



CLEAN TEQ WATER LIMITED
ACN 647 935 948

Notice of Annual General Meeting

Explanatory Statement and Proxy Form

Date of Meeting:
Wednesday, 14 December 2022

Time of Meeting:
2.00pm (AEDT)

The meeting will be held at:
Baker McKenzie
Level 19,181 William Street
Melbourne VIC 3000

Following recent modifications brought to the *Corporations Act 2001 (Cth)* which provide for permanent relief for companies to use electronic communications to send meeting materials, no hard copy of the Notice of Meeting and Explanatory Statement (**AGM Materials**) will be circulated unless Shareholders have elected to receive the AGM Materials in paper form. The Notice of Meeting is also available on the Australian Securities Exchange Announcement platform and on the Company's website <https://www.cleanteqwater.com/investors/asx-announcements/>.

Any attendees at the meeting in person will need to be at least double vaccinated if they wish to attend in person, and in any event should not attend if they feel unwell or have any cold or flu symptoms even of the mildest sort.

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

CLEAN TEQ WATER LIMITED

ACN 647 935 948

NOTICE OF ANNUAL GENERAL MEETING

Notice is hereby given that the Annual General Meeting of Clean TeQ Water Limited (the "Company") will be held at Level 19, 181 William Street, Melbourne, Victoria 3000 on Wednesday, 14 December 2022 at 2.00pm (AEDT) ("Annual General Meeting" or "Meeting").

AGENDA

ORDINARY BUSINESS

Receipt and Consideration of Financial Statements and Reports

To receive and consider the Annual Report of the Company for the period ended 30 June 2022, which includes the Financial Report, the Directors' Report and the Auditor's Report.

There is no requirement for Shareholders to approve these reports. Accordingly, no resolution will be put to Shareholders on this item of business.

Resolution 1: Adoption of Remuneration Report

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

"That the Remuneration Report (included in the Directors' report) for the period ended 30 June 2022 be adopted as described in the Explanatory Statement."

Resolution 2: Election of Ms Robyn McLeod as a Director of the Company

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

"That, for the purposes of ASX Listing Rule 14.4 and Clause 19.5 of the Company's Constitution, and for all other purposes, Ms Robyn McLeod, having been appointed to the Board of Directors on 8 October 2021 and retiring at this Meeting in accordance with the Constitution of the Company, and being eligible for election, be elected as a Director of the Company."

Resolution 3: Re-Election of Mr Peter Voigt as a Director of the Company

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

"That Mr Peter Voigt, who retires by rotation in accordance with the Company's Constitution, and who offers himself for re-election, be re-elected as a Director of the Company."

Resolution 4: Approval to issue 99,496 Performance Rights to Mr Peter Voigt

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

"That the grant of 99,496 Long Term Incentive Plan Performance Rights (being a right to acquire up to 99,496 fully paid ordinary shares in the Company, subject to satisfaction of relevant vesting conditions) to Mr Peter Voigt (or his nominee), Executive Chairman and Chief Technology Officer of the Company, under the Employee Incentive Plan and on the terms described in the Explanatory Statement, be approved under and for the purpose of Listing Rule 10.14, sections 200B and 200E of the Corporations Act and for all other purposes."

Resolution 5: Approval to issue 129,207 Performance Rights to Mr Peter Voigt

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

“That the grant of 129,207 Long Term Incentive Plan Performance Rights (being a right to acquire up to 129,207 fully paid ordinary shares in the Company, subject to satisfaction of relevant vesting conditions) to Mr Peter Voigt (or his nominee), Executive Chairman and Chief Technology Officer of the Company, under the Employee Incentive Plan and on the terms described in the Explanatory Statement, be approved under and for the purpose of Listing Rule 10.14, sections 200B and 200E of the Corporations Act and for all other purposes.”

Resolution 6: Approval to issue 217,636 Performance Rights to Mr Peter Voigt

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

“That the grant of 217,636 Long Term Incentive Plan Performance Rights (being a right to acquire up to 217,636 fully paid ordinary shares in the Company, subject to satisfaction of relevant vesting conditions) to Mr Peter Voigt (or his nominee), Executive Chairman and Chief Technology Officer of the Company, under the Employee Incentive Plan and on the terms described in the Explanatory Statement, be approved under and for the purpose of Listing Rule 10.14, sections 200B and 200E of the Corporations Act and for all other purposes.”

Resolution 7: Ratification of Prior Issue of Shares

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

“That, for the purposes of ASX Listing Rule 7.4 and for all other purposes, shareholders approve, ratify and confirm the allotment and issue of 6,588,861 fully paid ordinary shares made on or about 3 November 2022 at an issue price of \$0.38 (38 cents) per share as described in the Explanatory Statement.”

Resolution 8: Approval to issue Placement Shares

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

“That, for the purpose of ASX Listing Rule 7.1 and for all other purposes, approval is given for the issue of 6,234,211 fully paid ordinary shares in the Company to institutional and sophisticated investors under the Tranche 2 Placement on the terms and conditions described in the Explanatory Statement.”

Resolutions 9(a), 9(b), 9(c) and 9(d): Approval to issue Shares to Directors (or their nominees)

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

Resolution 9(a): Shares to Mr Peter Voigt

“That for the purposes of ASX Listing Rule 10.11 and for all other purposes, shareholders approve and authorise the Company to issue 78,947 fully paid ordinary shares in the Company at an issue price of \$0.38 (38 cents) per share to an entity related to the director Mr Peter Voigt on the terms and conditions described in the Explanatory Statement.”

Resolution 9(b): Shares to Mr Sam Riggall

“That for the purposes of ASX Listing Rule 10.11 and for all other purposes, shareholders approve and authorise the Company to issue 78,947 fully paid ordinary shares in the Company at an issue price of \$0.38 (38 cents) per share to an entity related to the director Mr Sam Riggall on the terms and conditions described in the Explanatory Statement.”

Resolution 9(c): Shares to Mr Ian Knight

“That for the purposes of ASX Listing Rule 10.11 and for all other purposes, shareholders approve and authorise the Company to issue 50,000 fully paid ordinary shares in the Company at an issue price of \$0.38 (38 cents) per share to an entity related to the director Mr Ian Knight on the terms and conditions described in the Explanatory Statement.”

Resolution 9(d): Shares to Ms Robyn McLeod

“That for the purposes of ASX Listing Rule 10.11 and for all other purposes, shareholders approve and authorise the Company to issue 13,158 fully paid ordinary shares in the Company at an issue price of \$0.38 (38 cents) per share to an entity related to the director Ms Robyn McLeod on the terms and conditions described in the Explanatory Statement.”

Resolution 10: Appointment of external auditors

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

That, for the purposes of Section 327B of the Corporations Act 2001 (Cth), and for all other purposes, Grant Thornton, having consented in writing to act in the capacity of auditor being duly nominated in accordance with Section 328B(1) of the Corporations Act 2001, be appoint as external auditors of the Company with effect from the close of the Meeting.”

SPECIAL BUSINESS

Resolution 11: Approval of 10% Placement Facility

To consider and, if thought fit, pass the following resolution as a **special resolution**:

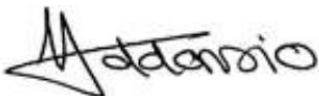
“That, pursuant to and in accordance with ASX Listing Rule 7.1A and for all other purposes, Shareholders approve the issue of Equity Securities up to 10% of the issued capital of the Company (at the time of the issue) calculated in accordance with the formula prescribed in Listing Rule 7.1A.2 and on the terms and conditions in the Explanatory Statement.”

Resolution 12: Changes to constitution

To consider and, if thought fit, to pass the following resolution as a **special resolution**:

“That, for the purposes of section 136(2) of the Corporations Act and for all other purposes, approval is given to amend and adopt the Company’s Constitution as amended in the manner set out in the Explanatory Statement, with effect from the conclusion of the Meeting.”

BY ORDER OF THE BOARD



Anita Addorisio
Company Secretary
14 November 2022

Notes

1. **Entire Notice:** The details of the Resolutions contained in the Explanatory Notes accompanying this Notice of Annual General Meeting should be read together with, and form part of, the Notice of Meeting.
2. **Record Date:** The Company has determined that for the purposes of the Meeting, shares will be taken to be held by the persons who are registered as holding the shares at 7.00pm (AEDT) on the date 48 hours before the date of the Annual General Meeting. Only those persons will be entitled to vote at the Annual General Meeting and transfers registered after that time will be disregarded in determining entitlements to attend and vote at the Annual General Meeting.
3. **Proxies**
 - a. Votes at the Annual General Meeting may be given personally or by proxy, attorney or representative.
 - b. Each shareholder has a right to appoint one or two proxies.
 - c. A proxy need not be a shareholder of the Company.
 - d. Where a shareholder is entitled to cast two or more votes, the shareholder may appoint two proxies and may specify the proportion of number of votes each proxy is appointed to exercise.
 - e. If a shareholder appoints two proxies, and the appointment does not specify the proportion or number of the shareholder's votes, each proxy may exercise half of the votes. If a shareholder appoints two proxies, neither proxy may vote on a show of hands.
 - f. A proxy must be signed by the shareholder or their attorney who has not received any notice of revocation of the authority. Proxies given by corporations must be signed in accordance with corporation's constitution and Corporations Act.
 - g. To be effective, Proxy Forms must be received by the Company's share registry (Computershare Investor Services Pty Limited) no later than 48 hours before the commencement of the Annual General Meeting, this is no later than 2.00pm (AEDT) on Monday 12 December 2022. Any proxy received after that time will not be valid for the scheduled meeting.

4. Corporate Representative

Any corporate shareholder who has appointed a person to act as its corporate representative at the Meeting should provide that person with a certificate or letter executed in accordance with the Corporations Act authorising him or her to act as that company's representative. The authority may be sent to the Company and/or registry in advance of the Meeting or handed in at the Meeting when registering as a corporate representative.

5. Voting Exclusion Statement

Resolution 1

In accordance with Sections 250R(4) and 250BD of the Corporations Act, a vote must not be cast, and the Company will disregard any votes cast, on this Resolution (in any capacity) by or on behalf of a member of the Key Management Personnel (being those persons described as such in the Remuneration Report) ("**KMP**") or a closely related party of such a member, unless the vote is cast by that person ("**KMP Voter**") as proxy for a person entitled to vote on this Resolution and either:

- a. In accordance with a direction on the Proxy Form; or
- b. By the Chair of the Meeting as proxy for a person entitled to vote and the Chair has received express authority to vote undirected proxies as the Chair sees fit.

Any undirected proxies held by Directors or other KMP (excluding the Chair) or their closely related parties for the purposes of this Resolution will not be voted on this Resolution. Accordingly, if you appoint a member of KMP as your proxy, please ensure that you direct them on how to vote.

Resolutions 2 and 3

There are no voting exclusions on any of these Resolutions.

Resolutions 4, 5 and 6

The Company will disregard any votes cast in favour of either of these Resolutions by or on behalf of:

- a. a person referred to in Listing Rule 10.14.1, 10.14.2 or 10.14.3 who is eligible to participate in the Employee Incentive Plan, being Mr Peter Voigt; or
- b. an associate of that person.

However, this does not apply to a vote cast in favour of either of these Resolutions by:

- a. a person as a 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
- b. 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
- c. a holder acting solely in a nominee, trustee, custodial or other fiduciary capacity on behalf of a beneficiary provided the following conditions are met:
 - i. 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
 - ii. the holder votes on the resolution in accordance with directions given by the beneficiary to the holder to vote in that way.

Furthermore, a vote must not be cast as proxy on Resolutions 4, 5 or 6 by a member of the KMP (as defined by the Corporations Act) or a closely related party of KMP.

However, a person described above (a “**Restricted Voter**”) may cast a vote on any Resolutions 4, 5 or 6 as a proxy if:

- a. The Restricted Voter is appointed as a proxy by writing that specifies the way the proxy is to vote on the Resolution(s); or
- b. The Chair of the Meeting is the Restricted Voter and the written appointment of the Chair as proxy does not specify the way the proxy is to vote on the Resolution(s) or expressly authorises the Chair to exercise the proxy even though the Resolution(s) is or are connected with the remuneration of a member of the KMP.

If you appoint the Chair of the Meeting as your proxy and you do not direct the Chair on how to vote, you will be expressly authorising the Chair to exercise the proxy even if the relevant resolution is connected directly or indirectly with the remuneration of a member of the Key Management Personnel of the Company.

Resolution 7

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

However, this does not apply to a vote cast in favour of a resolution by:

- a. a person as a 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
- b. 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
- c. a holder acting solely in a nominee, trustee, custodial or other fiduciary capacity on behalf of a beneficiary provided the following conditions are met:
 - i. 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
 - ii. the holder votes on the resolution in accordance with directions given by the beneficiary to the holder to vote in that way.

Resolution 8

The Company will disregard any votes cast in favour of this Resolution by or on behalf of:

- a. any person who is expected to participate in, or who will obtain a material benefit as a result of, the proposed issue (except a benefit solely by reason of being a holder of ordinary securities in the Company); or
- b. any associate of such a person.

However, this does not apply to a vote cast in favour of the Resolution by:

- a. a person as a 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
- b. 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
- c. a holder acting solely in a nominee, trustee, custodial or other fiduciary capacity on behalf of a beneficiary provided the following conditions are met:
 - i. 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
 - ii. the holder votes on the resolution in accordance with directions given by the beneficiary to the holder to vote in that way.

Resolutions 9(a) to 9(d)

The Company will disregard any votes cast in favour of any of these Resolutions by or on behalf of:

- a. Mr Peter Voigt, Mr Sam Riggall, Mr Ian Knight, Ms Robyn McLeod and any other person who will obtain a material benefit as a result of the issue of shares (except a benefit solely by reason of being a holder of ordinary securities in the Company); or
- b. an associate of that person or those persons.

However, this does not apply to a vote cast in favour of any of these Resolutions by:

- a. a person as a proxy or attorney for a person who is entitled to vote on the resolution(s), in accordance with directions given to the proxy or attorney to vote on the resolution(s) in that way; or
- b. the Chair of the Meeting as proxy or attorney for a person who is entitled to vote on the resolution(s), in accordance with a direction given to the Chair to vote on the resolution(s) as the Chair decides; or
- c. a holder acting solely in a nominee, trustee, custodial or other fiduciary capacity on behalf of a beneficiary provided the following conditions are met:
 - i. 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(s); and
 - ii. the holder votes on the resolution(s) in accordance with directions given by the beneficiary to the holder to vote in that way.

Resolution 10

There are no voting exclusions on this Resolution.

Resolution 11

As at the date of despatch of this Notice, the Company is not proposing to make an issue of Equity Securities under Listing Rule 7.1A.2 and, therefore, a voting exclusion statement on this Resolution is not currently required by Listing Rule 7.3A.7.

However, if, between the date of dispatch of this Notice and the date of the Meeting, the Company proposes to make an issue of Equity Securities under Listing Rule 7.1A.2, the Company will disregard votes cast in favour of Resolution 11 by or on behalf of:

- a. any person who is expected to participate in, or who will obtain a material benefit as a result of, the proposed issue (except a benefit solely by reason of being a holder or ordinary securities in the Company); or
- b. an associate of that person or those persons.

However, this does not apply to a vote cast in favour of a resolution by:

- a. 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
- b. 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
- c. a holder acting solely in a nominee, trustee, custodial or other fiduciary capacity on behalf of a beneficiary provided the following conditions are met:
 - i. 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 Resolution 11; and
 - ii. the holder votes on the resolution in accordance with directions given by the beneficiary to the holder to vote in that way.

Resolution 12

There are no voting exclusions on this Resolution.

6. Enquiries

Shareholders are invited to contact the Company Secretary on (03) 9692 7222 if they have any queries in respect of the matters set out in these documents.

EXPLANATORY STATEMENT

Introduction

This Explanatory Statement (“**Statement**”) is included in and forms part of the Notice of Annual General Meeting. The purpose of this Statement is to provide Shareholders with information they require to make an informed decision on the resolutions.

If you are in doubt as to how to vote, you should seek advice from your accountant, solicitor, tax advisor or other professional adviser prior to voting. It is important that you read this Statement in its entirety for a detailed explanation of the resolutions.

Defined terms used in this Notice have the meanings given to them in the Glossary at the end of this Notice. The Notice incorporates and should be read together with this Statement.

ORDINARY BUSINESS

Receipt and Consideration of Financial Statements and Reports

A copy of the Annual Report for the period ended 30 June 2022 (which incorporates the Company's Financial Report, Directors Report (including the Remuneration Report) and the Auditors Report) is available on the Company's website at <https://www.cleantegwater.com/investors/asx-announcements/> or via the Company's announcement platform on ASX. Alternatively, you may obtain a copy free of charge in hard copy form by contacting the Company by phone at (03) 9692 7222, and you may request that this occurs on a standing basis for future years. There is no requirement for Shareholders to approve the Annual Report.

Resolution 1: Adoption of Remuneration Report

Background

Section 250R(2) of the Corporations Act requires that a resolution to adopt the Remuneration Report must be put to the vote at the Annual General Meeting. The vote on this Resolution is advisory only and does not bind the Directors or the Company.

The Remuneration Report is set out in the Directors' Report in the Company's 2022 Annual Report. The Remuneration Report sets out the Company's remuneration arrangements for the Directors and senior management of the Company.

In accordance with Section 250SA of the Corporations Act, Shareholders will be provided with a reasonable opportunity to ask questions concerning, or make comments on, the remuneration report at the Meeting.

The Corporations Act requires the Company to put a resolution to Shareholders that, in accordance with Division 9 of Part 2G.2 of the Corporations Act, if twenty five (25%) per cent or more of votes that are cast are voted against the adoption of the Remuneration Report at two consecutive Annual General Meetings, Shareholders will be required to vote at the second of those Annual General Meetings on a resolution (a spill resolution) that another meeting be held within 90 days at which all of the Company's Directors (other than the Managing Director) must go up for re-election.

It is noted that a spill resolution will not, under any circumstances, be required for the Annual General Meeting as the Company is presenting its first Remuneration Report at this Meeting.

Voting Exclusions

A voting exclusion statement is set out in Note 5 of the Notice.

Board Recommendation

Noting that each Director has a personal interest in their own remuneration from the Company (as such interests are described in the Remuneration Report) and, as described in the voting exclusions on this Resolution (set out in the Notice of Meeting), that each Director (or any Closely Related Party of a Director) is excluded from voting their shares on this Resolution, the Board encourage all eligible shareholders to cast their votes in favour of this Resolution.

Resolution 2: Election of Ms Robyn McLeod as a Director of the Company

Background

In accordance with ASX Listing Rule 14.4 and clause 19.5 of the Company's Constitution, Ms Robyn McLeod will retire at the Meeting and being eligible, will offer herself for election.

Appointed on 8 October 2021, Ms. McLeod is a highly respected leader within the water and health sectors in Australia. Ms. McLeod currently sits on the Board of Melbourne Water, Austin Health.

Ms. McLeod's previous positions include Independent Commissioner for Water Security for South Australia, National Director of Water at KPMG, Executive Director of Major Water Projects for the Department of Sustainability and resources in Victoria, Chief of Staff to the Victorian Minister for Energy, resources and ports and until recently a Non-Executive Director on the Board of VicWater and Monash Health Services.

Ms. McLeod has previously worked in higher education to industry, industrial relations, and secondary teaching. She is a Fellow of the AICD and completed the Senior Executive Fellows Program at The Kennedy School of Government, Harvard University.

Ms McLeod is also a member of the Audit & Risk Committee and Nomination & Remuneration Committee.

Voting Exclusions

There are no voting exclusions on this Resolution.

Board Recommendation

The Board (with Ms McLeod abstaining) recommends that Shareholders vote in favour of this Resolution. The Chair of the Meeting intends to vote undirected proxies in favour of this Resolution.

Resolution 3: Re-Election of Mr Peter Voigt as a Director of the Company

Background

In accordance with ASX Listing Rule 14.4 and clauses 20.1 and 20.2 of the Company's Constitution, Directors must retire after the third AGM since they were last elected. A Director must not hold office without re-election following the third AGM after the Director's appointment / re-election or for more than three years, whichever is longest (clause 20.1). Mr Peter Voigt is retiring at this Meeting under clause 20.2 of the Company's Constitution.

Appointed to the Board on 15 February 2021, Mr Voigt is also the Company's Chief Technology Officer ("**CTO**").

Mr Voigt has a long and continuous involvement in the Clean TeQ Companies over a 30-year period, having founded the original Clean TeQ company, Clean Air TechniQ Pty Ltd in 1989, as an environmental engineering company operating in air pollution control using innovative biological processes. In 2000's, under Mr Voigt's leadership, the Company licenced innovative technology in continuous ion exchange technology and proceeded to develop the hydrometallurgy processes for nickel and cobalt along with water treatment processes.

In 2008, Clean TeQ Holdings Limited ("**Clean TeQ**") became a public listed company (ASX: CLQ) and Mr Voigt moved to the CTO role. Under his guidance, the company developed a suite of proprietary technologies in water treatment. In 2010, Mr Voigt moved to the position of CEO and held this position until 2014 when Clean TeQ moved to become a more metals-centric business and he moved to the CTO position. In 2014, Clean TeQ acquired the Syerston Nickel Cobalt Project, and instigated a program of works aimed at developing a battery chemical mine and refinery.

Voting Exclusions

There are no voting exclusions on this Resolution.

Board Recommendation

The Board (with Mr Voigt abstaining) recommends that Shareholders vote in favour of this Resolution. The Chair of the Meeting intends to vote undirected proxies in favour of this Resolution.

Resolution 4: Approval to issue 99,496 Performance Rights to Mr Peter Voigt

Background

The Company proposes, subject to Shareholder approval, to grant Mr Voigt, Executive Chair and Chief Technology Officer, 99,496 performance rights which, upon vesting, will result in the issue of up to 99,496 fully paid ordinary shares (“**Performance Rights**”) pursuant to the Company’s Employee Incentive Plan (“**EIP**”).

On 7 September 2021, the Company announced the issue of various performance rights to employees. The proposed issue of Performance Rights to Mr Voigt contemplated by this Resolution are on the same terms as those issued to the other employees at that time.

The number of performance rights proposed to be granted to Mr Voigt is based on his applicable long-term incentive (“**LTI**”) percentage under the Company’s EIP Rules, his applicable total fixed remuneration (“**TFR**”) and the ASX volume weighted average price (“**VWAP**”) of the Company in July 2021 of approximately \$0.99 per share.

The Company’s approach to remuneration is to ensure that remuneration received by KMP is closely linked to the Company’s performance and the returns generated for shareholders. Performance-linked compensation includes both short-term and long-term incentives and is designed to incentivise and reward employees for meeting or exceeding Company-wide and individual objectives. The short-term incentive (“**STI**”) is an “at risk” bonus provided in the form of cash and/or shares, while the LTI provided as options and performance rights over ordinary shares of the Company. The STI and LTI plans provide for the Board to be able to exercise discretion on the award of cash bonuses, options, and performance rights.

Within the established remuneration framework, each employee is assigned a level which reflects the seniority and responsibility associated with their role. This level determines an employees’ participation in the STI and LTI, and therefore, the proportion of their total remuneration which is linked to performance. Senior executives of the Company have a higher proportion of their total potential remuneration ‘at risk’. The applicable annual incentive plan metrics are detailed below.

Percentage of TFR	Level 1 (CEO)	Level 2	Level 3	Level 4	Level 5
STI – bonus	50%	30%	20%	15%	10%
LTI – performance rights	75%	65%	30%	20%	15%
Total at risk	55%	49%	33%	26%	20%

The Board considers that the performance-linked compensation structure outlined in the EIP Rules will generate the desired outcome in respect of attracting and retaining high calibre employees and aligning employee performance with shareholder interests.

The provision of Performance Rights to Mr Voigt pursuant to the LTI plan comprises a significant component of his ‘at risk’ remuneration. These Performance Rights are intended to align Voigt’s long-term performance over the vesting period with the interests of Shareholders as well as acting as a retention incentive.

The Board has concluded that the remuneration package for Mr Voigt is reasonable and appropriate having regard to the circumstances of the Company and his duties and responsibilities as Chief Technology Officer.

Conditions and Hurdles for Performance Rights

Performance Rights	
Vesting Date:	1 July 2024
Vesting Period:	1 July 2021 to 30 June 2024
Vesting Conditions:	The vesting of any of the Performance Rights is dependent on Mr Voigt meeting the Service and Performance Conditions. Collectively these conditions are known as the Vesting Conditions .
Service Condition:	Continuous employment by Mr Voigt in his current position (or equivalent) from Grant Date to Vesting Date. Subject to the EIP Rules, Performance Rights will generally lapse on resignation or dismissal.
Other Conditions:	The other conditions of the Performance Rights are as per the EIP Rules.
Performance Conditions:	
Up to 100% of the Performance Rights granted will vest to the extent that the Total Shareholder Return (“ TSR ”) for the Company outperforms the Performance Hurdles over the Performance Period. TSR is defined as the total return of a	

share to an investor (capital gain plus dividends received). The VWAP traded on the ASX in the one month preceding the commencement of the Vesting Period compared to the VWAP of shares in the one month preceding the Vesting Date will be used in measuring TSR over the Performance Period.

Performance Hurdle 1: 50% Performance Rights vesting conditional on CNQ's absolute TSR performance

CNQ TSR over measurement period	% of Performance Rights vesting
12.5% p.a. compounding annually or greater	100%
7.5% p.a. compounding annually	50%^
Less than 7.5% p.a. compounding	0%

^ Straight line pro-rata vesting between 7.5% and 12.5%

Performance Hurdle 2: 50% Performance Rights vesting conditional on CNQ's TSR performance compared to the ASX300 Index (ASX: XKO) ('Index')

Performance level	CNQ performance relative to the Index over the measurement period	% of Performance Rights vesting^^
Stretch	≥ Index movement +15%	100%
Between target & stretch	> Index movement + 5% & <15%	Pro-rata
Target	Index movement +5%	50%
Between threshold & target	> Index movement + 5% & <15%	Pro-rata
Threshold	= Index movement	25%
Below threshold	< Index movement	0%

^^ Provided that zero Performance Rights would vest if the CNQ TSR is negative over the measurement period.

Any Performance Rights which fail to vest on the Vesting Date will immediately lapse unless the Nomination & Remuneration Committee or the Board decides exceptional circumstances justify the reduction or waiver in whole or in part of the Vesting Conditions. There is no ability to re-test whether or not the Vesting Conditions have been satisfied after the Vesting Period has ended.

Information provided in accordance with Listing Rule 10.15

- (a) The proposed recipient is Mr Peter Voigt, the Executive Chair and Chief Technology Officer of the Company, or his nominee.
- (b) As a director of the Company, Mr Voigt falls into the category described in Listing Rule 10.14.1.
- (c) A total of 99,496 Performance Rights are being proposed to be granted to Mr Voigt.
- (d) The current total remuneration package of Mr Voigt is \$415,675 consisting of \$319,750 total fixed remuneration plus up to a maximum of \$95,925 STI cash bonus.
- (e) The number of securities on issue that have previously been granted to Mr Voigt under the EIP Rules is outlined below:

Number and type of securities (post demerger with Sunrise Energy Metals Limited ("SRL"))	Average acquisition price
480,168 Unlisted Performance Rights	Nil

*excluding the unquoted performance rights proposed under Resolutions 4 to 6.

- (f) The Performance Rights which, upon vesting, will result in the issue of up to 99,496 fully paid ordinary shares pursuant to the Company's EIP Rules. To vest, the Performance Rights conditions and hurdles, as outlined under *Conditions and Hurdles for Performance Rights* above, will have to be satisfied.
- (g) The Company is issuing Performance Rights as a form of equity security as it is a cost effective, non-cash incentive which closely links rewards with performance. The number of Performance Rights offered has been calculated based on the VWAP of CNQ in July 2021 of \$0.99 per share, with Performance Rights estimated to be valued (for accounting purposes) at approximately \$42,147 based on an independent valuation of a comparable tranche of Performance Rights granted in September 2021.
- (h) If Shareholder approval is obtained, the Performance Rights will be granted no later than one month after the Meeting.

- (i) The Performance Rights will be issued for no consideration.
- (j) A summary of the material terms of the EIP Rules has been provided under **Annexure A**.
- (k) No loan will be made by the Company in relation to the grant of Performance Rights to Mr Voigt.
- (l) Details of any securities issued under the EIP Rules will be published in each annual report of the Company 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.
- (m) Any additional persons covered by Listing Rule 10.14 who become entitled to participate in an issue of securities under the EIP Rules after this Resolution is approved and who are not named in this Notice and Explanatory Statement will not participate until approval is obtained under that rule.

If shareholders approve this Resolution, the Company will proceed with the issue of Performance Rights to Mr Voigt on the terms and conditions as set out in this Notice. Furthermore, Exception 14 in ASX Listing Rule 7.2 provides that ASX Listing Rule 7.1 does not apply where shareholder approval for an issue of securities is obtained under ASX Listing Rule 10.14. If shareholder approval is given for the purposes of ASX Listing Rule 10.14, approval will not be required under ASX Listing Rule 7.1, and the Performance Rights issued pursuant to this Resolution will not deplete the Company's 15% placement capacity under ASX Listing Rule 7.1.

If shareholders do not approve this Resolution, the proposed issue of Performance Rights to Mr Voigt will not proceed, and the Board will need to consider alternative remuneration options. To ensure CNQ can attract and retain the executive talent, the Board considers it is important for CNQ to offer incentives to its directors and executives that are in line with market practice and in alignment with the interests of shareholders.

Termination Benefits approval – sections 200B and s200E Corporations Act

Sections 200B and 200E of the Corporations Act prohibit the Company from giving a benefit to a person who holds (or has held in the previous three years) a managerial or executive office with the Company or its subsidiaries, if that benefit is given in connection with that person's retirement from office and is in excess of that person's average annual base salary over the relevant period, unless the benefit is approved by Shareholders or an exemption applies.

Approval is therefore sought under section 200E of the Corporations Act to allow for the Board to determine to accelerate vesting of some or all of Mr Voigt's unvested Performance Rights in the event Mr Voigt ceases employment in 'good leaver' circumstances being cessation other than due to resignation or dismissal for cause or poor performance and for the benefit not to be a termination benefit for the purposes of the Corporations Act. Where Mr Voigt ceases as a 'bad leaver' (which includes by resignation or dismissal for poor performance), all unvested Performance Rights will lapse, unless the Board determines otherwise.

If Shareholder approval is obtained, the value of the approved benefits will be disregarded when calculating Mr Voigt's termination benefits cap for the purpose of subsection 200F(2)(b) or subsection 200G(1)(c) of the Corporations Act. The approval will be effective from the date the Resolution is passed until the conclusion of the 2025 Annual General Meeting (that is, for a period of approximately three years).

The value of any benefit relating to the Performance Rights given in connection with Mr Voigt ceasing to hold managerial or executive office cannot presently be ascertained. However, matters, events and circumstances that will, or are likely to, affect the calculation of that value are:

- the number of Performance Rights held by Mr Voigt prior to cessation of his employment;
- the date when, and circumstances in which, Mr Voigt ceases employment;
- whether performance hurdles are waived or (if not waived) met, and the number of Performance Rights that vest (which could be all of the Performance Rights held by Mr Voigt); and
- the market price of the Company's shares on the ASX on the date Shares are provided to Mr Voigt upon vesting of the Performance Rights.

Corporations Act

The Board has formed the view that the issues of Performance Rights to Mr Voigt (or his nominee) do not require Shareholder approval under section 208 of the Corporations Act as the issues constitute "reasonable remuneration" in accordance with section 211 of the Corporations Act.

A “financial benefit” is defined in section 229 of the Corporations Act and includes granting an option to a related party. Section 228 of the Corporations Act defines a “related party” for the purposes of Chapter 2E to include:

- directors of the public company (section 228(2)(a)); and
- an entity controlled by directors of the public company (section 228(4)). Section 228(5) provides that an entity is a related party of a public company at a particular time if the entity was a related party of the public company of a kind referred to in subsection (1), (2), (3) or (4) at any time within the previous 6 months.

In reaching this view, the Board considers the proposed grant of Performance Rights aligns the interests of Mr Voigt with the interests of Shareholders. The grant of Performance Rights to Mr Voigt is a cost-effective form of remuneration when compared to the payment of cash consideration. The Board believes that having regard to the Company's current cash position, and the Company's objective to use available cash to fund its operations in the near future, compensating Mr Voigt in Performance Rights is in line with current market practices.

If this Resolution is passed and the Performance Rights are issued, Mr Voigt will have a relevant interest in 579,664 unquoted performance rights (this excludes the proposed issue of securities under Resolutions 5 and 6 of this Notice).

Voting Exclusions

A voting exclusion statement is set out under Note 5 of this Notice.

Board Recommendation

The Board (with Mr Voigt abstaining) recommends that Shareholders vote in favour of this Resolution. The Chair of the Meeting intends to vote undirected proxies in favour of this Resolution.

Resolution 5: Approval to issue 129,207 Performance Rights to Mr Peter Voigt

Background

ASX Listing Rule 10.14 provides that the Company must not permit a Director or an associate of such a Director to acquire securities under an employee incentive scheme without prior approval of Shareholders. Accordingly, approval is sought pursuant to Listing Rule 10.14 for the grant of up to 129,207 performance rights (“Rights”) to Mr Peter Voigt, Executive Chair and Chief Technology Officer, on the terms of the Company's EIP Rules.

On 9 March 2022, the Company announced the issue of various performance rights to employees. The proposed issue of Rights to Mr Voigt contemplated by this Resolution are on the same terms as those issued to the other employees at that time.

The number of Rights proposed to be granted to Mr Voigt is based on his applicable LTI percentage under the Company's EIP Rules, his applicable TFR and the VWAP of the Company in December 2021 of approximately \$0.76 per share.

The Company's approach to remuneration is to ensure that remuneration received by KMP is closely linked to the Company's performance and the returns generated for shareholders. Performance-linked compensation includes both short-term and long-term incentives and is designed to incentivise and reward employees for meeting or exceeding Company-wide and individual objectives. The STI is an “at risk” bonus provided in the form of cash and/or shares, while the LTI is provided as options and performance rights over ordinary shares of the Company. The STI and LTI plans provide for the Board to be able to exercise discretion on the award of cash bonuses, options, and performance rights.

The applicable annual incentive plan metrics for the proposed Rights has been outlined on page 10 of this Notice of Meeting. The provision of Rights to Mr Voigt pursuant to the LTI plan comprises a significant component of his ‘at risk’ remuneration. These Rights are intended to align Mr Voigt's long-term performance over the vesting period with the interests of Shareholders as well as acting as a retention incentive.

The Board has concluded that the remuneration package for Mr Voigt is reasonable and appropriate having regard to the circumstances of the Company and his duties and responsibilities as Chief Technology Officer.

Conditions and Hurdles for Rights

Performance Rights		
Vesting Date:	1 January 2025	
Vesting Period:	1 January 2022 to 31 December 2024	
Vesting Conditions:	The vesting of any of the Rights is dependent on Mr Voigt meeting the Service and Performance Conditions. Collectively these conditions are known as the Vesting Conditions .	
Service Condition:	Continuous employment by Mr Voigt in his current position (or equivalent) from Grant Date to Vesting Date. Subject to the EIP Rules, the Rights will generally lapse on resignation or dismissal.	
Other Conditions:	The other conditions of the Rights are as per the EIP Rules.	
Performance Conditions:		
Up to 100% of the Rights granted will vest to the extent that the TSR for the Company outperforms the Performance Hurdles over the Performance Period. TSR is defined as the total return of a share to an investor (capital gain plus dividends received). The VWAP traded on the ASX in the one month preceding the commencement of the Vesting Period compared to the VWAP of shares in the one month preceding the Vesting Date will be used in measuring TSR over the Performance Period.		
Performance Hurdle 1: 50% Rights vesting conditional on CNQ's absolute TSR performance		
CNQ TSR over measurement period	% of Rights vesting	
12.5% p.a. compounding annually or greater	100%	
7.5% p.a. compounding annually	50%^	
Less than 7.5% p.a. compounding	0%	
^ Straight line pro-rata vesting between 7.5% and 12.5%		
Performance Hurdle 2: 50% Rights vesting conditional on CNQ's TSR performance compared to the S&P / ASX 300 Index (ASX: XKO) ('Index')		
Performance level	CNQ performance relative to the Index over the measurement period	% of Rights vesting^^
Stretch	≥ Index movement + 15%	100%
Between target & stretch	> Index movement + 5% & <15%	Pro-rata
Target	Index movement +5%	50%
Between threshold & target	> Index movement + 5% & <15%	Pro-rata
Threshold	= Index movement	25%
Below threshold	< Index movement	0%
^^ Provided that zero Rights would vest if the CNQ TSR is negative over the measurement period.		

Any Rights which fail to vest on the vesting date will immediately lapse unless the Nomination & Remuneration Committee or the Board decides exceptional circumstances justify the reduction or waiver in whole or in part of the Vesting Conditions. There is no ability to re-test whether or not the Vesting Conditions have been satisfied after the Vesting Period has ended.

Information provided in accordance with Listing Rule 10.15

- The proposed recipient is Mr Peter Voigt, the Executive Chair and Chief Technology Officer of the Company, or his nominee.
- As a director of the Company, Mr Voigt falls into the category described in Listing Rule 10.14.1.
- A total of 129,207 Rights are being proposed to be granted to Mr Voigt.
- The current total remuneration package of Mr Voigt is \$415,675 consisting of \$319,750 total fixed remuneration plus up to a maximum of \$95,925 STI cash bonus.
- The number of securities on issue that have previously been granted to Mr Voigt has been outlined on page 11 of this Notice of Meeting.

- (f) The Rights which, upon vesting, will result in the issue of up to 129,207 fully paid ordinary shares pursuant to the Company's EIP Rules. To vest, the Rights conditions and hurdles, as outlined under *Conditions and Hurdles for Rights* above, will have to be satisfied.
- (g) The Company is issuing Rights as a form of equity security as it is a cost effective, non-cash incentive which closely links rewards with performance. The number of Rights offered has been calculated based on the VWAP of CNQ in December 2021 of \$0.76 per share, with Rights estimated to be valued (for accounting purposes) at approximately \$54,525 based on an independent valuation of a comparable tranche of Performance Rights granted in March 2022.
- (h) If Shareholder approval is obtained, the Rights will be granted no later than one month after the Meeting.
- (i) The Rights will be issued for no consideration.
- (j) A summary of the material terms of the EIP Rules has been provided under **Annexure A**.
- (k) No loan will be made by the Company in relation to the grant of Rights to Mr Voigt.
- (l) Details of any securities issued under the EIP Rules will be published in each annual report of the Company 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.
- (m) Any additional persons covered by Listing Rule 10.14 who become entitled to participate in an issue of securities under the EIP Rules after this Resolution is approved and who are not named in this Notice and Explanatory Statement will not participate until approval is obtained under that rule.

If shareholders approve this Resolution, the Company will proceed with the issue of Rights to Mr Voigt on the terms and conditions as set out in this Notice. Furthermore, Exception 14 in ASX Listing Rule 7.2 provides that ASX Listing Rule 7.1 does not apply where shareholder approval for an issue of securities is obtained under ASX Listing Rule 10.14. If shareholder approval is given for the purposes of ASX Listing Rule 10.14, approval will not be required under ASX Listing Rule 7.1, and the Rights issued pursuant to this Resolution will not deplete the Company's 15% placement capacity under ASX Listing Rule 7.1.

If shareholders do not approve this Resolution, the proposed issue of Rights to Mr Voigt will not proceed, and the Board will need to consider alternative remuneration options. To ensure CNQ can attract and retain the executive talent, the Board considers it is important for CNQ to offer incentives to its directors and executives that are in line with market practice and in alignment with the interests of shareholders.

Termination Benefits approval – sections 200B and s200E Corporations Act

Approval is therefore sought under section 200E of the Corporations Act to allow for the Board to determine to accelerate vesting of some or all of Mr Voigt's unvested Rights in the event Mr Voigt ceases employment in 'good leaver' circumstances being cessation other than due to resignation or dismissal for cause or poor performance and for the benefit not to be a termination benefit for the purposes of the Corporations Act. Where Mr Voigt ceases as a 'bad leaver' (which includes by resignation or dismissal for poor performance), all unvested Rights will lapse, unless the Board determines otherwise.

If Shareholder approval is obtained, the value of the approved benefits will be disregarded when calculating Mr Voigt's termination benefits cap for the purpose of subsection 200F(2)(b) or subsection 200G(1)(c) of the Corporations Act. The approval will be effective from the date the Resolution is passed until the conclusion of the 2025 Annual General Meeting (that is, for a period of approximately three years).

The value of any benefit relating to the Rights given in connection with Mr Voigt ceasing to hold managerial or executive office cannot presently be ascertained. However, matters, events and circumstances that will, or are likely to, affect the calculation of that value have been outlined on page 14.

Corporations Act

The Board has formed the view that the issues of Rights to Mr Voigt (or his nominee) do not require Shareholder approval under section 208 of the Corporations Act as the issues constitute "reasonable remuneration" in accordance with section 211 of the Corporations Act.

In reaching this view, the Board considers the proposed grant of Rights aligns the interests of Mr Voigt with the interests of Shareholders. The grant of Rights to Mr Voigt is a cost-effective form of remuneration when

compared to the payment of cash consideration. The Board believes that having regard to the Company's current cash position, and the Company's objective to use available cash to fund its operations in the near future, compensating Mr Voigt in Rights is in line with current market practices.

If this Resolution is passed and the Rights are issued, Mr Voigt will have a relevant interest in 708,871 performance rights (this includes the proposed issue of securities under Resolutions 4 and 5 but exclude the one under Resolution 6 of this Notice).

Voting Exclusions

A voting exclusion statement is set out under Note 5 of this Notice.

Board Recommendation

The Board (with Mr Voigt abstaining) recommends that Shareholders vote in favour of this Resolution. The Chair of the Meeting intends to vote undirected proxies in favour of this Resolution.

Resolution 6: Approval to issue 217,636 Performance Rights to Mr Peter Voigt.

Background

ASX Listing Rule 10.14 provides that the Company must not permit a Director or an associate of such a Director to acquire securities under an employee incentive scheme without prior approval of Shareholders. Accordingly, approval is sought pursuant to Listing Rule 10.14 for the grant of up to 217,636 performance rights ("**Unquoted Rights**") to Mr Peter Voigt, Executive Chair and Chief Technology Officer, on the terms of the Company's EIP Rules.

On 11 August 2022, the Company announced the issue of various performance rights to employees. The proposed issue of unquoted Rights to Mr Voigt contemplated by this Resolution are on the same terms as those issued to the other employees at that time.

The number of Unquoted Rights proposed to be granted to Mr Voigt is based on his applicable LTI percentage under the Board approved EIP Rules, his applicable TFR and the ASX volume weighted average price of the Company in June 2022 of approximately \$0.48 per share.

The Company's approach to remuneration is to ensure that remuneration received by KMP is closely linked to the Company's performance and the returns generated for shareholders. Performance-linked compensation includes both short-term and long-term incentives and is designed to incentivise and reward employees for meeting or exceeding Company-wide and individual objectives. The STI is an "at risk" bonus provided in the form of cash and/or shares, while the LTI is provided as options and performance rights over ordinary shares of the Company. The STI and LTI plans provide for the Board to be able to exercise discretion on the award of cash bonuses, options, and performance rights.

The applicable annual incentive plan metrics has been outlined on page 10 of this Notice of Meeting. The provision of Unquoted Rights to Mr Voigt pursuant to the LTI plan comprises a significant component of his 'at risk' remuneration. These Unquoted Rights are intended to align Mr Voigt's long-term performance over the vesting period with the interests of Shareholders as well as acting as a retention incentive.

The Board has concluded that the remuneration package for Mr Voigt is reasonable and appropriate having regard to the circumstances of the Company and his duties and responsibilities as Chief Technology Officer.

Conditions and Hurdles for Unquoted Rights

Performance Rights		
Vesting Date:	1 July 2025	
Vesting Period:	1 July 2022 to 30 June 2025	
Vesting Conditions:	The vesting of any of the Unquoted Rights is dependent on Mr Voigt meeting the Service and Performance Conditions. Collectively these conditions are known as the Vesting Conditions .	
Service Condition:	Continuous employment by Mr Voigt in his current position (or equivalent) from Grant Date to Vesting Date. Subject to the EIP Rules, the Unquoted Rights will generally lapse on resignation or dismissal.	
Other Conditions:	The other conditions of the Unquoted Rights are as per the EIP Rules.	
Performance Conditions:		
Up to 100% of the Unquoted Rights granted will vest to the extent that the TSR for the Company outperforms the Performance Hurdles over the Performance Period. TSR is defined as the total return of a share to an investor (capital gain plus dividends received). The VWAP traded on the ASX in the one month preceding the commencement of the Vesting Period compared to the VWAP of shares in the one month preceding the Vesting Date will be used in measuring TSR over the Performance Period.		
<u>Performance Hurdle 1: 50% Unquoted Rights vesting conditional on CNQ's absolute TSR performance</u>		
CNQ TSR over measurement period	% of Unquoted Rights vesting	
12.5% p.a. compounding annually or greater	100%	
7.5% p.a. compounding annually	50%^	
Less than 7.5% p.a. compounding	0%	
^ Straight line pro-rata vesting between 7.5% and 12.5%		
<u>Performance Hurdle 2: 50% Unquoted Rights vesting conditional on CNQ's TSR performance compared to the S&P / ASX 300 Index (ASX: XKO) ('Index')</u>		
Performance level	CNQ performance relative to the Index over the measurement period	% of Unquoted Rights vesting^^
Stretch	≥ Index movement +15%	100%
Between target & stretch	> Index movement + 5% & <15%	Pro-rata
Target	Index movement +5%	50%
Between threshold & target	> Index movement + 5% & <15%	Pro-rata
Threshold	= Index movement	25%
Below threshold	< Index movement	0%
^^ Provided that zero Unquoted Rights would vest if the CNQ TSR is negative over the measurement period.		

Any Unquoted Rights which fail to vest on the vesting date will immediately lapse unless the Nomination & Remuneration Committee or the Board decides exceptional circumstances justify the reduction or waiver in whole or in part of the Vesting Conditions. There is no ability to re-test whether or not the Vesting Conditions have been satisfied after the Vesting Period has ended.

Information provided in accordance with Listing Rule 10.15

- The proposed recipient is Mr Peter Voigt, the Executive Chair and Chief Technology Officer of the Company, or his nominee.
- As a director of the Company, Mr Voigt falls into the category described in Listing Rule 10.14.1.
- A total of 217,636 Unquoted Rights are being proposed to be granted to Mr Voigt.
- The current total remuneration package of Mr Voigt is \$415,675 consisting of \$319,750 total fixed remuneration plus up to a maximum of \$95,925 STI cash bonus.
- The number of securities on issue that have previously been granted to Mr Voigt under the EIP Rules have been outlined on page 11 of this Notice of Meeting.

- (f) The Unquoted Rights which, upon vesting, will result in the issue of up to 217,636 fully paid ordinary shares pursuant to the Company's EIP Rules. To vest, the Unquoted Rights conditions and hurdles, as outlined under *Conditions and Hurdles for Unquoted Rights* above, will have to be satisfied.
- (g) The Company is issuing Unquoted Rights as a form of equity security as it is a cost effective, non-cash incentive which closely links rewards with performance. The number of Rights offered has been calculated based on the VWAP of CNQ in June 2022 of \$0.48 per share, with Unquoted Rights estimated to be valued (for accounting purposes) at approximately \$ 75,955 based on an independent valuation of a comparable tranche of Performance Rights granted in August 2022.
- (h) If Shareholder approval is obtained, the Unquoted Rights will be granted no later than one month after the Meeting.
- (i) The Unquoted Rights will be issued for no consideration.
- (j) A summary of the material terms of the EIP Rules has been provided under **Annexure A**.
- (k) No loan will be made by the Company in relation to the grant of Rights to Mr Voigt.
- (l) Details of any securities issued under the EIP Rules will be published in each annual report of the Company 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.
- (m) Any additional persons covered by Listing Rule 10.14 who become entitled to participate in an issue of securities under the EIP Rules after this Resolution is approved and who are not named in this Notice and Explanatory Statement will not participate until approval is obtained under that rule.

If shareholders approve this Resolution, the Company will proceed with the issue of Unquoted Rights to Mr Voigt on the terms and conditions as set out in this Notice. Furthermore, Exception 14 in ASX Listing Rule 7.2 provides that ASX Listing Rule 7.1 does not apply where shareholder approval for an issue of securities is obtained under ASX Listing Rule 10.14. If shareholder approval is given for the purposes of ASX Listing Rule 10.14, approval will not be required under ASX Listing Rule 7.1, and the Unquoted Rights issued pursuant to this Resolution will not deplete the Company's 15% placement capacity under ASX Listing Rule 7.1.

If shareholders do not approve this Resolution, the proposed issue of Unquoted Rights to Mr Voigt will not proceed, and the Board will need to consider alternative remuneration options. To ensure CNQ can attract and retain the executive talent, the Board considers it is important for CNQ to offer incentives to its directors and executives that are in line with market practice and in alignment with the interests of shareholders.

Termination Benefits approval – sections 200B and s200E Corporations Act

Approval is therefore sought under section 200E of the Corporations Act to allow for the Board to determine to accelerate vesting of some or all of Mr Voigt's unvested Unquoted Rights in the event Mr Voigt ceases employment in 'good leaver' circumstances being cessation other than due to resignation or dismissal for cause or poor performance and for the benefit not to be a termination benefit for the purposes of the Corporations Act. Where Mr Voigt ceases as a 'bad leaver' (which includes by resignation or dismissal for poor performance), all unvested Unquoted Rights will lapse, unless the Board determines otherwise.

If Shareholder approval is obtained, the value of the approved benefits will be disregarded when calculating Mr Voigt's termination benefits cap for the purpose of subsection 200F(2)(b) or subsection 200G(1)(c) of the Corporations Act. The approval will be effective from the date the Resolution is passed until the conclusion of the 2025 Annual General Meeting (that is, for a period of approximately three years).

The value of any benefit relating to the Unquoted Rights given in connection with Mr Voigt ceasing to hold managerial or executive office cannot presently be ascertained. However, matters, events and circumstances that will, or are likely to, affect the calculation of that value have been outlined on page 17.

Corporations Act

The Board has formed the view that the issues of Unquoted Rights to Mr Voigt (or his nominee) do not require Shareholder approval under section 208 of the Corporations Act as the issues constitute “reasonable remuneration” in accordance with section 211 of the Corporations Act.

In reaching this view, the Board considers the proposed grant of Unquoted Rights aligns the interests of Mr Voigt with the interests of Shareholders. The grant of Unquoted Rights to Mr Voigt is a cost-effective form of remuneration when compared to the payment of cash consideration. The Board believes that having regard to the Company's current cash position, and the Company's objective to use available cash to fund its operations in the near future, compensating Mr Voigt in Unquoted Rights is in line with current market practices.

If this Resolution is passed and the Unquoted Rights are issued, Mr Voigt will have a relevant interest in 926,507 performance rights (this includes the proposed issue of securities under Resolutions 4 to 6).

Voting Exclusions

A voting exclusion statement is set out under Note 5 of this Notice.

Board Recommendation

The Board (with Mr Voigt abstaining) recommends that Shareholders vote in favour of this Resolution. The Chair of the Meeting intends to vote undirected proxies in favour of this Resolution.

Resolution 7: Ratification of Prior Issue of Shares

Background

The Company is seeking shareholder approval for the issue of 6,588,861 fully paid ordinary shares to institutional and sophisticated investors (“**Tranche 1 Placement**”) on 3 November 2022 in accordance with the ASX announcement dated 27 October 2022.

ASX Listing Rules

ASX Listing Rule 7.1 allow the Company to issue new securities up to 15% of the existing capital of the Company in any 12-month period without the prior approval of Shareholders, unless one of the exceptions in ASX Listing Rule 7.2 applies.

Under ASX Listing Rule 7.4 an issue of securities will be treated as having been made with the approval of shareholders for the purposes of ASX Listing Rule 7.1 if the issue did not breach ASX Listing Rule 7.1 at the time and shareholders subsequently approve it. The issue of Shares was within the Company's ASX Listing Rule 7.1 placement capacity and the Company now seeks Shareholder approval of the issue pursuant to ASX Listing Rule 7.4.

If this Resolution is approved, the prior issue of the 6,588,861 Shares under Tranche 1 Placement will be treated by the Company as having been made with Shareholder approval under ASX Listing Rules 7.1 and the Company will therefore be able to issue additional equity securities without the Tranche 1 Placement Shares counting towards the 15% threshold for the purposes of ASX Listing Rule 7.1.

If this Resolution is not approved, the prior issue of the 6,588,861 Shares under Tranche 1 Placement will count towards the 15% threshold for the purposes of ASX Listing Rule 7.1.

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

- (a) 6,588,861 fully paid ordinary shares in the Company were allotted and issued on 3 November 2022;
- (b) The afore-mentioned shares were issued at an issue price of \$0.38 (38 cents) per Share;
- (c) The securities issued rank *pari passu* with all existing securities of their class;
- (d) The afore-mentioned shares were allotted and issued to institutional and sophisticated investors who were identified or selected by the Company; and

- (e) Funds raised from Tranche 1 Placement will be used to fund the Company's pipeline of existing projects, commercialisation of NematIQ and emerging opportunities in metals recovery, including demonstration of proprietary Direct Lithium Extraction technology.

Voting Exclusions

A voting exclusion statement is set out under Note 5 of this Notice.

Board Recommendation

The Board recommends that Shareholders vote in favour of this Resolution. The Chair of the Meeting intends to vote undirected proxies in favour of this Resolution.

Resolution 8: Approval to issue Placement Shares

Background

On 27 October, the Company announced that it has received commitments from institutional and sophisticated investors to raise approximately \$2.5 million under Tranche 2 of the Placement ("**Tranche 2 Placement**"). Out of the 6,455,260 fully paid ordinary shares proposed to be issued to institutional investors and Directors under Tranche 2 Placement, 6,234,211 fully paid ordinary shares are being proposed to be issued to institutional investors ("**Placement Shares**").

ASX Listing Rules

ASX Listing Rule 7.1 provides that a company must not, without shareholder approval, issue or agree to issue more 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. As the issue of the Placement Shares would, without shareholder approval, exceed that 15% limit, the Company seeks shareholder approval under Listing Rule 7.1 to issue the Placement Shares.

If Resolution 8 is passed, the Company will issue the Placement Shares without using any of its Placement Capacity under Listing Rule 7.1's 15% limit on issuing equity securities, will retain the flexibility to make future issues of equity securities up to the 15% limit and will raise approximately \$2.4 million before costs.

If Resolution 8 is not passed, the Company will not be able to issue the Tranche 2 Placement Shares.

ASX Listing Rule 7.3 requires that the following information be provided to shareholders for the purpose of obtaining shareholder approval pursuant to ASX Listing Rule 7.1:

- (a) 6,234,211 fully paid ordinary shares are being proposed to be issued to institutional and sophisticated investors who were identified or selected by the Company, including Mr Robert Friedland, Mr Willem Vriesendorp (Chief Executive Officer) and Dennis Hong (or their nominees);
- (b) The Placement Shares will be issued at an issue price of \$0.38 (38 cents) per Share;
- (c) The Placement Shares will rank *pari passu* with all existing securities of their class;
- (d) The Placement Shares will be issued not later than three months after the date of the Meeting (or such later date as permitted by any ASX waiver or modification of the ASX Listing Rules) and it is intended that allotment will occur on Tuesday, 20 December 2022; and
- (e) Funds raised from Tranche 2 Placement will be used to fund the Company's pipeline of existing projects, commercialisation of NematIQ and emerging opportunities in metals recovery, including demonstration of proprietary Direct Lithium Extraction technology.

Voting Exclusions

A voting exclusion statement is set out under Note 5 of this Notice.

Board Recommendation

The Board recommends that Shareholders vote in favour of this Resolution. The Chair of the Meeting intends to vote undirected proxies in favour of this Resolution.

Resolutions 9(a), 9(b), 9(c) and 9(d): Approval to issue Shares to Directors (or their nominees)

Background

The Company is seeking shareholder approval to allow the Company's Directors, being Messrs Peter Voigt, Sam Riggall, Ian Knight, and Ms Robyn McLeod (or their respective nominees) to participate in the Placement (Tranche 2) as announced on 27 October 2022 and pursuant to ASX Listing Rule 10.11 to allot and issue 221,052 fully paid ordinary shares in the Company (**Shares**) at an issue price of \$0.38 (38 cents) per Share to each Director. The issue price of \$0.38 (38 cents) per Share is the same as the issue price at which the Shares have been offered to professional and sophisticated investors under the Placement per approval sought under Resolution 9.

The details of the Shares proposed to be issued under Resolutions 9(a) to 9(d) are summarised below:

Director	Number of Shares	Price per Share	Funds
Mr Peter Voigt (or his nominee)	78,947	\$0.38 (38 cents)	\$30,000
Mr Sam Riggall (or his nominee)	78,947	\$0.38 (38 cents)	\$30,000
Mr Ian Knight (or his nominee)	50,000	\$0.38 (38 cents)	\$19,000
Ms Robyn McLeod (or her nominee)	13,158	\$0.38 (38 cents)	\$5,000

If the resolutions are approved, the Company will proceed with the issue of Shares to the concerned Director (or their nominee).. The willingness of the Directors' is to subscribe for Shares under the Placement is confirmation of their faith in the Company and its business. If any of these resolutions is not approved, the Company will not proceed with the issue of Shares to the concerned Director and no Placement funds will be received by the Company from the Directors.

ASX Listing Rules

ASX Listing Rule 10.11 provides that a listed company must not (subject to specified exceptions) issue or agree to issue equity securities to a related party without shareholder approval. Directors of the Company and their associates are related parties of the Company and therefore Shareholder approval for the participation of the above-named Directors of the Company in the Tranche 2 Placement is required under ASX Listing Rule 10.11.

ASX Listing Rule 10.13 requires that the following information be provided to Shareholders for the purposes of obtaining Shareholder approval pursuant to ASX Listing Rule 10.11 for these Resolutions:

- (a) the Shares will be issued to the following persons or a related entity:
 - i. Mr Peter Voigt;
 - ii. Mr Sam Riggall;
 - iii. Mr Ian Knight; and
 - iv. Ms Robyn McLeod.
- (b) approval is sought under ASX Listing Rule 10.11.1 as the afore-mentioned persons are Directors of the Company;
- (c) the maximum number of Shares to be issued to each of the Directors has been set out in the above table;
- (d) the Shares will be issued not later than one month after the date of the Meeting (or such later date as permitted by any ASX waiver or modification of the ASX Listing Rules) and it is intended that allotment will occur on 20 December 2022;
- (e) the Shares will be issued at an issue price (payable in cash) of \$0.38 (38 cents) per Share;
- (f) the Shares will rank equally in all respects with the existing Shares on issue in the Company; and
- (g) Funds raised from Tranche 2 Placement will be used to fund the Company's pipeline of existing projects, commercialisation of NematIQ and emerging opportunities in metals recovery, including demonstration of proprietary Direct Lithium Extraction technology.

Voting Exclusions

A voting exclusion statement is set out under Note 5 of this Notice.

Board Recommendation

The Board (with each Director abstaining on their own Resolution) recommends that Shareholders vote in favour of these Resolutions. The Chair of the Meeting intends to vote undirected proxies in favour of these Resolutions.

Resolution 10: Appointment of external auditors

Background

In accordance with section 327B(1)(a) of the Corporations Act, a public company must appoint an auditor at an Annual General Meeting where there is a vacancy.

Pursuant to section 328B of the Corporations Act, the Company received a valid notice of nomination which nominated the firm Grant Thornton to be appointed as the new auditors of the Company. A copy of the notice of nomination is set out in **Annexure B** of this Notice of Meeting.

Grant Thornton has provided the Company its written consent to act, subject to Shareholder approval being obtained, as the Company's auditor in accordance with section 328A(1) of the Corporations Act.

Shareholder approval is being sought to appoint Grant Thornton as the external auditor of the Company.

Voting Exclusions

There are no voting exclusions on this Resolution.

Board Recommendation

The Board recommends that Shareholders vote in favour of this Resolution. The Chair of the Meeting intends to vote undirected proxies in favour of this Resolution.

SPECIAL BUSINESS

Resolution 11: Approval of 10% Placement Facility

Background

Listing Rule 7.1A enables eligible entities to issue Equity Securities up to 10% of its issued share capital through placements over a 12-month period after the Annual General Meeting ("**10% Placement Facility**"). The 10% Placement Facility is in addition to the Company's 15% placement capacity under Listing Rule 7.1.

An eligible entity for the purposes of Listing Rule 7.1A is an entity that is not included in the S&P/ASX 300 Index and has a market capitalisation of \$300 million or less. The Company is an eligible entity.

The Company is seeking shareholder approval by way of a special resolution to have the ability, if required, to issue Equity Securities under the 10% Placement Facility. The effect of this Resolution will be to allow the Directors to issue Equity Securities under Listing Rule 7.1A during the 10% Placement Period without using the Company's 15% placement capacity under Listing Rule 7.1.

If Shareholders approve this Resolution, the number of Equity Securities permitted to be issued under the 10% Placement Facility will be determined in accordance with the formula prescribed in Listing Rule 7.1A.2 (see below) and the Company will be able to issue Equity Securities from the 10% Placement Facility, as noted below, without any further shareholder approval.

If Shareholders do not approve this Resolution, the Company will not be able to access the additional 10% capacity to issue Equity Securities without shareholder approval provided for in Listing Rule 7.1A and will remain subject to the 15% limit on issuing Equity Securities without shareholder approval set out in Listing Rule 7.1.

Description of Listing Rule 7.1A

(a) Shareholder approval

The ability to issue Equity Securities under the 10% Placement Facility is subject to shareholder approval by way of a special resolution at an Annual General Meeting. This means it requires approval of 75% of the votes cast by shareholders present and eligible to vote (in person, by proxy, by attorney or, in the case of a corporate shareholder, by a corporate representative).

(b) Equity Securities

Any Equity Securities issued under the 10% Placement Facility must be in the same class as an existing quoted class of Equity Securities of the Company. The Company, as at the date of the Notice, has on issue three classes of Equity Securities, being quoted fully paid ordinary shares (ASX: CNQ), unquoted options (ASX: CNQAQ), and unquoted performance rights (ASX: CNQAP).

(c) Formula for calculating 10% Placement Facility

Listing Rule 7.1A.2 provides that eligible entities which have obtained shareholder approval at an annual general meeting may issue or agree to issue, during the 12-month period after the date of the annual general meeting, a number of Equity Securities calculated in accordance with the following formula:

$$(A \times D) - E$$

A is the number of shares on issue at the commencement of the “relevant period” (which, for the Company, is the 12-month period immediately preceding the date of issue or agreement):

- (A) plus the number of fully paid shares issued in the 12 months under an exception in Listing Rule 7.2, other than exception 9, 16 or 17;
- (B) plus the number of fully paid shares issued in the relevant period on the conversion of convertible securities within rule 7.2 exception 9 where:
 - (i) the convertible securities were issued or agreed to be issued before the commencement of the relevant period; or
 - (ii) the issue of, or agreement to issue, the convertible securities was approved, or taken under the Listing Rules to have been approved, under rule 7.1 or rule 7.4;
- (C) plus the number of fully paid shares issued in the relevant period under an agreement to issue securities within rule 7.2 exception 16 where:
 - (i) the agreement was entered into before the commencement of the relevant period; or
 - (ii) the agreement or issue was approved, or taken under the Listing Rules to have been approved, under rule 7.1 or rule 7.4;
- (D) plus the number of fully paid shares issued in the relevant period with approval of holders of shares under Listing Rules 7.1 and 7.4;
- (E) plus the number of partly paid shares that became fully paid in the relevant period;
- (F) less the number of fully paid shares cancelled in the relevant period.

Note that A has the same meaning in Listing Rule 7.1 when calculating an entity’s 15% placement capacity.

D is 10%

E is the number of Equity Securities issued or agreed to be issued under Listing Rule 7.1A.2 in the relevant period where the issue or agreement has not been subsequently approved by shareholders under Listing Rule 7.1 or 7.4.

(d) Listing rule 7.1 and Listing Rule 7.1A

The ability of an entity to issue Equity Securities under Listing Rule 7.1A is in addition to the entity’s 15% placement capacity under Listing Rule 7.1.

The actual number of Equity Securities that the Company will have capacity to issue under Listing Rule 7.1A will be calculated at the date of issue of the Equity Securities in accordance with the formula prescribed in Listing Rule 7.1A.2 (as set out above).

(e) Minimum Issue Price

The issue price of Equity Securities issued under Listing Rule 7.1A must be not less than 75% of the VWAP of Equity Securities in the same class calculated over the 15 Trading Days on which trades in that class were recorded immediately before:

- (i) the date on which the price at which the Equity Securities are to be issued is agreed by the Company and the recipient of the Equity Securities; or
- (ii) if the Equity Securities are not issued within 10 Trading Days of the date in paragraph (i) above, the date on which the Equity Securities are issued.

(f) 10% Placement Period

Shareholder approval of the 10% Placement Facility under Listing Rule 7.1A is valid from the date of the Annual General Meeting at which the approval is obtained and expires on the first to occur of the following:

- (i) the date that is 12 months after the date of the Annual General Meeting at which the approval is obtained.
- (ii) The time and date of the Company's next annual general meeting.
- (iii) The date of the approval by shareholders of a transaction under Listing Rules 11.1.2 (a significant change to the nature or scale of activities) or 11.2 (disposal of main undertaking).

(10% Placement Period).

Specific information required by Listing Rule 7.3A

Pursuant to and in accordance with Listing Rule 7.3A, information is provided in relation to the approval of the 10% Placement Facility as follows:

- (a) The period for which the Shareholder approval of the 10% Placement Facility under Listing Rule 7.1A will be valid commences on the date of the Annual General Meeting at which the approval is obtained, being 14 December 2022, and expires on the first to occur of the following:
 - (i) the date that is 12 months after the date of the Annual General Meeting at which the approval is obtained, being 14 December 2023;
 - (ii) the time and date of the Company's next annual general meeting;
 - (iii) the time and date of the approval by shareholders of a transaction under Listing Rules 11.1.2 (a significant change to the nature or scale of activities) or 11.2 (disposal of main undertaking).
- (b) The Equity Securities will be issued at an issue price of not less than 75% of the VWAP for the Company's Equity Securities in the same class calculated over the 15 Trading Days on which trades in that class were recorded immediately before:
 - (i) the date on which the price at which the Equity Securities are to be issued is agreed by the Company and the recipient of the securities; or
 - (ii) if the Equity Securities are not issued within 10 trading days of the date in paragraph (i) above, the date on which the Equity Securities are issued.
- (c) The purposes for which the funds raised by an issue of Equity Securities under rule 7.1A.2 may be used by the Company include:
 - (i) consideration for the acquisition(s) of the new assets and investments, including the expenses associated with such acquisition(s); and
 - (ii) continued expenditure on the Company's current business and/or general working capital.
- (d) If this Resolution is approved by Shareholders and the Company issues Equity Securities under the 10% Placement Facility, the existing Shareholders' voting power in the Company will be diluted as shown in the below table. Shareholders may also be exposed to economic risk and voting dilution, including the following:
 - (i) the market price for the Company's Equity Securities may be significantly lower on the date of the issue of the Equity Securities than on the date of the Annual General Meeting; and
 - (ii) the Equity Securities may be issued at a price that is at a discount to the market price for the Company's Equity Securities on the issue date,

which may have an effect on the amount of funds raised by the issue of the Equity Securities.

The below table shows the dilution of existing Shareholders on the basis of the market price of Shares as at 4 November 2022 (**Current Share Price**) and the current number of ordinary securities for variable "A" calculated in accordance with the formula in Listing Rule 7.1A(2) as at the date of this Notice.

The table also shows:

- two examples where variable "A" has increased, by 50% and 100%. Variable "A" is based on the number of ordinary securities the Company has on issue. The number of ordinary securities on issue may increase as a result of issues of ordinary securities that do not require Shareholder approval (for example, a pro rata entitlements issue or scrip issued under a takeover offer) or future specific placements under Listing Rule 7.1 that are approved at a future Shareholders' meeting; and,
- two examples of where the issue price of ordinary securities has decreased by 50% and increased by 100% as against the current market price.

Variable 'A' in Listing Rule 7.1A.2		Issue Price		
		\$0.19 50% decrease in Current Share Price	\$0.38 Current Share Price	\$0.76 100% increase in Current Share Price
Current Variable A 51,255,035 Shares	10% Voting Dilution	5,125,504 Shares	5,125,504 Shares	5,125,504 Shares
	Funds raised	\$973,846	\$1,947,691	\$3,895,383
50% increase in current Variable A 76,882,553 Shares	10% Voting Dilution	7,688,255 Shares	7,688,255 Shares	7,688,255 Shares
	Funds raised	\$1,460,768	\$2,921,537	\$5,843,074
100% increase in current Variable A 102,510,070 Shares	10% Voting Dilution	10,251,007 Shares	10,251,007 Shares	10,251,007 Shares
	Funds raised	\$1,947,691	\$3,895,383	\$7,790,765

The table has been prepared on the following assumptions:

- The Company issues the maximum number of Equity Securities available under the 10% Placement Facility;
- No Options are exercised into Shares before the date of the issue of the Equity Securities;
- The 10% voting dilution reflects the aggregate percentage dilution against the issued share capital at the time of issue. This is why the voting dilution is shown in each example as 10%;
- The table does not show an example of dilution that may be caused to a particular Shareholder by reason of placements under the 10% Placement Facility, based on that Shareholder's holding at the date of the Meeting;
- The table shows only the effect of issues of Equity Securities under Listing Rule 7.1A, not under the 15% placement capacity under Listing Rule 7.1;
- The issue of Equity Securities under the 10% Placement Facility consists only of Shares. If the issue of Equity Securities includes Options, it is assumed that those Options are exercised into Shares for the purpose of calculating the voting dilution effect on existing Shareholders; and
- The issue price is \$0.38, being the closing price of the Shares on ASX on 2 November 2022.

(e) The Company's allocation policy is dependent on the prevailing market conditions at the time of any proposed issue pursuant to the 10% Placement Facility. The identity of the recipients of Equity Securities will be determined on a case-by-case basis having regard to the factors including but not limited to the following:

- the methods of raising funds that are available to the Company, including but not limited to, rights issue or other issue in which existing security holders can participate;
- the effect of the issue of the Equity Securities on the control of the Company;
- the financial situation and solvency of the Company; and
- advice from corporate, financial, and broking advisers (if applicable).

The recipients under the 10% Placement Facility have not been determined as at the date of this Notice but may include existing substantial Shareholders and/or new Shareholders who are not related parties or associates of a related party of the Company.

- (f) The Company:
- i. has not issued, nor agreed to issue, any Equity Securities under Rule 7.1A.2 in the 12-month period preceding the date of the Meeting; and
 - ii. has not agreed, before the 12-month period referred to in the preceding paragraph, to issue any Equity Securities under rule 7.1A.2 where such securities remain unissued as at the date of the Meeting.

Voting Exclusions

A voting exclusion statement is set out in Note 5 of the Notice.

Board Recommendation

The Board unanimously recommends that Shareholders vote in favour of this Resolution. The Chair of the Meeting intends to vote undirected proxies in favour of this Resolution.

Resolution 12: Changes to constitution

Background

Under section 136(2) of the Corporations Act, the Company may amend or repeal its current constitution (“**Current Constitution**”) by special resolution. The Company seeks the approval of shareholders to amend its Current Constitution as described below (“**Revised Constitution**”).

The Revised Constitution incorporates amendments in preparation for CHES Replacement. The Revised Constitution remains broadly consistent with the Current Constitution. Most of the changes are relatively minor or are administrative in nature and do not significantly impact on shareholders. A summary of the proposed material changes is set out in the table below.

Shareholders may also read the Revised Constitution (on mark-up) in its entirety on the Company’s website at <https://www.cleantegwater.com/company/corporate-governance/> where a copy of each of the Current Constitution and Revised Constitution can be viewed.

Proposed Amendments

The Company seeks Shareholder approval for the purposes of section 136(2) of the Corporations Act, and for all other purposes, to modify the Constitution as follows:

Subject Matter	Applicable Clause within the Current / Revised Constitution	Comments
Definition	Clause 1.1	Definition of CHES System has been updated.
Joint Holders	Clauses 3.8 / 3.9	Ahead of the CHES Replacement, the definition of ‘Joint Holders’ have been determined to allow for a maximum number of registered holders as prescribed by the ASX Settlement Operating Rules.
General Meeting	Clauses 15.2 to 15.18	These clauses have been updated to allow for the Company to conduct general meetings virtually (if so required from time to time).

Voting Exclusions

There are no voting exclusions on this Resolution.

Board Recommendation

The Board recommends that Shareholders vote in favour of this Resolution. The Chair of the Meeting intends to vote undirected proxies in favour of this Resolution.

Disclosure

The Company considers this Statement to contain all material information known to it that could reasonably be required by a Shareholder in deciding how to vote on the proposed Resolutions other than information that would be unreasonable to require the Company to disclose because it has previously disclosed that information to Shareholders.

GLOSSARY

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

“\$” means Australian Dollars;

“**AGM, Annual General Meeting or Meeting**” means the 2022 Annual General Meeting convened by the Notice.

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

“**AEDT**” means Australian Eastern Daylight Time;

“**Board**” means the Directors acting as the Board of Directors of the Company;

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

“**Closely Related Party**” of a member of the Key Management Personnel means:

- (a) a spouse or child of the member;
- (b) a child of the member’s spouse;
- (c) a dependent of the member or the member’s spouse;
- (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 dealing with the entity;
- (e) a company the member controls; or
- (f) a person prescribed by the Corporations Regulations 2001 (Cth).

“**Company**” means Clean TeQ Water Limited ACN 647 935 948;

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

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

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

“**Directors Report**” means the annual directors’ report prepared under Chapter 2M of the Corporations Act for the Company and its controlled entities;

“**EIP**” means the Employee Incentive Plan of the Company;

“**Equity Securities**” has the same meaning as in the ASX Listing Rules.

“**Explanatory Statement**” means the explanatory statement which forms part of the Notice;

“**Financial Report**” means the annual financial report prepared under Chapter 2M of the Corporations Act for the Company and its controlled entities;

“**Key Management Personnel or KMP**” means those persons details of whose remuneration are included in the Remuneration Report having the authority and responsibility for planning, directing and controlling the activities of the Company, directly or indirectly, including any Director (executive or otherwise), as defined in the Corporations Act.

“**Listing Rules**” means the official listing rules of ASX.

“**LTI**” means the Long-Term Incentives;

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

“**Notice**” means this Notice of Annual General Meeting including the Explanatory Statement;

“**Plan**” means the Equity Incentive Plan of the Company;

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

“**Remuneration Report**” means the remuneration report set out in the Director’s report section of the Company’s annual financial report for the period ended 30 June 2022.

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

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

“**Shareholder**” means member of the Company, as defined in the Constitution of the Company;

“**STI**” means Short-Term Incentives;

“**TFR**” means total fixed remuneration;

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

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

Annexure A

Summary of material terms and conditions of the Company's EIP Rules

A summary of material terms and conditions of the Company's EIP Rules is set out below. For full details of the EIPR, please refer to the rules themselves which are accessible on the Company website at <https://www.cleanteqwater.com/company/corporate-governance/>.

- The EIP Rules set out the framework for the offer of Shares, Options or Performance Rights by the Company, and is typical for a document of this nature.
- In making its decision to issue Shares, Options or Performance Rights, the Board may decide the number of securities and the vesting conditions which are to apply in respect of the securities. The Board has broad flexibility to issue Shares, Options or Performance Rights having regard to a range of potential vesting criteria and conditions.
- In certain circumstances, unvested Options or Performance Rights will immediately lapse and any unvested Shares held by the participant will be forfeited if the relevant person is a "bad leaver" as distinct from a "good leaver".
- If a participant acts fraudulently or dishonestly or is in breach of their obligations to the Company or its subsidiaries, the Board may determine that any unvested Performance Rights or Options held by the participant immediately lapse and that any unvested Shares held by the participant be forfeited.
- In certain circumstances, Shares, Performance Rights or Options can vest early, including following a change of control or other events of a similar nature. For the purposes of this rule, a relevant control event occurs in a number of scenarios in which a third party may acquire 50% or more of the Company's Shares.
- The total number of Shares that would be issued were each Option, Performance Right and Share under the EIP Rules exercised or vested (as applicable), plus the number of Shares issued in the previous three years under the EIP Rules, must not, at any time, exceed 5% of the total number of Company Shares on issue. Shares issued under the EIP Rules will rank equally in all respects with other Shares and the Company must apply for the quotation of such Shares.
- The Board has discretion to impose restrictions (except to the extent prohibited by law or the ASX Listing Rules) on Shares issued or transferred to a participant on vesting of an Option or a Performance Right, and the Company may implement appropriate procedures to restrict a participant from so dealing in the Shares.
- In respect of vested Options or Performance Rights, if the Board becomes aware of an event which would have resulted in vesting criteria not being satisfied, such as a material misstatement in the Company's financial statements during the vesting period, any affected vested Options or Rights may be cancelled for no consideration.
- In the event of any reorganisation of the issued capital of the Company on, or prior to, the expiry of the Performance Rights or Options, the rights of the relevant security holder can be changed in the discretion of the Board, including to comply with the applicable ASX Listing Rules in force at the time of the reorganisation.
- The Board is granted a certain level of discretion under the EIP Rules, including the power to amend the rules under which the Rules is governed and to waive vesting conditions, forfeiture conditions or disposal restrictions.

Annexure B

20 October 2022

The Board of Directors
Clean TeQ Water Limited
12/21 Howleys Road, Notting Hill VIC 3168

RE: NOMINATION OF PROPOSED AUDITOR

Pursuant to Section 328B(1) of the *Corporations Act 2001 (Cth)*, I hereby give you notice of the nomination of Grant Thornton Audit Pty Ltd of Level 22, Tower 5, Collins Square, 727 Collins Street, Melbourne VIC 3008, as external auditors of Clean TeQ Water Limited (ACN 647 935 948).

Please distribute copies of this notice of this nomination as required by section 328B(3) of the *Corporations Act 2001 (Cth)*.

Yours faithfully

A handwritten signature in black ink, appearing to read 'Ian Knight', is written over a circular stamp or seal.

Ian Knight, as Shareholder