



22 February 2021

Dear Shareholder

**Re: Notice of Meeting on Wednesday, 24 March 2021 at 1.00pm (AEDT)**

Notice is hereby given that the Meeting of Shareholders of Clean TeQ Holdings Limited (**Company**) will be held at the RACV Club, 501 Bourke Street, Melbourne, VIC 3000 at 1.00pm (AEDT) on Wednesday, 24 March 2021 (“Meeting”).

In accordance with subsection 5(1)(f) of the Corporations (Coronavirus Economic Response) Determination (No.3) 2020, the Company will not be dispatching physical copies of the Notice of Meeting. Instead, the Notice of Meeting and accompanying explanatory statement (“Meeting Materials”) are being made available to shareholders electronically. This means that:

- You can access the Meeting Materials online at the Company’s website <https://www.cleanteq.com/investors/general-meeting/> or at or at the Company’s share registry’s online voting site, Investor Vote at <http://www.investorvote.com.au/CLQ2021GM>.
- A complete copy of the Meeting Materials has been posted to the Company’s ASX Market announcements page at [www.asx.com.au](http://www.asx.com.au) under the Company’s ASX code “CLQ”.
- If you have provided an email address and have elected to receive electronic communications from the Company, you will receive an email to your nominated email address with a link to an electronic copy of the Meeting Materials and the voting instruction form.

If you would like to receive electronic communications from the Company in the future, please update your communication elections online at <https://www.computershare.com/au>. If you have not yet registered, you will need your shareholder information including SRN/HIN details.

If you are unable to access the Meeting Materials online please contact our share registry, Computershare, on <https://www.computershare.com/au> or by phone on 1300 850 505 (within Australia) between 8.30am and 5.00pm Monday to Friday, to obtain a copy.

Any shareholders who wish to attend the Meeting should monitor the Company’s website and its ASX announcements for any updates about the Meeting. If it becomes necessary or appropriate to make alternative arrangements for the holding or conducting of the Meeting, the Company will make further information available through the ASX website at [asx.com.au](http://asx.com.au) (stock code: CLQ) and on its website at <https://www.cleanteq.com/>. Shareholders are encouraged to lodge their completed proxy forms in accordance with the instructions in this Notice of Meeting.

Yours sincerely,

A handwritten signature in black ink, appearing to read 'Melanie Leydin', is written over a thin horizontal line.

**Melanie Leydin**  
Company Secretary



**CLEAN TEQ HOLDINGS LIMITED**  
**ACN 127 457 916**

## **Notice of Meeting**

### **Explanatory Statement and Proxy Form**

Date of Meeting:  
**Wednesday, 24 March 2021**

Time of Meeting:  
**1.00pm (AEDT)**

The meeting will be held at:  
**RACV Club**  
**501 Bourke Street**  
**Melbourne, Victoria 3000**

*Any shareholders who wish to attend the General Meeting (GM / Meeting) should monitor the Company's website and its ASX announcements for any updates about the GM. If it becomes necessary or appropriate to make alternative arrangements for the holding or conducting of the Meeting, the Company will make further information available through the ASX website at [asx.com.au](http://asx.com.au) (stock code: CLQ) and on its website at <https://www.cleanteq.com/>. Shareholders are encouraged to lodge their completed proxy forms in accordance with the instructions in this Notice of Meeting.*

*Following recent modifications brought to the Corporations Act 2001 and the Corporations Regulations 2001 under the Corporations (Coronavirus Economic Response) Determination (no. 3) 2020, no hard copy of the Notice of Meeting and Explanatory Memorandum will be circulated. The Notice of Meeting has been given to those entitled to receive it by use of one or more technologies. The Notice of Meeting is also available on the Australian Securities Exchange Announcement platform and on the Company's website.*

*This Notice of 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 HOLDINGS LIMITED

ACN 127 457 916

## NOTICE OF MEETING

Notice is hereby given that a Meeting of Members of Clean TeQ Holdings Limited (the "Company") will be held at RACV Club, 501 Bourke Street, Melbourne, Victoria 3000 on Wednesday, 24 March 2021 at 1.00pm (AEDT) ("Meeting").

## AGENDA

The Explanatory Statement and Proxy Form which accompany and form part of this Notice, include defined terms and describe in more detail the matters to be considered. Please consider this Notice, the Explanatory Statement, and the Proxy Form in their entirety.

### ORDINARY BUSINESS

#### Resolution 1: Change of Company Name to Sunrise Energy Metals Limited

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

*"That, in accordance with Section 157(1) of the Corporations Act, and for all other purposes, the Company's name be changed from "Clean TeQ Holdings Limited" to "Sunrise Energy Metals Limited"."*

#### Resolution 2: Adoption of New Constitution

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

*"For the purposes of section 136(2) of the Corporations Act and for all other purposes, the Company's Constitution be amended by adopting in substitution for it the Constitution tabled at the meeting and signed by the Chairman for the purposes of identification."*

#### Resolution 3: Approval to Issue 1,347,014 Performance Rights to Mr Sam Riggall

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

*"That for the purposes of Listing Rule 10.14 and for all other purposes, approval be given to grant up to 1,347,014 Long Term Incentive Plan Performance Rights (being a right to acquire up to 1,347,014 fully paid ordinary shares in the Company (in each case calculated on a pre-consolidated basis) subject to satisfaction of relevant vesting conditions) for no consideration to Mr Sam Riggall (a Director and Chief Executive Officer of the Company), as described in the Explanatory Statement which accompanies and forms part of this Notice of Meeting."*

#### Resolution 4: Consolidation of Share Capital

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

*"That, for the purpose of Section 254H(1) of the Corporations Act and for all other purposes, the Shares of the Company be consolidated through the conversion of every ten (10) Shares held by a Shareholder into one (1) Share and, where this Consolidation results in a fraction of a Share being held, the Company be authorised to round that fraction down to the nearest whole Share or zero, as applicable, with consolidation to take effect in accordance with the timetable set out in the Explanatory Statement which accompanies and forms part of this Notice of Meeting."*

### BY ORDER OF THE BOARD



**Melanie Leydin**  
**Company Secretary**

22 February 2021

## Notes

1. **Entire Notice:** The details of the resolutions contained in the Explanatory Statement accompanying this Notice of Meeting should be read together with, and form part of, this 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 on the date 48 hours before the date of the Meeting. Only those persons will be entitled to vote at the Meeting and transfers registered after that time will be disregarded in determining entitlements to attend and vote at the Meeting.
3. **Proxies**
  - a. Votes at the 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. If a shareholder is a company it must execute in accordance with the Corporations Act provisions.
  - e. 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.
  - f. 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.
  - g. A proxy must be signed by the shareholder or his or her attorney who has not received any notice of revocation of the authority.
  - h. 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 Meeting, this is no later than 1.00pm (AEDT) on Monday, 22 March 2021. Any proxy received after that time will not be valid.

#### 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.

#### 5. **Voting Exclusion Statement:**

##### **Resolution 1**

There are no voting exclusions on this Resolution.

##### **Resolution 2**

There are no voting exclusions on this Resolution.

##### **Resolution 3**

The Company will disregard any votes cast in favour of this Resolution by or on behalf of Mr Sam Riggall, any other Director who is eligible to participate in the EIP, any other person excluded by virtue of Listing Rule 10.14, and any associates of those persons.

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:
  - the beneficiary provides written confirmation to the holder that the beneficiary is not excluded from voting, and is not an associate of a person excluded from voting, on the resolution; and
  - the holder votes on the resolution in accordance with directions given by the beneficiary to the holder to vote in that way.

A further restriction also applies to Key Management Personnel and their closely related parties voting undirected proxies on this Resolution – see **Restriction on KMPs voting undirected proxies** below.

##### **Resolution 4**

There are no voting exclusions on this Resolution.

#### **Restriction on KMPs voting undirected proxies:**

A vote must not be cast as proxy on Resolution 3 by a member of the Key Management Personnel (as defined by the Corporations Act) or a closely related party of Key Management Personnel.

However, a person described above (a "**Restricted Voter**") may cast a vote on Resolution 3 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; or
- (b) The Chair 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 and expressly authorises the Chair to exercise the proxy even though the resolution is connected directly or indirectly with the remuneration of a member of the Key Management Personnel.

If you appoint the Chair as your proxy and you do not direct the Chair 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 for the Company.

#### **Enquiries**

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

# EXPLANATORY STATEMENT

## ORDINARY BUSINESS

### Resolution 1: Change of Company Name to Sunrise Energy Metals Limited

#### **Background**

The Board believes that the name of the Company should reflect its dominant business purpose and strategy. Over recent years the Clean TeQ Sunrise Battery Materials Complex in NSW has become the dominant focus of the Company's activities. As previously announced to the market, the Company also intends to demerge its water business into a separate stand-alone company listed on ASX. Accordingly, the Board believes that the Company's name should be changed from "**Clean TeQ Holdings Limited**" to "**Sunrise Energy Metals Limited**", to better reflect the Company's dominant business purpose now and in the future.

This Resolution is a special resolution which seeks approval of the Shareholders for the Company to change its name. Subject to the Resolution being passed, the Company proposes to change its name from "**Clean TeQ Holdings Limited**" to "**Sunrise Energy Metals Limited**". The change will not, in itself, affect the legal status of the Company or any of its assets or liabilities. Further to the change of name, the Company intends to apply to ASX to adopt a new ticker "SRL" and this name has been reserved with ASX accordingly.

#### **Why approval is required under Section 157 of the Corporations Act**

In accordance with Section 157 of the Corporations Act, Shareholder approval of this Resolution by special resolution is required.

Following Shareholder approval, the Company will make an application to ASIC for the change of name to "**Sunrise Energy Metals Limited**". The new name will take effect on the issue of a certificate of registration of change of name by ASIC.

#### **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 2: Adoption of New Constitution

#### **Background**

Under section 136(2) of the Corporations Act, the Company may amend its current constitution ("**Current Constitution**") by special resolution. The Company seeks the approval of shareholders to amend its Current Constitution and adopt the proposed constitution in substitution for it as described below ("**Proposed Constitution**").

The Proposed Constitution incorporates amendments to the Corporations Act and Listing Rules since the Current Constitution was adopted prior to the Company's listing on ASX in 2007. It also incorporates amendments to reflect changes in developments in corporate governance since that time, including the ASX Corporate Governance Council's Corporate Governance Principles and Recommendations, as well as generally to update the Current Constitution in keeping with developments in law and practice. The Proposed Constitution retains the principle that the Listing Rules prevail in the event of an inconsistency.

The Proposed Constitution is broadly consistent with the Current Constitution. Most of the changes are relatively minor and do not significantly impact on shareholders. Having regard to the amendments proposed, it is preferable to amend the Current Constitution by way of adopting the Proposed Constitution in its place, rather than merely amending specific provisions. As it is not practicable to list all of the changes which are proposed, a summary of the material changes in the Proposed Constitution is set out in the table below.

For those shareholders who wish to, they may read the Proposed Constitution in its entirety, as the table below is only intended to be a summary of the material changes. A copy of each of the Current Constitution and the Proposed Constitution can be viewed at the Company's website at <https://www.cleanteq.com/investors/general-meeting/>.

Subject Matter	Position in Current Constitution	Position in Proposed Constitution	Comments
<b>Distribution of shares in specie</b>	Clauses 84, 91	Clauses 30.4, 30.5	While the Current Constitution gives the Directors discretion to determine the method of payment of dividends, the Proposed Constitution expands this to give the Directors greater discretion to determine the source of distributions. Under the Proposed Constitution, where the distribution is of securities, a shareholder agrees to be a member of the relevant issuer entity of the securities and be bound by its constitution. This facilitates a distribution by the Company of a subsidiary's shares in specie to shareholders by the Company, for example by way of capital reduction.
<b>Fees for paper-based transfers</b>	The Current Constitution is silent.	Clause 9.3	<p>Whilst most transfers of shares in the Company occur on-market, occasionally off-market or paper-based transfers occur. In order to process such transfers, the Company's share registry charges a small administrative fee.</p> <p>The Proposed Constitution includes a provision to allow the Company to charge or recover this fee from the relevant transferring parties so that these costs are not borne by the Company.</p>
<b>Restricted Securities</b>	Clause 26.2	Clause 13	<p>Amendments to ASX Listing Rules 9.1(a) and 15.12 came into effect in December 2019. These amendments require listed entities to include specific wording in their constitutions regarding the treatment of restricted securities in order for that listed entity to issue restricted securities.</p> <p>Restricted securities are securities which are subject to escrow restrictions as determined by ASX, meaning they are restricted from being traded for a period of time. Restricted securities mainly apply to newly listed entities, however can sometimes apply to ongoing listed entities which issue securities that ASX determines should be restricted. The Company does not currently have any restricted securities on issue, however the Proposed Constitution includes the requisite wording for the treatment of listed securities in case the Company has any restricted securities on issue in the future.</p>

Subject Matter	Position in Current Constitution	Position in Proposed Constitution	Comments
<b>Electronic delivery of notices of meeting and proxy forms</b>	Clauses 32.1 and 97.1	Clauses 15.10 and 35.1	<p>The Determination, which is currently due to expire on 21 March 2021 unless extended, permits a notice of meeting and any other information provided with that notice to be communicated using technology. For example, an entity may send its shareholders an email setting out or attaching a notice of meeting and other material relating to that notice of meeting (for example, a proxy form). Alternatively, an entity may send an email to its shareholders with a link to where the notice and other materials can be viewed or downloaded. In circumstances where the entity does not have the email address for certain shareholders, the entity may send a letter or postcard setting out a URL for viewing or downloading the notice and other materials.</p> <p>It is desirable that the Company continues to have the ability to make notices of meeting and proxy forms available in this manner regardless of whether the Determination is extended, unless the law provides otherwise. The Proposed Constitution expands on the ability to do so in the Current Constitution.</p>
<b>Direct voting</b>	The Current Constitution is silent.	Clauses 17.17 - 17.18	Direct voting permits shareholders to exercise their voting rights by lodging their vote before or during the meeting online, by post or other means approved by the Directors. Direct voting enables shareholders to lodge a direct vote without having to attend the meeting or appoint a proxy.
<b>Maximum number of Directors</b>	Clause 54.2	Clause 19.1	Under the Current Constitution, the maximum number of Directors that can be appointed to the Board of the Company is 12 and this number can only be increased by a resolution of shareholders. The Proposed Constitution proposes that the maximum number of Directors is 8 but that number can be increased by a resolution of the Directors. This gives the Company the flexibility to be able to increase the maximum Board size to meet the needs of the Company. The Proposed Constitution also provides that, if they wish to increase the maximum number of Directors, the Directors must have regard to the current and desired skills and experience of Directors and the strategic direction of the Company.
<b>Electronic communication</b>	Clause 97	Clause 35.2	The Current Constitution allows the Company to give a notice by electronic means. The Proposed Constitution extends this to allow the Company to provide information or signatures, to record information or produce or retain a document by electronic communication. Including this in the Company's constitution removes any uncertainty in current Australian laws regarding the use of electronic signatures for certain documents.

## 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 3: Approval to Issue 1,347,014 Performance Rights to Mr Sam Riggall

#### Background

The Company proposes, subject to Shareholder approval, to grant Managing Director and Chief Executive Officer, Mr Sam Riggall up to 1,347,014 performance rights which, upon vesting, will result in the issue of up to 1,347,014 fully paid ordinary shares (in each case calculated on a pre-consolidated basis) (“**Performance Rights**”) pursuant to the Company’s Employee Incentive Plan (“**EIP**”) and the Employee Incentive Plan Rules (“**EIPR**”).

On 3 February 2021, the Company announced the issue of various performance rights to employees. The proposed issue of performance rights to Mr Riggall 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 Riggall is based on his applicable LTI percentage under the Board approved EIP at the time and the ASX volume weighted average price of the Company in December 2020 of 26 cents per share. The number of performance rights proposed to be granted to Mr Riggall is quoted on a pre-consolidated basis. If shareholders approve Resolution 4: Consolidation of Share Capital, the number of performance rights will be reduced to 134,701 and their terms re-organised as per Resolution 4 Part (a)(ii) detailed below.

The Company’s approach to remuneration is to ensure that remuneration received by Key Management Personnel (“**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 long-term incentive (“**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.

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 as at 1 July 2020 are detailed below.

Percentage of TFR	Level 1 (CEO)	Level 2	Level 3	Level 4	Level 5
STI – bonus	20%	20%	20%	20%	20%
LTI – performance rights	150%	100%	20%	10%	5%

Total Remuneration Breakdown	Level 1 (CEO)	Level 2	Level 3	Level 4	Level 5
TFR	37%	45%	71%	77%	80%
STI – bonus	7%	9%	14%	15%	16%
LTI – performance rights	56%	45%	14%	8%	4%
<b>Total at risk</b>	<b>63%</b>	<b>55%</b>	<b>29%</b>	<b>23%</b>	<b>20%</b>

The Board considers that the performance-linked compensation structure outlined in the EIP 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 Riggall pursuant to the LTI plan comprises a significant component of his 'at risk' remuneration. These Performance Rights are intended to align Mr Riggall'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 Riggall is reasonable and appropriate having regard to the circumstances of the Company and his duties and responsibilities as Managing Director and Chief Executive Officer.

### **Conditions and Hurdles for Performance Rights**

<b>Performance Rights</b>	
<b>Vesting Date:</b>	1 January 2024
<b>Vesting Period:</b>	1 January 2021 to 31 December 2023
<b>Vesting Conditions:</b>	The vesting of any of the Performance Rights is dependent on Mr Riggall meeting the Service and Performance Conditions. Collectively these conditions are known as the <b>Vesting Conditions</b> .
<b>Service Condition:</b>	Continuous employment by Mr Riggall 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.
<b>Other Conditions:</b>	The other conditions of the Performance Rights are as per the EIP Rules.
<b>Performance Conditions:</b>	
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 Volume Weighted Average Prices (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.	
<b>Performance Hurdle 1: 50% Performance Rights vesting conditional on CLQ's absolute TSR performance</b>	
CLQ TSR over measurement period	Percentage of Performance Rights vesting
12.5% pa compounding annually or greater	100%
7.5% pa compounding annually	50%^
Less than 7.5% pa compounding	0%
^ Straight line pro-rata vesting between 7.5% and 12.5%	
<b>Performance Hurdle 2: 50% Performance Rights vesting conditional on CLQ's TSR performance compared to the Comparator Peer Group</b>	
Clean TeQ performance relative to Peer Group performance	Percentage of Performance Rights vesting
At or above 75th Percentile	100%
At median	50%^
Below median	0%
^^ Straight line pro-rata conversion between the median and 75th percentile performance.	
<b>Comparator Peer Group</b>	
Arafura Resources Limited (ASX: ARU)	Jervois Mining Limited (ASX: JRV)
Ardea Resources Limited (ASX: ARL)	Magnis Energy Technologies Limited (ASX: MNS)
Australian Mines Limited (ASX: AUZ)	Metals X Limited (ASX: MLX)
Calix Limited (ASX: CXL)	Niocorp Developments Ltd (TSX: NB)
Cobalt Blue Holdings Limited (ASX: COB)	Poseidon Nickel Limited (ASX: POS)
Fluence Corporation (ASX: FLC)	Purifloh (ASX: PO3)
Greenland Minerals Limited (ASX: GGG)	Scandium Int Mining Corp (TSX: SCY)
Hastings Technology Metals (ASX: HAS)	SciDev (ASX: SDV)
Highfield Resources (ASX: HFR)	
The Comparator Peer Group is reviewed for each tranche of performance rights to ensure the group maintains ongoing relevance.	

Any Performance Rights which fail to vest on the Vesting Date will immediately lapse unless the People,

Governance & Sustainability Committee 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.

### **ASX Listing Rules**

Listing Rule 10.14 requires shareholder approval for the issue of shares to directors under an employee incentive scheme. If the resolution is passed, it will also mean that the grant of Performance Rights to Mr Riggall will not utilise any of the Company's placement capacity under Listing Rule 7.1. No further shareholder approval under Listing Rule 7.1 is required for that purpose.

Listing Rule 10.15 requires that the following information be provided to Shareholders for the purposes of obtaining Shareholder approval pursuant to Listing Rule 10.14:

- (a) The proposed recipient is Mr Sam Riggall, the Chief Executive Officer and Managing Director of the Company.
- (b) As a director of the Company, Mr Riggall falls into the category described in Listing Rule 10.14.1.
- (c) Up to 1,347,014 Performance Rights (calculated on a pre-consolidated basis) are being proposed to be granted to Mr Riggall (and any Shares to be issued on vesting of those Performance Rights) shall be issued for no consideration.
- (d) The current total remuneration package of Mr Riggall is \$457,272 consisting of \$381,060 total fixed remuneration plus up to a maximum of \$76,212 STI cash bonus.
- (e) The number of securities on issue that have previously been granted to Mr Riggall under the EIP is outlined below:

<b>Number and type of securities</b>	<b>Average acquisition price</b>
3,844,662 Unlisted Performance Rights	Nil
1,000,000 Unlisted Options	Nil

- (f) The Performance Rights which, upon vesting, will result in the issue of up to 1,347,014 fully paid ordinary shares pursuant to the Company's EIP (calculated on a pre-consolidated basis). To be vested, the Performance Rights' conditions and hurdles, as outlined under *Conditions and Hurdles of 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 is closely link rewards with performance. The number of Performance Rights offered has been calculated based on the ASX volume weighted average price of Clean TeQ Holdings Limited in December 2020 of 26 cents per share, with Performance Rights estimated to be valued (for accounting purposes) at approximately \$405,249 based on an independent valuation of a comparable tranche of Performance Rights granted to employees of the Company in February 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 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 Riggall.
- (l) Details of any securities issued under the EIP 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 after Resolution 3 is approved and who are not named in this Notice and Memorandum will not participate until approval is obtained under that rule.

### ***Voting Exclusions***

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

### ***Board Recommendation***

The Board (with Mr Riggall 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: Consolidation of Share Capital**

### ***Background***

The Company is seeking Shareholder approval for the Company to consolidate its issued Share capital through the conversion of every ten (10) Shares into one (1) Share (**Share Consolidation**).

The Company currently has approximately 886 million Shares on issue with a share price prior to the date of finalising this Notice of Meeting of approximately 30 cents per Share. This is a disproportionately large number of shares to share price ratio.

The Directors consider it more appropriate to have a smaller number of Shares on issue and a correspondingly higher share price. The Directors also consider that the Share Consolidation will result in a more appropriate and effective capital structure for the Company and a share price more appealing to a wider range of investors, particularly institutional investors, globally.

Although the Share Consolidation should have no impact on the underlying value of the Company, Shareholders should appreciate that the value of the Company's shares on ASX (and in turn the Company's market capitalisation) post-consolidation is subject to a range of factors beyond the control of the Company. At the same time, the Directors consider that the Share Consolidation should proceed for the reasons stated above.

### ***Regulatory requirements***

Section 254H(1) of the Corporations Act provides that the Company may convert all or any of its Shares into a larger or smaller number of Shares by ordinary resolution passed at a general meeting. The result of the Share Consolidation is that each Shareholder's security holding will be reduced to 10% of its current level.

Pursuant to and in accordance with ASX Listing Rule 7.20, the information below is provided in relation to this Resolution:

#### **(a) Effect of the Share Consolidation**

##### **(i) Shares**

If the resolution is approved, every ten (10) Shares on issue will be consolidated into one (1) Share (subject to rounding). Overall, this will result in the number of Shares on issue reducing from 885,941,458 to approximately 88,594,145 (subject to rounding).

As the Share Consolidation applies equally to all Shareholders, individual Shareholdings will be reduced in the same ratio as the total number of Shares (subject to rounding). Accordingly, assuming no other market movements or impacts occur, the Share Consolidation will have no effect on the percentage interest in the Company of each Shareholder.

The Share Consolidation will not result in any change to the substantive rights and obligations of existing Shareholders.

##### **(ii) Options & Performance Rights**

As at the date of this Notice of Meeting, the Company has unlisted Options and Performance Rights on issue. If the Share Consolidation is approved, the Options and Performance Rights will also be

reorganised in accordance with the terms and conditions of the Options and Performance Rights and Listing Rule 7.22.1 (as applicable) on the basis that the number of Options and Performance Rights will be consolidated in the same ratio as the Share Consolidation and the exercise price of the Options is amended in inverse proportion to that ratio.

Performance Rights have no exercise price, but rather vest into Shares of the Company subject to meeting certain performance criteria. If the Share Consolidation is approved, the future tests to determine the vesting of Performance Rights which were granted prior to the Share Consolidation will factor in a ten-fold reduction in the applicable future volume weighted average prices of the Company.

For example, a holding of one hundred thousand (100,000) Options with an exercise price of \$0.53 each prior to the Share Consolidation would result in a holding of ten thousand (10,000) Options with an exercise price of \$5.30 each after the Share Consolidation. For example, a holding of one hundred thousand (100,000) Performance Rights prior to the Share Consolidation would result in a holding of ten thousand (10,000) Performance Rights after the Share Consolidation.

After the Share Consolidation, if it is approved, there will be approximately 686,560 unlisted Options:

Options	Expiry Date	Exercise Price
686,560	09-Aug-23	\$5.30

After the Share Consolidation, if it is approved, there will be approximately 2,066,109 unlisted Performance Rights, exclusive of the Performance Rights proposed to be issued pursuant to Resolution 3:

Performance Rights	Vest Date
77,610	01-Jul-21
199,296	01-Jan-22
236,840	01-Jul-22
368,561	01-Jan-23
861,745	01-Jul-23
322,057	01-Jan-24

The Share Consolidation will not result in any change to the substantive rights and obligations of existing holders of Options and Performance Rights.

**(b) Fractional Entitlements**

Where the Share Consolidation (and associated consolidation of the Company's Options) results in an entitlement to a fraction of a Share, Option or Performance Right (as applicable), that fraction will be rounded down to the nearest whole number of Shares, Options or Performance Rights or zero, as applicable.

**(c) Holding Statements**

Taking effect from the date of the Share Consolidation, all existing holding statements will cease to have any effect, except as evidence of entitlement to a certain number of securities on a post-Share Consolidation basis. New holding statements will be issued to security holders, who are encouraged to check their holdings after the Share Consolidation.

**(d) Taxation**

The Share Consolidation should not result in a capital gains tax event for Australian tax residents. The cost base of the Shares held after the Share Consolidation will be the sum of the cost bases of the original Shares pre-Share Consolidation. The acquisition date of Shares held after the Share Consolidation will be the same as the date on which the original Shares were acquired. This Notice of Meeting does not consider the tax implications in respect of Shares or other securities held on revenue account, as trading stock or by non-resident Shareholders. Shareholders should consider their own circumstances and seek their own professional advice in relation to their tax position. Neither the Company nor any of its officers or employees assumes any liability or responsibility for advising Shareholders or other security holders about the tax consequences of the proposed Share Consolidation.

(e) **Indicative Timetable**

If approved by Shareholders, the proposed Share Consolidation will take effect in accordance with the following indicative timetable (subject to change) of the key events:

<b>Key Event</b>	<b>Indicative Date</b>
Meeting	24 March 2021
Notification to ASX that Share Consolidation is approved & Effective date	24 March 2021
Last day for trading in pre-consolidated securities	26 March 2021
Trading in consolidated securities on a deferred settlement basis commences	29 March 2021
Record Date - Last day to register transfers on a pre-consolidation basis	30 March 2021
First day for Company to update register and send new holding statements	31 March 2021
Completion of despatch of new holding statements. Deferred settlement trading ends	8 April 2021
Normal trading starts	9 April 2021

**Board Recommendation**

The Board recommends that Shareholders vote in favour of this resolution for the reasons outlined above. The Chair of the Meeting intends to vote undirected proxies in favour of this resolution.

## GLOSSARY

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

“\$” means Australian Dollars;

“**Associates**” has the meaning given to that term in sections 11 and 13 to 17 (inclusive) of the Corporations Act;

“**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**” means:

(a) a spouse or child of the member; or

(b) has the meaning given in section 9 of the Corporations Act.

“**Company**” means Clean TeQ Holdings Limited ACN 127 457 916;

“**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;

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

“**EIPR**” means the Employee Incentive Plan Rules;

“**Equity Security**” has the same meaning as in the Listing Rules;

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

“**Key Management Personnel**” means persons having authority and responsibility for planning, directing and controlling the activities of the Company, directly or indirectly, including any Director (whether executive or otherwise) of the Company;

“**Listing Rules**” means the Listing Rules of the ASX;

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

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

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

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

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

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

“**Shareholder**” means shareholder of the Company;

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

## Annexure A

### Summary of material terms and conditions of the Company's EIPR

A summary of material terms and conditions of the Company's EIPR 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.cleanteg.com/wp-content/uploads/2021/01/EIP-Rules-adopted-15-October-2020.pdf>.

- The EIPR 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 EIPR exercised or vested (as applicable), plus the number of Shares issued in the previous three years under the EIPR, must not, at any time, exceed 5% of the total number of Company Shares on issue. Shares issued under the EIPR 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 EIPR, including the power to amend the rules under which the EIPR is governed and to waive vesting conditions, forfeiture conditions or disposal restrictions.




ABN 34 127 457 916

CLQ

MR SAM SAMPLE  
FLAT 123  
123 SAMPLE STREET  
THE SAMPLE HILL  
SAMPLE ESTATE  
SAMPLEVILLE VIC 3030

## Need assistance?

 **Phone:**  
1300 850 505 (within Australia)  
+61 3 9415 4000 (outside Australia)

 **Online:**  
[www.investorcentre.com/contact](http://www.investorcentre.com/contact)



## YOUR VOTE IS IMPORTANT

For your proxy appointment to be effective it must be received by **1:00pm (AEDT) on Monday, 22 March 2021.**

# Proxy Form

## How to Vote on Items of Business

All your securities will be voted in accordance with your directions.

### APPOINTMENT OF PROXY

**Voting 100% of your holding:** Direct your proxy how to vote by marking one of the boxes opposite each item of business. If you do not mark a box your proxy may vote or abstain as they choose (to the extent permitted by law). If you mark more than one box on an item your vote will be invalid on that item.

**Voting a portion of your holding:** Indicate a portion of your voting rights by inserting the percentage or number of securities you wish to vote in the For, Against or Abstain box or boxes. The sum of the votes cast must not exceed your voting entitlement or 100%.

**Appointing a second proxy:** You are entitled to appoint up to two proxies to attend the meeting and vote on a poll. If you appoint two proxies you must specify the percentage of votes or number of securities for each proxy, otherwise each proxy may exercise half of the votes. When appointing a second proxy write both names and the percentage of votes or number of securities for each in Step 1 overleaf.

**A proxy need not be a securityholder of the Company.**

## SIGNING INSTRUCTIONS FOR POSTAL FORMS

**Individual:** Where the holding is in one name, the securityholder must sign.

**Joint Holding:** Where the holding is in more than one name, all of the securityholders should sign.

**Power of Attorney:** If you have not already lodged the Power of Attorney with the registry, please attach a certified photocopy of the Power of Attorney to this form when you return it.

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

## PARTICIPATING IN THE MEETING

### Corporate Representative

If a representative of a corporate securityholder or proxy is to participate in the meeting you will need to provide the appropriate "Appointment of Corporate Representative". A form may be obtained from Computershare or online at [www.investorcentre.com](http://www.investorcentre.com) under the help tab, "Printable Forms".

## Lodge your Proxy Form:

**XX**

### Online:

Lodge your vote online at [www.investorvote.com.au](http://www.investorvote.com.au) using your secure access information or use your mobile device to scan the personalised QR code.

Your secure access information is



**Control Number: 999999**  
**SRN/HIN: I9999999999**  
**PIN: 99999**

For Intermediary Online subscribers (custodians) go to [www.intermediaryonline.com](http://www.intermediaryonline.com)

### By Mail:

Computershare Investor Services Pty Limited  
GPO Box 242  
Melbourne VIC 3001  
Australia

### By Fax:

1800 783 447 within Australia or  
+61 3 9473 2555 outside Australia



**PLEASE NOTE:** For security reasons it is important that you keep your SRN/HIN confidential.



MR SAM SAMPLE  
FLAT 123  
123 SAMPLE STREET  
THE SAMPLE HILL  
SAMPLE ESTATE  
SAMPLEVILLE VIC 3030

**Change of address.** If incorrect, mark this box and make the correction in the space to the left. Securityholders sponsored by a broker (reference number commences with 'X') should advise your broker of any changes.



I 9999999999

I ND

## Proxy Form

Please mark  to indicate your directions

### Step 1 Appoint a Proxy to Vote on Your Behalf

XX

I/We being a member/s of Clean TeQ Holdings Limited hereby appoint

the Chairman of the Meeting **OR**

**PLEASE NOTE:** Leave this box blank if you have selected the Chairman of the Meeting. Do not insert your own name(s).

or failing the individual or body corporate named, or if no individual or body corporate is named, the Chairman of the Meeting, as my/our proxy to act generally at the meeting on my/our behalf and to vote in accordance with the following directions (or if no directions have been given, and to the extent permitted by law, as the proxy sees fit) at the General Meeting of Clean TeQ Holdings Limited to be held at the RACV Club, 501 Bourke Street, Melbourne, Victoria 3000 on Wednesday, 24 March 2021 at 1:00pm (AEDT) and at any adjournment or postponement of that meeting.

**Chairman authorised to exercise undirected proxies on remuneration related resolutions:** Where I/we have appointed the Chairman of the Meeting as my/our proxy (or the Chairman becomes my/our proxy by default), I/we expressly authorise the Chairman to exercise my/our proxy on Resolution 3 (except where I/we have indicated a different voting intention in step 2) even though Resolution 3 is connected directly or indirectly with the remuneration of a member of key management personnel.

**Important Note:** If the Chairman of the Meeting is (or becomes) your proxy you can direct the Chairman to vote for or against or abstain from voting on Resolution 3 by marking the appropriate box in step 2.

### Step 2 Items of Business

**PLEASE NOTE:** If you mark the **Abstain** box for an item, you are directing your proxy not to vote on your behalf on a show of hands or a poll and your votes will not be counted in computing the required majority.

		For	Against	Abstain
Resolution 1	Change of Company Name to Sunrise Energy Metals Limited	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Resolution 2	Adoption of New Constitution	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Resolution 3	Approval to Issue 1,347,014 Performance Rights to Mr Sam Riggall	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Resolution 4	Consolidation of Share Capital	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

The Chairman of the Meeting intends to vote undirected proxies in favour of each item of business. In exceptional circumstances, the Chairman of the Meeting may change his/her voting intention on any resolution, in which case an ASX announcement will be made.

### Step 3 Signature of Securityholder(s) *This section must be completed.*

Individual or Securityholder 1

Sole Director & Sole Company Secretary

Securityholder 2

Director

Securityholder 3

Director/Company Secretary

/ /

Date

**Update your communication details** (Optional)

Mobile Number

Email Address

By providing your email address, you consent to receive future Notice of Meeting & Proxy communications electronically

CLQ

2 7 3 2 7 8 A



Computershare

