

DYESOL LIMITED

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NOTICE OF ANNUAL GENERAL MEETING

Venue:	Dyesol Limited 3 Dominion Place Queanbeyan NSW 2620
Date:	Thursday, 24 November 2016
Time:	10:00 a.m. (EDST)

NOTICE OF ANNUAL GENERAL MEETING

Notice is hereby given that the Annual General Meeting of Dyesol Limited (**Company**) will be held at:

Venue: Dyesol Limited
3 Dominion Place
Queanbeyan NSW 2620

Date: Thursday, 24 November 2016

Time: 10:00 a.m. (EDST)

This Notice of Meeting (**Notice**) should be read in conjunction with the accompanying Explanatory Statement.

Agenda

Financial and Other Reports - Year Ended 30 June 2016 (no resolution required)

To receive and consider the financial report and the reports of the Directors and of the Auditor for the financial year ended 30 June 2016.

Resolution 1 - Adoption of Remuneration Report

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

"That the Remuneration Report of the Company (as contained in the Directors' Report) for the year ended 30 June 2016 be adopted."

Resolution 2 - Re-election of Mr Gordon Thompson as Director

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

"That Mr Gordon Thompson, who retires by rotation in accordance with clause 13.2 of the Company's Constitution, and who offers himself for re-election, is re-elected as a Director."

Resolution 3 - Approval to Issue Rights to Managing Director, Mr Richard Caldwell, under the Dyesol Performance Rights Plan

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

"That, for the purposes of Listing Rule 10.14, and in accordance with the Company's Performance Rights Plan, Shareholders approve the granting of 1,280,711 Performance Rights to Mr Richard Caldwell, Managing Director, in the manner contemplated in the Explanatory Statement."

Voting Exclusion Statement: The Company will disregard any votes cast on this resolution by any Director of the Company who is eligible to participate in the employee incentive scheme and any associates of that person (or those persons).

However, the Company need not disregard a vote if it is cast by a person as a proxy for a person who is entitled to vote in accordance with the directions on the Proxy Form, or it is cast by the person chairing the meeting as proxy for a person who is entitled to vote, in accordance with a direction on the Proxy Form to vote as the proxy decides.

Explanatory Statement

The Explanatory Statement accompanying this Notice is incorporated in and comprises part of this Notice. Shareholders are referred to the Glossary in the Explanatory Statement which contains definitions of capitalised terms used both in this Notice and the Explanatory Statement.

Proxies

Please note that:

- A member entitled to attend and vote is entitled to appoint not more than two proxies to attend and vote on behalf of the member.
- A proxy need not be a member of the Company. A proxy can be an individual or a body corporate. A proxy may also be appointed by reference to an office held by the proxy (e.g. "the Company Secretary").
- Where more than one proxy is appointed, each proxy may be appointed to represent a specified proportion of the member's voting rights. If no such proportion is specified, each proxy may exercise half of the member's votes.

The enclosed proxy form provides further details on appointing proxies and lodging proxy forms.

Voting Entitlements

For the purposes of section 1074E(2) of the Corporations Act 2001 and regulation 7.11.37 of the Corporations Regulations 2001, the Company has determined that members holding ordinary shares as set out in the Company's share register 48 hours before the meeting will be entitled to attend and vote at the Annual General Meeting.

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 in advance of the meeting or handed in at the meeting when registering as a corporate representative.

BY ORDER OF THE BOARD



Kim Hogg
Company Secretary
21 October 2016

EXPLANATORY STATEMENT

This Explanatory Statement has been prepared to provide Shareholders with material information to enable them to make an informed decision on the business to be conducted at the Annual General Meeting of Dyesol Limited (**Company**).

The Directors recommend Shareholders read this Explanatory Statement in full before making any decision in relation to the resolutions.

Financial Statements and Reports

Under the Corporations Act, the Directors of the Company must table the financial report, the Directors' report and the Auditor's report for Dyesol Limited for the year ended 30 June 2016 at the meeting.

These reports are set out in the 2016 Annual Report. Shareholders who have elected to receive a printed copy of annual reports should have received the 2016 Annual Report with this Notice of Annual General Meeting. The 2016 Annual Report is also available on the Company's website: www.dyesol.com.

There is no requirement either in the Corporations Act or the Company's Constitution for Shareholders to vote on, approve or adopt these reports. Shareholders will be given a reasonable opportunity at the meeting to ask questions about and make comments on the reports.

Resolution 1 – Remuneration Report

The Remuneration Report of the Company for the financial year ended 30 June 2016 is included in the Directors' Report in the 2016 Annual Report. The Remuneration Report sets out the Company's remuneration arrangements for the Directors and senior management of the Company.

Section 249L(2) of the Corporations Act requires a company to inform Shareholders that a resolution on the Remuneration Report will be put at the Annual General Meeting. Section 250R(2) of the Corporations Act requires a resolution that the Remuneration Report to be adopted must be put to the vote. Resolution 1 seeks this approval.

In accordance with section 250R(3) of the Corporations Act, Shareholders should note that Resolution 1 is an "advisory only" resolution which does not bind the Directors. Under section 250SA of the Corporations Act, the Chairman will provide a reasonable opportunity for discussion of the Remuneration Report at the Annual General Meeting.

If at least 25% of the votes on Resolution 1 are voted against the adoption of the Remuneration Report at the Annual General Meeting, and then again at the Company's 2017 annual general meeting, the Company will be required to put to Shareholders a resolution proposing the calling of an extraordinary general meeting ("Spill Meeting") to consider the appointment of the Directors ("Spill Resolution").

If more than 50% of Shareholders vote in favour of the Spill Resolution, the Company must convene the Spill Meeting within 90 days of the Company's 2017 annual general meeting. All of the Directors who are in office when the Company's 2017 Directors' Report is approved, other than the Managing Director of the Company, will cease to hold office immediately before the end of the Spill Meeting but may stand for re-election at the Spill Meeting. Following the Spill Meeting those persons whose election or re-election as Directors is approved will be the directors of the Company.

At the 2015 annual general meeting, more than 81% of votes cast, of those shareholders who exercised their right to vote, were in favour of the remuneration report for the 2015 financial year.

Voting intention

The Chairman of the meeting intends to vote all available proxies in favour of Resolution 1.

Voting prohibition statement

The Company will disregard any votes cast on Resolution 1 by Key Management Personnel or their Closely Related Parties.

However, a person (the voter) described above may cast a vote on this resolution as a proxy if the vote is not cast on behalf of a person described above and either:

- the voter is appointed as a proxy in writing that specifies the way the proxy is to vote on the resolution; or
- the voter is the chair of the meeting and the appointment of the chair as proxy:
 - does not specify the way the proxy is to vote on this resolution; and
 - expressly authorises the chair to exercise the proxy even if the resolution is connected directly or indirectly with the remuneration of a member of the Key Management Personnel for the Company, or if the Company is part of a consolidated entity, for the entity.

Resolution 2 – Re-election of Mr Gordon Thompson as Director

Clause 13.2 of the Constitution requires that at every annual general meeting, one third of the Directors must retire from office, provided always that no Director (except a Managing Director) shall hold office for a period in excess of 3 years.

A Director who retires by rotation under clause 13.2 of the Constitution is eligible for re-election.

Mr Thompson retires by rotation and seeks re-election. Mr Thompson, aged 69, has been a director of Dyesol since November 2004. He shares responsibility with the Board of Directors for developing corporate strategy, contributing to business and strategic planning, commercialisation projects and marketing programs. Mr Thompson chairs the Audit and Risk Committee, is a Director of a number of Dyesol subsidiaries, and provides expert advice in commercial, operational activities and key relationship management.

Mr Thompson brings an extensive background and experience in renewable energy and water resources sectors and international business development. He was the founding Managing Director of the United Nations sponsored International Centre for the Application of Solar Energy, the inaugural Chairman of the Sustainable Energy Industry Association of Australia, and previously was a Director of the Business Council for Sustainable Energy and Chairman of the Australian Indonesian Business Council (WA Chapter).

Mr Thompson assisted in the initial public listing of Dyesol and brings great depth of experience in business development, international business activities, business strategy and corporate management. He had an extensive and diverse leadership career at Melbourne Water Corporation, managing complex and large-scale water infrastructure projects and operations, and established a new business unit focussed on international operations. He has a detailed knowledge of the Australian and international renewable energy market and an extensive national and international network in the government and private sector.

Mr Thompson holds a Bachelor of Electrical Engineering (Honours) and a Master of Engineering Science from Monash University, completed the Advanced Managed Program of the (now) Melbourne University Business School, is a Fellow of the Institution of Engineers Australia and a Member of the Australian Institute of Company Directors.

Directors' Recommendation

The Board (other than Mr Thompson) recommends shareholders vote in favour of Resolution 2.

EXPLANATORY STATEMENT

Voting Intention

The Chairman of the meeting intends to vote undirected proxies in favour of Resolution 2.

Resolution 3 - Approval to Issue Rights to Managing Director, Mr Richard Caldwell, under the Dyesol Performance Rights Plan

Background

Mr Caldwell has been the Company's Managing Director since May 2014. He had previously filled the dual role of Executive Chairman and Chief Executive since February 2013.

The Board believes that by providing Performance Rights as a Long Term Incentive ("LTI"), Mr Caldwell will be encouraged to stay with the Company and to lead significant progress and improvement in the performance of the Company at this important stage of its development.

The Board is of the view that the terms of the proposed issue of Performance Rights to the Mr Caldwell are consistent with Australian market practice.

The number of Performance Rights for which approval is sought has been determined having regard to market competitive remuneration packages with a strong emphasis on performance and growing shareholder value. Importantly, Mr Caldwell will derive no benefit from the proposed issue of Performance Rights unless vesting conditions are satisfied over a 3-year performance hurdle measurement period, dating from the date of grant of the Performance Rights, should they be approved.

Listing Rule Requirements

Listing Rule 10.14 provides that a listed company must not, without the approval of ordinary shareholders, issue equity securities to a related party. A director is a related party for the purposes of the Listing Rules. Listing Rule 10.14 also restricts the issue of securities under an employee incentive scheme to directors.

The 1,280,711 Performance Rights proposed to be granted to Mr Caldwell under the Company's Performance Rights Plan represent securities to be issued to a Director under an employee incentive scheme within the meaning of the ASX Listing Rules. Accordingly, the Board seeks Shareholder approval under Resolution 3 for the grant of 1,280,711 Performance Rights to Mr Caldwell.

Details of the proposed FY2016 grant

The proposed grant to Mr Caldwell is for 1,280,711 Performance Rights. Subject to shareholder approval, provision for an annual equity-based Long Term Incentive ("LTI"), being 70% of annual fixed remuneration, is included in Mr Caldwell's employment contract. This grant represents the LTI component of Mr Caldwell's remuneration package for FY2017. The total number of Performance Rights has been determined by dividing \$245,000, being 70% of Mr Caldwell's FY2017 annual fixed remuneration, by a share price of 19.13 cents. The share price has been calculated based on the volume weighted average share price (VWAP) over the 5 trading day period commencing on the date Dyesol released its 2016 Annual Report.

Vesting Conditions

The Performance Rights proposed to be issued to Mr Caldwell are subject to vesting conditions relating to Total Shareholder Return ("TSR"), in order to fully align Mr Caldwell's interest with that of shareholders.

In addition to the TSR Performance Measure below, Mr Caldwell must remain in continuous employment in his current position as the Company's Managing Director from the date the

Performance Rights are issued until the Vesting Date (30 November 2019).

TSR Performance Measure

100% of the Performance Rights will be subject to a performance hurdle relating to absolute Total Shareholder Return over a period from grant date to 30 November 2019. The Dyesol TSR will be set at 100 on the date of grant of the Performance Rights and must equal or exceed 350 on 30 November 2019, that is, the Dyesol TSR must increase by 250% over the measurement period for the Performance Rights to vest.

This absolute TSR condition has been selected to ensure that a specified level of absolute TSR is enjoyed by Shareholders for the Performance Rights to vest.

Entitlements

Each Performance Right represents the right to receive one share in Dyesol subject to achievement of performance measures as set out above. Performance Rights cannot be transferred, disposed of, or have a security interest imposed over them.

Allocation of Shares upon vesting of Performance Rights

Mr Caldwell's Performance Rights will be automatically exercised into Dyesol shares, for no consideration, once the Vesting Conditions have been met. Any Performance Rights which fail to meet the relevant Vesting Conditions above on or before the Vesting Date will lapse immediately: there will be no re-testing. The Performance Rights will expire 30 days after the Vesting Date, if not already exercised or lapsed.

Other information

If Mr Caldwell ceases to be an employee of Dyesol, his ability to retain the Performance Rights is subject to the terms of the Dyesol Performance Rights Plan and is dependent on the circumstances in which his employment ceases.

If a change of control event occurs, all unvested Performance Rights will automatically vest unless the Board determines otherwise.

Hedging the exposure to the Dyesol share price during the Vesting Period in respect of unvested Performance Rights is prohibited.

Other ASX Listing Rule Requirements

In accordance with Listing Rule 10.15, the following information is provided to Shareholders for the purpose of assisting Shareholders make a decision on Resolution 3:

- (a) Mr Caldwell is the Managing Director of the Company.
- (b) The maximum number of Performance Rights that may be issued to Mr Caldwell is 1,280,711.
- (c) No consideration is payable by Mr Caldwell for the grant of the Performance Rights or for the issue of Shares on vesting of the Performance Rights. However, the Performance Rights are subject to the vesting conditions set out above.
- (d) The names of all persons referred to in Listing Rule 10.14 who received securities under the Performance Rights Plan since the last approval, the number of the securities received, and acquisition price for each security, are as follows:
 - Mr Richard Caldwell was issued 2,000,000 Performance Rights on 1 December 2014 for no consideration. These Performance Rights will vest and convert to Shares on 5 May 2017 upon satisfaction of vesting conditions over the vesting period of 5 May 2014 to 5 May 2017.

EXPLANATORY STATEMENT

- Mr Richard Caldwell was issued 1,150,000 Performance Rights on 10 December 2015 for no consideration. These Performance Rights will vest and convert to Shares on 30 November 2018 upon satisfaction of vesting conditions over the vesting period of 1 December 2015 to 30 November 2018.
- (e) Non-Executive Directors are not eligible to participate in the Plan. Mr Caldwell, as Managing Director, is the only person referred to in Listing Rule 10.14 who is entitled to participate in the Plan.
- (f) A voting exclusion statement in respect of Resolution 3 is set out in the Notice of Meeting.
- (g) The Company has not implemented any loan or financing arrangement in respect of the proposed issue of Performance Rights to Mr Caldwell.
- (h) The Performance Rights, if approved, will be issued within 10 business days of approval.

Directors' Recommendation

The Board (other than Mr Caldwell) recommends shareholders vote in favour of Resolution 3.

Voting Intention

The Chairman of the meeting intends to vote undirected proxies in favour of Resolution 3.

GLOSSARY

ASX means ASX Limited (ACN 008 624 691) and where the context permits the Australian Securities Exchange operated by ASX Limited.

Board means the board of directors of the Company.

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

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

Company or **Dyesol** means Dyesol Limited (ACN 111 723 883).

Constitution means the Company's constitution.

Corporations Act means the Corporations Act 2001 (Cth).

Director means a current director of the Company.

EDST means Australian Eastern Daylight Savings Time.

Equity Securities has the same meaning as in the Listing Rules.

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


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


Listing Rules means the official listing rules of the ASX.

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

Shareholder means a member of the Company, as defined in the Constitution of the Company.

Lodge your vote:

 **Online:**
www.investorvote.com.au

 **By Mail:**
Computershare Investor Services Pty Limited
GPO Box 242 Melbourne
Victoria 3001 Australia

Alternatively you can fax your form to
(within Australia) 1800 783 447
(outside Australia) +61 3 9473 2555

For Intermediary Online subscribers only
(custodians) www.intermediaryonline.com

For all enquiries call:
(within Australia) 1300 850 505
(outside Australia) +61 3 9415 4000

DYE

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

Proxy Form

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Vote and view the annual report online

- Go to www.investorvote.com.au or scan the QR Code with your mobile device.
- Follow the instructions on the secure website to vote.

Your access information that you will need to vote:

Control Number: 999999

SRN/HIN: I9999999999 PIN: 99999

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



 **For your vote to be effective it must be received by 10:00am (EDST) Tuesday, 22 November 2016**

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.

Attending the Meeting

Bring this form to assist registration. If a representative of a corporate securityholder or proxy is to attend the meeting you will need to provide the appropriate "Certificate of Appointment of Corporate Representative" prior to admission. A form of the certificate may be obtained from Computershare or online at www.investorcentre.com under the help tab, "Printable Forms".

**GO ONLINE TO VOTE,
or turn over to complete the form** →

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.



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Proxy Form

Please mark to indicate your directions

STEP 1 Appoint a Proxy to Vote on Your Behalf

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I/We being a member/s of Dyesol 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 Annual General Meeting of Dyesol Limited to be held at Dyesol Limited, 3 Dominion Place, Queanbeyan, New South Wales on Thursday, 24 November 2016 at 10:00am (EDST) 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 Resolutions 1 and 3 (except where I/we have indicated a different voting intention below) even though Resolutions 1 and 3 are connected directly or indirectly with the remuneration of a member of key management personnel, which includes the Chairman.

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 Resolutions 1 and 3 by marking the appropriate box in step 2 below.

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	Adoption of Remuneration Report	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Resolution 2	Re-election of Mr Gordon Thompson as Director	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Resolution 3	Approval to Issue Rights to Managing Director, Mr Richard Caldwell, under the Dyesol Performance Rights Plan	<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.

SIGN Signature of Securityholder(s) *This section must be completed.*

Individual or Securityholder 1

Sole Director and Sole Company Secretary

Securityholder 2

Director

Securityholder 3

Director/Company Secretary

Contact Name _____

Contact Daytime Telephone _____

Date / / _____

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