

Notice of Extraordinary General Meeting

of

Antaria Limited

ACN 079 845 855

To be held at:

Gambaro's Restaurant
33 Caxton St
Petrie Terrace
Brisbane, Queensland

on 7 June 2016 at 10:00AM (Brisbane time)

This is an important document. If you are in any doubt about how to deal with this document, please consult your legal, financial or other professional adviser.

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Chairman's letter to Shareholders

4 May 2016

Dear Shareholder

EGM

The Antaria Board invites all Shareholders to attend the Extraordinary General Meeting on 7 June 2016 at 10:00AM to be held at Gambaro's Restaurant, 33 Caxton Street Petrie Terrace.

- The Board is fully aware of the ASX Corporate Governance Council Principles and Recommendations, and the reasons behind them. However, as the ASX Corporate Governance Council ("**Council**") expressly recognises, different entities may legitimately adopt different governance practices, based on a range of factors, including their size, complexity, history and corporate culture. For that reason, the Principles and Recommendations are not mandatory and do not seek to prescribe the corporate governance practices that a listed entity must adopt.
- Under the ASX Principles and Recommendations, if the board of a listed entity considers that a recommendation is not appropriate to its particular circumstances, it is entitled not to adopt it. If it does so, the Board should explain why it has not adopted the recommendation – the "if not, why not" approach. In respect of Mr Acton's appointment as chair of the Audit Committee, the Board, considering all the circumstances at the time, determined that Mr Acton was the most appropriately qualified and suitable person to fill that role. Based on the financial resources of the Company, its small size, and coupled with the wealth of accounting and audit experience that Mr Acton brings to the Board it was determined by the Board that it was appropriate not to adopt the ASX Principles and Recommendations so far as having an Independent Chair of the Audit Committee is concerned.

Related Party Transactions

The attached Member's Statement refers to a potential related party transaction arising on the transition of Antaria from Perth to Brisbane. At this stage the Board is still considering the best solution for the Company and no decision about new premises has been made.

The Board understands the legal requirements of approval regarding related party transactions. However, the law recognises that simply because a proposed transaction is with a related party it shouldn't preclude the transaction proceeding so long as certain matters are satisfied. Shareholders should be aware of the following:

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- Rule 6.10 of the Company's constitution permits Directors to conduct business with the Company.
 - Although the Corporations Act 2001 ("**Corporations Act**") requires public companies to obtain member approval to provide a financial benefit to a related party, this is subject to certain exceptions. **In particular, where the benefit is given on arm's length terms. Whenever determining whether a benefit is on arm's length terms the Board rigorously scrutinises the transaction including, what other alternatives are available, the prevailing economic conditions and the reasonableness of transaction in the circumstances.** Further, where the related party is a Director of the Company, that Director will be asked to leave the meeting while the other Directors consider and vote on the matter.
 - **The ASX Listing Rules also restrict Antaria from transacting with substantial shareholders,** Directors and their respective associates (e.g. family members and entities they control) where the transaction involves the acquisition or disposal of a substantial asset from or to the related party. **The asset will be considered "substantial" if it the value paid for it is 5% or more of the "equity interests" of Antaria. As at the date of this Notice, this equates to appropriately \$200,000.**
 - Therefore if a transaction is on arm's length terms and less than circa \$200,000, the Company is legally permitted to transact with a related party of the Company.
 - As at the date of this Notice, the Company does not propose to enter into any arrangements with its Directors or their respective associates which is in breach of the related party restrictions imposed by the Corporations Act or the ASX Listing Rules.

The previous Board under my guidance did a stellar job in stabilising the company and reversing the negative cash outflows. The current Board recognised that if we continued to operate in the same way in the same environment it was unlikely we would see any further improvements to Antaria's business.

Therefore, the current Board has been extremely busy over the past few months with a range of operational initiatives that will benefit all shareholders. In particular;

1. Reducing the number of paid directors which has saved Antaria in excess of **\$100,000** compared to 2015 Director fees.
2. A further saving of **\$45,000** by combining the Company Secretary and Chair of Audit Committee roles with the election of Mr Acton.
3. A review of accounting and audit functions undertaken by Mr Acton which will see an overall saving of approximately **\$80,000** for 2016-2017.

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4. The decision to close the Alusion facility in Perth in December. The current sales volumes from Merck KaAG are at such low levels that the renting of a separate facility including equipment, maintenance and operational costs is not economically viable for Antaria to continue. We will endeavor to seek the return of our licences and negotiate a suitable outcome with Merck in the coming months.
 5. We have identified a number of non-conforming distributor agreements and underperforming exclusive distributors. Mr Acton has developed a uniform Distributor Agreement which has been sent to all current distributors. Distributors who do not commit to minimum volumes will be non-exclusive and Antaria will seek new distributors for these territories. We expect this to have a positive increase to sales as we expand the distributor network previously tied up with exclusive agreements.
 6. I recently attended shows in Paris and Tokyo. The Board restructured the approach to these shows by using local sales staff and local formulators. This has achieved an increased number of customer leads whilst saving costs on the attendance of internal Antaria staff. At this show, I have established two exclusive distributor agreements with our largest customers to the end of 2017.
 7. Reviving R&D activities in two further areas where we have current patents. We have formed a partnership for one project with the University of Queensland which is currently in progress and we are witnessing significant cost and time savings instead of utilising internal Antaria employees to complete the research outcomes.
 8. We are undertaking a review of the patent register to identify further potential patents that may have commercial viability.

In Summary we agree with Mr Kearney that the current Board members are a very cohesive unit that work independently and together to achieve significant positive outcomes and value to shareholders. This is evidenced with their collective work on the successful Tamawood Board.

Mr Acton - (B.Com, ACA, GAICD) brings significant accounting and corporate experience to the Antaria Board and if not elected, these skills and experience would need to be obtained from external sources at significant cost to shareholders.

Mr Mizikovsky – (FAICD) major shareholder has come back onto the Board with no directors remuneration and without his sizeable capital contribution some years ago, Antaria may well have been unable to continue trading.

Myself – (B.Com, LLB, CPA) since becoming Chairman in 2012, Antaria has gone from a \$2.8million loss to a small profit in December 2015. I have achieved this result without any further capital needing to be raised. I have worked exceptionally long hours to turn around Antaria's performance without any extra remuneration beyond what I receive as Non-executive Chairman.

For the above reasons we believe that the current Board will achieve real change to Antaria's business at significant lower cost to any comparable Board in Australia particularly when Mr Acton is prepared to take on and is qualified to take on the role of Audit Chairman and Company Secretary with a saving of in excess of **\$45,000** compared to previous year.

As at the date of this Notice, the Company has not received the director consent to act from Mr Silvestro, whose appointment as a director is the subject of Resolution 4. It is a requirement of the Corporations Act that a director must not be appointed unless the appointee has delivered a consent to act to the Company. If Mr Silvestro's consent to act has not been received by the date of the Extraordinary General Meeting, Resolution 4 will be withdrawn and not voted on by shareholders.

The current Board has taken the opportunity to put forward 2 other resolutions to ensure that this meeting was not a completely unnecessary expense to all shareholders.

Yours sincerely



Rade Dudurovic
Non-executive Chairman

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Notice of Extraordinary General Meeting

Antaria Limited ACN 079 845 855

Notice is given that the Extraordinary General Meeting of Antaria Limited (**Company**) will be held at:

Location	Gambaro's Restaurant, 33 Caxton Street, Petrie Terrace, Queensland
Date	7 June 2016
Time	10:00AM (Brisbane time)

The business to be considered at the meeting is set out below:

Agenda

Special Business

Resolution 1 – Appointment of auditor

To consider and, if in favour, pass the following as an ordinary resolution:

"That, subject to the consent of the Australia Securities & Investments Commission consenting to the resignation of HLB Mann Judd as auditor of the company that pursuant to section 327B of the Corporations Act 2001 (Cth) and for all other purposes, Hanrick Curran Audit Pty Ltd be appointed as auditor of the company with effect from the later conclusion of the Extraordinary General Meeting, and the day on which ASIC gives its consent."

Note: A summary of the background to this change appears in the Explanatory Memorandum. Also, under section 328B(3), a copy of the notice of nomination of auditor accompanies this notice.

The Director's unanimously recommend you vote for this resolution.

Resolution 2 – Change of name

To consider and, if in favour, pass the following as a special resolution:

"That the Company change its name to 'Advanced Nano Technologies Limited'."

The Director's unanimously recommend you vote for this resolution.

Resolution 3 – Election of Mr Geoff Acton as Non-Executive Director

To consider and, if in favour, to pass the following as an ordinary resolution:

'That Mr Geoff Acton having been appointed to fill a casual vacancy, retires in accordance with rule 6.2(c) of the Companies Constitution and, being eligible and offering himself for election, be elected as Director of the Company.'

Note: Information about Mr Acton appears in the Explanatory Memorandum.

Mr Mizikovsky and Mr Dudurovic recommend you vote for this resolution.

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Resolution 4 – Election of Mr Christopher Silvestro as Non-Executive Director

To consider and, if in favour, to pass the following as an ordinary resolution:

'That Mr Christopher Silvestro who in accordance with Rule 6.2 (b) of the Company's constitution being eligible and offering himself for election, be elected as Director of the company.'

Note: Information about Mr Silvestro appears in the Explanatory Memorandum.

The Director's unanimously recommend you vote against this resolution.

Dated 4 May 2016

By order of the Board



Geoff Acton
Company Secretary

Notes

- (a) A shareholder who is entitled to attend and cast a vote at the meeting is entitled to appoint a proxy.
- (b) The proxy need not be a shareholder of the Company. A shareholder who is entitled to cast two or more votes may appoint two proxies and may specify the proportion or number of votes each proxy is appointed to exercise.
- (c) If you wish to appoint a proxy and are entitled to do so, then complete and return the **attached** proxy form.
- (d) KMP (or their closely related parties) (as defined in the Corporations Act) appointed as a proxy must not vote on a resolution connected directly or indirectly with the remuneration of KMP if the proxy is undirected unless:
 - (i) the proxy is the person chairing the meeting; and
 - (ii) the proxy appointment expressly authorises the person chairing the meeting to vote undirected proxies on that resolution.
- (e) If the proxy form specifies the way the proxy is to vote on a particular resolution the proxy need not vote on a show of hands but if the proxy does so, it must vote as specified in the proxy form.
- (f) If the proxy has two or more appointments that specify different ways to vote on the resolution the proxy must not vote on a show of hands.
- (g) If the proxy is the chair of the meeting, the proxy must vote on a poll or must vote the way specified in the proxy form.
- (h) If the proxy is not the chair of the meeting the proxy need not vote on the poll, but if the proxy does so, the proxy must vote as specified in the proxy form.
- (i) If the proxy form specifies the way the proxy is to vote on a particular resolution and the proxy is not the chair of the meeting and a poll is demanded and either:
 - (i) the proxy is not recorded as attending; or
 - (ii) the proxy does not vote,the chair of the meeting is deemed the proxy for that resolution.
- (j) A corporation may elect to appoint a representative, rather than appoint a proxy, under the Corporations Act in which case the Company will require written proof of the representative's appointment which must be lodged with or presented to the Company before the meeting.
- (k) If you have any queries on how to cast your votes then call Computershare Investor Service Pty Limited on (within Australia) 1300 850 505 or (outside Australia) +61 3 9415 4000 during business hours.

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Glossary of terms

In the attached Notice of Meeting and Explanatory Memorandum the following words and expressions have the following meanings:

Term	Definition
ASIC	means the Australian Securities and Investments Commission.
Associates	include: <ul style="list-style-type: none">(a) any person who is a director or secretary;(b) a related body corporate of the person or a director or secretary of a related body corporate;(c) any person with whom a party has an agreement, arrangement or understanding whether or not formal, in writing or enforceable:<ul style="list-style-type: none">(i) because of which one of those persons has or will have power to exercise control or substantially influence the exercise of voting power attached to securities for the purpose of controlling or influencing the composition of the board or the conduct of its affairs;(ii) under which one of those persons will or may acquire or be required by the other to acquire securities in which the other has a relevant interest;(iii) under which one of those persons may be required to dispose of securities at the other's discretion; or(iv) is acting in concert with the party or proposing to become associated with them.
ASX	means ASX Limited ACN 008 624 691 or the securities exchange operated by it.
Board	means the board of directors of the Company.
Chairman	means the Chairman of the Company as approved from time to time and includes an acting Chairman.
Company	means Antaria Limited ACN 079 845 855.
Corporations Act	means <i>Corporations Act 2001</i> (Cth) and the Corporations Regulations (as defined in the <i>Corporations Act 2001</i> (Cth)).
Directors	means the directors of the Company from time to time.
Explanatory Memorandum	means the Explanatory Memorandum accompanying this Notice, which forms part of this Notice.

Term	Definition
Notice or Notice of Meeting	means the Notice of extraordinary general meeting which comprises this booklet
Share	means an ordinary share in the capital of the Company, the terms of which are contained in the constitution of the Company.
Shareholders	means the holders of the Shares from time to time.

Explanatory Memorandum

Antaria Limited ACN 079 845 855

1 Introduction

- 1.1 This Explanatory Memorandum has been prepared for the information of Shareholders in connection with the business to be conducted at the Extraordinary General Meeting of Antaria Limited to be held at 10:00AM Brisbane time on 7 June 2016 at Gambaro's Restaurant, 33 Caxton Street, Petrie Terrace, Brisbane, Queensland. It forms part of the Notice of Meeting and must be read together with that Notice.
- 1.2 Each Director has approved this Explanatory Memorandum and the dispatch of this document to Shareholders.
- 1.3 Certain defined terms and phrases are used in this Explanatory Memorandum. Please refer to the glossary for their meanings.
- 1.4 This Explanatory Memorandum includes information known to the Company and which the Directors consider material to the Company's Shareholders in deciding how to vote on the resolutions.

2 Eligibility to vote and voting exclusions

- 2.1 Regulation 7.11.37 of the *Corporations Regulations 2001* (Cth) permits the Company to specify a time, not more than 48 hours before a general meeting, at which a 'snap shot' of Shareholders will be taken for the purposes of determining Shareholder entitlement to vote at the meeting. The Board has determined that the registered holders of fully paid ordinary shares at 4:00PM (Brisbane time) on Tuesday 31 May 2016 will be taken to be holders of ordinary shares for the purposes of the meeting and accordingly, will be entitled to attend and vote at the meeting.
- 2.2 The Corporations Act requires that certain persons must not vote and the Company must disregard any votes cast by certain persons on some resolutions to be considered at the meeting. Where voting exclusions apply, they are described in the relevant resolutions below.
- 2.3 Any written questions should be submitted to Computershare Investor Services Pty Limited on or before Friday, 3 June 2016 by fax or post:

Fax (within Australia): 1800 783 447
Fax (outside Australia): +61 3 9473 2555
Mailing Address: GPO Box 242 Melbourne Victoria 3001 Australia

Special Business

3 Resolution 1 - Change of auditor

- 3.1 HLB Mann Judd has been engaged as the Company's auditor since 2012. The Company has been notified by HLB Mann Judd that it will apply to ASIC for consent to resign as auditor of the Company. In that notice to ASIC, HLB Mann Judd will confirm that there are no circumstances connected with its ceasing to hold office as auditor of the Company which should be brought to ASIC's attention.
- 3.2 It is proposed that Hanrick Curran Audit Pty Ltd will be appointed as the new auditor of the Company. As required by section 328B(3) *Corporations Act*, a copy of the form for the nomination of Hanrick Curran Audit Pty Ltd as the Company's auditor is attached as Annexure 1 to this Explanatory Memorandum.

- 3.3 The change in auditors was brought about by the Geoff Acton undertaking a review of audit and accounting fees throughout Antaria's operations since his arrival necessitated with the proposed relocation to Brisbane.
- 3.4 It is anticipated that the change of auditor within Antaria's operations along with the tax and accounting functions as a result in planned relocation of the Company's operations from Perth to Brisbane will result in an approximate saving of \$80,000 for the 2016-2017 financial year.
- 3.5 Hanrick Curran Audit Pty Ltd has consented to act as the Company's auditor, subject to ASIC consenting to the resignation of HLB Mann Judd as auditor of the Company and the approval by members.
- 3.6 Resolution 2 is necessary for the change of auditors to be made.

Directors' recommendations

- 3.7 The Director's unanimously recommend you vote for this resolution.

4 Resolution 2 – Change of name

- 4.1 The Company seeks shareholder approval to change its name from Antaria Limited to Advanced Nano Technologies Limited.
- 4.2 The Company has 100% ownership of Advanced Nano Technologies Pty Ltd ACN 092 404 727, which in turn will change its name to Antaria Pty Ltd in order to facilitate the Company's name change.
- 4.3 Given the industry that the Company works in and the increased focus on the development of patents and technology, the directors believe that a name change will better reflect its current interests and allow for better positioning within its industry.
- 4.4 Further, there is no significance to the current name of Antaria Limited.

Directors' recommendations

- 4.5 The Director's unanimously recommend you vote for this resolution.

5 Resolution 3 – Election of Mr Geoff Acton as Non-Executive Director

- 5.1 Mr Acton was appointed to fill a casual vacancy as non-executive Director on 16 March 2016. Listing Rule 14.4 and Rule 6.2(c) of the Company's Constitution require that any director appointed fill a casual vacancy only hold office until the end of the next general meeting, and is eligible for election at that meeting. Accordingly, Mr Acton retires and offers himself for election under Rule 6.2(b) of the Company's Constitution.
- 5.2 Geoff brings to Antaria a vast amount of accounting and corporate experience. He has been a member of the Institute of Chartered Accountants since 1995 and a member of the Australian Institute of Company Directors since 2004. He has 8 years audit experience with a Brisbane based auditing firm. He has managed the due diligence and prospectus process of two entities that are now publicly listed. He is a Non-Executive Director of AstiVita Limited and joint Company Secretary of Tamawood Limited.

He presently manages his own consulting business with two executive Directors and offers a range of business services including company secretarial, payroll outsourcing, internal audit functions and general accounting advice to a number of customers.

- 5.3 Since Geoff Acton's arrival, he has successfully completed a full review of the accounting and audit function of Antaria operations. It is anticipated that there will be a saving of approximately \$80,000 for the 2016-2017 financial year. Geoff will undertake his director's duties including Chair of the Audit Committee for a directors' fee of \$40,000 a further saving to shareholders of \$45,000 compared to prior total director's fees.

Directors' recommendations

- 5.4 The Directors (with Mr Acton abstaining) unanimously recommend that shareholders vote for this resolution.

6 Resolution 4 – Election of Mr Christopher Silvestro as Non-Executive Director

- 6.1 On 11 April 2016, the Company received a notice pursuant to Section 249D of the Act ("**Requisition Notice**") from the Kearney Ethical Investments Pty Ltd ("**Requisitioning Shareholder**") who is the registered holder of in excess of 5% of the voting shares in the Company, requesting that the Company hold a general meeting of Shareholders to consider resolutions to not elect Mr Geoff Acton as Director and to appoint Mr Christopher Silvestro as Director.
- 6.2 The Requisitioning Shareholder has provided a statement pursuant to Section 249P of the Act which it has requested the Company provide to all Shareholders ("**Members' Statement**"). In accordance with its statutory obligations, the Company has attached a copy of the Members' Statement. The Company is not responsible for the content of the Members' Statement (including whether such statement is in compliance with all applicable law) and the Members' Statement does not form part of this Notice of Meeting.
- 6.3 The Company was unable to conduct independent background checks on Mr Silvestro in accordance with the ASX Corporate Governance Council's Corporate Governance Principles and Recommendations, due to the candidates' unwillingness to provide the relevant consents and personal information to the Company.
- 6.4 Furthermore, the passing of the resolution proposed by the Requisitioning Shareholder would result in the appointment of a Director who is the nominee of a significant shareholder, raising concerns around Mr Silvestro's independence and the representation of the interests of all shareholders – the exact same issue raised by the Requisitioning Shareholder so far as Mr Acton's appointment is concerned. The Board fails to see how the Requisitioning Shareholder's proposal changes anything so far as Director independence is concerned.
- 6.5 It is a requirement of the Corporations Act that a director must not be appointed unless the appointee has delivered to the Company a consent to act as a director. If Mr Silvestro's consent to act has not been received by the date of the Extraordinary General Meeting, Resolution 4 will be withdrawn and not voted on by shareholders.

Directors' recommendations

- 6.6 The Directors unanimously recommend that shareholders vote against this resolution.

Annexure 1 - nomination of Hanrick Curran Audit Pty Ltd as the Company's auditor

The Directors
Antaria Limited
108 Radium St
Welshpool WA

28 April 2016

Dear Sirs,

NOMINATION OF AUDITOR

Pursuant to section 328B(1) of the Corporations Act, I Rick Gould, being a shareholder of Antaria Limited, provide notice of nomination of Hanrick Curran Pty Ltd for appointment as the company auditor of Antaria Limited.

It is intended that this nomination will be put forward as an item of business for consideration of shareholders at the extraordinary general meeting that is to be held on 7 June 2016.

Yours sincerely,



Rick Gould
Trustee for
The L and R Super Fund

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MEMBERS' STATEMENT

To fellow shareholders,

In the interest of upholding the ASX Corporate Governance Principles and Recommendations ("ASX Governance Principles"), and ensuring the Board of Directors ("the Board") for Antaria Limited ("Antaria") is working in the interests of the collective shareholder base, we, the requisitioning members strongly encourage you to vote **IN FAVOUR** of the following resolution:

- to appoint Mr Christopher Silvestro as a Non-Executive Director of Antaria Limited.

Mr Silvestro is an experienced sales and product marketing professional, bringing a wealth of expertise within FMCG, food and beverage manufacturing and clinical healthcare and medical devices sectors.

To ensure no additional expenses are incurred by Antaria through this appointment, we strongly encourage you to vote **AGAINST** the following resolution:

- to appoint Mr Geoff Acton as a Non-Executive Director of Antaria Limited.

Non-independent Board

Mr Acton was appointed as a Non-Executive Director on an interim basis to join Mr Lev Mizikovsky and Mr Rade Dudurovic on the Board in response to the resignation of Mr Ron Higham on 16 March 2016. As announced to the market on 24 March 2016, we, the requisitioning members, raised with the Board our concerns regarding the lack of independence and balanced shareholder representation within Antaria's current Board composition.

The current Board composition does not follow the recommendations under the ASX Governance Principles to ensure a majority of independent Directors.¹

Antaria's current Directors are significantly associated with Mr Mizikovsky through entities where he is the controlling shareholder. We have outlined relevant associations in the table below:

	L Mizikovsky	R Dudurovic	G Acton	C Silvestro
Antaria Limited	- Non-Executive Director - Largest Shareholder	- Non-Executive Chairman - Shareholder	- Non-Executive Director - Company Secretary - Chairman of Audit & Risk Committee	- Shareholder
Tamawood Limited	- Non-Executive Director - Controlling Shareholder	- Non-Executive Director - Chairman of Audit Committee - Shareholder	- Joint Company Secretary - Former Executive Director, Chief Financial Officer - Shareholder	- No association
AstiVita Limited	- Non-Executive Chairman - Controlling Shareholder	- Non-Executive Director - Chairman of Audit Committee - Shareholder	- Non-Executive Director - Company Secretary - Shareholder	- No association
SolarpowerRex Pty Ltd	- Tamawood Limited subsidiary	- Provides management services	- General Manager	- No association
SolarRex Limited	- Tamawood Limited subsidiary	- 5% shareholder	- 25% shareholder	- No association

¹ See Principle 2, Recommendation 2.4.

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Antaria's Board Charter provides:

"For the purposes of assessing independence, the Group has used a materiality threshold of \$200,000 in respect of consulting services, customer, supplier or adviser relationships and 5% in relation to the percentage shareholding in the Company that is owned or controlled by any Director or their associates."

Due to Mr Mizikovsky's substantial interest in Antaria Limited, controlling interests in Tamawood Limited² and AstiVita Limited³ and their subsidiaries, and the relevant associations between the current Directors, we put to the shareholders, that none of the current Directors satisfy the assessment of independence in accordance with Antaria policy outlined in the Board Charter, or according to the ASX Governance Principles.

We further note that Mr Acton has replaced Mr Higham as Chairman of the Audit & Risk Committee for Antaria.

Principle 4, Recommendation 4.1 of the ASX Governance Principles⁴ provides:

"The board of a listed entity should have an audit committee which: (1) has at least three members, all of whom are non-executive directors and a majority of whom are independent directors; and (2) is chaired by an independent director, who is not the chair of the board."

As a Non-independent Director, Mr Acton does not satisfy the recommendations for good governance, nor do any of the Directors of Antaria, to be Chairman of Antaria's Audit & Risk Committee under the ASX Governance Principles.

Related Party Transactions

The Board advised on 24 March 2016 that they intend to relocate Antaria's manufacturing and office facility from Perth to Brisbane. We refer shareholders to the following statement within AstiVita Limited's FY16 Half Year Accounts as released on 16 February 2016 (page 1):

"It is expected that AstiVita will further reduce operating costs towards the end of 2016 through cost sharing arrangements with another company moving into the warehouse adjacent to AstiVita at Acacia Ridge."

The warehouse complex that contains AstiVita, is owned by an entity associated with Mr Mizikovsky. We understand the Board will request shareholders to approve a related party transaction, to relocate Antaria into this warehouse.

When a non-independent Board requests members to support resolutions regarding related party transactions giving financial benefit to entities associated with Board members, it is extremely difficult to fairly assess if such a transaction benefits the collective interest of all shareholders.

We strongly encourage you to join us in voting **AGAINST** any resolutions put forward by the Board perceived to benefit the interests of third or related parties, until the concerns we have set out regarding the composition of the Board have been resolved and an independent Director can assess all options available to Antaria.

Further correspondence

Further correspondence from the requisitioning members to shareholders will be made available closer to the date of the EGM as we receive further information from the Board surrounding related party transactions and specific resolutions they will put to members.

In the meantime, we encourage you to contact Mr Brian Kearney on kearneyethical@gmail.com with any questions surrounding this Members' statement, or to advise if you would like to receive all further correspondence electronically.

² AstiVita Annual Report 30 June 2015, Page 38: "Tamawood Limited and its controlled entities ("Tamawood") are deemed to be a related party to AstiVita Limited by virtue of Mr L Mizikovsky, the Non-executive Chairman of AstiVita Limited, having a controlling interest in Tamawood Limited."

³ Tamawood Annual Report 30 June 2015, Page 53: "AstiVita Limited is deemed to be a related party of Tamawood Limited by virtue of Mr L Mizikovsky, Non-executive Director of Tamawood Limited, having a controlling interest in AstiVita."

⁴ Principle 7, Recommendation 7.1 provides a similar requirement for a risk committee.



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