

# NOTICE OF ANNUAL GENERAL MEETING



21 November 2017  
McCullough Robertson Lawyers  
Level 11, 66 Eagle Street  
Brisbane, Queensland

# Notice of General Meeting

Novonix Limited ACN 157 690 830

---

Notice is given that the Annual General Meeting of Novonix will be held at:

Location	McCullough Robertson, Level 11, 66 Eagle St, Brisbane QLD 4000
Date	21 November 2017
Time	10.00am (Brisbane time)

## Ordinary business

### Financial statements and reports

To consider and receive the financial report, the Directors' report and the auditor's report for the year ended 30 June 2017.

### Resolution 1: **Directors'** remuneration report

To consider and, if in favour, pass the following resolution in accordance with section 250R(2) Corporations Act:

**1 'That the Remuneration Report be adopted.'**

Note: This Resolution shall be determined under section 250R(2) Corporations Act. Votes must not be cast on this Resolution by Key Management Personnel and closely related parties in contravention of section 250R or 250BD Corporations Act. Restrictions also apply to votes cast as proxy unless exceptions apply.

The Directors abstain, in the interests of corporate governance, from making a recommendation in relation to this Resolution.

### Resolution 2: Re-election of Admiral Robert Natter

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

**2 'That Admiral Robert Natter, who retires in accordance with Listing Rule 14.4 and rule 19.2(b) of the Company's constitution, and being eligible, be re-elected as a Director of the Company.'**

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

The Directors (with Mr Natter abstaining) recommend that you vote in favour of this Resolution.

### Resolution 3: Re-election of Mr Robert Cooper

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

**3 'That Mr Robert Cooper, who retires in accordance with Listing Rule 14.4 and rule 19.2(b) of the Company's constitution, and being eligible, be re-elected as a Director of the Company.'**

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

The Directors (with Mr Cooper abstaining) recommend that you vote in favour of this Resolution.

## Special business

### Resolution 4: Change to the terms of the Downstream Executives' Options

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

- 4 **'That, for the purposes of Listing Rule 6.23.4 and for all other purposes, Shareholders approve the increase in the exercise price of the 6,000,000 Options granted to the two key executives of Novonix Battery Testing Services Inc, from \$0.51 to \$0.74 as detailed in the Explanatory Memorandum.'**

The Directors recommend that you vote in favour of this Resolution.

### Resolution 5: Approval of additional 10% placement capacity

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

- 5 **'That for the purposes of Listing Rule 7.1A and for all other purposes, Shareholders approve Novonix having the additional capacity to issue Shares up to 10% of its issued capital, calculated in accordance with the formula prescribed in Listing Rule 7.1A.2, over a 12 month period from the date of the Annual General Meeting, at a price no less than that determined pursuant to Listing Rule 7.1A.3 and otherwise on the terms and conditions set out in the Explanatory Memorandum.'**

The Directors recommend that you vote in favour of this Resolution.

### Resolution 6: Approval of issue of Shares to Admiral Robert Natter

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

- 6 **'That, for the purposes of Listing Rule 10.11, Chapter 2E of the Corporations Act and for all other purposes, Shareholders approve the issue of 750,000 Shares to Admiral Robert Natter, Non-Executive Director of Novonix, at an issue price of \$0.66 per Share under a private placement as set out in the Explanatory Memorandum.'**

The Directors (with Admiral Natter abstaining) recommend that you vote in favour of this Resolution.

### Resolution 7: Approval of grant of Options to Admiral Robert Natter

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

- 7 **That, for the purposes of Listing Rule 10.11, Chapter 2E of the Corporations Act and all other purposes, Shareholders approve the grant of 750,000 Options to Admiral Robert Natter and the issue of 750,000 Shares on exercise of those Options to Admiral Natter, on the terms set out in the Explanatory Memorandum.**

The Directors (with Admiral Natter abstaining) recommend that you vote in favour of this Resolution.

### Resolution 8: Approval of issue of Shares to Mr Andrew Liveris

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

- 8 **'That, for the purposes of Listing Rule 10.11, Chapter 2E of the Corporations Act and for all other purposes, Shareholders approve the issue of 757,575 Shares to Mr Andrew Liveris (who will be appointed as a Non-Executive Director following his retirement from DowDuPont in 2018), at an issue price of \$0.66 per Share under a private placement as set out in the Explanatory Memorandum.'**

The Directors recommend that you vote in favour of this Resolution.

## Resolution 9: Approval of grant of Options to Mr Andrew Liveris

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

- 9 **'That, for the purposes of Listing Rule 10.11, Chapter 2E of the Corporations Act and all other purposes, Shareholders approve the grant of 5,000,000 Options to Mr Andrew Liveris (who will be appointed as a Non-Executive Director following his retirement from DowDuPont in 2018) and the issue of 5,000,000 Shares on exercise of those Options to Mr Liveris, on the terms set out in the Explanatory Memorandum'.**

The Directors recommend that you vote in favour of this Resolution.

Dated: 20 October 2017

By order of the Board



---

Suzanne Yeates  
Company Secretary

## Notes

- (a) A Shareholder who is entitled to attend and cast a vote at the Annual General Meeting is entitled to appoint a proxy.
- (b) The proxy need not be a Shareholder of Novonix. 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) 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.
- (e) 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.
- (f) If the proxy is the chair of the AGM, the proxy must vote on a poll or must vote the way specified in the proxy form.
- (g) If the proxy is not the chair of the AGM the proxy need not vote on the poll, but if the proxy does so, the proxy must vote as specified in the proxy form.
- (h) 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 AGM 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 AGM is deemed the proxy for that resolution.
- (i) A corporation may elect to appoint a representative, rather than appoint a proxy, under the Corporations Act in which case Novonix **will require written proof of the representative's appointment** which must be lodged with or presented to Novonix before the AGM.
- (j) Novonix has determined under regulation 7.11.37 of the **Corporations Regulations 2001** (Cth) that for the purpose of voting at the Annual General Meeting or an adjourned meeting, securities are taken to be held by those persons recorded in **Novonix's** register of Shareholders as at 7:00pm (Sydney time) on 19 November 2017.
- (k) If you have any queries on how to cast your votes, please call Suzanne Yeates (Company Secretary) on +61 438 173 330 during business hours.

## Voting restrictions

<p>Resolution 1 - Directors Remuneration Report</p>	<p>The Company will disregard votes cast by or on behalf of a member of the Key Management Personnel or a closely related party of the Key Management Personnel.</p> <p>However, Key Management Personnel and their closely related parties may cast a vote on Resolution 1 as a proxy if the vote is not cast on their behalf and either:</p> <ul style="list-style-type: none"> <li>(a) the proxy appointment is in writing that specifies the way the proxy is to vote (e.g. for, against, abstain) on the resolution; or</li> <li>(b) the vote is cast by the chairman of the AGM and the appointment of the chairman as proxy:           <ul style="list-style-type: none"> <li>(i) does not specify the way the proxy is to vote on the resolution; and</li> <li>(ii) expressly authorises the Chairman to exercise the proxy even if the resolution is connected directly or indirectly with the remuneration of a member of the KMP.</li> </ul> </li> </ul> <p>If you are a member of Key Management Personnel or closely related party of a member of Key Management Personnel (or acting on behalf of them) and purport to cast a vote that will be disregarded by the Company, you may be liable for an offence for breach of voting restrictions that apply to you under the Corporations Act.</p>
<p>Resolution 4 - Change to the terms of the Novonix Executive Options</p>	<p>The Company will disregard votes cast on this Resolution by Dr Christopher Burns and Dr David Stephens and their associates. However, the Company need not disregard a vote if:</p> <ul style="list-style-type: none"> <li>(a) it is cast by a person as proxy for a person entitled to vote on the Resolutions, in accordance with the directions on the proxy form (e.g. for, against, abstain); or</li> <li>(a) 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 (e.g. for, against or abstain).</li> </ul>
<p>Resolution 5 - Approval of additional 10% placement capacity</p>	<p>The Company will disregard votes cast by a person who may participate in the proposed issue of equity securities in the Company, or a person who might obtain a benefit, except a benefit solely in the capacity of a holder of equity securities, if the resolution is passed, and any Associate of such person is excluded from voting on this resolution.</p> <p>Note: under Listing Rule 14.11.1 and the notes under that rule about Rule 7.1A, as at the date of this Notice of Meeting it is not known who may participate in the proposed issue (if any). On that basis, no security holders are currently excluded.</p>

Resolution 6 – Approval of issue of Shares to Admiral Robert Natter

Resolution 7 - Approval of grant of Options to Admiral Robert Natter

Resolution 8 - Approval of issue of Shares to Mr Andrew Liveris

Resolution 9 – Approval of grant of Options to Mr Andrew Liveris

In accordance with ASX Listing Rule 14.11, the Company will disregard votes cast on these Resolutions by any person entitled to receive securities in relation to the entity and their associates. However, the Company will not disregard a vote if it is cast:

- (a) by a person as proxy for a person entitled to vote on the Resolutions, in accordance with the directions on the proxy form (e.g. for, against, abstain); or
- (b) 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 (e.g. for, against or abstain).

In addition, a vote must not be cast on these Resolutions:

- (a) as proxy by a member of the KMP or a closely related party where the appointment of the chairman as proxy does not specify the way the proxy is to vote on the resolution (e.g. for, against, abstain) on the Resolutions; or
- (b) as proxy by the chair of the Annual General Meeting where the appointment of the chair as proxy does not specify the way the proxy is to vote on the resolution (in accordance with section 224 of the Corporations Act, notwithstanding section 250BD(2)(b) of the Corporations Act); or
- (c) by or on behalf of a related party or associate of a related party of the Company to whom the resolution would permit a financial benefit to be given, unless:
  - (i) the vote is cast by that person as a proxy appointed in writing that specifies the way the proxy is to vote on the Resolutions and it is not being cast on; and
  - (ii) it is not being cast on behalf of a related party or an associate of a related party to whom the resolution would permit a financial benefit to be given.

# Explanatory Memorandum

Novonix Limited ACN 157 690 830

---

This Explanatory Memorandum accompanies the Notice of Meeting of Novonix to be held at the office of McCullough Robertson Lawyers, Level 11, 66 Eagle Street, Brisbane, Queensland on Tuesday 21 November 2017, at 10.00am (Brisbane time).

The Explanatory Memorandum has been prepared to assist Shareholders in determining how to vote on the resolutions proposed and ought to be read in conjunction with the Notice of Meeting.

## Financial statements and reports

- 1 The **Corporations Act 2001** (Cth) (Corporations Act) requires that the report of the Directors, the **auditor's report and the financial report for the year ended 30 June 2017 be laid before the Annual General Meeting**.
- 2 Apart from the matters involving remuneration which are required to be voted upon, neither the Corporations Act nor the Constitution requires a vote of Shareholders at the Annual General Meeting on the financial statements and reports.
- 3 Shareholders will be given a reasonable opportunity at the meeting to raise questions and make comments on these reports.
- 4 In addition to asking questions at the meeting, Shareholders may address written questions to the **chairman about the management of the Company or to the Company's auditor, BDO Audit, if the question is relevant to:**
  - (a) **the content of the auditor's report;** or
  - (b) the conduct of its audit of the annual financial report to be considered at the meeting.

Note: Under section 250PA(1) Corporations Act, a Shareholder must submit the question to the Company no later than the fifth business day before the day on which the Annual General Meeting is held.

- 5 Written questions for the auditor must be delivered by 5.00 pm on Tuesday, 14 November 2016. Please send any written questions for BDO Audit to:

The Company Secretary  
PO Box 10348  
BRISBANE QLD 4000

or via email to: [contact@novonixgroup.com](mailto:contact@novonixgroup.com)

- 6 The financial report, the Directors' report and the auditor's report are contained in the Annual Report and available on the Company's website [www.novonixgroup.com](http://www.novonixgroup.com)

## Resolution 1: Remuneration Report

- 7 The Corporations Act requires that the Remuneration Report be put to a vote of Shareholders.
- 8 The Resolution of Shareholders is advisory only and not binding on the Company. The Board will **take the discussion at the meeting into consideration when determining the Company's** remuneration policy and appropriately respond to any concerns Shareholders may raise in relation to remuneration issues.
- 9 The Remuneration Report:
- (a) reports and explains the remuneration arrangements in place for non-executive Directors, executive Directors and senior management; and
  - (b) explains Board policies in relation to the nature and value of remuneration paid to non-executive Directors, executives and senior managers within the Company.
- 10 The Chairman will give Shareholders a reasonable opportunity to ask questions about, or to make comments on, the Remuneration Report.
- 11 The Remuneration Report is contained in the Annual Report. A copy of the Annual Report is **available on the Company's website** [www.novonixgroup.com](http://www.novonixgroup.com).

### Directors' Recommendation

- 12 As Resolution 1 relates to matters including the remuneration of the Directors, the Board, as a matter of corporate governance and in accordance with the spirit of section 250R(4) of the Corporations Act, makes no recommendation regarding Resolution 1.

## Resolutions 2 and 3: Election of Directors

- 13 Listing Rule 14.4 and rule 19.2(b) **of the Company's constitution** provides that a director appointed as an addition to the board must not hold office (without re-election) past the next annual general meeting of the agency. Since the last annual general meeting was held on 21 October 2016, the Company has appointed two directors to the Board, who (being eligible) are each standing for re-election at this Annual General Meeting.

## Resolution 2: Re-election of Admiral Robert Natter

- 14 Admiral Robert Natter was appointed to the Board as a non-executive director on 14 July 2017 to **assist with the Company's downstream integration and international marketing strategy**. Based in North America, Admiral Natter retired from active military service a decade ago and has since served on a number of US boards and advisory panels in corporate and government.
- 15 During his prominent 41 year Navy career, Admiral Natter served as the Commander in Chief of the U.S. Atlantic Fleet and as the First Commander of U.S. Fleet Forces Command, overseeing all Continental U.S. Navy bases, facilities and training operations. Admiral Natter holds office as a non-executive director of BAE Systems Inc., Allied Universal, the largest US security and security systems company with over 160,000 employees and Corporate Travel Management Limited, a Brisbane-based ASX listed international corporate travel company. Admiral Natter is Chairman of the U.S. Naval Academy Alumni Association representing 60,000 graduates; and Director of the Yellow Ribbon Fund, a US wounded veteran charity. Admiral Natter is President of R.J. Natter & Associates, LLC, a nationwide U.S. consulting and advocacy firm specialising in corporate and defence strategy.

- 16 Admiral Natter holds a Masters Degrees in both Business Management and International Relations and is a graduate of the U.S. Naval Academy and the Naval War College where he was the fifth recipient of the Naval War College Distinguished Graduate Leadership Award.

**Directors' Recommendation**

- 17 The Directors (with Admiral Natter abstaining) recommend the re-appointment of Admiral Natter to the Board.

**Resolution 3: Re-election of Mr Robert Cooper**

- 18 Mr Cooper was appointed to the Board as a non-executive director on 31 October 2016, following the conversion of Washington H Soul Pattinson and Company Limited's (WHSP) joint venture interest in the Mount Dromedary Graphite Project to equity in the Company.

- 19 **Mr Cooper is a mining executive with more than 25 years' experience in various operational and technical roles across a diverse range of commodities, both in Australia and overseas. Mr Cooper is currently Chief Executive Officer of CopperChem Limited and Exco Resources Limited, both of which are wholly owned subsidiaries of WHSP.**

**Directors' Recommendation**

- 20 The Directors (with Mr Cooper abstaining) recommend the re-appointment of Mr Cooper to the Board.

**Resolution 4: Change to the terms of the Downstream Executives' Options**

- 21 **At the Company's April 2017 general meeting** (April 2017 EGM), Shareholders approved the grant of 6,000,000 options (**Downstream Executives' Options**) to two key executives (Dr Chris Burns and Dr David Stevens) of its newly acquired downstream business based in the Canadian province of Nova Scotia, Novonix Battery Testing Services Inc, as a long-term employment incentive.

- 22 Resolution 4 seeks the approval of Shareholders to an increase in the exercise price of the **Downstream Executives' Options** from AUD\$0.51 per option to AUD \$0.74.

- 23 Chapter 6 of the Listing Rules restricts the types of changes that may be made to the terms of granted options. Listing Rule 6.23.4 provides that changes not prohibited by Listing Rule 6.23.3 **may only be made with the approval of a company's shareholders. Listing Rule 6.23.3 prohibits a** reduction in the exercise price, an increase in the period for exercise, or an increase in the number of securities received on exercise, of options. An increase in the exercise price of options is not prohibited by Listing Rule 6.23.3 but requires shareholder approval under Listing Rule 6.23.4.

- 24 The Downstream Executives have requested that the exercise price of the options be increased to reflect the share price of the Company as at the date of grant.

**Directors' Recommendation**

- 25 The Directors unanimously recommend Shareholders vote in favour of the Resolution.

## Resolution 5: Approval of additional 10% placement capacity

- 26 Resolution 5 seeks Shareholder approval to permit Novonix to issue an additional 10% of its issued capital over a 12 month period in accordance with Listing Rule 7.1A (Additional Placement Facility).
- 27 Listing Rule 7.1 permits Novonix to issue a maximum of 15% of its capital in any 12 month period without requiring shareholder approval. In addition, under Listing Rule 7.1A, companies that are outside the S&P/ASX 300 index and have a market capitalisation of \$300 million or less can issue a further 10% of share capital in 12 months on a non-pro rata basis without having to obtain **shareholder approval, provided that holders of the Company's ordinary securities approve this by special resolution at the AGM.** This requires at least 75% of the votes cast in favour of the resolution by Shareholders entitled to vote.
- 28 Novonix is an eligible entity as at the date of this Notice of Meeting.
- 29 Under the Additional Placement Facility, the Company must issue equity securities belonging to an **existing quoted class of the Company's equity securities.** As at the date of this Notice of Meeting, the Company has on issue the following equity securities:

Security	Number on issue
Ordinary shares quoted on ASX	56,532,213
Ordinary shares not quoted on ASX	47,170,453
Unquoted Performance Rights	1,562,500
Unquoted Options	13,975,000
Loan notes	13,073,153

- 30 The number of Shares that may be issued (if Shareholder approval is obtained at the Annual General Meeting) will be determined in accordance with the formula prescribed in Listing Rule 7.1A.2, as set out below:

$$(A \times D) - E$$

A = The number of fully paid ordinary securities on issue 12 months before the date of the issue or agreement,

- (i) plus the number of fully paid ordinary securities issued in the 12 months under an exception in Listing Rule 7.2,
- (ii) plus the number of partly paid ordinary securities that became fully paid in the 12 months,
- (iii) plus the number of fully paid ordinary securities issued in the 12 months with approval of holders of ordinary securities under Listing Rule 7.1 or Listing Rule 7.4. **This does not include an issue of fully paid shares under the Company's 15% placement capacity without Shareholder approval,**
- (iv) less the number of fully paid ordinary securities cancelled in the 12 months.

D = 10%

E = The number of equity securities issued or agreed to be issued under Listing Rule 7.1A.2 in the 12 months before the date of issue or agreement to issue that are not issued with the approval of holders of ordinary securities under Listing Rule 7.1 or Listing Rule 7.4.

31 For the purposes of Listing Rule 7.3A, Novonix provides the following information:

<p>Minimum price at which the equity securities may be issued</p>	<p>The issue price of each share must be no less than 75% of the VWAP for the Shares calculated over the 15 trading days on which trades in that class were recorded immediately before:</p> <ul style="list-style-type: none"> <li>(a) the date on which the price, at which the securities are to be issued, is agreed; or</li> <li>(b) if the securities are not issued within 5 trading days of the date in paragraph (a), the date on which the securities are issued.</li> </ul>
<p>Risk of economic and voting dilution</p>	<p>An issue of shares under Listing Rule 7.1A involves the risk of economic and voting dilution for existing ordinary security holders. The risks include:</p> <ul style="list-style-type: none"> <li>(a) the market price for shares may be significantly lower on the issue date than on the date of the approval under ASX Listing Rule 7.1A; and</li> <li>(b) the equity securities may be issued at a price that is at a discount to the market price for the shares on the issue date,</li> </ul> <p>which may have an effect on the amount of funds raised by the issue of equity securities.</p> <p>Under ASX Listing Rule 7.3A.2, Table 1 below describes the notional possible dilution, based upon various assumptions as stated.</p>
<p>Date by which the Company may issue the securities</p>	<p>The period commencing on the date of the AGM (to which this notice relates) at which approval is obtained and expiring on the first to occur of the following:</p> <ul style="list-style-type: none"> <li>(a) the date which is 12 months after the date of the AGM at which approval is obtained; and</li> <li>(b) <b>the date of the approval by holders of the Company's ordinary securities of a transaction under ASX Listing Rules 11.1.2 or 11.2.</b></li> </ul> <p>The approval under ASX Listing Rule 7.1A will cease to be valid if holders <b>of the Company's ordinary securities approve a transaction under ASX Listing Rules 11.1.2 or 11.2.</b></p>
<p>Purposes for which the equity securities may be issued, including whether the Company may issue them for non-cash consideration</p>	<p><b>It is the Board's current intention that any funds raised under an issue of equity securities will be applied towards the Company's growth strategies,</b> which would principally include to further progress (by organic growth or acquisition) of <b>Novonix's</b> battery anode research and commercialisation strategy, including:</p> <ul style="list-style-type: none"> <li>(a) to raise cash to fund working capital;</li> <li>(b) to purchase plant and equipment as customer demand requires the business to grow; and</li> <li>(c) new acquisitions or investments (including their associated expenses).</li> </ul> <p>The Company reserves the right to issue shares for non-cash consideration, including for payment of service or consultancy fees and costs.</p>
<p>Details of <b>Novonix's</b> allocation policy for issues under approval</p>	<p>The <b>Company's allocation policy is dependent on the prevailing market conditions</b> at the time of any proposed issue pursuant to ASX Listing Rule 7.1A. The identity of the allottees will be determined on a case-by-case basis having regard to factors including but not limited to the following:</p>

	<p>(a) the methods of raising funds that are available to the Company including but not limited to, rights issue or other issue in which existing security holders can participate;</p> <p>(b) the effect of the issue of the ASX Listing Rule 7.1A shares on the control of the Company;</p> <p>(c) the financial situation and solvency of the Company; and</p> <p>(d) advice from corporate, financial and broking advisers (if applicable).</p> <p>The allottees under the Additional Placement Facility have not been determined as at the date of this Notice of Meeting but may include existing substantial shareholders and new shareholders who are not related parties or associates of a related party of the Company. Further, if the Company is successful in acquiring new assets or investments, it is likely that the allottees under the Additional Placement Facility will be or include the vendors of the new assets or investments.</p>
Previous approvals under ASX Listing Rule 7.1A	The Company has not previously obtained Shareholder approval for an Additional Placement Facility under Listing Rule 7.1A.

Table 1: Notional possible dilution				
Variable 'A' in ASX Listing Rule 7.1A.2		Dilution		
		\$0.50 50% decrease in issue price	\$1.00 issue price	\$2.00 100% increase in issue price
Current Variable A 103,702,666 NVX Shares	10% Voting Dilution	10,370,267	10,370,267	10,370,267
	Funds raised	\$5,185,133	\$10,370,267	\$20,740,533
50% increase in current Variable A 155,553,999 NVX Shares	10% Voting Dilution	15,555,400	15,555,400	15,555,400
	Funds raised	\$7,777,700	\$15,555,400	\$31,110,800
100% increase in current Variable A 207,405,332 NVX Shares	10% Voting Dilution	20,740,533	20,740,533	20,740,533
	Funds raised	\$10,370,267	\$20,740,533	\$41,481,066

- 32 The table has been prepared on the assumptions set out below.
- (a) The Company issues the Shares for cash under the Additional Placement Facility.
  - (b) The Company issues the maximum number of Shares allowed under the Additional Placement Facility (being 10% of the number of the Shares on issue).
  - (c) The 10% voting dilution reflects the aggregate percentage dilution against the issued share capital at the time of issue. This is why the voting dilution is shown in each example as 10%.
  - (d) The table does not show an example of dilution that may be caused to a particular Shareholder by reason of Shares issued under Listing Rule 7.1A, based on that **Shareholder's holding at the date of this Notice of Meeting**.
  - (e) The table shows only the effect of issues of equity securities under Listing Rule 7.1A (i.e. under the Additional Placement Facility), not under the 15% placement capacity under Listing Rule 7.1.
  - (f) Other than as indicated in the table, the Company does not issue any additional equity securities during the Additional Placement Period.
  - (g) The issue price is \$1.00, being the closing price of the Shares on ASX on 27 September 2017.

#### Directors' Recommendation

- 33 The Directors recommend Shareholders vote in favour of the Resolution.

#### Resolutions 6, 7, 8 and 9: Approval for grant of Shares and Options to Non-Executive Directors

- 34 The strategic appointment of Admiral Robert Natter to the Board and the future appointment of Andrew Liveris in 2018, **following Liveris' transition from his roles with Dow and DowDuPont**, are key elements **of the Company's plans to accelerate** its downstream vertical integration strategy and early customer acquisition plans. Both Mr Liveris and Admiral Natter will particularly assist with market entry and growth opportunities, with an initial focus on North America, particularly given their relationships with a number of important customer groups in the US\$60 billion high-value battery materials sector. The remuneration of both Mr Liveris and Admiral Natter is heavily-weighted to share-based performance and are centered on conditional Option packages vesting over two years. Admiral Natter and Mr Liveris will invest \$495,000 and \$500,000 (respectively) in the Company (pursuant to private placements under which they will be issued Shares at an issue price of \$0.66).
- 35 Listing Rule 10.11 requires the Company to obtain the approval of shareholders prior to the issue of securities to a 'related party', **which is** defined in the Listing Rules to include the Directors and their spouses, as well as entities controlled by the Directors.
- 36 If approval is obtained pursuant to Listing Rule 10.11 to each of Resolutions 6, 7, 8 and 9, Novonix will be entitled to rely on Listing Rule 7.2, Exception 14 as an exception to any requirement that may otherwise apply requiring shareholder approval under Listing Rule 7.1.

- 37 Section 208(1) of the Corporations Act provides that a public company must not, without the **approval of the company's members, give a financial benefit to a related party**. Section 228(2) of the Corporations Act provides that a Director is a related party of a company. Section 228(6) of the Corporations Act provides that if there are reasonable grounds to believe that it is likely that an entity will become a related party of the company at any time in the future, they are a related party for the purposes of Chapter 2E of the Corporations Act. Both Mr Liveris and Admiral Natter are related parties of Novonix for the purposes of section 228 as Mr Natter is a Director and Mr Liveris will be appointed to the Board in 2018 (as announced to the ASX on 3 October 2017). The grant of Options and the issue of Shares will constitute the giving of a financial benefit to a related party for the purposes of section 229(3)(e) of the Corporations Act.
- 38 Specific information must also be provided to Shareholders in accordance with Listing Rule 10.13 and section 219 of the Corporations Act, which is set out below under the heading for each separate Resolution.

### Resolution 6; Approval of issue of Shares to Admiral Robert Natter

- 39 Resolution 6 seeks approval from Shareholders under Listing Rule 10.11 and Chapter 2E of the Corporations Act (and for all other purposes) for the issue of 750,000 Shares to Admiral Natter, Non-Executive Director of Novonix, pursuant to the private placement announced on 14 July 2017. The issue price per Share is \$0.66 (raising a total of \$495,000).
- 40 Novonix expects to issue the Shares to Admiral Natter shortly after the AGM (i.e. on or about 21 November 2017). Proceeds of the issue will be used for general working capital.
- 41 The information below is provided in accordance with sections 219 of the Corporations Act.

#### Valuation of the financial benefit

- 42 The Board has valued the financial benefit to Admiral Natter at \$384,750, representing the difference between the issue price and the 10 day VWAP (\$1.173) of the 750,000 Shares to 4 October 2017.

#### Admiral Natter's interest in Novonix and remuneration package

- 43 Admiral Natter does not currently have an interest (either directly or indirectly) in any equity securities of the Company. If Shareholders approve this Resolution, the effect will be to dilute the holdings of existing Shareholders by an equivalent amount as follows:

Table 2: Notional Dilution				
	Current share capital		Share capital on exercise of the Options	
	Shares	%	Shares	%
Admiral Natter	0	0%	1,500,000 <sup>1</sup>	1.42%
Existing Shareholders	103,702,666	100%	104,460,242	98.58%
Total	103,702,666	100%	105,960,242 <sup>2</sup>	100%

<sup>1</sup> Includes Shares to be issued (subject to Shareholder approval being granted) pursuant to the private placement to Admiral Natter, the subject of this Resolution 6, as well as the Options to be granted (subject to Shareholder approval being granted (which is the subject of Resolution 7).

<sup>2</sup> Includes Shares to be issued (subject to Shareholder approval being granted) pursuant to the private placement to Mr Liveris, the subject of Resolution 8.

- 44 Excluding the value of the Shares, Admiral Natter will be paid a \$30,000 per annum fee for his services as a Non-Executive Director: In addition, Mr Natter will be issued 750,000 Options in Novonix, **subject to Shareholder’s approving Resolution 7**, which the Board has valued at \$650,009.

**Directors’ Recommendation**

- 45 The Directors (with Admiral Natter abstaining) recommend Shareholders vote in favour of the Resolution.

**Resolution 7: Approval of grant of Options to Admiral Natter**

- 46 As announced to the market on 14 July 2017, the Board has agreed, subject to obtaining Shareholder approval, to grant a total of 750,000 incentive Options to Non-Executive Director, Admiral Robert Natter as follows:

<b>Table 3: Admiral Natter’s Options</b>			
	<b>Tranche 1</b>	<b>Tranche 2</b>	<b>Tranche 3</b>
<b>Number of Options</b>	250,000 Options	250,000 Options	250,000 Options
<b>Exercise Price</b>	\$0.80 per Share	\$0.95 per Share	\$1.10 per Share
<b>Vesting Date</b>	Immediately	Vesting on achievement of one-year service as a Director of the Company	Vesting on achievement of two years service as a Director of the Company
<b>Expiry Date</b>	14 July 2020	14 July 2020	14 July 2020

- 47 The key terms of the Options are as follows:
- (a) Each Option will convert into one Share;
  - (b) the Options will be issued for no consideration;
  - (c) the Options will not be transferable other than with the written consent of the Board;
  - (d) the Options will vest in the event of a change of control, which will be deemed to occur if any person holds voting power in Novonix of 50% or more; and
  - (e) the Options will otherwise vest and be exercisable in accordance with the detail set out Table 3 at paragraph 46.
- 48 Novonix expects to issue the Shares to Admiral Natter shortly after the AGM (i.e. on or about 21 November 2017). As the Options will be issued for no consideration no funds will be raised from the issue of the Options. Funds raised through the exercise of the Options will be used for additional working capital.
- 49 The information below is provided in accordance with sections 219 of the Corporations Act.
- Valuation of the financial benefit
- 50 The Board has valued the Options using the Cox, Ross & Rubinstein Call Option Value methodology. The basic assumptions underlying the Option valuation are:

	Tranche One	Tranche Two	Tranche Three
Underlying price per Share <sup>#</sup>	\$1.36	\$1.36	\$1.36
Exercise price	\$0.80	\$0.95	\$1.10
Risk free rate	2.82%	2.82%	2.82%
Dividend yield (estimate)	0.00%	0.00%	0.00%
Volatility	97.34%	97.34%	97.34%
Vesting date	21 November 2017	21 November 2018	21 November 2019
Expiry date	14 July 2020	14 July 2020	14 July 2020
Option value	\$0.8869	\$0.8624	\$0.8507
Total number of Options issued	250,000	250,000	250,000
Total employee benefit expense <sup>*</sup>	\$221,722	\$215,610	\$212,677

<sup>#</sup> Share price represents the closing price on 5 October 2017, the day on which drafting of the Notice of Meeting was finalised.

### Admiral Natter's interest in Novonix and Remuneration Package

51 Admiral Natter's interest in Novonix and remuneration package is as set out in paragraphs 43 to 44.

### Directors' Recommendation

52 The Directors (with Admiral Natter abstaining) recommend Shareholders vote in favour of the Resolution.

### Resolution 8: Approval of issue of Shares to Mr Andrew Liveris

53 Resolution 8 seeks approval from Shareholders under Listing Rule 10.11 and Chapter 2E of the Corporations Act (and for all other purposes) for the issue of 757,575 Shares to Mr Andrew Liveris pursuant to the private placement announced on 3 October 2017. The issue price per Share is \$0.66.

54 The Shares will be issued on the same terms as, and rank equally with, existing Shares. Novonix expects to issue the Shares to Mr Liveris shortly after the AGM (i.e. on or about 21 November 2017). Proceeds of the issue will be used for general working capital.

55 The information below is provided in accordance with sections 219 of the Corporations Act.

#### Valuation of the financial benefit

56 The Board has valued the financial benefit to Mr Liveris at \$388,635.47, representing the difference between the issue price and the 10 day VWAP (\$1.173) of the 757,575 Shares to 4 October 2017.

### Mr Liveris's interest in Novonix and remuneration package

- 57 Mr Liveris currently has an interest (either directly or indirectly) in 1,249,999 Shares. If Shareholders approve this Resolution, the effect will be to dilute the holdings of existing Shareholders by an equivalent amount as follows:

Table 5: Notional Dilution				
	Current share capital		Share capital on exercise of the Options	
	Shares	%	Shares	%
Mr Liveris	1,249,999	1.21%	7,007,575 <sup>1</sup>	6.36%
Existing Shareholders	102,452,667	98.79%	103,202,667 <sup>2</sup>	93.64%
Total	103,702,666	100%	110,210,242	100%

<sup>1</sup> Includes Options to be granted (subject to Shareholder approval being granted) to Mr Liveris, the subject of Resolution 9.

<sup>2</sup> Includes Shares to be issued (subject to Shareholder approval being granted) pursuant to the private placement to Mr Natter, the subject of Resolution 6.

- 58 Excluding the value of the Shares, Mr Liveris will be paid a \$30,000 per annum fee for his services as a Non-Executive Director (once appointed). In addition, Mr Liveris will be issued 5,000,000 **Options in Novonix, subject to Shareholder's approving Resolution 9**, which the Board has valued at \$5,271,666.

### Directors' Recommendation

- 59 The Directors recommend Shareholders vote in favour of the Resolution.

### Resolution 9: Approval of grant of Options to Mr Liveris

- 60 As announced to the market on 3 October 2017, the Board has agreed, subject to obtaining Shareholder approval, to grant a total of 5,000,000 incentive Options to Mr Liveris as follows:

Table 6: Andrew Liveris' Options			
	Tranche 1	Tranche 2	Tranche 3
Number of Options	1,000,000 Options	2,000,000 Options	2,000,000 Options
Exercise Price	\$0.66 per Share	\$0.66 per Share	\$0.66 per Share
Vesting Date	Immediately on appointment to the board	Vesting on achievement of one-year service as a Director of the Company	Vesting on achievement of two years service as a Director of the Company
Expiry Date	Three years from the date of appointment to the Board	Three years from the date of appointment to the Board	Three years from the date of appointment to the Board

61 The other key terms of the Options are:

- (a) Each Option will convert into one Share;
- (b) the Options will be issued for no consideration;
- (c) the Options will not be transferable other than with the written consent of the Board;
- (d) the Options will vest in the event of a change of control, which will be deemed to occur if any person holds voting power in Novonix of 50% or more; and
- (e) the Options will otherwise vest and be exercisable in accordance with the detail set out in the Table 6 above (paragraph 60).

62 Novonix expects to grant the Options to Mr Liveris shortly after the AGM (i.e. on or about 21 November 2017). As the Options will be issued for no consideration no funds will be raised from the grant of the Options. Funds raised through the exercise of the Options will be used for additional working capital.

63 The information below is provided in accordance with sections 219 of the Corporations Act.

Valuation of the financial benefit

64 The Board has valued the Options using the Cox, Ross & Rubinstein Call Option Value. The basic assumptions underlying the Option valuation are:

Table 7: Valuation of financial benefit – Mr Liveris Options			
	Tranche One	Tranche Two	Tranche Three
Underlying price per Share <sup>#</sup>	\$1.36	\$1.36	\$1.36
Exercise price	\$0.66	\$0.66	\$0.66
Risk free rate	3.07%	3.07%	3.07%
Dividend yield (estimate)	0.00%	0.00%	0.00%
Volatility	107.58%	107.58%	107.58%
Vesting date	Immediately on appointment to the Board (assumed 30 June 2018)	30 June 2019	30 June 2020
Expiry date	30 June 2021	30 June 2021	30 June 2021
Option value	\$1.0065	\$1.0606	\$1.0720
Total number of Options issued	1,000,000	2,000,000	2,000,000
Total employee benefit expense <sup>*</sup>	\$1,006,532	\$2,121,161	\$2,143,973

<sup>#</sup> Share price represents the closing price on 5 October 2017, the day on which drafting of the Notice of Meeting was finalised.

**Mr Liveris's interest in Novonix and remuneration package**

65 Mr Liveris' interest in Novonix and remuneration package is as set out above in paragraphs 57 to 58.

**Directors' Recommendation**

66 The Directors recommend Shareholders vote in favour of the Resolution.

## Glossary

Term	Definition
\$	the lawful currency of Australia.
AGM or Annual General Meeting or Meeting	means the 2017 annual general meeting of Novonix, the subject of this Notice of Meeting.
Annual Report	means the 2017 Annual Report of the Company.
ASIC	Australian Securities and Investments Commission.
ASX	ASX Limited ACN 008 624 691 or the securities exchange operated by it (as the case requires).
Board	the board of directors of the Company.
Company or Novonix or NVX	Novonix Limited ACN 157 690 830.
Corporations Act	<b>Corporations Act 2001</b> (Cth).
Corporations Regulations	<b>Corporations Regulations 2001</b> (Cth).
Director	a director of the Company from time to time.
Downstream Executives	means Dr Chris Burns and Dr David Stevens.
Downstream Executives Options	means the 6,000,000 Options granted to Dr Chris Burns and Dr Stephens on 30 June 2017 following the completion of the acquisition of Novonix Battery Testing Services Inc, as approved by shareholders at the April general meeting.
Explanatory Memorandum	the explanatory memorandum attached to the Notice of Meeting.
Key Management Personnel or KMP	means those 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).
Listing Rules	the listing rules of ASX.
Notice of Meeting	this notice of meeting and includes the Explanatory Memorandum.
Options	means an option to acquire a Share in the Company.
Remuneration Report	<b>means the section of the Directors' report for the 2017 financial year that is included under section 300A(1) of the Corporations Act.</b>
Resolution	a resolution proposed in this Notice of Meeting.
Shares	the fully paid ordinary shares in the capital of Novonix.
Shareholder	a person who is the registered holder of Shares.
VWAP	<b>means the volume weighted average price of trading in Novonix's Shares on the ASX over the relevant period.</b>

## LODGE YOUR VOTE

 **ONLINE**  
[www.linkmarketservices.com.au](http://www.linkmarketservices.com.au)

 **BY MAIL**  
NOVONIX Limited  
C/- Link Market Services Limited  
Locked Bag A14  
Sydney South NSW 1235 Australia

 **BY FAX**  
+61 2 9287 0309

 **BY HAND**  
Link Market Services Limited  
1A Homebush Bay Drive, Rhodes NSW 2138; or  
Level 12, 680 George Street, Sydney NSW 2000

 **ALL ENQUIRIES TO**  
Telephone: +61 1300 554 474

## LODGE MENT OF A PROXY FORM

This Proxy Form (and any Power of Attorney under which it is signed) must be received at an address given above by **10:00am (Brisbane time) on Sunday, 19 November 2017**, being not later than 48 hours before the commencement of the Meeting. Any Proxy Form received after that time will not be valid for the scheduled Meeting.

Proxy Forms may be lodged using the reply paid envelope or:

 **ONLINE**  
[www.linkmarketservices.com.au](http://www.linkmarketservices.com.au)

Login to the Link website using the holding details as shown on the Proxy Form. Select 'Voting' and follow the prompts to lodge your vote. To use the online lodgement facility, unitholders will need their "Holder Identifier" (Securityholder Reference Number (SRN) or Holder Identification Number (HIN) as shown on the reverse of this Proxy Form).

## HOW TO COMPLETE THIS SHAREHOLDER PROXY FORM

### YOUR NAME AND ADDRESS

This is your name and address as it appears on the Company's share register. If this information is incorrect, please make the correction on the form. Shareholders sponsored by a broker should advise their broker of any changes. **Please note: you cannot change ownership of your shares using this form.**

### APPOINTMENT OF PROXY

If you wish to appoint the Chairman of the Meeting as your proxy, mark the box in Step 1. If you wish to appoint someone other than the Chairman of the Meeting as your proxy, please write the name of that individual or body corporate in Step 1. A proxy need not be a shareholder of the Company.

### DEFAULT TO CHAIRMAN OF THE MEETING

Any directed proxies that are not voted on a poll at the Meeting will default to the Chairman of the Meeting, who is required to vote those proxies as directed. Any undirected proxies that default to the Chairman of the Meeting will be voted according to the instructions set out in this Proxy Form, including where the Resolution is connected directly or indirectly with the remuneration of KMP.

### VOTES ON ITEMS OF BUSINESS – PROXY APPOINTMENT

You may direct your proxy how to vote by placing a mark in one of the boxes opposite each item of business. All your shares will be voted in accordance with such a direction unless you indicate only a portion of voting rights are to be voted on any item by inserting the percentage or number of shares you wish to vote in the appropriate box or boxes. If you do not mark any of the boxes on the items of business, your proxy may vote as he or she chooses. If you mark more than one box on an item your vote on that item will be invalid.

### APPOINTMENT OF A SECOND PROXY

You are entitled to appoint up to two persons as proxies to attend the Meeting and vote on a poll. If you wish to appoint a second proxy, an additional Proxy Form may be obtained by telephoning the Company's share registry or you may copy this form and return them both together.

To appoint a second proxy you must:

- on each of the first Proxy Form and the second Proxy Form state the percentage of your voting rights or number of shares applicable to that form. If the appointments do not specify the percentage or number of votes that each proxy may exercise, each proxy may exercise half your votes. Fractions of votes will be disregarded; and
- return both forms together.

### SIGNING INSTRUCTIONS

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

**Individual:** where the holding is in one name, the holder must sign.

**Joint Holding:** where the holding is in more than one name, either shareholder may sign.

**Power of Attorney:** to sign under Power of Attorney, you must lodge the Power of Attorney with the registry. If you have not previously lodged this document for notation, please attach a certified photocopy of the Power of Attorney to this form when you return it.

**Companies:** where the company has a Sole Director who is also the Sole Company Secretary, this form must be signed by that person. If the company (pursuant to section 204A of the *Corporations Act 2001*) does not have a Company Secretary, a Sole Director can also sign alone. Otherwise this form must be signed by a Director jointly with either another Director or a Company Secretary. Please indicate the office held by signing in the appropriate place.

### CORPORATE REPRESENTATIVES

If a representative of the corporation is to attend the Meeting the appropriate "Certificate of Appointment of Corporate Representative" should be produced prior to admission in accordance with the Notice of Meeting. A form of the certificate may be obtained from the Company's share registry or online at [www.linkmarketservices.com.au](http://www.linkmarketservices.com.au).

**IF YOU WOULD LIKE TO ATTEND AND VOTE AT THE ANNUAL GENERAL MEETING, PLEASE BRING THIS FORM WITH YOU.  
THIS WILL ASSIST IN REGISTERING YOUR ATTENDANCE.**

NAME SURNAME  
ADDRESS LINE 1  
ADDRESS LINE 2  
ADDRESS LINE 3  
ADDRESS LINE 4  
ADDRESS LINE 5  
ADDRESS LINE 6



X99999999999

## PROXY FORM

I/We being a member(s) of NOVONIX Limited and entitled to attend and vote hereby appoint:

### APPOINT A PROXY

the Chairman of the Meeting (mark box)

OR if you are NOT appointing the Chairman of the Meeting as your proxy, please write the name of the person or body corporate you are appointing as your proxy

or failing the person or body corporate named, or if no person or body corporate is named, the Chairman of the Meeting, as my/our proxy to act on my/our behalf (including to vote in accordance with the following directions or, if no directions have been given and to the extent permitted by the law, as the proxy sees fit) at the Annual General Meeting of the Company to be held at **10:00am (Brisbane time) on Tuesday, 21 November 2017 at McCullough Robertson, Level 11, 66 Eagle St, Brisbane QLD 4000 (the Meeting)** and at any postponement or adjournment of the Meeting.

**Important for Resolution 1:** If the Chairman of the Meeting is your proxy, either by appointment or by default, and you have not indicated your voting intention below, you expressly authorise the Chairman of the Meeting to exercise the proxy in respect of Resolution 1, even though the Resolution is connected directly or indirectly with the remuneration of a member of the Company's Key Management Personnel (KMP).

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

### VOTING DIRECTIONS

Proxies will only be valid and accepted by the Company if they are signed and received no later than 48 hours before the Meeting. Please read the voting instructions overleaf before marking any boxes with an

#### Resolutions

	For	Against	Abstain*		For	Against	Abstain*
1 Directors' remuneration report	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	9 Approval of grant of Options to Mr Andrew Liveris	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
2 Re-election of Admiral Robert Natter	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>				
3 Re-election of Mr Robert Cooper	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>				
4 Change to the terms of the Downstream Executives' Options	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>				
5 Approval of additional 10% placement capacity	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>				
6 Approval of issue of Shares to Admiral Robert Natter	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>				
7 Approval of grant of Options to Admiral Robert Natter	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>				
8 Approval of issue of Shares to Mr Andrew Liveris	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>				



\* If you mark the Abstain box for a particular Item, you are directing your proxy not to vote on your behalf on a show of hands or on a poll and your votes will not be counted in computing the required majority on a poll.

### SIGNATURE OF SHAREHOLDERS – THIS MUST BE COMPLETED

Shareholder 1 (Individual)

Sole Director and Sole Company Secretary

Joint Shareholder 2 (Individual)

Director/Company Secretary (Delete one)

Joint Shareholder 3 (Individual)

Director

This form should be signed by the shareholder. If a joint holding, either shareholder may sign. If signed by the shareholder's attorney, the power of attorney must have been previously noted by the registry or a certified copy attached to this form. If executed by a company, the form must be executed in accordance with the company's constitution and the *Corporations Act 2001* (Cth).

NVX PRX1703D

