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## NOTICE OF ANNUAL GENERAL MEETING

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**Venue:** Dyesol Limited  
3 Dominion Place  
Queanbeyan NSW 2620

**Date:** Thursday, 27 November 2014

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

**Dyesol Limited**  
ACN 111 723 883

# 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, 27 November 2014

**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 2014 (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 2014.

### 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 2014 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 - Re-election of Mr Gerald Grove-White as Director

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

*"That Mr Gerald Grove-White, 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 4 - Election of Mr Antoine Shirfan as Director

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

*"That pursuant to Clause 13.5 of the Company's Constitution, Mr Antoine Shirfan, who was appointed by the Board as a Director since the last annual general meeting of the Company and who retires and offers himself for election, is elected as a Director."*

### Resolution 5 - Ratification of Previous Share Issue

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

*"That for the purposes of Listing Rule 7.4 and all other purposes, Shareholders ratify and approve the issue of 500,000 Shares made on 4 June 2014 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 any person who participated in the issue and any associates of those persons.

However, the Company need 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 6 - Ratification of Previous Share Issue

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

*"That for the purposes of Listing Rule 7.4 and all other purposes, Shareholders ratify and approve the issue of 500,000 Shares made on 10 September 2014 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 any person who participated in the issue and any associates of those persons.

However, the Company need 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 7 - Approval to Issue Rights 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 Exception 9 of Listing Rule 7.2 and for all other purposes, the issue of Performance Rights to eligible participants under the Dyesol Performance Rights Plan as described in the Explanatory Statement is approved as an exception to Listing Rule 7.1."*

**Voting Exclusion Statement:** The Company will disregard any votes cast on this resolution by a Director of the Company (except one who is ineligible to participate in any employee incentive scheme in relation to the Company) 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 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 8 - 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 2 million 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 a Director of the Company (except one who is ineligible to participate in any employee incentive scheme in relation to the Company) 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 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.

## NOTICE OF ANNUAL GENERAL MEETING

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### 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 at 8:00 p.m. (EDST) on Tuesday, 25 November 2014 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  
27 October 2014

## 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 2014 at the meeting.

These reports are set out in the 2014 Annual Report. Shareholders who have elected to receive a printed copy of annual reports should have received the 2014 Annual Report with this Notice of Annual General Meeting. The 2014 Annual Report is also available on the Company's website: [www.dyesol.com](http://www.dyesol.com).

Shareholders will be given reasonable opportunity at the meeting to ask questions and make comments on the financial report, the Directors' report and the Auditor's report.

### Resolution 1 – Remuneration Report

The Directors submit the Remuneration Report to Shareholders for consideration and adoption by way of non-binding resolution.

The Remuneration Report is set out in the Directors' Report in the 2014 Annual Report. The Remuneration Report sets out the policy for the remuneration of Directors and executives of the Company.

#### 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 has been a director of Dyesol since November 2004, prior to the Company's listing on ASX in 2005. He 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).

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 the Resolution.

#### Voting Intention

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

### Resolution 3 - Re-election of Mr Gerald Grove-White 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 Grove-White retires by rotation and seeks re-election.

Mr Grove-White became a director of Dyesol in August 2011. He brings over 40 years' international experience in power generation (gas, oil, coal, nuclear, wind, hydro and geothermal). His experience includes extensive project management and financing of IPPs, in addition to a wide range of operational engineering experience.

Mr Grove-White was the managing director of Geodynamics - an Australian geothermal company and has also held a number of senior management roles around the world, including managing director of Eraring Energy and COO of Tata Power (India's largest private generator).

Mr Grove-White also worked for PowerGen for 12 years during which time he was country director for PowerGen's business in India. PowerGen India successfully developed, financed, constructed and subsequently operated a 700MW CCGT in Gujarat, along with developing a number of other IPP's. In addition to his time in India, he managed PowerGen's European generating and mining assets in Germany, Hungary, and Portugal.

Mr Grove-White has a Bachelor of Science (Honours) in Mechanical Engineering from City University, London. He is a Member of the Institution of Mechanical Engineers, a Chartered Engineer, and has a Certified Diploma in Accountancy and Finance. In 1993 he attended the London Business School's Senior Executive Programme

## EXPLANATORY STATEMENT

### Directors' Recommendation

The Board (other than Mr Grove-White) recommends shareholders vote in favour of the Resolution.

### Voting Intention

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

### **Resolution 4 - Election of Mr Antoine Shirfan as Director**

Clause 13.5 of the Constitution states that the Directors may at any time appoint a person to be a Director, either to fill a casual vacancy or as an addition to the existing Directors. Directors appointed under Clause 13.5 hold office until the next following annual general meeting of the Company and are eligible for re-election at that meeting.

Mr Shirfan was appointed as a Director of Dyesol Ltd on 2 May 2014 as an addition to the existing Directors. In accordance with Clause 13.5 of the Constitution, Mr Shirfan offers himself for re-election as a Director.

Mr Shirfan received his initial Bachelor's Degree in Engineering in Beirut at the American University before achieving his Masters in Engineering at Maine University in the United States. He has a long history in successfully developing chemical and mining assets, including working with Cristal, a Tasnee subsidiary, in their global operations and as managing director of Bemax Resources, a mineral sands miner formerly listed on ASX. Mr Shirfan's appointment strengthens co-operation and communication with strategic investor, Tasnee.

### Directors' Recommendation

The Board (other than Mr Shirfan) recommends shareholders vote in favour of the Resolution.

### Voting Intention

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

### **Resolutions 5 and 6 - Ratification of Previous Share Issues**

Listing Rule 7.1 places certain restrictions on the extent to which a listed company may issue equity securities. In effect, shareholder approval is required before the Company may issue securities representing more than 15 per cent of ordinary shares within a 12 month period.

Certain issues are exempt from that Listing Rule and effectively are disregarded for the purpose of calculating the number of securities which a company may issue. Under Listing Rule 7.4, members may ratify an issue of equity securities so that the issue is disregarded in determining in the future whether the Company has reached that threshold.

The information required to be provided to shareholders to satisfy Listing Rule 7.4 is specified in Listing Rule 7.5. Approval is sought to maintain the Company's flexibility to manage its capital requirements and issue shares where necessary within the 15 per cent limit.

In compliance with the information requirements of Listing Rule 7.5, Shareholders are advised of the following particulars in relation to the issues of Shares:

### **Resolution 5**

- (a) The number of securities issued was 500,000 Shares.
- (b) The issue price of the Shares was deemed to be \$0.255 each.
- (c) The Shares issued rank equally in all respects with the existing fully paid ordinary shares in the Company.
- (d) The Shares were issued to an investor relations consultant for services provided to the Company.

- (e) No funds were raised through the issue of the Shares.

### **Resolution 6**

- (a) The number of securities issued was 500,000 Shares.
- (b) The issue price of the Shares was deemed to be \$0.21 each.
- (c) The Shares issued rank equally in all respects with the existing fully paid ordinary shares in the Company.
- (d) The Shares were issued to Neoarena (formerly Timo Technology) in consideration for the acquisition of the 49.9% minority interest in Dyesol-Timo Co. Ltd not held by Dyesol.
- (e) No funds were raised through the issue of the Shares.

### Directors' Recommendation

The Board believes that refreshing the Company's ability to issue Shares within the 15 per cent limit is in the best interests of the Company, thereby maintaining its flexibility to make issues of securities without seeking shareholder approval if the need or opportunity arises. Accordingly, the Board recommends Shareholders vote in favour of Resolutions 5 and 6.

### Voting Intention

The Chairman of the meeting intends to vote undirected proxies in favour of Resolutions 5 and 6.

### **Resolution 7 - Approval to Issue Rights under the Dyesol Performance Rights Plan**

#### **Background**

In November 2011 the Company established the Dyesol Performance Rights Plan ("Plan") for the provision of incentives to employees, executives, senior management and directors whom the Board of Dyesol Limited determines to be eligible to participate in the Plan. In 2014 the Board determined that Non-Executive Directors would no longer be eligible to participate in the Plan, bringing Dyesol into line with ASX best practice guidelines.

Listing Rule 7.1 requires a listed company to obtain shareholder approval prior to the issue of shares, or securities convertible into shares, representing more than 15 per cent of the issued capital of that company in any rolling 12 month period.

An exception to Listing Rule 7.1 is set out in Listing Rule 7.2 (Exception 9) which provides that issues under an employee incentive plan are exempt for a period of 3 years from the date on which shareholders approve the issue of securities under the plan as an exception to Listing Rule 7.1.

Resolution 7 seeks Shareholder approval for future issues of Performance Rights under the Dyesol Performance Rights Plan for the purposes of Listing Rule 7.2, Exception 9 over the 3 year period from the date of the 2014 Annual General Meeting. If Resolution 7 is passed, the Company will be able to issue Performance Rights to eligible participants under the Plan without impacting on the Company's ability to issue up to 15 per cent of its total ordinary securities without Shareholder approval in any 12 month period.

It is considered by the Directors that the future issue of Performance Rights under the Plan will provide eligible participants with the opportunity to participate in the future growth of the Company and will align their interests with those of Shareholders. In the case of Executive Directors, no Performance Rights may be issued to them without express shareholder approval of the number and terms of the Performance Rights.

## EXPLANATORY STATEMENT

### *Specific information required by ASX Listing Rule 7.2 Exception 9(b)*

#### *A summary of the terms of the Plan*

A summary of the terms of the Dyesol Performance Rights Plan ("Plan Terms") is set out in Annexure A. The Plan Terms set out the general terms of the Plan. An issue of Performance Rights under the Plan is subject to both the Plan Terms and the conditions and terms imposed with respect to each specific issue made under the Plan.

#### *Number of securities issued under the Plan since the date of last Shareholder approval*

The Plan was last approved by Shareholders on 21 November 2011. As at the date of this Notice, a total of 4,433,000 Performance Rights have been issued since that approval.

#### *Voting exclusion statement*

A voting exclusion statement in respect of Resolution 7 is set out in the Notice of Meeting.

#### *Directors' Recommendation*

Noting that the issue of any Performance Rights to the Managing Director under the Plan requires separate Shareholder approval under ASX Listing Rule 10.14 and that Directors entitled to participate in the Plan are excluded from voting on Resolution 7 (as set out in the voting exclusion statement in the Notice of Meeting), the Board recommends that Shareholders vote in favour Resolution 7.

#### *Voting Intention*

The Chairman of the meeting intends to vote undirected proxies in favour of Resolution 7.

### **Resolution 8 - Approval to Issue Rights to Managing Director, Mr Richard Caldwell, under the Dyesol Performance Rights Plan**

#### *Background*

In order to continue to optimally align the performance of the Managing Director, Mr Richard Caldwell, with the interests of Shareholders, the Board proposes to issue 2,000,000 Performance Rights to Mr Caldwell under the Company's Performance Rights Plan. The Performance Rights represent the Long Term Incentive ("LTI") component of his remuneration package for the 2015 financial year, and additionally recognise his outstanding service as CEO since February 2013. Details of the proposed issue were announced in the Company's ASX release dated 5 May 2014.

Mr Richard Caldwell had been successfully fulfilling the roles of Executive Chairman and Chief Executive since February 2013. In April 2014, the Board decided that it was the appropriate time to separate the Chairman and Executive Management activities by establishing Non-Executive Chairman and Managing Director roles. Mr Caldwell elected to accept the Managing Director role and entered into an employment contract with Dyesol in May 2014 in that role. Provision for an annual equity-based Long Term Incentive, subject to shareholder approval, is included in Mr Caldwell's employment contract. No equity-based incentive has been offered to Mr Caldwell since he was granted 3 million share options in 2009, 2 million of which lapsed out of the money in 2013. The remaining 1 million share options have an exercise price of \$1.20 and an expiry date of 20 October 2015.

The Board believes that by providing Performance Rights as a Long Term Incentive, 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 Managing Director 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 commencement of his employment contract with Dyesol as Managing Director on 5 May 2014.

#### *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 2,000,000 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 8 for the grant of 2,000,000 Performance Rights to Mr Caldwell.

#### *Performance Rights*

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.

TSR has been selected as an LTI equity performance measure as it is directly linked to Shareholder returns. TSR measures the return received by Shareholders from holding shares in Dyesol. To provide an objective measure against which Dyesol's performance can be compared, the percentile ranking of Dyesol's TSR will be compared to the TSR of the S&P/ASX Small Ordinaries Index ("Index") (as applicable) over a specified performance period.

The 2,000,000 Performance Rights proposed to be issued to Mr Caldwell will vest across two Tranches:

#### *Tranche 1*

Up to 1,200,000 Performance Rights will vest on 5 May 2017 if Dyesol's TSR achieves the following percentile ranking against the Index TSR over the measurement period of 5 May 2014 to 5 May 2017:

Dyesol TSR Ranking	Number of Performance Rights
Below the 55 <sup>th</sup> percentile	Zero
At or above the 55 <sup>th</sup> percentile	600,000 plus 30,000 for every percentile ranking above the 55 <sup>th</sup> percentile
At or above the 75 <sup>th</sup> percentile	1,200,000 (maximum number)

As the table shows, the vesting conditions have been structured to ensure that only above-average performance TSR is rewarded with a relative TSR at the 55<sup>th</sup> percentile required for vesting to begin. As the table also shows, a relative TSR at the 75<sup>th</sup> percentile and above is required for 100 per cent vesting of Mr Caldwell's Performance Rights.

#### *Tranche 2*

800,000 Performance Rights will vest on 5 May 2017 if Dyesol's TSR doubles over the measurement period 5 May 2014 to 5 May 2017.

## EXPLANATORY STATEMENT

The Dyesol TSR will be set at 100 on 5 May 2014 and must equal or exceed 200 at the vesting date, that is, the Dyesol TSR *must increase by 100%* over the measurement period for the Performance Rights in respect of this Tranche to vest.

This absolute TSR condition has been selected to ensure that a specified level of absolute TSR is enjoyed by Shareholders for Tranche 2 to vest.

### Employment

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.

### 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 8:

- (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 2,000,000.
- (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 Gerald Grove-White was issued 200,000 Performance Rights on 21 November 2011 for no consideration. These Performance Rights vested in November 2013.
  - Mrs Nicola Swift was issued 525,000 Performance Rights on 29 November 2013 for no consideration. These Performance Rights have since lapsed at the request of Mrs Swift.

It should be noted that in 2014, the Board determined that Non-Executive Directors are no longer eligible to participate in the Plan, bringing Dyesol into line with ASX best practice guidelines.

- (e) As noted in (d) above, Non-Executive Directors are no longer 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 8 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 the Resolution.

### Voting Intention

The Chairman of the meeting intends to vote undirected proxies in favour of Resolution 8.

## 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.

## ANNEXURE A - SUMMARY OF THE TERMS OF THE DYESOL PERFORMANCE RIGHTS PLAN

The following is a summary of the terms of the Dyesol Performance Rights Plan ("Plan").

### Overview

The Plan allows Dyesol to issue Performance Rights to eligible employees and Executive Directors (subject to shareholder approval), which will convert into an equivalent number of Shares after certain performance and service conditions have been satisfied.

### Who is eligible to participate?

Participation in the Plan is by invitation only. That is, only those eligible employees and Executive Directors (Participants) invited by the Board to apply will be able to participate. An employee includes a full or part time employee of Dyesol or any of its related bodies corporate.

### Operation of the Plan

The Plan is designed to provide Participants with an increased incentive to make a contribution to the long term sustainable performance of Dyesol.

The grant of Performance Rights to an eligible Participant entitles the Participant to be granted an equivalent number of Shares upon vesting of those Performance Rights. Dyesol has established a trust for the sole purpose of subscribing for or purchasing, delivering and allocating Performance Right Shares under the Plan. Accordingly, any Performance Right Shares will be held by the trustee on trust for the Participant in accordance with the terms of the Trust Deed and the Plan Rules. Following vesting of the Performance Rights, Participants are entitled to issue a withdrawal notice to the trustee requiring legal title in the Shares to be transferred to the Participant.

### Consideration for Performance Rights

A Participant is not required to pay any consideration for the acquisition of a Performance Right or the Performance Right becoming a Share on exercise.

### Performance or vesting conditions

Vesting of Performance Rights under the Plan will be subject to vesting conditions as determined by the Board of Dyesol and specified in each individual Participant's invitation. Currently the Board intends to have three participation categories and apply the following vesting conditions:

- General employees - 100% vesting of shares if the TSR of Dyesol outperforms the ASX Small Ordinaries Index over the time period stated in each individual's invitation.
- Management employees - 50% vesting of shares if the TSR of Dyesol outperforms the ASX Small Ordinaries Index over the time period stated in each individual's invitation, up to 50% vesting depending on the individual's performance against an agreed set of annual internal performance targets (KPI's).
- Executive Director - vesting of shares dependent on individually tailored invitations from the Dyesol Performance Rights Plan, as approved by shareholders.

### Vesting timeframes

If Performance Rights have not lapsed and the performance conditions have been satisfied, Performance Rights will vest in accordance with the timeframes set out in the Participants' invitations.

### Lapsing of Performance Rights

Performance Rights will lapse:

- upon the cessation of employment by the Participant, as determined by the terms of the Plan.
- if the vesting conditions under the Plan have not been met at the vesting date;
- at the expiry date listed in each Participant's invitation.

### Transfer of Performance Rights

A Participant is not entitled to assign, transfer, sell, encumber, hedge or otherwise deal with a Performance Right except in accordance with the Trust Deed and the Plan Rules.

### Rights attaching to Shares acquired on exercise of the Performance Rights

Shares acquired on exercise of the Performance Rights will rank pari passu with all existing Shares from the date of allocation and will be entitled in full to those dividends or other distributions which have a record date for determining entitlements after the date of issue.

### Quotation of Performance Rights and Shares acquired on exercise of the Performance Rights

Performance rights will not be quoted on the ASX. Dyesol will make application to the ASX for official quotation of Shares issued on Performance Rights becoming vested and being exercised, if other Shares are listed at that time, as soon as practicable after the Shares are issued to the Participant.

### Limitation on issue

The maximum number of Performance Rights which may be granted under the Plan (assuming all outstanding Performance Rights were exercised), when aggregated with any shares issued during the previous 5 years pursuant to any other employee share scheme operated by the Company, cannot exceed five per cent (5%) of the total issued capital of the Company at the time of the grant of the Performance Rights, excluding unregulated issues.

### Variation to the Plan Rules


The Board may alter the Plan Rules or their application in accordance with the Listing Rules and the Dyesol Constitution and otherwise in accordance with the terms of the Plan Rules.


### Other information

A copy of the Plan Rules or the Trust Deed may be requested from the Company Secretary.



### Lodge your vote:

 **Online:**  
[www.investorvote.com.au](http://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  
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MR SAM SAMPLE  
FLAT 123  
123 SAMPLE STREET  
THE SAMPLE HILL  
SAMPLE ESTATE  
SAMPLEVILLE VIC 3030

## Proxy Form



### Vote and view the annual report online

- Go to [www.investorvote.com.au](http://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, 25 November 2014**

### 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](http://www.investorcentre.com) under the help tab, "Printable Forms".

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

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**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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IND

## Proxy Form

Please mark  to indicate your directions

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

XX

I/We being a member/s of 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, 27 November 2014 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, 7 and 8 (except where I/we have indicated a different voting intention below) even though Resolutions 1, 7 and 8 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, 7 and 8 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	Re-election of Mr Gerald Grove-White as Director	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Resolution 4	Election of Mr Antoine Shirfan as Director	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Resolution 5	Ratification of Previous Share Issue	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Resolution 6	Ratification of Previous Share Issue	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Resolution 7	Approval to Issue Rights Under the Dyesol Performance Rights Plan	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Resolution 8	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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Computershare +