficiary provided the following conditions are met:
 - the beneficiary provides written confirmation to the holder that the beneficiary is not excluded from voting, and is not an associate of a person excluded from voting, on the resolution; and
 - the holder votes on the resolution in accordance with directions given by the beneficiary to the holder to vote in that way.

ITEM 5: APPROVE ISSUE OF PERFORMANCE RIGHTS TO EXECUTIVE CHAIR AND CEO

Resolution 4:

“For the purpose of ASX Listing Rule 10.14 and for all other purposes, approve the issue to the Executive Chair Mr Nicholas Andrews of an additional 18,750 Performance Rights in respect of the LTI Performance Period 1 Jan 2024 to 31 Dec 2026 of the Magontec Global Incentive Plan, to take the total Performance Rights issued to him in respect of that Performance Period to 955,586 on the basis of the numbers in Resolution 3 Explanatory Note Table 3 and as detailed in the relevant Explanatory Note to this Resolution.”

1. Background

ASX Listing Rules 10.14 prevents an entity from permitting the acquisition of securities under an employee incentive scheme by a director, an associate of the director, or a person who has in the opinion of the ASX a relationship to the director, without the approval of the holders of its ordinary shares.

Resolution 5(b) of the 2023 AGM approved the issue of 936,836 Performance Rights (which are classified as equity securities) to the Executive Director and Chair, Mr Andrews in relation to the LTI Period 1 Jan 2024 to 31 Dec 2026.

The calculation of that entitlement had been based on an assumed Magontec opening share price on the same date of \$0.398. In actuality, the opening share price was \$0.39. The calculation of an entitlement of 955,586 Performance Rights reflects the actual value of the opening share price used of \$0.39. Shareholders are asked to approve the issue of an additional 18,750 Performance Rights to Mr Andrews.

If this Resolution 4 is approved, the issue of an additional 18,750 Performance Rights will be an issue of securities under the “**Magontec Global Incentive Plan**” as approved at the 2023 AGM (Resolution 4).

2. Consequences of Shareholders’ Decision

If this Resolution 4 together with Resolution 3 is passed, the Company will be able to proceed with the **Issue**. The consequences are set out in Resolution 3 Explanatory Note 3(a).

If this Resolution 4 together with Resolution 3 is not passed, the Company will not be able to proceed with the **Issue**. The consequences are set out in Resolution 3 Explanatory Note 3(b).

Details of any securities issued under the **Magontec Global Incentive Plan** will be published in the annual report of the entity relating to the period in which they were issued, along with a statement that approval for the issue was obtained under Listing Rule 10.14.

3. Data Requirement under ASX Listing Rule 10.15

10.15.1	Name of the person.	Mr Nicholas Andrews
10.15.2	Which category in rules 10.14.1 – 10.14.3 the person falls within and why.	(10.14.1) Mr Andrews is a director.
10.15.3	Number and class of securities proposed to be issued to the person under the scheme for which approval is being sought.	18,750 Performance Rights in respect of the 2024-2026 LTI Performance Period.
10.15.4	If the person is: - a director under rule 10.14.1; or - an associate of, or person connected with, a director under rules 10.14.2 or 10.14.3, details (including the amount) of the director’s current total remuneration package.	Total Remuneration = \$559,018 per annum as at 1 Jan 2024.
10.15.5	The number of securities that have previously been issued to the person under the scheme and the average acquisition price (if any) paid by the person for those securities.	Performance Rights Vested and Issued as Ordinary shares: 125,163 ordinary shares issued 19 May 2017 being part conversion of Performance Rights issued in respect of 1 Jan 2014 to 31 December 2016 LTI Performance Period.

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		200,000 ordinary shares issued 27 May 2024 being part conversion of Performance Rights issued in respect of 1 Jan 2021 to 31 December 2023 LTI Performance Period. Performance Rights granted but not vested or cancelled: 2,539,085 unvested Performance Rights are held in relation to the 3 three-year Performance Periods ended 31 Dec 2024, 31 Dec 2025 and 31 Dec 2026. - All securities granted have been issued at Nil consideration.
10.15.6	If the securities are not fully paid ordinary securities: - a summary of the material terms of the securities; - why that type of security is being used; and - the value the entity attributes to that security and its basis.	Refer to the Magontec Global Incentive Plan on the Company's website at Magontec.com and then follow the tabs "Investor Centre", "Corporate Governance", "STI LTI Governing Documents", with a summary included in Appendix 1 of this notice. Performance Rights are viewed as an appropriate instrument to recognise, in a contractual way, the employee's prospective entitlement to an incentive payment. They place on record that right as far as the employee is concerned and the potential cost as far as shareholders are concerned. 18,750 Performance Rights proposed to be issued in relation to the 2024-2026 Performance Period: Estimated fair value = 0.1961 cents per share totaling \$3,677.
10.15.7	Date by which securities are to be issued	Within 30 days after the date of the 2024 Annual General Meeting to be held on 15 May 2024.
10.15.8	The price at which the entity will issue the securities to the person under the scheme.	Nil.
10.15.9	A summary of the material terms of the scheme.	Refer to the Magontec Global Incentive Plan in the website details shown at 10.15.6 above in this Table with a summary included in Appendix 1 of this notice.
10.15.10	A summary of the material terms of any loan that will be made to the person in relation to the acquisition.	No loan.
10.15.11	Required statements	- Details of any securities issued under the scheme will be published in the annual report of the entity relating to the period in which they were issued, along with a statement that approval for the issue was obtained under Listing Rule 10.14. - Any additional persons covered by Listing Rule 10.14 who become entitled to participate in an issue of securities under the scheme after the resolution is approved and who were not named in the notice of meeting will not participate until approval is obtained under that rule.
10.15.12	Voting exclusion statement.	See Note 5 of this Explanatory Note

4. Board Recommendation

The Board (other than Mr Andrews) recommends that shareholders vote in favour of Resolution 4.

5. Voting Exclusions

The Company will disregard any votes cast in favour of the resolution by or on behalf of:

- Mr Nicholas Andrews and Dewberri Pty Limited as trustee for Andrews Superannuation Fund, or
- any person who is eligible to participate in the Magontec Global Incentive Plan, or
- an associate of those persons.

However, the Company need not disregard a vote cast in favour of a resolution by:

- a person as proxy or attorney for a person who is entitled to vote on the resolution, in accordance with directions given to the proxy or attorney to vote on the resolution in that way; or

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- the chair of the meeting as proxy or attorney for a person who is entitled to vote on the resolution, in accordance with a direction given to the chair to vote on the resolution as the chair decides; or
- a holder acting solely in a nominee, trustee, custodial or other fiduciary capacity on behalf of a beneficiary provided the following conditions are met:
 - the beneficiary provides written confirmation to the holder that the beneficiary is not excluded from voting, and is not an associate of a person excluded from voting, on the resolution; and
 - the holder votes on the resolution in accordance with directions given by the beneficiary to the holder to vote in that way.

ITEM 6: APPROVAL OF MAGONTEC LONG-TERM INCENTIVE PLAN

Resolution 5:

"That in relation to the Magontec Long-Term Incentive Plan and for the purposes of ASX Listing Rule 7.2 (Exception 9 and 13) and for all other purposes, approval is given to adopt the "Magontec Long-Term Incentive Plan" effective from the close of the Annual General Meeting."

1. Background

Subsequent to the 'first strike' against the 2021 Remuneration Report and feedback obtained from shareholders regarding the LTI structure and its achievement of incentive objectives, it was considered appropriate to replace the existing plan. At the 2023 AGM, the existing plan was extended to allow time for a review and the development of a more suitable plan designed to more accurately meet the strategic direction of the group.

Since shareholder approval of the current Magontec Global Incentive Plan (AGM held on 11 May 2023), 3,417,420 Performance Rights were issued in February 2024 under this plan.

The objectives of the review were to simplify the plan administration, reduce approval requirements at each AGM and ensure greater alignment of management incentives with shareholder objectives.

In 2023, independent advice was obtained from Mercer Pty Limited who undertook an Executive Remuneration Benchmarking review covering Australia, Germany and China, which included a review of the STI and LTI components. The Group paid Mercer \$15,000 excluding GST during the 12 months to 31 December 2023. The Board was satisfied that the advice obtained was free from undue influence of management.

Following this, Gilbert & Tobin undertook a review of the STI and LTI plans and provided services relating to preparation of new STI and LTI Plan Rules. The Group paid Gilbert & Tobin \$20,478 excluding GST during the 12 months to 31 December 2023. The Board was satisfied that the advice obtained was free from undue influence of management.

In September 2023, the Board reviewed the work undertaken by management, Mercer and Gilbert & Tobin, and approved the changes being proposed, which required the new MLTI Plan being submitted to shareholders for approval at the May 2024 AGM.

The current set of rules governing the **Magontec Global Incentive Plan** (the "Rules" or "MGIP") can be located at the Magontec website ([MGIP](#)), with a summary included in Appendix 1 of this notice.

The proposed set of rules governing the **Magontec Long-Term Incentive Plan** (the "Rules" or "MLTIP") can be located at the Magontec website ([MLTIP](#)), with a summary included in Appendix 2 of this notice.

In accordance with ASX Listing Rule 7.2 (Exception 13), Resolution 5 is seeking shareholder approval to replace the GOVERNING DOCUMENT FOR THE SHORT AND LONG-TERM INCENTIVE REMUNERATION PLAN FOR THE MAGONTEC GLOBAL MANAGEMENT GROUP – 2020 Shareholder Approved Plan – as updated at 2023 AGM 11 May 2023 (MGIP) with the Magontec Long-Term Incentive Plan (MLTIP).

2. Consequences of Shareholders' Decision

If this Resolution 5 is passed, the Company will be able to proceed with the issuing performance rights under the plan from May 2024 until April 2027.

If this Resolution 5 is not passed, the Company will **not** be able to proceed with granting performance rights in 2025 under the new plan terms and conditions but be granted under the current plan terms and conditions until its expiry in May 2026.

3. ASX Listing Obligations

ASX Listing Rule 7.1 provides that a company must not, subject to specified exceptions, without the approval of the holders of its ordinary securities, issue or agree to issue more equity securities during any 12-month period than that amount which represents 15% of the number of fully paid ordinary securities on issue at the commencement of that 12-month period.

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ASX Listing Rule 7.2 (Exception 13) sets out an exception to ASX Listing Rule 7.1 which provides that issues of securities under an employee incentive scheme do not require shareholder approval under ASX Listing Rule 7.1 for a period of 3 years from the date on which shareholders approve the issue of securities under the scheme. However, approval under Exception 13 ceases to be available if there is a material change to the terms of the scheme.

In accordance with the requirements of Listing Rule 7.2, Exception 13(b), the following information is provided:

Current Magontec Global Incentive Plan

Since the Current MGIP was approved by shareholders at the 11 May 2023 AGM:

- 3,417,420 Performance Rights (4.3% of issued capital) were granted (as approved by shareholders at the 11 May 2023 AGM).
- 1,966,681 Performance Rights lapsed and cancelled,
- 842,858 Performance Rights vested and converted to fully paid ordinary shares.

At time of this notice, 79,358,332 fully paid ordinary shares were on issue and a total of 9,563,674 (12% of issued capital before vesting) Performance Rights were issued and unvested.

Proposed Magontec Long-Term Incentive Plan

The maximum number of Performance Rights proposed to be issued under the New MLTIP following shareholder approval over three years is approximately 15% Performance Rights (11,903,749 of issued capital before vesting at time of this notice).

This maximum is not intended to be a prediction of the actual number of Performance Rights to be issued under the proposed MLTIP but is specified for the purposes of setting a ceiling on the number of Performance Rights approved to be issued under and for the purposes of Listing Rule 7.2, Exception 13(b). Once that number is reached, any additional issues of Performance Rights under the LTIP would not have the benefit of Exception 13 without a fresh shareholder approval.

4. Board Recommendation

The Board (other than Mr Andrews) recommends that shareholders vote in **FAVOUR** of Resolution 5.

5. Voting Exclusions

The Company will disregard any votes cast in favour of the resolution by or on behalf of:

- Mr Nicholas Andrews and Dewberri Pty Limited as trustee for Andrews Superannuation Fund, or
- any person who is eligible to participate in the Magontec Global Incentive Plan, or
- an associate of those persons.

However, the Company need not disregard a vote cast in favour of a resolution by:

- a person as proxy or attorney for a person who is entitled to vote on the resolution, in accordance with directions given to the proxy or attorney to vote on the resolution in that way; or
- the chair of the meeting as proxy or attorney for a person who is entitled to vote on the resolution, in accordance with a direction given to the chair to vote on the resolution as the chair decides; or
- a holder acting solely in a nominee, trustee, custodial or other fiduciary capacity on behalf of a beneficiary provided the following conditions are met:
 - the beneficiary provides written confirmation to the holder that the beneficiary is not excluded from voting, and is not an associate of a person excluded from voting, on the resolution; and
 - the holder votes on the resolution in accordance with directions given by the beneficiary to the holder to vote in that way.

By order of the board.

Dean Taylor
Company Secretary
27 March 2024

Helpline: If you have any questions regarding the meeting or proxy voting, please do not hesitate to contact the Company's share registrar **Boardroom Pty Limited** on 1300 737 760 for Australian shareholders or +61 2 9290 9600 for overseas shareholders.

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APPENDIX 1 – SUMMARY OF MAGONTEC GLOBAL INCENTIVE PLAN (shareholder approved 11 May 2023)

The current set of rules governing the **Magontec Global Incentive Plan** (the “Rules” or “MGIP”) can be located at the Magontec website ([MGIP](#)).

How is performance measured?	The plan uses absolute total shareholder return (TSR) as the basis for setting share price targets (based on the 30-day VWAP) for each three-year LTI performance period ended 31 December.
How is the TSR calculated?	TSR comprises the percentage change in the Company’s share price, plus the value of any future dividends during the period and is measured over the 3-year LTI performance period. The performance condition of TSR is deemed as being the most appropriate by the Board. It aligns the interests of employees in the management group with those of shareholders.
How is LTI granted?	From the 2021-23 Plan onwards, at the commencement date of the relevant 3-year LTI performance period an eligible executive will receive Performance Rights – i. equal in value to 50% of the eligible executive’s gross salary at that date; ii. equal in number to the value in i. divided by 75% of the greater of the market value of Magontec ordinary shares on the same date and the market value adopted under this provision at the commencement date of the immediately prior 3-year LTI performance period; and iii. at nil consideration.
How do Performance Rights Vest?	Performance Rights which are granted may convert into Magontec ordinary shares according to the two tests below: 1. Tier 1 – Individual KPIs (30%) The executive’s performance is rated against multiple KPI’s prescribed by the individual and approved by the Board. 2. Tier 2 – Group Level Share Price (70%) Under Tier 2, further performance rights may vest upon achievement of the relevant absolute share price targets above (market-based vesting conditions). The number of performance rights vesting under Tier 2 performance rights is only incremental to the Tier 1 entitlement.
How is the LTI governed?	The resultant payments are subject to approval by the Board upon the recommendation of the Remuneration and Nominations Committee.
How is risk managed in context to the LTI?	There are several ways that risk is managed with the LTI pool: • The absolute value of the LTI benefit is restricted to 50% of the employees TFR. • The determination of the vesting conditions are recommended by the Remuneration and Nominations Committee and are aligned with exceeding the share price of the previous period. • The Performance Rights will lapse after 3 years if the vesting conditions are not achieved. • Performance Rights will automatically lapse in the event of the death, dismissal, retrenchment, retirement or resignation of the eligible executive prior to the end date of the 3-year LTI performance period unless otherwise determined by the Board.
What are the terms of the LTI?	• The commencement date of the LTI plan is 1 January annually. • The LTI performance period is the 3-year period from the relevant commencement date. • A Performance Right is a conditional right granted by the Company to an eligible executive whereby that conditional right may, subject to the relevant terms and conditions, vest as Magontec ordinary shares. • Performance Rights will automatically lapse in the event of the death, dismissal, retrenchment, retirement or resignation of the eligible executive prior to the end date of the 3-year LTI performance period unless otherwise determined by the Board. • Performance Rights will vest immediately in the event of a takeover (being the acquisition of control over the voting shares) of the Company.

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	• Performance Rights may not be transferred, assigned or novated except with the approval of the Remuneration and Nominations Committee. • Eligible executives will not grant any security interest in or over or otherwise dispose of or deal with any Performance Rights or any interest in them until the relevant Magontec ordinary shares are issued to that eligible executive, and any such security interest or disposal or dealing will not be recognised in any manner by the Company. • Performance Rights do not confer on a participant the right to participate in new issues of shares by the Company, including by way of bonus issue, rights issue or otherwise. • The number of Performance Rights is rounded down to the next whole number if it is not a whole number. Performance rights issued to executives do not have escrow periods. • No entitlement to Performance Rights accrues to the eligible executive until an appropriate confirmation from the Company has been received by the eligible executive.
How is it paid?	Performance Rights are granted annually. In the event that the vesting conditions are met, the Performance rights will convert to fully paid ordinary shares in Magentec Limited.
What happens if the executive leaves?	In the event of the death, dismissal, retrenchment, retirement or resignation of the executive, unless otherwise determined by the Board having regard to the nature of the contribution to the Company by and circumstances of, the particular executive.

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APPENDIX 2 – SUMMARY OF PROPOSED MAGONTEC LONG-TERM INCENTIVE PLAN (for shareholder approval 15 May 2024)

The proposed set of rules governing the **Magontec Long-Term Incentive Plan** (the “Rules” or “MLTIP”) can be located at the Magontec website ([MLTIP](#)).

The following table provides a summary of the current MGIP and proposed MLTIP.

Item	MGIP	MGIP Clause	MLTIP	MLTIP Clause
1	Short-Term Incentives	3.i	REMOVED: This clause was deemed an unnecessary inclusion, is addressed as a separate Board approved policy and fully disclosed annually within the Remuneration Report tabled at each AGM for shareholder approval.	Removed
2	Long- Term Incentives	3.ii.a to b	The MLTI Plan provides additional detail of terms and conditions attached to the revised Long-Term Incentive. Plan details provide improved clarity on the underlying framework and the administration that the long-term incentives operate under, being less technical in nature and using plain language.	1-3
3	Nature & Conditions attaching to Performance Rights	3.ii.c to i	The proposed MLTI Plan has improved consistency with all current ASX, legislative and taxation requirements.	4
4	Grant of performance rights & plan limit	3.ii.j to n	The current plan provides extensive detail on calculation procedures and variations that require shareholder approval. The proposed MLTI Plan details the framework of the offer and information required to be contained in the offer document such as issue / exercise price to be paid and detail of terms. It does not include prescriptive procedural methods for algebraic formulas and calculations.	5-6
5	Vesting of performance rights	3.ii.o	The current plan provides extensive detail on calculation procedures. This level of detail contained within the plan creates additional resolutions at AGMs and for practical aspects of administration. The proposed MLTI Plan details the framework for vesting, approval and information required to be provided to the participant. The flexible framework allows for improved alignment with execution of the strategy of the business and modifications that may be required due to changing economic or market conditions. The proposed plan strikes a balance between shareholders and employee motivations and retention strategies. Details of vesting conditions and awards are contained within the Audited Remuneration Report on an annual basis to shareholders. Disclosures contained within the Remuneration Report provide greater detail to shareholders than current plan rules.	7-8
6	Exercise of performance rights	3.ii.o.ii.3 to 6	The current plan provides limited details on the process for exercising of vested grants or for process on cancellation / lapse. The proposed MLTI Plan provides greater details relating to the exercise process, lapse and compliance restrictions.	15-17
7	New Issues, Reorganisation and winding up	3.ii.p	The current plan provides limited details on the capital changes. The proposed MLTI Plan provides greater details relating to the participation in new issues, reorganisation of capital and winding up.	18

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8	Cessation of employment	3.ii.	The current plan contains limited details in relation to a cessation of employment circumstances. The MLTI Plan general conditions are expanded to ensure improved consistency with current legislation and additional detail relating to: • forfeiture of shares • Dealings with shares • Rights issues and bonus issues • Capital reconstructions. • Cessation of employment, fraud, misconduct and claw back.	19-22
9	Change in control	3.ii.p	The current plan provides the condition that in the event of a take-over, all unvested performance rights will vest. This clause caused concern with some shareholders. The proposed MLTI Plan removes the effective automatic vesting upon any change in control and places the determination of vesting upon the Board at its sole discretion. The proposed MLTI Plan provide also improved definitions and clarity on change in control events including take-overs.	20
10	Administration and Compliance	-	Administration and compliance clauses have been included for ASIC and governing law clarity.	23-30