



DYESOL LIMITED

ACN 111 723 883

NOTICE OF ANNUAL GENERAL MEETING

EXPLANATORY STATEMENT

PROXY FORM

Date of Meeting

Friday, 27 November 2009

Time of Meeting

10:00 a.m. (EDST)

Place of Meeting

Dyesol Limited
3 Dominion Place,
Queanbeyan. NSW. 2620.

For personal use only



DYESOL LIMITED

ACN 111 723 883

NOTICE OF ANNUAL GENERAL MEETING

The Annual General Meeting of Dyesol Limited ("Company") will be held on Friday, 27 November 2009, at Dyesol Limited, 3 Dominion Place, Queanbeyan, NSW, 2620, commencing at 10:00 a.m. EDST.

The Explanatory Statement that accompanies and forms part of this Notice describes the matters to be considered at this meeting.

AGENDA

ORDINARY BUSINESS:

Financial and Other Reports –Year Ended 30 June 2009 (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 2009.

Resolution 1 – Adoption of Remuneration Report

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

"That the Remuneration Report of the Company (as contained in the Directors' Report) for the year ended 30 June 2009 be adopted."

Resolution 2 – Re-election of director – Mr Ian Neal

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

"That Mr Ian Neal, 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 – Re-election of director – Mrs Sylvia Tulloch

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

"That Mrs Sylvia Tulloch, who was appointed by the Board as a Director since the last annual general meeting of the Company and who retires and offers herself for re-election, be re-elected as a director of the Company."

Resolution 4: Ratification of the issue of shares

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

"That for the purpose of Listing Rule 7.4 of the Listing Rules of ASX Limited and all other purposes, shareholders of the Company ratify and approve the issue of 7,777,778 fully paid ordinary shares at an issue price of \$0.90 per share on the terms set out in the accompanying notes."

Voting Exclusion Statement: The Company will disregard any votes cast on this resolution by any person who participated in the issue and any associates of those persons.

However, the Company will not disregard a vote if it is cast by a person as proxy for a person who is entitled to vote, in accordance with the direction 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.

Resolution 5: Ratification of the issue of shares

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

"That for the purpose of Listing Rule 7.4 of the Listing Rules of ASX Limited and all other purposes, shareholders of the Company ratify and approve the issue of 77,000 fully paid ordinary shares at a deemed issue price of \$0.60 per share on the terms set out in the accompanying notes."

Voting Exclusion Statement: The Company will disregard any votes cast on this resolution by any person who participated in the issue and any associates of those persons.

However, the Company will not disregard a vote if it is cast by a person as proxy for a person who is entitled to vote, in accordance with the direction 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.

For personal use only



DYESOL LIMITED

ACN 111 723 883

Resolution 6: Issue of Director Options – Mr Richard Caldwell

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

“That, for the purposes of ASX Listing Rule 10.11 and for all other purposes, approval is given for the Directors to allot and issue 3 million Director Options to Mr Richard Caldwell on the terms and conditions set out in the Explanatory Statement.”

Voting Exclusion Statement: The Company will disregard any votes cast on this Resolution by Mr Caldwell or any of his associates.

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.

BY ORDER OF THE BOARD

K Hogg
Company Secretary
28 October 2009

NOTES:

1. 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, but must be a natural person (not a corporation). A proxy may also be appointed by reference to an office held by the proxy (eg “the Company Secretary”).
2. 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.
3. A proxy form is enclosed. A separate form must be used for each proxy. An additional form can be obtained by writing to the Company at 3 Dominion Place, Queanbeyan, NSW 2620 or by fax to (61 2) 6299 1698. Alternatively, you may photocopy the enclosed form.
4. A duly completed proxy form and (where applicable) any power of attorney or a certified copy of the power of attorney must be received by the Company at its registered office or the address or fax number set out below, **not less than 48 hours before** the time for commencement of the meeting. Please send by post to 3 Dominion Place, Queanbeyan, NSW 2620 or by fax to (61 2) 6299 1698.
5. The Company will accept proxy appointments by a corporate member executed in accordance with either section 127(1) (not under seal) or section 127(2) (under seal) of the Corporations Act 2001.
6. The time nominated by the Board for the purpose of determining the voting entitlements at the meeting is 5:00 p.m. EDST time on Wednesday, 25 November 2009.
7. The Explanatory Statement attached to this Notice forms part of this Notice.

ANNUAL REPORT ONLINE

Dyesol’s Annual Report for year ended 30 June 2009 is available on the Company’s website at www.dyesol.com.

For personal use only



DYESOL LIMITED

ACN 111 723 883

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.

Resolution 1 - Remuneration Report

The Directors' Report for the period ended 30 June 2009 contains a Remuneration Report which sets out the policy for the remuneration of directors and executives of the Company. Section 250R (2) of the Corporations Act expressly provides that a resolution proposing that the Remuneration Report be adopted must be put to the vote. Section 250R (3) of the Corporations Act 2001 provides that the vote on the resolution is advisory only and does not bind the directors or the Company.

Resolution 2 - Re-election of Director - Mr Ian Neal

Clause 13.2 of the Constitution requires that at every 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.

The Company currently has three Directors other than the Managing Director and accordingly one must retire.

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

Mr Neal retires by rotation and seeks re-election.

Mr Neal was originally appointed to the Board on 8 September 2006. He is a principal of Management Abroad Pty Limited. Prior to Management Abroad, he was a co-founder and Managing Director of Nanyang Ventures Pty Limited, which had a total of \$140 million under management, invested in 27 companies across a range of industries from high technology to advanced manufacturing. Companies backed by Nanyang ranged from start up to \$50 million in revenue.

Mr Neal's prior professional background is in financial markets, commencing as an equities analyst and moving through various Banking positions until establishing Nanyang in 1993 with his partners. He is a Senior Fellow of the Financial Services Institute of Australasia and is a past National President of the former Securities Institute.

Mr Neal holds a Bachelor of Commerce with Merit from the University of NSW (double major in Business Finance and Accountancy) and a Diploma of the Securities Institute of Australia.

Directors' Recommendation

The Board (other than Mr Neal) recommends shareholders vote in favour of the resolution.

Resolution 3- Re-election of Director - Mrs Sylvia Tulloch

Mrs Tulloch was appointed to the Board on 20 October 2009 and in accordance with clause 13.5 of the Constitution, seeks election as a Director.

Mrs Tulloch has over twenty-five years experience in establishment and management of high technology business. She is experienced in the process of listing on the ASX and the demands of public company governance and fund raising. Responsibilities have included the strategic development of the company and contributing to the scientific developments and the successful move of DSC from development to production. Mrs Tulloch has been executive director of the core business that Dyesol acquired, and has brought the business from primarily R&D to its current position of commercial expansion. Past roles included CEO of a window manufacturer and business manager of an advanced technology multinational defence company. Mrs Tulloch has been active in government liaison, both at company and industry levels. She was the last President of the Sustainable Energy Industries Association of Australia, Chair of the Renewable Energy Action Agenda Implementation Group and on the committee guiding the Australian Renewable Energy Technology Roadmap, and a Director of the Australian Business Council for Sustainable Energy. Sylvia holds a Master of Science degree from the University of NSW in materials science.

Directors' Recommendation

The Board (other than Mrs Tulloch) recommends Shareholders vote in favour of the resolution.

For personal use only



DYESOL LIMITED

ACN 111 723 883

EXPLANATORY STATEMENT (CONT'D)

Resolution 4: Ratification of the issue of shares

On 5 May 2009 the Company issued 7,777,778 ordinary fully paid shares in the Company at an issue price of \$0.90 per share to institutions and sophisticated investors.

Subject to certain exceptions, ASX Listing Rule 7.1 prohibits a company from issuing securities without shareholder approval in any 12 month period where the number of securities issued would exceed 15% of the number of fully paid ordinary securities in the company 12 months prior to the proposed issue.

Within the 15% limit, the Company has flexibility to issue further shares by way of placements to raise additional capital (if this is thought desirable), without the need for shareholder approval.

Under Listing Rule 7.4, it is possible for shareholders to approve an issue of securities after the event. This has the effect of "refreshing" the Company's ability to issue shares within the 15% limit, and restores the Company's ability to make placements (if that is thought desirable) without the need for shareholder approval. The directors consider it desirable that the Company maintain its flexibility to make placements of shares without seeking shareholder approval, if the need or opportunity arises.

Resolution 4 seeks shareholder approval under listing rule 7.4 for the issue of the 7,777,778 shares. Listing Rule 7.5 sets out the information required to be disclosed to shareholders when seeking this approval. The information set out below is intended to satisfy this requirement:

- (a) The number of securities issued was 7,777,778 shares.
- (b) The issue price of the shares was \$0.90 each.
- (c) The shares issued rank equally in all respects with the existing fully paid ordinary shares in the Company.
- (d) The securities were issued to Australian and overseas institutions and sophisticated investors. No director or any associate of a director participated in this issue.
- (e) The funds raised were used to supplement the Company's working capital for acceleration of commercialisation of metal and glass based BIPV products, and to allow the Company to address new opportunities, particularly in key emerging growth markets.

Directors' Recommendation

The Board recommends shareholders vote in favour of the resolution.

Resolution 5: Ratification of the issue of shares

On 10 June 2009 the Company issued 77,000 ordinary fully paid shares to a consultant of the Company for services rendered.

Subject to certain exceptions, ASX Listing Rule 7.1 prohibits a company from issuing securities without shareholder approval in any 12 month period where the number of securities issued would exceed 15% of the number of fully paid ordinary securities in the company 12 months prior to the proposed issue.

Within the 15% limit, the Company has flexibility to issue further shares by way of placements to raise additional capital (if this is thought desirable), without the need for shareholder approval.

Under Listing Rule 7.4, it is possible for shareholders to approve an issue of securities after the event. This has the effect of "refreshing" the Company's ability to issue shares within the 15% limit, and restores the Company's ability to make placements (if that is thought desirable) without the need for shareholder approval. The directors consider it desirable that the Company maintain its flexibility to make placements of shares without seeking shareholder approval, if the need or opportunity arises.

Resolution 5 seeks shareholder approval under listing rule 7.4 for the issue of the 77,000 shares. Listing Rule 7.5 sets out the information required to be disclosed to shareholders when seeking this approval. The information set out below is intended to satisfy this requirement:

- (a) The number of securities issued was 77,000 shares.
- (b) The issue price of the shares was deemed to be \$0.60 each.
- (c) The shares issued rank equally in all respects with the existing fully paid ordinary shares in the Company.
- (d) The securities were issued to a consultant of the Company for services rendered.
- (e) No funds were raised by the issue.

Directors' Recommendation

The Board recommends shareholders vote in favour of the resolution.

For personal use only



DYESOL LIMITED

ACN 111 723 883

Resolution 6: Issue of Director Options – Mr Richard Caldwell

On 20 October 2009 the Company announced the appointment of Mr Richard Caldwell as Executive Chairman, heralding a greater involvement with the activities of the Company in his transition from Non-Executive to Executive. He was convinced to leave a well remunerated senior corporate finance role and join the executive team at Dyesol in the Company's quest to successfully commercialise its 3rd generation solar technology.

The cash component of his remuneration package is well below the level that he could command in the market at large and the Board has sought to align the interests of shareholders and the Executive Chairman with the issue of options that are likely to be significantly out of the money at the time of grant, with restrictions on vesting and the ability to sell shares post-exercise. As Dyesol is commercialising its technology, investing capital and requiring significant focus from its senior executives, a grant of options meets the requirement of providing a financial incentive which will only have value if the Company's longer term objectives are achieved and are reflected in the share price.

The Company has agreed, subject to obtaining shareholder approval, to allot and issue a total of 3 million options (Director Options) to Mr Richard Caldwell on the terms and conditions set out in Schedule 1.

Shareholder Approval (Listing Rule 10.11)

ASX Listing Rule 10.11 requires shareholder approval to be obtained where an entity issues, or agrees to issue, securities to a related party, unless an exception in ASX Listing Rule 10.12 applies. The view of the Directors is that the exceptions set out in ASX Listing Rule 10.12 do not apply, and consequently, the grant of options to Mr Caldwell requires the Company to obtain shareholder approval.

Pursuant to and in accordance with the requirements of ASX Listing Rule 10.13, the following information is provided in relation to the proposed grant of Director Options:

- (a) the related party is Mr Richard Caldwell and he is a related party by virtue of being a Director;
- (b) the maximum number of Director Options to be granted to Mr Caldwell is 3 million options;
- (c) the Director Options will be granted no later than 1 month after the date of the Annual General Meeting (or such later date as permitted by any ASX waiver or modification of the ASX Listing Rules) and it is anticipated the Director Options will be issued on one date;
- (d) the Director Options will be granted for nil cash consideration, and accordingly no funds will be raised; and
- (e) the terms and conditions of the Director Options are set out in Schedule 1.

Approval pursuant to ASX Listing Rule 7.1 is not required in order to issue the Director Options to Mr Caldwell, as approval is being obtained under ASX Listing Rule 10.11. Accordingly, the issue of Director Options to Mr Caldwell will not be included in the 15% calculation of the Company's annual placement capacity pursuant to ASX Listing Rule 7.1.

Directors' Recommendation

The Board (other than Mr Caldwell) recommends shareholders vote in favour of the resolution.

GLOSSARY:

ASIC means the Australian Securities and Investments Commission.

ASX means ASX Limited.

Board means the board of directors of the Company.

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

Constitution means the Company's constitution.

Corporations Act means the Corporations Act 2001 (Cth).

Director Options means the options proposed to be issued to a Director under Resolution 5 as set out in the Notice, and on the terms and conditions set out in Schedule 1 of the Notice.

Director means a current director of the Company.

Explanatory Statement means the explanatory statement accompanying the Notice.

Meeting means the general meeting convened by the Notice.

Notice means the notice convening the Meeting.

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.

EDST means Eastern Daylight Savings Time.

For personal use only



DYESOL LIMITED

ACN 111 723 883

Schedule 1 - Terms and Conditions of Director Options

The Director Options entitle the holder to subscribe for Shares on the following terms and conditions:

- (a) Each Director Option gives the option holder the right to subscribe for one Share. To obtain the right given by each Director Option, the option holder must exercise the Director Options in accordance with the terms and conditions of the Director Options.
- (b) The date of issue will be no later than 1 month after the date of the Annual General Meeting (or such later date as permitted by any ASX waiver or modification of the ASX Listing Rules).
- (c) The terms and conditions of the Director Options are listed in the table below:

Exercise Price	Vesting Date ^{1,2}	Expiry Date
\$1.10	as to 2,000,000 Director Options: 20 October 2010; and	3 years from the date of issue
\$1.20	as to 1,000,000 Director Options: 20 October 2011.	4 years from the date of issue

¹ Subject to remaining an executive director during the respective vesting periods.
² In the event of a Company takeover, all options will vest immediately.

- (d) Any Dyesol shares issued as a result of option exercise will be subject to a 6 month voluntary escrow period.
- (e) The Director Options will expire at 5:00 pm (WST) on the Expiry Date. Any Director Options not exercised before the Expiry Date will automatically lapse on the Expiry Date.
- (f) The Director Options may be exercised in whole or in part, and if exercised in part, multiples of 1,000 must be exercised on each occasion.
- (g) An option holder may exercise their Director Options by lodging with the Company, before the Expiry Date:
- (i) a written notice of exercise of Director Options specifying the number of Director Options being exercised; and
 - (ii) a cheque or electronic funds transfer for the Exercise Price for the number of Director Options being exercised;
- (Exercise Notice).**
- (h) An Exercise Notice is only effective when the Company has received the full amount of the Exercise Price in cleared funds.
- (i) Within 10 Business Days of receipt of the Exercise Notice accompanied by the Exercise Price, the Company will allot the number of Shares required under these terms and conditions in respect of the number of Director Options specified in the Exercise Notice.
- (j) The Director Options are not transferable.
- (k) All Shares allotted upon the exercise of Director Options will upon allotment rank pari passu in all respects with other Shares.
- (l) The Company will not apply for quotation of the Director Options on ASX. However, the Company will apply for quotation of all Shares allotted pursuant to the exercise of Director Options on ASX within 10 Business Days after the date of allotment of those Shares.
- (m) If at any time the issued capital of the Company is reconstructed, all rights of an option holder are to be changed in a manner consistent with the Corporations Act and the ASX Listing Rules at the time of the reconstruction.
- (n) There are no participating rights or entitlements inherent in the Director Options and option holders will not be entitled to participate in new issues of capital offered to Shareholders during the currency of the Director Options. However, the Company will ensure that for the purposes of determining entitlements to any such issue, the record date will be at least 3 Business Days after the issue is announced. This will give option holders the opportunity to exercise their Director Options prior to the date for determining entitlements to participate in any such issue.
- (o) In the event the Company proceeds with a pro rata issue (except a bonus issue) of securities to Shareholders after the date of issue of the Director Options, the exercise price of the Director Options may be reduced in accordance with the formula set out in ASX Listing Rule 6.22.2.

For personal use only



DYESOL LIMITED

ACN 111 723 883

PROXY FORM

MR SAM SAMPLE
UNIT 123
123 SAMPLE STREET
THE SAMPLE HILL
SAMPLE ESTATE
SAMPLEVILLE WA 6060

1. Appointment of Proxy

I/We being a member/s of Dyesol Limited hereby appoint

Form with boxes for appointing the Chairman of the Meeting or another person.

If you are appointing someone other than the Chairman of the Meeting, write here the name of the company or person you are appointing;

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...

If the Chairman of the Meeting is your nominated proxy, or may be appointed by default, and you have not directed your proxy how to vote on Item 6 below, please place a mark in this box. By marking this box you acknowledge that the Chairman of the Meeting may exercise your proxy even if he has an interest in the outcome of the item...

2. Items of Business

Please mark [X] to indicate your voting directions.

Table with 4 columns: Item, FOR, AGAINST, ABSTAIN. Rows include Adoption of Remuneration Report, Re-election of Director - Mr Ian Neal, etc.

The Chairman of the Meeting intends to vote undirected proxies in favour of each item of business.

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 on a poll and your votes will not be counted in computing the required majority.

3. Appointment of a Second Proxy

I/We wish to appoint a second proxy

Form with boxes for appointing a second proxy and percentage.

State the percentage of your voting rights or the number of securities for this Proxy Form.

4. Signature of Securityholder(s)

This section must be signed in accordance with the instructions overleaf to enable your directions to be implemented.

Form with three signature boxes for Individual or Securityholder 1, Securityholder 2, and Securityholder 3.

Form with three fields for Contact Name, Contact Daytime Telephone, and Date.

For personal use only



DYESOL LIMITED

ACN 111 723 883

HOW TO COMPLETE THE PROXY FORM

1. Appointment of Proxy

If you wish to appoint the Chairman of the Meeting as your proxy, mark the box. If the company or person you wish to appoint as your proxy is someone other than the Chairman of the Meeting please write the name of that company or person. If you leave this section blank, or your named proxy does not attend the meeting, the Chairman of the Meeting will be your proxy. A proxy need not be a securityholder of the company.

If you have appointed a company as your proxy and a representative of that company wishes to attend the meeting, the representative will be required to provide the Company with the appropriate written documentation evidencing that the person is a representative of the proxy. Should you require it, the Company will provide you with an appointment of corporate representative form free of charge. Please contact the Company Secretary if you require an appointment of corporate representative form.

2. Items of Business

You may direct your proxy how to vote by placing a mark in one of the three boxes opposite each item of business. All your securities 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 securities you wish to vote in the appropriate box. If you do not mark any of the boxes on a given item, 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.

3. 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.

To appoint a second proxy you must:

- indicate that you wish to appoint a second proxy by marking the box.
- on each of the first Proxy Form and the second Proxy Form state the percentage of your voting rights or number of securities 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.
- return both forms together in the same envelope.

4. Signing Instructions

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

- 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 must sign.
- Power of Attorney: To sign under Power of Attorney, you must have already lodged this document 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 sign in the appropriate place to indicate the office held.

Lodgement of a Proxy

This Proxy Form (and any Power of Attorney under which it is signed) must be received at the address given below no later than 48 hours before the commencement of the meeting at 10:00 a.m. on Friday, 27 November 2009. Any Proxy Form received after that time will not be valid for the scheduled meeting.

Documents may be lodged by posting, delivery or facsimile to Dyesol Limited:-

3 Dominion Place
Queanbeyan New South Wales 2620
Facsimile: +61 2 6299 1698

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 the Company's share registry.

For personal use only