
MATRIX COMPOSITES & ENGINEERING LTD

ABN 54 009 435 250

NOTICE OF EXTRAORDINARY GENERAL MEETING

TIME: 10:00am (WST)

DATE: Thursday, 13 January 2022

PLACE: Carnac Island Room, AMC Jakovich Centre, 4 McGrath Road,
Henderson (Cnr Russell Road), Western Australia

This Notice of Meeting should be read in its entirety. If Shareholders are in doubt as to how they should vote, they should seek advice from their professional advisers prior to voting.

Should you wish to discuss the matters in this Notice of Meeting, please contact the Company Secretary on (+61 8) 9412 1200.

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Notice of Extraordinary General Meeting (setting out the proposed Resolutions)

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IMPORTANT INFORMATION

TIME AND PLACE OF MEETING

The Meeting will be held at Carnac Island Room, AMC Jakovich Centre, 4 McGrath Road, Henderson (Cnr Russell Road), Western Australia on Thursday, 13 January 2022 at 10:00am (WST).

YOUR VOTE IS IMPORTANT

The business of the Meeting affects your shareholding in the Company, and your vote is important. Please take action by voting in person or by proxy.

VOTING ELIGIBILITY

Pursuant to Regulation 7.11.37 of the Corporations Regulations, the Directors have determined that the persons eligible to vote at the Meeting are those who are registered Shareholders at 4:00pm (WST) on 11 January 2022. Shareholders registered after that time will be disregarded in determining eligibility to attend and vote at the Meeting.

VOTING IN PERSON

To vote in person, attend the Meeting on the date and at the time and place specified.

Under section 250D of the Corporations Act, a corporate Shareholder may appoint an individual as a representative to attend the Meeting and vote in person. If a corporate representative attends the Meeting, a signed 'Appointment of Corporate Representative' form must be produced prior to admission. Shareholders can download and fill out the 'Appointment of Corporate Representative' form from the website of the Company's share registry – www.linkmarketservices.com.au (under 'Resources' then 'Forms').

VOTING BY PROXY

To vote by proxy, please complete and sign the Proxy Form and return it:

- (a) by post to the Company's share registry, Link Market Services Limited, at Locked Bag A14, Sydney South NSW 1235;
- (b) by hand to the Company's share registry, Link Market Services Limited, at Level 12, 680 George Street, Sydney NSW 2000;
- (c) by facsimile on +61 2 9287 0309; or
- (d) online by visiting www.linkmarketservices.com.au (you will be taken to have signed the Proxy Form if lodged in accordance with the instructions given on the website),

so that it is received by no later than 10:00am (WST) on 11 January 2022.

Proxy Forms received later than this time will be invalid.

NOTICE OF EXTRAORDINARY GENERAL MEETING

Notice is given that an Extraordinary General Meeting of Shareholders will be held at Carnac Island Room, AMC Jakovich Centre, 4 McGrath Road, Henderson (Cnr Russell Road), Western Australia on Thursday, 13 January 2022 at 10:00am (WST).

The Explanatory Statement, which forms part of this Notice of Meeting, provides additional information on matters to be considered at the Meeting.

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

AGENDA

SPECIAL BUSINESS

1. RESOLUTION 1 – RATIFICATION OF PRIOR SHARE ISSUE: TRANCHE ONE PLACEMENT

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

“That the issue of 15,348,214 Shares pursuant to the Tranche One Placement is approved under and for the purposes of Listing Rule 7.4 and for all other purposes, as detailed in the Explanatory Statement accompanying this Notice of Meeting.”

Voting Exclusion: The Company will disregard any votes cast in favour of this Resolution by or on behalf of any person who participated in the issue or an Associate of those persons. However, this does not apply to a vote cast in favour of this Resolution by:

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

2. RESOLUTION 2 – APPROVAL OF SHARE ISSUE: TRANCHE TWO PLACEMENT

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

“That the issue of up to 26,976,786 Shares pursuant to the Tranche Two Placement is approved under and for the purposes of Listing Rule 7.1 and all other purposes, on the terms detailed in the Explanatory Statement accompanying this Notice of Meeting.”

Voting Exclusion: The Company will disregard any votes cast in favour of this Resolution by or on behalf of a 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 an Associate of those persons. However, this does not apply to a vote cast in favour of this Resolution by:

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

3. RESOLUTION 3 – APPROVAL OF SHARE ISSUE TO MR AARON BEGLEY

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

“That the issue of 300,000 Shares to Mr Aaron Begley (or his nominee) is approved under and for the purposes of Listing Rule 10.11 and all other purposes, on the terms detailed in the Explanatory Statement accompanying this Notice of Meeting.”

Voting Exclusion: The Company will disregard any votes cast in favour of this Resolution by or on behalf of Mr Begley and any other person who will obtain a material benefit as a result of the issue of the securities the subject of this Resolution (except a benefit solely by reason of being a holder of ordinary securities in the Company). However, this does not apply to a vote cast in favour of this Resolution by:

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

4. RESOLUTION 4 – APPROVAL OF SHARE ISSUE TO MR PETER HOOD AO

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

“That the issue of 187,500 Shares to Mr Peter Hood (or his nominee) is approved under and for the purposes of Listing Rule 10.11 and all other purposes, on the terms detailed in the Explanatory Statement accompanying this Notice of Meeting.”

Voting Exclusion: The Company will disregard any votes cast in favour of this Resolution by or on behalf of Mr Hood and any other person who will obtain a material benefit as a result of the issue of the securities the subject of this Resolution (except a benefit solely by reason of being a holder of ordinary securities in the Company). However, this does not apply to a vote cast in favour of this Resolution by:

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

5. RESOLUTION 5 – APPROVAL OF SHARE ISSUE TO MR STEVEN COLE

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

“That the issue of 312,500 Shares to Mr Steven Cole (or his nominee) is approved under and for the purposes of Listing Rule 10.11 and all other purposes, on the terms detailed in the Explanatory Statement accompanying this Notice of Meeting.”

Voting Exclusion: The Company will disregard any votes cast in favour of this Resolution by or on behalf of Mr Cole and any other person who will obtain a material benefit as a result of the issue of the securities the subject of this Resolution (except a benefit solely by reason of being a holder of ordinary securities in the Company). However, this does not apply to a vote cast in favour of this Resolution by:

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

6. RESOLUTION 6 – APPROVAL OF SHARE ISSUE TO MR CRAIG DUNCAN

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

“That the issue of 312,500 Shares to Mr Craig Duncan (or his nominee) is approved under and for the purposes of Listing Rule 10.11 and all other purposes, on the terms detailed in the Explanatory Statement accompanying this Notice of Meeting.”

Voting Exclusion: The Company will disregard any votes cast in favour of this Resolution by or on behalf of Mr Duncan and any other person who will obtain a material benefit as a result of the issue of the securities the subject of this Resolution (except a benefit solely by reason of being a holder of ordinary securities in the Company). However, this does not apply to a vote cast in favour of this Resolution by:

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

7. RESOLUTION 7 – APPROVAL OF SHARE ISSUE TO MR CHRIS SUTHERLAND

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

“That the issue of 312,500 Shares to Mr Chris Sutherland (or his nominee) is approved under and for the purposes of Listing Rule 10.11 and all other purposes, on the terms detailed in the Explanatory Statement accompanying this Notice of Meeting.”

Voting Exclusion: The Company will disregard any votes cast in favour of this Resolution by or on behalf of Mr Sutherland and any other person who will obtain a material benefit as a result of the issue of the securities the subject of this Resolution (except a benefit solely by reason of being a holder of ordinary securities in the Company). However, this does not apply to a vote cast in favour of this Resolution by:

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

OTHER BUSINESS

To deal with any other business which may be brought forward in accordance with the Constitution and the Corporations Act.

BY ORDER OF THE BOARD

Paul Hardie

PAUL HARDIE

Joint Company Secretary
14 December 2021

EXPLANATORY STATEMENT

This Explanatory Statement has been prepared for the information of Shareholders in connection with the business to be conducted at the Meeting.

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

The Explanatory Statement should be read in conjunction with the Notice of Meeting.

1. BACKGROUND TO THE PLACEMENT & RESOLUTIONS

As announced to the ASX on 29 November 2021, the Company has received firm commitments to raise \$7 million (before costs) via a two-tranche placement to existing and new institutional and sophisticated investors (**Placement**).

Under the first tranche of the Placement, Matrix issued 15,348,214 new Shares at \$0.16 per Share to institutional and sophisticated investors, raising a total of \$2,455,714 before costs (**Tranche One Placement**). The Shares issued under the Tranche One Placement were issued on 6 December 2021 under the Company's existing placement capacity under Listing Rule 7.1.

The Company is seeking to issue up to a further 28,401,786 new Shares via a second tranche, also at a price of \$0.16 per Share, to raise a further \$4,544,286 before costs (**Tranche Two Placement**). Completion of the Tranche Two Placement is subject to Shareholders approving the issue of Shares under the Tranche Two Placement pursuant to Resolution 2.

Directors who participate in the Placement will be allocated Shares in the Tranche Two Placement, subject to Shareholder approval in accordance with Listing Rule 10.11 pursuant to Resolutions 3 through 7.

Argonaut and Bell Potter (together the "**Joint Lead Managers**") acted as Joint Lead Managers and bookrunners to the Placement. Pursuant to a mandate dated 24 November 2021 between the Company and the Joint Lead Managers (**Mandate**), the Company has agreed to pay the Joint Lead Managers, to be split equally between them:

- (a) a management fee of 2% of the gross proceeds raised under the Placement; and
- (b) a capital raising fee of 4% of the gross proceeds raised under the Placement.

The Mandate is otherwise on standard terms for agreements of this kind.

The Company is undertaking the Placement to provide flexibility to fund new projects in the recovering oil and gas market and facilitate the expansion of the Company's Corrosion Technology business amid growing demand. The Placement will also support new opportunities emerging for high tech composite material solutions the Company is pursuing in the local resources sector.

2. RESOLUTION 1 – RATIFICATION OF PRIOR SHARE ISSUE: TRANCHE ONE PLACEMENT

2.1 General

As announced to the ASX on 29 November 2021, the Company issued 15,348,214 Shares to institutional and sophisticated investors in connection with the Tranche

One Placement (**Tranche 1 Shares**). The Tranche 1 Shares were issued under the Company's 15% placement capacity under Listing Rule 7.1 on Monday, 6 December 2021 (**Issue Date**).

2.2 Listing Rules 7.1 and 7.4

Broadly speaking, and subject to a number of exceptions, Listing Rule 7.1 limits the amount of equity securities that a listed company can issue without the approval of its shareholders over any 12 month period to 15% of the fully paid ordinary shares it had on issue at the start of that period.

The issue of the Tranche 1 Shares does not fit within any of these exceptions and, as it has not yet been approved by the Company's Shareholders, it effectively uses up part of the 15% limit in Listing Rule 7.1, reducing the Company's capacity to issue further equity securities without Shareholder approval under Listing Rule 7.1 for the 12 month period following the Issue Date.

Listing Rule 7.4 allows the shareholders of a listed company to approve the issue of equity securities after it has been made or agreed to be made. If they do, the issue is taken to have been approved under Listing Rule 7.1 and so does not reduce the company's capacity to issue further equity securities without shareholder approval under that rule.

The Company wishes to retain as much flexibility as possible to issue additional equity securities in the future without having to obtain shareholder approval for such issues under Listing Rule 7.1. To this end, Resolution 1 seeks Shareholder approval to the issue of the Tranche 1 Shares under and for the purposes of Listing Rule 7.4.

2.3 Technical information required by Listing Rule 14.1A

If Resolution 1 is passed, the issue of the Tranche 1 Shares will be **excluded** in calculating the Company's 15% limit in Listing Rule 7.1, effectively increasing the number of equity securities it can issue without Shareholder approval over the 12 month period following the Issue Date.

If Resolution 1 is not passed, the issue of the Tranche 1 Shares will be **included** in calculating the Company's 15% limit in Listing Rule 7.1, effectively decreasing the number of equity securities it can issue without Shareholder approval over the 12 month period following the Issue Date. As of the date of this Notice of Meeting, the issue of the Tranche 1 Shares has used up effectively 100% of the Company's placement capacity, meaning the Company will likely be unable (without seeking further Shareholder approval) to issue equity securities over the 12 month period following the Issue Date if Resolution 1 is not passed.

2.4 Technical information required by Listing Rule 7.5

In accordance with the requirements of Listing Rule 7.5, the following information is provided in relation to Resolution 1:

- (a) the Tranche 1 Shares were issued to sophisticated and professional investors identified by the Joint Lead Managers;
- (b) 15,348,214 Shares were issued as Tranche 1 Shares;
- (c) the Tranche 1 Shares are fully paid ordinary shares in the Company and rank equally in all aspects with all existing Shares on issue in the Company;

- (d) the Tranche 1 Shares were issued on Monday, 6 December 2021;
- (e) the Tranche 1 Shares were issued at an issue price of \$0.16, raising a total of \$2,455,714 (before costs);
- (f) the funds raised from the issue of the Tranche 1 Shares will provide flexibility to fund new projects in the recovering oil and gas market and facilitate the expansion of the Company's Corrosion Technology business amid growing demand;
- (g) the Tranche 1 Shares were issued in connection with the Mandate (a summary of which is contained in section 1 of this Explanatory Statement) and specific placement letters entered into with institutional and sophisticated placees on standard terms; and
- (h) a voting exclusion statement is included in the Notice of Meeting.

2.5 Board recommendation

The Board considers this Resolution to be in the best interests of the Company and unanimously recommends that Shareholders vote **in favour** of Resolution 1.

3. RESOLUTION 2 – APPROVAL OF SHARE ISSUE: TRANCHE TWO PLACEMENT

3.1 General

As announced to the ASX on 29 November 2021, the Company is proposing to issue up to 28,401,786 Shares in connection with the Tranche Two Placement, which includes the issue of 26,976,786 Shares to institutional and sophisticated investors (**Tranche 2 Shares**) as well as the issue of 1,425,000 Shares to Directors (the subject of Resolutions 3 through 7). The Tranche 2 Shares will exceed the Company's 15% placement capacity under Listing Rule 7.1 and therefore require approval of the Company's Shareholders for the purposes of Listing Rule 7.1 to be issued.

3.2 Listing Rule 7.1

Broadly speaking, and subject to a number of exceptions, Listing Rule 7.1 limits the amount of equity securities that a listed company can issue without the approval of its shareholders over any 12 month period to 15% of the fully paid ordinary shares it had on issue at the start of that period.

The proposed issue of the Tranche 2 Shares does not fall within any of the exceptions and exceeds the Company's 15% limit in Listing Rule 7.1. It therefore requires the approval of the Company's Shareholders under Listing Rule 7.1.

Resolution 2 seeks the required Shareholder approval to the issue of the Tranche 2 Shares under and for the purposes of Listing Rule 7.1.

3.3 Technical information required by Listing Rule 14.1A

If Resolution 2 is passed, Matrix will be **able to proceed** with the issue of the Tranche 2 Shares and raise up to a further \$4.3 million. In addition, the issue of the Tranche 2 Shares will be excluded from the calculation of the number of equity securities the Company can issue without Shareholder approval under Listing Rule 7.1.

If Resolution 2 is not passed, Matrix will be **unable to proceed** with the issue of the Tranche 2 Shares and may need to consider other funding alternatives.

3.4 Technical information required by Listing Rule 7.3

In accordance with the requirements of Listing Rule 7.3, the following information is provided in relation to Resolution 2:

- (a) the Tranche 2 Shares will be issued to sophisticated and professional investors identified by the Joint Lead Managers;
- (b) up to 26,976,786 Shares will be issued as Tranche 2 Shares;
- (c) the Tranche 2 Shares will be fully paid ordinary shares in the Company and rank equally in all aspects with all existing Shares on issue in the Company;
- (d) the Company intends to issue the Tranche 2 Shares as soon as practicable following this Meeting and in any event no later than 3 months after the date of the Meeting;
- (e) the Tranche 2 Shares will be issued at an issue price of \$0.16, raising approximately \$4.3 million in total (before costs);
- (f) the funds raised from the issue of the Tranche 2 Shares will be used for the same purposes as the Tranche 1 Shares, as set out in Section 2.4(f) of this Explanatory Statement;
- (g) the Tranche 2 Shares will be issued in connection with the Mandate (a summary of which is contained in Section 1 of this Explanatory Statement) and specific placement letters entered into with institutional and sophisticated places on standard terms; and
- (h) a voting exclusion statement is included in the Notice of Meeting.

3.5 Board recommendation

The Board consider this Resolution to be in the best interests of the Company and unanimously recommends that Shareholders vote **in favour** of Resolution 2.

4. BACKGROUND TO RESOLUTIONS 3 – 7 APPROVAL OF SHARE ISSUES TO DIRECTORS

4.1 General

As announced to the ASX on 29 November 2021, each of the Directors of the Company have agreed to participate in the Placement. The Company is proposing to issue:

- 300,000 Shares to Mr Aaron Begley (the **Begley Shares**);
- 187,500 Shares to Mr Peter Hood AO (the **Hood Shares**);
- 312,500 Shares to Mr Steven Cole (the **Cole Shares**);
- 312,500 Shares to Mr Craig Duncan (the **Duncan Shares**); and
- 312,500 Shares to Mr Chris Sutherland (the **Sutherland Shares**),

in connection with Tranche 2 of the Placement (together, the **Director Shares**). The Director Shares will be issued at the same price as the Tranche 1 and Tranche 2 Shares, being \$0.16, raising a further \$228,000, before costs.

4.2 Listing Rule 10.11

Listing Rule 10.11 provides that unless one of the exceptions in Listing Rule 10.12 applies, a listed company must not, without shareholder approval, issue or agree to issue equity securities to:

- (a) a related party;
- (b) a person who is, or was at any time in the 6 months before the issue, a substantial (30%+) holder in the company;
- (c) a person who is, or was at any time in the 6 months before the issue, a substantial (10%+) holder in the company and who has nominated a director to the board of the company pursuant to a relevant agreement which gives them a right or expectation to do so;
- (d) an associate of a person referred to in (a) through (c) above; or
- (e) a person whose relationship with the company or a person referred to in (a) through (d) above is such that, in ASX's opinion, the issue should be approved by shareholders.

The issue of the Director Shares falls within (a) above, given each of Messrs Begley, Hood, Cole, Duncan and Sutherland are Directors of the Company, and does not qualify as an exception in Listing Rule 10.12. It therefore requires the approval of the Company's Shareholders under Listing Rule 10.11.

Resolutions 3 through 7 seek the required Shareholder approval to issue the Director Shares under and for the purposes of Listing Rule 10.11.

4.3 Technical information required by Listing Rule 14.1A

If Resolutions 3 through 7 are passed, Matrix will be **able to proceed** with the issue of the Director Shares and raise a further \$228,000. The issue of the Director Shares will also be excluded from the calculation of the number of equity securities the Company can issue without Shareholder approval under Listing Rule 7.1, given Resolutions 3 through 7 are approved for all other purposes, including Listing Rule 7.1.

If Resolutions 3 through 7 are not passed, or if any of Resolutions 3 through 7 are not passed, Matrix will be **unable to proceed** with the issue of the Director Shares (with respect to the relevant Resolution or Resolutions that are not passed) and will not raise further capital (as applicable), decreasing the total amount of the capital raise associated with the Placement.

5. RESOLUTION 3 – APPROVAL OF SHARE ISSUE TO MR AARON BEGLEY

5.1 Technical information required by Listing Rule 10.13

In accordance with the requirements of Listing Rule 10.13, the following information is provided in relation to Resolution 3:

- (a) the Begley Shares will be issued to Mr Aaron Begley (or his nominee);
- (b) Mr Begley is a related party of the Company by virtue of being a Director and is accordingly captured under Listing Rule 10.11.1 (as summarised in Section 4.2(a) of this Explanatory Statement);

- (c) the number of Begley Shares to be issued is 300,000;
- (d) the Begley Shares will be fully paid ordinary shares in the Company and rank equally in all aspects with all existing Shares on issue in the Company;
- (e) the Company intends to issue the Begley Shares as soon as practicable following this Meeting and in any event no later than 1 month after the date of the Meeting;
- (f) the Begley Shares will be issued at an issue price of \$0.16, raising \$48,000 in total (before costs);
- (g) the funds raised from the issue of the Begley Shares will be used for the same purposes of the Tranche 1 Shares and Tranche 2 Shares, as set out in Section 2.4(f) of this Explanatory Statement;
- (h) the issue of the Begley Shares is not issued for the purposes of remuneration or to incentivise Mr Begley as a Director of the Company.
- (i) the Begley Shares will be issued in connection with the Mandate (a summary of which is contained in Section 1 of this Explanatory Statement) and a specific placement letter entered into with Mr Begley on standard terms; and
- (j) a voting exclusion statement is included in the Notice of Meeting.

5.2 Board recommendation

The Board, other than Mr Begley, consider this Resolution to be in the best interests of the Company and recommend that Shareholders vote **in favour** of Resolution 3. Mr Begley declines to make a recommendation about Resolution 3 as he has a material personal interest in the outcome of the Resolution as it relates to the proposed issues of Shares to him (or his nominee).

6. RESOLUTION 4 – APPROVAL OF SHARE ISSUE TO MR PETER HOOD AO

6.1 Technical information required by Listing Rule 10.13

In accordance with the requirements of Listing Rule 10.13, the following information is provided in relation to Resolution 4:

- (a) the Hood Shares will be issued to Mr Peter Hood (or his nominee);
- (b) Mr Hood is a related party of the Company by virtue of being a Director and is accordingly captured under Listing Rule 10.11.1 (as summarised in Section 4.2(a) of this Explanatory Statement);
- (c) the number of Hood Shares to be issued is 187,500;
- (d) the Hood Shares will be fully paid ordinary shares in the Company and rank equally in all aspects with all existing Shares on issue in the Company;
- (e) the Company intends to issue the Hood Shares as soon as practicable following this Meeting and in any event no later than 1 month after the date of the Meeting;
- (f) the Hood Shares will be issued at an issue price of \$0.16, raising \$30,000 in total (before costs);

- (g) the funds raised from the issue of the Hood Shares will be used for the same purposes of the Tranche 1 Shares and Tranche 2 Shares, as set out in Section 2.4(f) of this Explanatory Statement;
- (h) the issue of the Hood Shares is not issued for the purposes of remuneration or to incentivise Mr Hood as a Director of the Company.
- (i) the Hood Shares will be issued in connection with the Mandate (a summary of which is contained in Section 1 of this Explanatory Statement) and a specific placement letter entered into with Mr Hood on standard terms; and
- (j) a voting exclusion statement is included in the Notice of Meeting.

6.2 Board recommendation

The Board, other than Mr Hood, consider this Resolution to be in the best interests of the Company and recommend that Shareholders vote **in favour** of Resolution 4. Mr Hood declines to make a recommendation about Resolution 4 as he has a material personal interest in the outcome of the Resolution as it relates to the proposed issues of Shares to him (or his nominee).

7. RESOLUTION 5 – APPROVAL OF SHARE ISSUE TO MR STEVEN COLE

7.1 Technical information required by Listing Rule 10.13

In accordance with the requirements of Listing Rule 10.13, the following information is provided in relation to Resolution 5:

- (a) the Cole Shares will be issued to Mr Steven Cole (or his nominee);
- (b) Mr Steven Cole is a related party of the Company by virtue of being a Director and is accordingly captured under Listing Rule 10.11.1 (as summarised in Section 4.2(a) of this Explanatory Statement);
- (c) the number of Cole Shares to be issued is 312,500;
- (d) the Cole Shares will be fully paid ordinary shares in the Company and rank equally in all aspects with all existing Shares on issue in the Company;
- (e) the Company intends to issue the Cole Shares as soon as practicable following this Meeting and in any event no later than 1 month after the date of the Meeting;
- (f) the Cole Shares will be issued at an issue price of \$0.16, raising \$50,000 in total (before costs);
- (g) the funds raised from the issue of the Cole Shares will be used for the same purposes of the Tranche 1 Shares and Tranche 2 Shares, as set out in Section 2.4(f) of this Explanatory Statement;
- (h) the issue of the Cole Shares is not issued for the purposes of remuneration or to incentivise Mr Cole as a Director of the Company.
- (i) the Cole Shares will be issued in connection with the Mandate (a summary of which is contained in Section 1 of this Explanatory Statement) and a specific placement letter entered into with Mr Cole on standard terms; and
- (j) a voting exclusion statement is included in the Notice of Meeting.

7.2 Board recommendation

The Board, other than Mr Cole, consider this Resolution to be in the best interests of the Company and recommend that Shareholders vote **in favour** of Resolution 5. Mr Cole declines to make a recommendation about Resolution 5 as he has a material personal interest in the outcome of the Resolution as it relates to the proposed issues of Shares to him (or his nominee).

8. RESOLUTION 6 – APPROVAL OF SHARE ISSUE TO MR CRAIG DUNCAN

8.1 Technical information required by Listing Rule 10.13

In accordance with the requirements of Listing Rule 10.13, the following information is provided in relation to Resolution 6:

- (a) the Duncan Shares will be issued to Mr Craig Duncan (or his nominee);
- (b) Mr Duncan is a related party of the Company by virtue of being a Director and is accordingly captured under Listing Rule 10.11.1 (as summarised in Section 4.2(a) of this Explanatory Statement);
- (c) the number of Duncan Shares to be issued is 312,500;
- (d) the Duncan Shares will be fully paid ordinary shares in the Company and rank equally in all aspects with all existing Shares on issue in the Company;
- (e) the Company intends to issue the Duncan Shares as soon as practicable following this Meeting and in any event no later than 1 month after the date of the Meeting;
- (f) the Duncan Shares will be issued at an issue price of \$0.16, raising \$50,000 in total (before costs);
- (g) the funds raised from the issue of the Duncan Shares will be used for the same purposes of the Tranche 1 Shares and Tranche 2 Shares, as set out in Section 2.4(f) of this Explanatory Statement;
- (h) the issue of the Duncan Shares is not issued for the purposes of remuneration or to incentivise Mr Duncan as a director of the Company.
- (i) the Duncan Shares will be issued in connection with the Mandate (a summary of which is contained in Section 1 of this Explanatory Statement) and a specific placement letter entered into with Mr Duncan on standard terms; and
- (j) a voting exclusion statement is included in the Notice of Meeting.

8.2 Board recommendation

The Board, other than Mr Duncan, consider this Resolution to be in the best interests of the Company and recommend that Shareholders vote **in favour** of Resolution 6. Mr Duncan declines to make a recommendation about Resolution 6 as he has a material personal interest in the outcome of the Resolution as it relates to the proposed issues of Shares to him (or his nominee).

9. RESOLUTION 7 – APPROVAL OF SHARE ISSUE TO MR CHRIS SUTHERLAND

9.1 Technical information required by Listing Rule 10.13

In accordance with the requirements of Listing Rule 10.13, the following information is provided in relation to Resolution 7:

- (a) the Sutherland Shares will be issued to Mr Chris Sutherland (or his nominee);
- (b) Mr Sutherland is a related party of the Company by virtue of being a Director and is accordingly captured under Listing Rule 10.11.1 (as summarised in Section 4.2(a) of this Explanatory Statement);
- (c) the number of Sutherland Shares to be issued is 312,500;
- (d) the Sutherland Shares will be fully paid ordinary shares in the Company and rank equally in all aspects with all existing Shares on issue in the Company;
- (e) the Company intends to issue the Sutherland Shares as soon as practicable following this Meeting and in any event no later than 1 month after the date of the Meeting;
- (f) the Sutherland Shares will be issued at an issue price of \$0.16, raising \$50,000 in total (before costs);
- (g) the funds raised from the issue of the Sutherland Shares will be used for the same purposes of the Tranche 1 Shares and Tranche 2 Shares, as set out in Section 2.4(f) of this Explanatory Statement;
- (h) the issue of the Sutherland Shares is not issued for the purposes of remuneration or to incentivise Mr Sutherland as a director of the Company.
- (i) the Sutherland Shares will be issued in connection with the Mandate (a summary of which is contained in Section 1 of this Explanatory Statement) and a specific placement letter entered into with Mr Sutherland on standard terms; and
- (j) a voting exclusion statement is included in the Notice of Meeting.

9.2 Board recommendation

The Board, other than Mr Sutherland, consider this Resolution to be in the best interests of the Company and recommend that Shareholders vote **in favour** of Resolution 7. Mr Sutherland declines to make a recommendation about Resolution 7 as he has a material personal interest in the outcome of the Resolution as it relates to the proposed issues of Shares to him (or his nominee).

GLOSSARY

Argonaut means Argonaut Securities Pty Ltd (ABN 72 108 330 650).

Associate has the meaning given by section 12 of the Corporations Act as if section 12(1) included a reference to the Explanatory Statement and the Company was the designated body.

ASX means ASX Limited (ACN 008 624 691) or the Australian Securities Exchange, as the context requires.

Bell Potter means Bell Potter Securities Limited (ACN 006 390 772).

Board means the board of Directors as constituted from time to time.

Chair means the chair of the Meeting.

Company means Matrix Composites & Engineering Ltd (ABN 54 009 435 250).

Constitution means the constitution of the Company as amended from time to time.

Corporations Act means the *Corporations Act 2001* (Cth).

Corporations Regulations means the *Corporations Regulations 2001* (Cth).

Directors means the directors of the Company from time to time and **Director** means any one of them.

Explanatory Statement means the explanatory statement accompanying this Notice of Meeting.

Joint Lead Managers has the meaning given in section 1 of the Explanatory Statement.

Listing Rules means the listing rules of ASX and any other rules of ASX which are applicable while the Company is admitted to the Official List, each as amended or replaced from time to time, except to the extent of any express written waiver by ASX.

Mandate has the meaning given in section 1 of the Explanatory Statement.

Meeting means the Extraordinary General Meeting of Shareholders to be held at Carnac Island Room, AMC Jakovich Centre, 4 McGrath Road, Henderson (Cnr Russell Road), Western Australia on Thursday, 13 January 2022 at 10:00am (WST).

Notice of Meeting means this notice of extraordinary general meeting, including the Explanatory Statement.

Official List means the official list of entities that ASX has admitted and not removed.

Placement has the meaning given in section 1 of the Explanatory Statement, and includes the Tranche One Placement and the Tranche Two Placement.

Proxy Form means the proxy form accompanying this Notice of Meeting.

Resolutions means the resolutions to be proposed at the Meeting and **Resolution** means any one of them.

Share means a fully paid ordinary share in the capital of the Company.

Shareholder means the holder of a Share.

Tranche One Placement has the meaning given in section 1 of the Explanatory Statement.

Tranche Two Placement has the meaning given in section 1 of the Explanatory Statement.

WST means Western Standard Time.

LODGE YOUR VOTE
 **ONLINE**
www.linkmarketservices.com.au
 **BY MAIL**
 Matrix Composites & Engineering Ltd
 C/- Link Market Services Limited
 Locked Bag A14
 Sydney South NSW 1235 Australia

 **BY FAX**
 +61 2 9287 0309

 **BY HAND**
 Link Market Services Limited
 Level 12, 680 George Street, Sydney NSW 2000

 **ALL ENQUIRIES TO**
 Telephone: 1300 554 474 Overseas: +61 1300 554 474

X99999999999
PROXY FORM

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


APPOINT A PROXY
 the Chair of the Meeting (mark box)
OR if you are **NOT** appointing the Chair of the Meeting as your proxy, please write the name of the person or body corporate you are appointing as your proxy

 or failing the person or body corporate named, or if no person or body corporate is named, the Chair of the Meeting, as my/our proxy to act on my/our behalf (including to vote in accordance with the following directions or, if no directions have been given and to the extent permitted by the law, as the proxy sees fit) at the Extraordinary General Meeting of the Company to be held at **10:00am (WST) on Thursday, 13 January 2022 at Carnac Island Room, AMC Jakovich Centre, 4 McGrath Road, Henderson (Cnr Russell Road), Western Australia (the Meeting)** and at any postponement or adjournment of the Meeting.

The Chair of the Meeting intends to vote undirected proxies in favour of each item of business.
VOTING DIRECTIONS

 Proxies will only be valid and accepted by the Company if they are signed and received no later than 48 hours before the Meeting. Please read the voting instructions overleaf before marking any boxes with an
Resolutions

	For	Against	Abstain*		For	Against	Abstain*
1 Ratification of Prior Share Issue: Tranche One Placement	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	5 Approval of Share Issue to Mr Steven Cole	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
2 Approval of Share Issue: Tranche Two Placement	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	6 Approval of Share Issue to Mr Craig Duncan	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
3 Approval of Share Issue to Mr Aaron Begley	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	7 Approval of Share Issue to Mr Chris Sutherland	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
4 Approval of Share Issue to Mr Peter Hood AO	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>				

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

SIGNATURE OF SHAREHOLDERS – THIS MUST BE COMPLETED

Shareholder 1 (Individual)

Joint Shareholder 2 (Individual)

Joint Shareholder 3 (Individual)

Sole Director and Sole Company Secretary

Director/Company Secretary (Delete one)

Director

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


HOW TO COMPLETE THIS SHAREHOLDER PROXY FORM

YOUR NAME AND ADDRESS

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

APPOINTMENT OF PROXY

If you wish to appoint the Chair of the Meeting as your proxy, mark the box in Step 1. If you wish to appoint someone other than the Chair of the Meeting as your proxy, please write the name of that individual or body corporate in Step 1. A proxy need not be a shareholder of the Company.

DEFAULT TO CHAIR OF THE MEETING

Any directed proxies that are not voted on a poll at the Meeting will default to the Chair of the Meeting, who is required to vote those proxies as directed. Any undirected proxies that default to the Chair of the Meeting will be voted according to the instructions set out in this Proxy Form.

VOTES ON ITEMS OF BUSINESS – PROXY APPOINTMENT

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

APPOINTMENT OF A SECOND PROXY

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

To appoint a second proxy you must:

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

SIGNING INSTRUCTIONS

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

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

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

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

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

CORPORATE REPRESENTATIVES

If a representative of the corporation is to attend the Meeting the appropriate "Certificate of Appointment of Corporate Representative" must be produced prior to admission in accordance with the Notice of Meeting. A form of the certificate may be obtained from the Company's share registry or online at www.linkmarketservices.com.au.

LODGEMENT OF A PROXY FORM

This Proxy Form (and any Power of Attorney under which it is signed) must be received at an address given below by **10:00am (WST) on Tuesday, 11 January 2022**, being not later than 48 hours before the commencement of the Meeting. Any Proxy Form received after that time will not be valid for the scheduled Meeting.

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



ONLINE

www.linkmarketservices.com.au

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



BY MOBILE DEVICE

Our voting website is designed specifically for voting online. You can now lodge your proxy by scanning the QR code adjacent or enter the voting link www.linkmarketservices.com.au into your mobile device. Log in using the Holder Identifier and postcode for your shareholding.

QR Code



To scan the code you will need a QR code reader application which can be downloaded for free on your mobile device.



BY MAIL

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



BY FAX

+61 2 9287 0309



BY HAND

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

*during business hours Monday to Friday (9:00am - 5:00pm) and subject to public health orders and restrictions



COMMUNICATION PREFERENCE

We encourage you to receive all your shareholder communication via email. This communication method allows us to keep you informed without delay, is environmentally friendly and reduces print and mail costs.



ONLINE

www.linkmarketservices.com.au

Login to the Link website using the holding details as shown on the Proxy Form. Select 'Communications' and click the first button to receive all communications electronically and enter your email address. To use the online facility, securityholders will need their "Holder Identifier" (Securityholder Reference Number (SRN) or Holder Identification Number (HIN) as shown on the front of the Proxy Form).

**IF YOU WOULD LIKE TO ATTEND AND VOTE AT THE EXTRAORDINARY GENERAL MEETING, PLEASE BRING THIS FORM WITH YOU.
THIS WILL ASSIST IN REGISTERING YOUR ATTENDANCE.**