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## CARNEGIE CLEAN ENERGY LIMITED

ACN 009 237 736

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### NOTICE OF ANNUAL GENERAL MEETING

The annual general meeting of the Company will be held at Swan Yacht Club, Riverside Road, East Fremantle WA 6158 on Tuesday, 14 November 2023 at 9:00 am (AWST).

*Shareholders may vote by directed proxy. Proxy forms for the meeting should be lodged before 9:00am (AWST) on Sunday, 12 November 2023.*

*Shareholders can also submit, and are encouraged to submit, any questions in advance of the Meeting by emailing the questions to [enquiries@carnegiece.com](mailto:enquiries@carnegiece.com) by no later than 5:00pm (AWST) on Friday, 10 November 2023.*

*If the above arrangements with respect to the Meeting change, Shareholders will be updated via the ASX Market Announcements Platform.*

*This Notice should be read in its entirety. If Shareholders are in doubt as to how they should vote, they should seek advice from their accountant, solicitor or other professional adviser prior to voting.*

***Should you wish to discuss any matter please do not hesitate to contact the Company Secretary by telephone on +61 8 6168 8400***

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# CARNEGIE CLEAN ENERGY LIMITED

ACN 009 237 736

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## NOTICE OF ANNUAL GENERAL MEETING

Notice is hereby given that the annual general meeting of shareholders of Carnegie Clean Energy Limited (**Company**) will be held at Swan Yacht Club, Riverside Road, East Fremantle WA 6158 on Tuesday, 14 November 2023 at 9:00 am (AWST) (**Meeting**).

The Explanatory Memorandum provides additional information on matters to be considered at the Meeting. The Explanatory Memorandum and the Proxy Form form part of this Notice.

The Directors have determined pursuant to regulation 7.11.37 of the *Corporations Regulations 2001* (Cth) that the persons eligible to vote at the Meeting are those who are registered as Shareholders on Sunday, 12 November 2023 at 4:00pm (AWST).

The Company advises that a poll will be conducted for all Resolutions.

Terms and abbreviations used in this Notice (including the Explanatory Memorandum) are defined in Schedule 1.

## AGENDA

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### Annual Report

To consider the Annual Report of the Company and its controlled entities for the year ended 30 June 2023, which includes the Financial Report, the Directors' Report and the Auditor's Report.

**Note:** There is no requirement for Shareholders to approve these reports. Pursuant to the Corporations Act, Shareholders will be given a reasonable opportunity at the Meeting to ask questions about, or make comments in relation to, each of the aforementioned reports during consideration of these items.

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## 1 Resolution 1 – Remuneration Report

To consider and, if thought fit, to pass with or without amendment, as an **ordinary resolution** the following:

*'That, pursuant to and in accordance with section 250R(2) of the Corporations Act and for all other purposes, Shareholders approve the adoption of the Remuneration Report on the terms and conditions in the Explanatory Memorandum.'*

**Note:** The vote on Resolution 1 is advisory only and does not bind the Directors or the Company. The Directors will consider the outcome of the vote and comments made by Shareholders on the Remuneration Report at the Meeting when reviewing the Company's remuneration policies.

### Voting Exclusion

A vote on this Resolution must not be cast (in any capacity) by or on behalf of any of the following persons:

- (a) a member of the Key Management Personnel details of whose remuneration are included in the Remuneration Report; or
- (b) a Closely Related Party of such member.

However, a person described above may cast a vote on this Resolution if the vote is not cast on behalf of a person described in subparagraphs (a) and (b) above and either:

- (a) the person is appointed as a proxy that specifies the way the proxy is to vote on this Resolution; or
- (b) the person is the Chairperson and the appointment of the Chairperson as proxy does not specify the way the proxy is to vote on this Resolution, but expressly authorises the Chairperson to exercise the proxy even if this Resolution is connected directly or indirectly with the remuneration of a member of the Key Management Personnel.

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## 2 Resolution 2 – Re-election of Terry Stinson as Director

To consider and, if thought fit, to pass with or without amendment, as an **ordinary resolution** the following:

*'That, pursuant to and in accordance with Listing Rule 14.4, article 10.3 of the Constitution and for all other purposes, Terry Stinson, Director, retires and being eligible, is re-elected as a Director on the terms and conditions in the Explanatory Memorandum.'*

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## 3 Resolution 3 – Consolidation of Capital

To consider and, if thought fit, to pass, with or without amendment, the following Resolution as an **ordinary resolution**:

*"That, under and for the purposes of section 254H of the Corporations Act, the Listing Rules and the Constitution and for all other purposes, approval is given for the Company to consolidate its issued capital on the basis that:*

- (a) every 50 Shares be consolidated into 1 Share; and
- (b) the Options on issue be consolidated in accordance with Listing Rule 7.22.1,

*and where this consolidation results in a fraction of a Share or Option being held, the Company be authorised to round that fraction up to the nearest whole number, on the Consolidation Effective Date and otherwise on the terms and conditions detailed in the Explanatory Statement."*

Dated: 13 October 2023

**BY ORDER OF THE BOARD**



Grant Mooney- Non-Executive Director and Company Secretary

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# CARNEGIE CLEAN ENERGY LIMITED

ACN 009 237 736

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## EXPLANATORY MEMORANDUM

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### 1 Introduction

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

This Explanatory Memorandum should be read in conjunction with and forms part of the Notice. The purpose of this Explanatory Memorandum is to provide information to Shareholders in deciding whether or not to pass the Resolutions.

This Explanatory Memorandum includes the following information to assist Shareholders in deciding how to vote on the Resolutions:

Section 2	Action to be taken by Shareholders
Section 3	Annual Report
Section 4	Resolution 1 – Remuneration Report
Section 5	Resolution 2 – Re-Election of Terry Stinson as Director
Section 6	Resolution 3 – Consolidation of Capital
Schedule 1	Definitions

A Proxy Form is located at the end of this Explanatory Memorandum.

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### 2 Action to be taken by Shareholders

Shareholders should read the Notice including this Explanatory Memorandum carefully before deciding how to vote on the Resolutions.

The Company advises that a poll will be conducted for all Resolutions.

#### 2.1 Proxies

A Proxy Form is attached to the Notice. This is to be used by Shareholders if they wish to appoint a representative (a 'proxy') to vote in their place. All Shareholders are invited and encouraged to attend the Meeting or, if they are unable to attend in person, sign and return the Proxy Form to the Company in accordance with the instructions thereon. Returning the Proxy Form will not preclude a Shareholder from attending and voting at the Meeting in person.

Please note that:

- (a) a member of the Company entitled to attend and vote at the Meeting is entitled to appoint a proxy;

- (b) a proxy need not be a member of the Company; and
- (c) a member of the Company 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. Where the proportion or number is not specified, each proxy may exercise half of the votes.

Proxy Forms must be received by the Company no later than 9:00am (AWST) on Sunday, 12 November 2023, being at least 48 hours before the Meeting.

The Proxy Form provides further details on appointing proxies and lodging Proxy Forms.

## 2.2 **Voting Prohibition by Proxy holders (Remuneration of Key Management Personnel)**

A vote on Resolution 1 must not be cast:

- (a) by or on behalf of a member of the Key Management Personnel or a Closely Related Party of such member, regardless of the capacity in which the vote is cast; or
- (b) by a person appointed as a proxy, where that person is either a member of the Key Management Personnel or a Closely Related Party of such member.

However, a vote may be cast by such persons if the vote is not cast on behalf of a person who is excluded from voting on Resolution 1, and:

- (a) the person is appointed as a proxy that specifies the way the proxy is to vote on Resolution 1; or
- (b) the person is the Chairperson and the appointment of the Chairperson as proxy does not specify the way the proxy is to vote on Resolution 1, but expressly authorises the Chairperson to exercise the proxy even if Resolution 1 is connected with the remuneration of a member of the Key Management Personnel.

## 2.3 **Attendance at Meeting**

Shareholders may vote by directed proxy rather than attend the meeting in person (refer to Section 2.1 for further information).

If it becomes necessary or appropriate to make alternative arrangements to those detailed in this Notice, Shareholders will be updated via the ASX announcements platform and on the Company's website at [Investor Centre - Carnegie \(carnegie.com\)](https://investor.carnegie.com).

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# 3 **Annual Report**

In accordance with section 317(1) of the Corporations Act the Annual Report must be laid before the annual general meeting. There is no requirement for Shareholders to approve the Annual Report.

At the Meeting, Shareholders will be offered the opportunity to:

- (a) discuss the Annual Report which is available online at [Investor Centre - Carnegie \(carnegie.com\)](https://investor.carnegie.com);
- (b) ask questions about, or comment on, the management of the Company; and
- (c) ask the auditor questions about the conduct of the audit and the preparation and content of the Auditor's Report.

In addition to taking questions at the Meeting, written questions to the Chairperson about the management of the Company, or to the Company's auditor about:

- (a) the preparation and the content of the Auditor's Report;
- (b) the conduct of the audit;
- (c) accounting policies of the Company in relation to the preparation of the financial statements; and
- (d) the independence of the auditor in relation to the conduct of the audit,

may be submitted no later than five business days before the Meeting (being no later than 9:00am (AWST) on Tuesday, 7 November 2023) to the Company Secretary at the Company's registered office.

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## 4 Resolution 1 – Remuneration Report

In accordance with section 250R(2) of the Corporations Act, the Company must put the Remuneration Report to the vote of Shareholders. The Directors' Report contains the Remuneration Report which sets out the remuneration policy for the Company and the remuneration arrangements in place for the executive Directors, specified executives and non-executive Directors.

In accordance with section 250R(3) of the Corporations Act, Resolution 1 is advisory only and does not bind the Directors of the Company. If Resolution 1 is not passed, the Directors will not be required to alter any of the arrangements in the Remuneration Report.

Shareholders will have the opportunity to remove the whole Board except the Managing Director if the Remuneration Report receives a 'no' vote of 25% or more (**Strike**) at two consecutive annual general meetings.

Where a resolution on the Remuneration Report receives a Strike at two consecutive annual general meetings, the Company will be required to put to Shareholders at the second annual general meeting a resolution on whether another meeting should be held (within 90 days) at which all Directors (other than the managing director) who were in office at the date of approval of the applicable Directors' Report must stand for re-election.

Please note if the Remuneration Report receives a Strike at this Meeting and if a second Strike is received at the 2024 annual general meeting, this may result in the re-election of the Board.

The Chairperson will allow reasonable opportunity for Shareholders to ask questions about or comment on the Remuneration Report.

Resolution 1 is an ordinary resolution.

The Chairperson intends to exercise all available proxies in favour of Resolution 1.

If the Chairperson is appointed as your proxy and you have not specified the way the Chairperson is to vote on Resolution 1, by signing and returning the Proxy Form, you are considered to have provided the Chairperson with an express authorisation for the Chairperson to vote the proxy in accordance with the Chairperson's intention, even though the Resolution is connected directly or indirectly with the remuneration of a member of the Key Management Personnel.

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## 5 Resolution 2 – Re-election of Terry Stinson as Director

Resolution 2 seeks Shareholder approval pursuant to and in accordance with Listing Rule 14.4, article 10.3 of the Constitution and for all other purposes for the re-election of Mr Terry Stinson as a Director.

In accordance with Listing Rule 14.4, a director must not hold office (without re-election) past the third annual general meeting following the director's appointment or 3 years, whichever is longer.

Article 10.3(b) of the Constitution requires that a Director must retire from office no later than the longer of the third annual general meeting of the Company or 3 years following that Director's last election or appointment.

Article 10.3(f) of the Constitution states that a Director who retires under article 10.3(b) is eligible for re-election.

Resolution 2 provides that Mr Stinson retires by rotation and seeks re-election as a Director.

Details of the qualifications and experience of Mr Stinson are detailed in the Annual Report.

Resolution 2 is an ordinary resolution.

The Chairperson intends to exercise all available proxies in favour of Resolution 2.

The Directors (excluding Mr Stinson) support the re-election of Mr Stinson and recommend that Shareholders vote in favour of Resolution 2.

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## **6 Resolution 3 – Consolidation of Capital**

### **6.1 Background**

Resolution 3 seeks Shareholder approval, under and for the purposes of section 254H of the Corporations Act, the Listing Rules and the Constitution, to consolidate the Company's issued capital by consolidating (i.e. converting) every 50 existing Shares into one new Share (**Consolidation**).

The purpose of the Consolidation is to reduce the number of Shares on issue. The Board considers this will provide the best path forward for continued growth and a capital structure that is more in line with the Company's size and peer group companies.

Resolution 3 is an ordinary resolution.

The Chairperson intends to exercise all available proxies in favour of Resolution 3.

### **6.2 Corporations Act and Listing Rules requirements**

Section 254H of the Corporations Act provides that a company may, by resolution passed in general meeting, convert all or any of its shares into a larger or smaller number of shares.

The Listing Rules also require that the number of options on issue be consolidated in the same ratio as the ordinary shares and the exercise price of options be amended in inverse proportion to that ratio. Similarly, the number or the conversion price (or both) of convertible securities (other than options) must be reorganised so that the holders of the convertible securities do not receive a benefit that holders of ordinary securities do not receive.

### **6.3 Effect of Consolidation to Shareholders**

The Company has 15,642,573,710 Shares (pre-Consolidation) on issue at the date of this Notice.

The Consolidation proposed by Resolution 3 will have the effect of reducing the number of shares on issue to approximately 312,851,474 Shares. Individual holdings will be reduced in accordance with the Consolidation ratio described in the Resolution.

The Consolidation applies equally to all members (subject only to the rounding of fractions), therefore, it will have no material effect on the percentage interest of each member in the Company. Further, the aggregate value of each member's proportional interest in the Company will not materially change solely as a result of the Consolidation.

Theoretically, the market price of each Share following the Consolidation should increase by 50 times its current value. Practically, the actual effect on the market price of each share will be dependent upon on a number of factors which will not be within the control of the Company. Therefore, this may result in the market price of each share following Consolidation being higher or lower than the theoretical post-Consolidation price.

#### 6.4 Effect of Consolidation to Optionholders

The Company has 3,395,000,000 Options (pre-Consolidation) on issue at the date of this Notice.

In accordance with Listing Rule 7.22, and the terms of issue of the Options currently on issue, the Consolidation will involve a corresponding adjustment to Options, having the effect that the number of Options will reduce in proportion to the ordinary share capital and the exercise price will increase in inverse proportion to the Consolidation ratio. The effect the Consolidation will have on the terms of Options is set out below:

Number of Options	Exercise Price	Number of Options	Exercise Price	Expiry Date
Pre-consolidation	Pre-consolidation	Post-Consolidation	Post-Consolidation	
520,000,000	\$0.0015	10,400,000	\$0.075	3 February 2024
600,000,000	\$0.0015	12,000,000	\$0.075	24 February 2024
150,000,000	\$0.0036	3,000,000	\$0.18	13 October 2024
430,000,000	\$0.003	8,600,000	\$0.15	28 September 2024
250,000,000	\$0.00125	5,000,000	\$0.0625	28 October 2024
400,000,000	\$0.0036	8,000,000	\$0.18	22 November 2024
100,000,000	\$0.003	2,000,000	\$0.15	25 November 2024
85,000,000	\$0.003	1,700,000	\$0.15	25 November 2023
860,000,000	\$0.0015	17,200,000	\$0.075	23 March 2024
<b>3,395,000,000</b>		<b>68,220,000</b>		

The Consolidation will not result in any change to the substantive rights and obligations of existing Optionholders.

#### 6.5 Fractional Entitlements

Not all Shareholders and Optionholders will hold a number of Shares and Options which can be evenly divided by 50. Where a fractional entitlement occurs, that fraction will be rounded up to the nearest whole number of Shares or Options.



## 6.6 Tax implications for Shareholders

It is not considered that any taxation consequences will exist for Shareholders or Optionholders arising from the Consolidation. However, Shareholders and Optionholders are encouraged to seek professional advice in relation to any tax implications which may arise as a result of the Consolidation. Neither the Company nor any of its officers, employees or advisors assumes any liability or responsibility for advising Shareholders and Optionholders about the individual taxation implications arising from the Consolidation.

## 6.7 Timing of consolidation

The Consolidation will take effect in accordance with the following proposed reorganisation timetable:

Date	Event
Before 14 November 2023	Company announces Consolidation and Consolidation Effective Date
14 November 2023	Meeting to approve the Consolidation
14 November 2023	Consolidation Effective Date
15 November 2023	Last day for ASX trading of Shares on a pre-Consolidation basis
16 November 2023	Trading in post-Consolidation Shares commences on a deferred settlement basis
17 November 2023	Record Date for Consolidation  Last day for Company to register transfers on a pre-Consolidation basis
20 November 2023	First day for the Company to update its register and to send a notice to each security holder reflecting the change to the number of securities they hold
24 November 2023	Last day for the Company to update its register and to send a notice to each security holder reflecting the change to the number of securities they hold and to notify ASX this has occurred

The above timetable is indicative only and remains subject to change at the Company's discretion, subject to compliance with applicable laws and the Listing Rules.

## 6.8 Holding Statements and Certificates

From the Consolidation Effective Date, all holding statements for Shares and certificates for Options will cease to have any effect, except as evidence of entitlement to a certain number of Shares and Options on a post-Consolidation basis.

After the Consolidation Effective Date, the Company will arrange for new holding statements for Shares and new certificates for Options to be issued to holders of those Securities.

It is the responsibility of each Shareholder or Optionholder to check the number of Shares or Options held prior to disposal.

## 6.9 Board recommendation

The Directors recommend that Shareholders vote in favour of Resolution 3.

## Schedule 1

### Definitions

In the Notice and this Explanatory Memorandum, words importing the singular include the plural and vice versa.

**\$** means Australian Dollars.

**Annual Report** means the Directors' Report, the Financial Report and the Auditor's Report in respect to the financial year ended 30 June 2023.

**ASIC** means the Australian Securities and Investments Commission.

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

**AWST** means Australian Western Standard Time, being the time in Perth, Western Australia.

**Auditor's Report** means the auditor's report on the Financial Report.

**Board** means the board of Directors.

**Chairperson** means the person appointed to chair the Meeting, or any part of the Meeting, convened by the Notice.

**Closely Related Party** means:

- (a) a spouse or child of the member; or
- (b) has the meaning given in section 9 of the Corporations Act.

**Company** means Carnegie Clean Energy Limited (ACN 009 237 736).

**Consolidation** has the meaning given in Section 6.1.

**Consolidation Effective Date** has the meaning given in the indicative timetable in Section 6.7 or as amended and notified to ASX.

**Constitution** means the constitution of the Company as at the commencement of the Meeting.

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

**Director** means a director of the Company.

**Directors' Report** means the annual directors' report prepared under chapter 2M of the Corporations Act for the Company and its controlled entities.

**Explanatory Memorandum** means the explanatory memorandum which forms part of the Notice.

**Financial Report** means the annual financial report prepared under chapter 2M of the Corporations Act of the Company and its controlled entities.

**Key Management Personnel** means persons having authority and responsibility for planning, directing and controlling the activities of the Company, directly or indirectly, including any Director (whether executive or otherwise) of the Company.

**Listing Rules** means the listing rules of ASX.

**Managing Director** means the managing director of the Company (if applicable).

**Meeting** has the meaning in the introductory paragraph of the Notice.

**Notice** means the notice of meeting which comprises of the notice, agenda, Explanatory Memorandum and Proxy Form.

**Office** means office as a Director.

**Option** means an option which entitles the holder to subscribe for a Share.

**Optionholder** means a holder of an Option.

**Proxy Form** means the proxy form attached to the Notice.

**Remuneration Report** means the remuneration report of the Company contained in the Directors' Report.

**Resolution** means a resolution contained in the Notice.

**Schedule** means a schedule to this Explanatory Memorandum.

**Section** means a section of this Explanatory Memorandum.

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

**Shareholder** means a shareholder of the Company.

**Strike** has the meaning given in Section 4.