

NOTICE OF EXTRAORDINARY GENERAL MEETING



31 July 2019
PricewaterhouseCoopers
Level 22, 480 Queen Street
Brisbane, Queensland

Notice of Extraordinary General Meeting

NOVONIX Limited ACN 157 690 830

Notice is given that an Extraordinary General Meeting of NOVONIX will be held at:

Location	PricewaterhouseCoopers, Level 22, 480 Queen St, Brisbane QLD 4000
Date	31 July 2019
Time	10.00am (Brisbane time)

Business

Resolution 1: Placement of Loan Notes and attaching Loan Options to the St Baker Energy Innovation Fund

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

- 1 'That, for the purposes of Listing Rule 10.11 and for all other purposes, Shareholders approve the issue of 10,000,000 unsecured Notes to the St Baker Energy Innovation Fund, a related party of the Company, at an issue price of \$0.40 per Note, together with one free attaching Loan Option for every unsecured Note issued, on the terms set out in the Explanatory Statement.'

The Directors (with Philip St Baker abstaining) recommend that you vote in favour of this resolution.

Resolution 2: Placement of Incentive Options to Tony Bellas

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

- 2 'That, for the purposes of Listing Rule 10.11 and for all other purposes, Shareholders approve the issue of 1,000,000 Incentive Options to Tony Bellas, a related party of the Company, or his nominee on the terms set out in the Explanatory Statement.'

The Directors (with Tony Bellas abstaining) recommend that you vote in favour of this resolution.

Resolution 3: Placement of Incentive Options to Philip St Baker

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

- 3 'That, for the purposes of Listing Rule 10.11 and for all other purposes, Shareholders approve the issue of 2,000,000 Incentive Options to Philip St Baker, a related party of the Company, or his nominee on the terms set out in the Explanatory Statement.'

The Directors (with Philip St Baker abstaining) recommend that you vote in favour of this resolution.

Resolution 4: Placement of Incentive Options to Greg Baynton

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

- 4 'That, for the purposes of Listing Rule 10.11 and for all other purposes, Shareholders approve the issue of 1,000,000 Incentive Options to Greg Baynton, a related party of the Company, or his nominee on the terms set out in the Explanatory Statement.'

The Directors (with Greg Baynton abstaining) recommend that you vote in favour of this resolution.

Resolution 5: Placement of Incentive Options to Andrew Liveris

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

- 5 'That, for the purposes of Listing Rule 10.11 and for all other purposes, Shareholders approve the issue of 9,000,000 Incentive Options to Andrew Liveris, a related party of the Company, or his nominee on the terms set out in the Explanatory Statement.'

The Directors (with Andrew Liveris abstaining) recommend that you vote in favour of this resolution.

Resolution 6: Placement of Incentive Options to 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 and for all other purposes, Shareholders approve the issue of 1,000,000 Incentive Options to Robert Natter, a related party of the Company, or his nominee on the terms set out in the Explanatory Statement.'

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

Resolution 7: Placement of Incentive Options to Nick Liveris

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

- 7 'That, for the purposes of Listing Rule 10.11 and for all other purposes, Shareholders approve the issue of 1,000,000 Incentive Options to Nick Liveris, a related party of the Company, or his nominee on the terms set out in the Explanatory Statement.'

The Directors (with Nick Liveris abstaining) recommend that you vote in favour of this resolution.

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

Dated: 1 July 2019
By order of the Board



Suzanne Yeates
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 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. To be effective, the proxy must be received at the share registry of the Company no later than 10.00am (Brisbane time) on 29 July 2019 (being, no less than 48 hours before the commencement of the Meeting).
- (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 Meeting, 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 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.
- (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 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.
- (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 Meeting.
- (j) NOVONIX has determined under regulation 7.11.37 of the Corporations Regulations that for the purpose of voting at the 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 29 July 2019.
- (k) If you have any queries on how to cast your votes, please call Suzanne Yeates (Company Secretary) on +61 439 310 818 during business hours.

Voting exclusions

Resolutions	Voting exclusions
Resolution 1 – Placement of Notes and attaching Loan Options to the St Baker Energy Innovation Fund	In accordance with Listing Rule 14.11, the Company will disregard any votes cast in favour of Resolution 1 by Philip St Baker and his associates.
Resolution 2 – Issue of Incentive Options to Anthony Bellas	In accordance with Listing Rule 14.11, the Company will disregard any votes cast in favour of Resolution 2 by Anthony Bellas and his associates.
Resolution 3 - Issue of Incentive Options to Philip St Baker	In accordance with Listing Rule 14.11, the Company will disregard any votes cast in favour of Resolution 3 by Philip St Baker and his associates.
Resolution 4 - Issue of Incentive Options to Greg Baynton	In accordance with Listing Rule 14.11, the Company will disregard any votes cast in favour of Resolution 4 by Greg Baynton and his associates.
Resolution 5 - Issue of Incentive Options to Andrew Liveris	In accordance with Listing Rule 14.11, the Company will disregard any votes cast in favour of Resolution 5 by Andrew Liveris and his associates.
Resolution 6 - Issue of Incentive Options to Robert Natter	In accordance with Listing Rule 14.11, the Company will disregard any votes cast in favour of Resolution 6 by Robert Natter and his associates.
Resolution 7 - Issue of Incentive Options to Nick Liveris	In accordance with Listing Rule 14.11, the Company will disregard any votes cast in favour of Resolution 7 by Nick Liveris and his associates.

However, the Company need not disregard a vote on any of the Resolutions, if the vote is cast by:

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

- 2 the Chairman of 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).

Voting intentions of the Chairman

The Chairman intends to vote undirected proxies on, and in favour of, all resolutions set out in the Notice of Meeting. If there is a change to how the Chairman intends to vote undirected proxies, NOVONIX will make an announcement to the market.

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 PricewaterhouseCoopers, Level 22, 480 Queen Street, Brisbane, Queensland on 31 July 2019 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.

Resolution 1: Placement of Notes and attaching Loan Options to SBEIF

- 3 On 4 February 2019, NOVONIX announced that it had agreed to place 27,250,000 Notes to institutional and sophisticated investors to raise approximately \$10.9 million, including \$10 million invested by the St Baker Energy Innovation Fund (SBEIF), a related party of NOVONIX.
- 4 The purpose of the placement was to fund the exercise of NOVONIX's option to purchase an additional 25% interest in PUREgraphite LLC for USD 5 million, increasing NOVONIX's interest in the PUREgraphite joint venture based in Chattanooga Tennessee, USA to 75%. To ensure that NOVONIX has sufficient funding in place to exercise the option NOVONIX borrowed \$6 million from SBEIF.
- 5 The terms of each Note are as follows:
 - (a) each Note has a face value of \$0.40;
 - (b) each Note accrues interest at 10% per annum until redemption or conversion;
 - (c) the amount of interest payable on each Note accrues daily on principal only and will be calculated at the interest rate noted at paragraph (b) above on the face value;
 - (d) interest on each Note must be paid in arrears by NOVONIX on redemption (with the first and only interest payment to be made on redemption);
 - (e) the Notes may be transferred by an instrument of transfer in such form as NOVONIX may approve, noting that every instrument of transfer must be signed by the transferor and the transferee unless a law deems such instrument to be so signed, and every instrument of transfer must be sent to NOVONIX and be accompanied by the relevant Note certificate and evidence of the payment of any applicable stamp duty;
 - (f) subject to paragraph (i) below, holders may convert a Note to an ordinary share (on a 1 for 1 basis) at any time on the giving of written notice to NOVONIX, with any accrued interest ignored upon conversion (i.e. it is no longer a debt owed by NOVONIX to the investor);
 - (g) NOVONIX must redeem any outstanding Notes at the face value plus accrued interest after 36 months from the date of its issue;
 - (h) NOVONIX may also redeem the Note early (but, in the event that it does so, must pay interest for the first 12 months and any further accrued interest if redeemed after 12 months) and provide notice to holders who may elect to convert prior to redemption;
 - (i) in the event that NOVONIX has given an early redemption notice in respect of a Note, an investor may only convert a Note within the ten business day period following the giving of that early redemption notice (but otherwise has no right to do so);

- (j) upon occurrence of an event of default (which includes, for example, non-payment by NOVONIX, involuntary or voluntary winding up of NOVONIX, appointment of a receiver in respect of NOVONIX, or the happening of an insolvency event in respect of NOVONIX), an investor may by written notice to NOVONIX require the Note held by such person to be repaid, and NOVONIX must then repay such Notes plus the interest accrued on such Notes within 40 business days after receipt of such notice; and
 - (k) upon the payment of all amounts owing to an investor, the obligations of NOVONIX in respect of the Notes held by such investor are extinguished and the Notes are cancelled.
- 6 In addition, applicants for Notes receive one free attaching Loan Option for every Note taken up. Each Loan Option has a strike price of \$0.80, and a 36-month term. The terms of the Loan Options to be granted by NOVONIX are set out in annexure 1 to this Notice of Meeting.
- 7 On 8 March 2019 Shareholders approved the issue of 37,500,000 Notes (and the relevant attaching Loan Options) representing funding of \$15 million, including the issue of 25,000,000 Notes to SBEIF. The difference between the number of Notes for which approval was obtained (37,500,000) and the number of Notes for which NOVONIX had received, at the time of the meeting, binding commitments for (27,250,000), were to be available to yet to be identified institutional and sophisticated investors.
- 8 Notes (Tranche 1) were issued shortly after the meeting, with the balance (40%) to be issued on or about 1 July 2019 (Tranche 2), subject to receipt of the ASX waiver from Listing Rule 10.13.3 (which requires security issues to related parties to be completed within 1 month of shareholder approval). ASX subsequently did not grant a waiver, and on 14 March 2019 NOVONIX issued 17,250,000 Notes with the intention of seeking approval for Tranche 2 at a later time. Resolution 1 now seeks approval to issue Tranche 2.
- 9 The effect of Resolution 1 will be to allow NOVONIX to issue 10,000,000 Notes and 10,000,000 attaching Loan Options during the one month period after the Meeting (or a longer period, if allowed by ASX), without using the Company's 15% annual placement capacity.

Why is Shareholder approval sought?

- 10 Listing Rule 10.11 restricts NOVONIX from issuing equity securities to:
- (a) a related party of the Company; or
 - (b) any person whose relationship with the entity or a related party is, in ASX's opinion, such that approval should be obtained,
- without the approval of Shareholders, unless an exception applies.
- 11 Philip St Baker is a related party of NOVONIX under the Listing Rules and the Corporations Act by virtue of the fact that he is a director of NOVONIX. The Corporations Act deems Philip St Baker's parents, and any entities they control, to also be related parties of NOVONIX. The applicant for Notes and Options the subject of Resolution 1 is the St Baker Energy Innovation Fund, which is controlled by Trevor St Baker, Philip St Baker's father. Accordingly, the St Baker Energy Innovation Fund is a related party of NOVONIX. In addition, Philip St Baker is a beneficiary of a discretionary trust that holds the ownership interests in the St Baker Energy Innovation Fund. For that reason, Philip St Baker has abstained from making a recommendation in relation to this Resolution 1.
- 12 Where approval is obtained under Listing Rule 10.11, approval is not required under Listing Rule 7.1 as exception 14 in Listing Rule 7.2 applies. Accordingly, the issue of Notes and the grant of Options to the St Baker Energy Innovation Fund will not reduce the Company's 15% annual placement capacity pursuant to Listing Rule 7.1.

Corporations Act

- 13 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. As set out at paragraph 11 above, the St Baker Energy Innovation Fund is a related party of NOVONIX under section 228 of the Corporations Act. The issue of Notes and the grant of Options in accordance with Resolution 1 will constitute the giving of a financial benefit to a related party for the purposes of section 229(3)(e) of the Corporations Act.
- 14 In the Board's (Philip St Baker abstaining) view, having regard to legal advice it has obtained and, in particular, given the participation of an unrelated sophisticated and institutional investor on the same terms under Tranche 1, the issue of Notes and the grant of Options to the St Baker Energy Innovation Fund is on terms equivalent to arm's length terms, and therefore, the giving of financial benefits falls within the arm's length exemption of the Corporations Act. However, as a matter of sound corporate governance (and considering that Mr St Baker is a potential beneficiary of the sole unitholder of the St Baker Energy Innovation Fund), the Board (excluding Mr St Baker) thought it prudent to include the information required by Chapter 2E of the Corporations Act in this Explanatory Memorandum.

Information required by Listing Rule 10.13

- 15 For the purposes of Listing Rule 10.13, NOVONIX provides the following particulars:

Term	Details
Name of related party	The St Baker Energy Innovation Fund.
Maximum number of Notes and Options to be issued	The maximum number of securities to be issued is 10,000,000 Notes and 10,000,000 Options.
Issue date of Notes and Options	The securities will be issued no later than 1 month after the date of the meeting (or such later date to the extent permitted by any ASX waiver or modification of the Listing Rules) and it is intended that issue will occur on the same date.
Relationship between related party and Philip St Baker	Refer to paragraph 11.
Issue price	The Notes will have a face value of \$0.40 per Note. NOVONIX will grant the Options on a 1 for 1 basis for no additional consideration.
Terms of Notes and Options	Refer to paragraph 5 (for a summary of the Note terms) and the annexure to this Notice of Meeting (for a summary of the Option terms).
Intended use of funds	Refer to paragraph 4. Any amounts surplus to this requirement will be applied as additional working capital for NOVONIX.

Valuation of the financial benefit

- 16 The Board has obtained an independent valuation of the Loan Options which adopted the Cox, Ross and Rubinstein Binomial Tree option valuation model. The basic assumptions underlying this option valuation are:

Key terms	
Underlying price per Share ¹	\$0.41
Exercise price	\$0.80
Risk free rate	1.21%
Dividend yield (estimate)	0.00%
Volatility	83.70%
Vesting date	Immediately ²
Expiry date	36 months from grant
Option value	\$0.1544
No. of Options granted	10,000,000
Total financial benefit ³	\$1,544,000

Notes

- 1 Share price represents the closing price of Shares on 17 June 2019.
- 2 Subject to Shareholders approving this resolution 1 at the Meeting.
- 3 Represents the theoretical value for the Options only. Any change in the variables applied in the methodology between the date of the valuation (being 18 June 2019) and the date the Options are exercised would have an impact on their value.

- 17 The issue of the Notes themselves may also represent a financial benefit, as the holder may be entitled to interest on the funds advanced to NOVONIX and, in the event of conversion of the Notes, will be entitled to receive Shares. The interest payable on the Notes is 10% per annum, to be paid in the circumstances (and in the manner) described at paragraphs 5(b) to 5(d) above. The market value of any Shares issued on conversion of the Notes cannot currently be calculated as it will depend on the value of the Shares at the time of conversion.
- 18 In particular, if the NOVONIX Share price is higher than the face value of the Notes (being \$0.40 per Note) at the date of conversion of the Notes, the Noteholder may obtain a financial benefit on conversion of the Notes (relative to the amount by which the NOVONIX Share price exceeds the face value of the Notes at the particular time). Equally, however, the NOVONIX share price may decrease to below the face value of the Notes, in which case no such financial benefit would result. Importantly, the full value of the Notes is unsecured and therefore at risk.

Interests in NOVONIX

- 19 The table below sets out both the current holding of Trevor St Baker in NOVONIX and his maximum voting power in NOVONIX assuming all Notes and Loan Options are converted and exercised (respectively) into Shares.

	Trevor St Baker		Other Shareholders	
	Number	%	Number	%
Shares	791,667	0.64	127,346,013	99.36
Notes	15,000,000	86.96	2,250,000	13.04
Options	15,000,000	28.01	33,560,000	71.99
Performance Rights	-	-	3,395,833	100.00
Total Shares ¹	50,791,667	27.81	131,846,013	72.19

Total Shares on issue on a fully diluted basis ²	50,791,667	20.94	191,718,513	76.06
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Notes

- 1 This assumes the Notes and Loan Options the subject of Resolution 1 are issued and all Notes and Loan Options (including those held by unrelated parties) are converted and exercised respectively and a total of 54,500,000 Shares are issued.
- 2 This assumes that all convertible securities the Company has on issue or will have following this meeting, assuming all Resolutions are passed, are converted, exercised and vested respectively.

- 20 Details on the voting exclusion which applies to this Resolution 1 is on page 3 of the Notice of Meeting.

Loan from the St Baker Energy Innovation Fund to NOVONIX

- 21 To ensure that NOVONIX has sufficient funding in place for working capital, NOVONIX may borrow \$4 million from the St Baker Energy Innovation Fund. The interest rate under any loan would be 10% per annum and the loan would be repayable either through, if Shareholders approve Resolution 1, set off against the Tranche 2 proceeds or, if Shareholders do not approve Resolution 1, upon demand, in which case NOVONIX will need to seek alternative funding to repay the loan in full, which would likely require a further issue of equity.

Directors' recommendation

- 22 The Directors (with Philip St Baker abstaining) unanimously recommend that Shareholders vote in favour of Resolution 1. Philip St Baker abstains from making a recommendation given his personal interest as a potential beneficiary of the sole unitholder of the St Baker Energy Innovation Fund.

Resolutions 2 to 7: Placement of Incentive Options

- 23 Resolutions 2 to 7 seek Shareholder approval for the issue of 15,000,000 Incentive Options to Directors or their nominees. The purpose of the issue is to reward and incentivise Directors and employees, and align their interests with Shareholders, whilst also allowing the Company to conserve cash. In addition to the proposed issue to participating Directors, the Company will also issue 1,000,000 Incentive Options to employees. The issue will be made under the Company's executive option plan approved by Shareholders on 17 April 2017 and therefore does not require Shareholder approval or reduce the limit under Listing 7.1 to issue securities without shareholder approval.

Why is Shareholder approval sought?

- 24 The requirement for shareholder approval under Listing Rule 10.11 is set out in paragraph 10 above.
- 25 The effect of Resolutions 2 to 7 will be to allow NOVONIX to issue Incentive Options during the one month period after the Meeting (or a longer period, if allowed by ASX), without using the Company's 15% annual placement capacity.
- 26 Messrs Tony Bellas, Philip St Baker, Greg Baynton, Andrew Liveris and Robert Natter are related parties of NOVONIX under the Listing Rules and the Corporations Act by virtue of the fact that they are directors of NOVONIX. The Corporations Act deems Nick Liveris, Andrew Liveris's son, and any entities they control, to also be related parties of NOVONIX.
- 27 Where approval is obtained under Listing Rules 10.11, approval for those issues is not required under Listing Rule 7.1 as exception 14 in Listing Rule 7.2 applies. Accordingly, the issue of Incentive Options will not reduce the Company's 15% annual placement capacity pursuant to Listing Rule 7.1.

Corporations Act

- 28 The Board has delegated its powers to Robert Cooper, a Director who is not receiving Incentive Options. Mr Cooper has determined that, having regard to the circumstances of the Company and those Directors who are intended to receive Incentive Options, the issue falls within the reasonable remuneration exception to the requirement for shareholder approval under Chapter 2E of the Corporations Act. However, as a matter of sound corporate governance Mr Cooper thought it prudent to include the information required by Chapter 2E of the Corporations Act in this Explanatory Memorandum.

Information required by Listing Rule 10.13

- 29 For the purposes of Listing Rule 10.13, NOVONIX provides the following particulars:

Name of related party to whom Incentive Options are to be issued, and their relationship with the Company	<ul style="list-style-type: none"> Resolution 2 – Tony Bellas, a Director, or his nominee Resolution 3 – Philip St Baker, a Director, or his nominee Resolution 4 – Greg Baynton, a Director, or his nominee Resolution 5 – Andrew Liveris, a Director, or his nominee Resolution 6 – Robert Natter, a Director, or his nominee Resolution 7 – Nick Liveris, an employee of NOVONIX and son of Andrew Liveris, or his nominee
Maximum number of Incentive Options to be issued	<ul style="list-style-type: none"> Resolution 2 – 1,000,000 Resolution 3 – 2,000,000 Resolution 4 – 1,000,000 Resolution 5 – 9,000,000 Resolution 6 – 1,000,000 Resolution 7 – 1,000,000
Issue date Incentive Options	The Incentive Options will be issued no later than 1 month after the date of the meeting (or such later date to the extent permitted by any ASX waiver or modification of the Listing Rules) and it is intended that issue will occur on the same date.
Issue price	The Incentive Options will be issued as remuneration and do not have an issue price.
Terms of Incentive Options	Refer to annexure 2 to this Notice of Meeting for a summary of the Incentive Option terms.
Voting exclusion statement	Included on page 3 of the Notice of Meeting
Intended use of funds	The Incentive Options are being issued as remuneration and no funds will be raised from the issue.

Additional information

- 30 The Company provides the following additional information in relation to the proposed issue of Incentive Options under Resolutions 2 to 7:

Related party	Total remuneration package (2018-2019)	Interests in the Company
Tony Bellas	2019 (Unaudited) Salary – \$50,000 Bonus – nil Post-employment benefits – \$4,750 Performance rights – nil Options – \$26,716	1,179,354 Shares 750,000 Options

	<p>2018</p> <p>Salary – \$50,000</p> <p>Bonus – nil</p> <p>Post-employment benefits – \$4,750</p> <p>Performance rights – nil</p> <p>Options – \$96,466</p>	
Philip St Baker	<p>2019 (Unaudited)</p> <p>Salary – \$122,318</p> <p>Bonus – nil</p> <p>Post-employment benefits – \$11,620</p> <p>Performance rights – nil</p> <p>Options – \$3,533</p>	<p>9,976,903 Shares</p> <p>1,895,833 Performance Rights</p>
	<p>2018</p> <p>Salary – \$122,318</p> <p>Bonus – nil</p> <p>Post-employment benefits – \$11,620</p> <p>Performance rights – \$34,101</p> <p>Options – \$517,757</p>	
Greg Baynton	<p>2019 (Unaudited)</p> <p>Salary – \$91,324</p> <p>Bonus – nil</p> <p>Post-employment benefits – \$8,676</p> <p>Performance rights – nil</p> <p>Options – \$1,766</p>	<p>29,561,827 Shares</p> <p>500,000 Performance Rights</p>
	<p>2018</p> <p>Salary – \$91,324</p> <p>Bonus – nil</p> <p>Post-employment benefits – \$8,676</p> <p>Performance rights – \$16,572</p> <p>Options – nil</p>	
Andrew Liveris	<p>2019 (Unaudited)</p> <p>Salary – \$30,000</p> <p>Bonus – nil</p> <p>Post-employment benefits – \$2,850</p> <p>Performance rights – nil</p> <p>Options – \$2,340,924</p>	<p>2,007,574 Shares</p> <p>5,000,000 Options</p>
Robert Natter	<p>2019 (Unaudited)</p> <p>Salary – \$30,000</p> <p>Bonus – nil</p> <p>Post-employment benefits – nil</p> <p>Performance rights – nil</p> <p>Options – \$384,210</p>	<p>750,000 Shares</p> <p>2,750,000 Options</p>
	<p>2018</p> <p>Salary – \$30,000</p> <p>Bonus – nil</p> <p>Post-employment benefits – nil</p> <p>Performance rights – nil</p> <p>Options – \$559,145</p>	

Nick Liveris	2019 (Unaudited) Salary – \$242,366 Bonus – nil Post-employment benefits – \$13,667 Performance rights – nil Options – \$19,751	1,500,000 options 250,000 performance rights
	2018 Salary – \$178,457 and STI \$38,875 Bonus – \$9,406 Post-employment benefits – \$16,167 Performance rights – \$9,039 Options – \$394,349	

- 31 The dilutive effect of issuing 15,000,000 Incentive Options will depend upon the Company's prevailing Share price, whether the vesting conditions for the Incentive Options are met, and the number of Shares on issue. Assuming the Incentive Options are exercised and no further Shares are issued, the number of Shares on issue will increase from 128,137,680 to 143,137,680, and Shareholders will be diluted by 10.48%.

Valuation of the financial benefit

- 32 The Board has obtained an independent valuation of the Options which adopted the Cox, Ross and Rubinstein Binomial Tree option valuation model. The basic assumptions underlying this option valuation are:

Key terms	
Underlying price per Share ¹	\$0.50
Exercise price	\$0.50
Risk free rate	1.87%
Dividend yield (estimate)	0.00%
Volatility	85.0%
Vesting date	Tranche 1 – 30 June 2020 Tranche 2 – 24 May 2024
Expiry date	24 May 2024
Option value ²	Tranche 1 – \$0.3154 Tranche 2 – \$0.3368
No. of Options granted to related parties	Tony Bellas – 1,000,000 Philip St Baker - 2,000,000 Greg Baynton – 1,000,000 Andrew Liveris – 9,000,000 Robert Natter – 1,000,000 Nick Liveris – 1,000,000
Total maximum financial benefit	Tony Bellas – \$326,100 Philip St Baker - \$652,200 Greg Baynton – \$326,100 Andrew Liveris – \$2,934,900 Robert Natter – \$326,100 Nick Liveris – \$326,100

Notes

- 1 Share price represents the closing price of Shares on 24 May 2019.
- 2 Represents the theoretical value for the Incentive Options only. Any change in the variables applied in the methodology between the date of the valuation (being 24 May 2019) and the date the Incentive Options are exercised would have an impact on their value.

- 33 The issue of the Incentive Options themselves may also represent a financial benefit, as the holder may be entitled to receive Shares. The market value of any Shares issued on exercise of Incentive Options cannot currently be calculated as it will depend on the value of the Shares at the time of exercise.
- 34 In particular, if the NOVONIX Share price is higher than the exercise price of the Incentive Options (being \$0.50 per Incentive Option) at the date of conversion of the Incentive Options, the Incentive Optionholder may obtain a financial benefit on conversion of the Incentive Options (relative to the amount by which the NOVONIX Share price exceeds the face value of the Incentive Options at the particular time). Equally, however, the NOVONIX share price may decrease to below the face value of the Incentive Options, in which case no such financial benefit would result.

Directors' recommendation

- 35 Mr Cooper recommends that Shareholders vote in favour of resolutions 2 to 7 as the issue of Incentive Options will align holders' interest with Shareholders in manner that preserves the Company's cash at hand. The other Directors decline to make a recommendation as they will, subject to Shareholder approval, be issued Incentive Options.

Glossary

Term	Definition
\$	means the lawful currency of Australia.
ASIC	means Australian Securities and Investments Commission.
ASX	means ASX Limited ACN 008 624 691 or the securities exchange operated by it (as the case requires).
Board	means the board of directors of the Company.
Chairman	means the Chairman of the Extraordinary General Meeting.
Company or NOVONIX	means NOVONIX Limited ACN 157 690 830 (ASX:NVX).
Corporations Act	means <i>Corporations Act 2001</i> (Cth).
Corporations Regulations	means <i>Corporations Regulations 2001</i> (Cth).
Director	means a director of the Company from time to time.
Incentive Option	means an option to be issued a Share on the terms set out in annexure 2 to the Explanatory Memorandum.
Explanatory Memorandum	means the explanatory memorandum attached to the Notice of Meeting.
Listing Rules	means the listing rules of ASX.
Loan Option	means an Option on the terms set out in annexure 1 to the Explanatory Memorandum.
Meeting or Extraordinary General Meeting	means the Shareholder meeting the subject of this Notice of Meeting.
Note or Loan Note	means an unsecured loan note to be issued on the terms summarised in paragraph 5 of the Explanatory Memorandum.
Notice of Meeting	means this notice of meeting and includes the Explanatory Memorandum.
Option	means an option to be issued a Share.
Shares	means fully paid ordinary shares in the capital of NOVONIX.
Shareholder	means a person who is the registered holder of Shares.
St Baker Energy Innovation Fund or SBEIF	means St Baker Energy Holdings Pty Ltd ACN 010 165 554 as trustee of the St Baker Energy Innovation Trust (trading as St Baker Energy Innovation Fund).
USD	means the lawful currency of the United States.

Annexure 1

Terms of Loan Options

Term	Summary of term
Entitlement	Each Option entitles the holder of the Option (Optionholder) to subscribe for one Share upon exercise of the Option.
Exercise Price	Subject to a reconstruction occurring, the amount payable upon exercise of each Option will be \$0.80 (Exercise Price).
Expiry Date	Each Option will expire at 5:00pm (WST) on the date that is 36 months after the date of grant (Expiry Date). An Option not exercised before the Expiry Date will automatically lapse on the Expiry Date.
Exercise Period	The Options are exercisable at any time on or prior to the Expiry Date (Exercise Period).
Notice of Exercise	The Options may be exercised during the Exercise Period by notice in writing to the Company in the manner specified on the Option certificate (Notice of Exercise) and payment of the Exercise Price for each Option being exercised in Australian currency by electronic funds transfer or other means of payment acceptable to the Company.
Exercise Date	A Notice of Exercise is only effective on and from the later of the date of receipt of the Notice of Exercise and the date of receipt of the payment of the Exercise Price for each Option being exercised in cleared funds (Exercise Date).
Timing of issue of Shares on exercise	As soon as possible after the Exercise Date, the Company must: (i) allot and issue the number of Shares required under these terms and conditions in respect of the number of Options specified in the Notice of Exercise and for which cleared funds have been received by the Company; (ii) if required, give ASX a notice that complies with section 708A(5)(e) of the Corporations Act, or, if the Company is unable to issue such a notice, lodge with ASIC a prospectus prepared in accordance with the Corporations Act and do all such things necessary to satisfy section 708A(11) of the Corporations Act to ensure that an offer for sale of the Shares does not require disclosure to investors; and (iii) do all such things necessary to obtain the grant of official quotation of the Shares on ASX no later than 5 business days after issuing the share. If a notice delivered under paragraph (ii) above is for any reason ineffective to ensure that an offer for sale of the Shares does not require disclosure to investors, the Company must, no later than 20 business days after becoming aware of such notice being ineffective, lodge with ASIC a prospectus prepared in accordance with the Corporations Act and do all such things necessary to satisfy section 708A(11) of the Corporations Act to ensure that an offer for sale of the Shares does not require disclosure to investors.
Shares issued on exercise	Shares issued on exercise of the Options rank equally with the then issued Shares of the Company.
Quotation of Shares issued on exercise	If admitted to the official list of ASX at the time, application will be made by the Company to ASX for quotation of the Shares issued upon the exercise of the Options.
Reconstruction of capital	If at any time the issued capital of the Company is reconstructed, all rights of an Optionholder are to be changed in a manner consistent with the Corporations Act and the Listing Rules at the time of the reconstruction.
Participation in new issues	There are no participation rights or entitlements inherent in the Options and holders will not be entitled to participate in new issues of capital offered to Shareholders during the currency of the Options without exercising the Options.
Change in Exercise Price	An Option does not confer the right to a change in Exercise Price or a change in the number of underlying Share(s) over which the Option can be exercised.
Not quoted	The Options will not be quoted on ASX.
Transferability	The Options are fully transferrable, provided the transfer of the Options does not contravene section 707(3) of the Corporations Act.

Annexure 2

Terms of Incentive Options

Term	Summary of term
Entitlement	Each Option entitles the holder of the Option (Optionholder) to subscribe for one Share upon exercise of the Option.
Exercise Price	Subject to a reconstruction occurring, the amount payable upon exercise of each Option will be \$0.50 (Exercise Price).
Expiry Date	Each Option will expire at 5:00pm (WST) on the date that is the earlier of: <ul style="list-style-type: none"> • 5 years after the date of grant (Expiry Date); and • Cessation of employment with NOVONIX (unless the Board determines otherwise). An Option not exercised before the Expiry Date will automatically lapse on the Expiry Date.
Exercise Period	The Options are exercisable at any time on or prior to the Expiry Date (Exercise Period), subject to the following vesting conditions being satisfied: <ul style="list-style-type: none"> • 50% of Option allocation will vest on the achievement of either: <ul style="list-style-type: none"> ○ public announcement noting either a significant partnership or contract with a leading battery technology/battery making company by June 30, 2020; or ○ a signed MOU with a leading battery technology/battery making company in relation to a partnership or contract by June 30, 2020. • 50% of option allocation will vest on achievement of a significant contract for greater than 2,000 tonnes of anode material in a financial year, at any time before the expiry of the options.
Notice of Exercise	The Options may be exercised during the Exercise Period by notice in writing to the Company in the manner specified on the Option certificate (Notice of Exercise) and payment of the Exercise Price for each Option being exercised in Australian currency by electronic funds transfer or other means of payment acceptable to the Company.
Exercise Date	A Notice of Exercise is only effective on and from the later of the date of receipt of the Notice of Exercise and the date of receipt of the payment of the Exercise Price for each Option being exercised in cleared funds (Exercise Date).
Timing of issue of Shares on exercise	As soon as possible after the Exercise Date, the Company must: (i) allot and issue the number of Shares required under these terms and conditions in respect of the number of Options specified in the Notice of Exercise and for which cleared funds have been received by the Company; (ii) if required, give ASX a notice that complies with section 708A(5)(e) of the Corporations Act, or, if the Company is unable to issue such a notice, lodge with ASIC a prospectus prepared in accordance with the Corporations Act and do all such things necessary to satisfy section 708A(11) of the Corporations Act to ensure that an offer for sale of the Shares does not require disclosure to investors; and (iii) do all such things necessary to obtain the grant of official quotation of the Shares on ASX no later than 5 business days after issuing the share. If a notice delivered under paragraph (ii) above is for any reason ineffective to ensure that an offer for sale of the Shares does not require disclosure to investors, the Company must, no later than 20 business days after becoming aware of such notice being ineffective, lodge with ASIC a prospectus prepared in accordance with the Corporations Act and do all such things necessary to satisfy section 708A(11) of the Corporations Act to ensure that an offer for sale of the Shares does not require disclosure to investors.
Shares issued on exercise	Shares issued on exercise of the Options rank equally with the then issued Shares of the Company.
Quotation of Shares issued on exercise	If admitted to the official list of ASX at the time, application will be made by the Company to ASX for quotation of the Shares issued upon the exercise of the Options.
Reconstruction of capital	If at any time the issued capital of the Company is reconstructed, all rights of an Optionholder are to be changed in a manner consistent with the Corporations Act and the Listing Rules at the time of the reconstruction.
Participation in new issues	There are no participation rights or entitlements inherent in the Options and holders will not be entitled to participate in new issues of capital offered to Shareholders during the currency of the Options without exercising the Options.


Change in Exercise Price	An Option does not confer the right to a change in Exercise Price or a change in the number of underlying Share(s) over which the Option can be exercised.
Not quoted	The Options will not be quoted on ASX.
Transferability	The Options are fully transferrable, provided the transfer of the Options does not contravene section 707(3) of the Corporations Act.


LODGE YOUR VOTE

 **ONLINE**
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: 1300 554 474 Overseas: +61 1300 554 474



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

STEP 1

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 Extraordinary General Meeting of the Company to be held at **10:00am (Brisbane time) on Wednesday, 31 July 2019 at PricewaterhouseCoopers, Level 22, 480 Queen Street, Brisbane QLD 4000** (the Meeting) and at any postponement or adjournment of the Meeting.

Important for Resolutions 2 to 7: if the Chairman of the Meeting is your proxy, either by appointment or by default, and you have not indicated your voting intentions below, then by submitting this form you are authorising the Chairman of the Meeting to exercise the proxy in respect of Resolutions 2 to 7, even though the Resolutions are connected directly or indirectly with the remuneration of a member of the Company's Key personnel Management Personnel.

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 Placement of Notes and attaching Options to the St Baker Energy Innovation Fund	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	5 Placement of Incentive Options to Andrew Liveris	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
2 Placement of Incentive Options to Tony Bellas	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	6 Placement of Incentive Options to Robert Natter	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
3 Placement of Incentive Options to Philip St Baker	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	7 Placement of Incentive Options to Nick Liveris	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
4 Placement of Incentive Options to Greg Baynton	<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)

Joint Shareholder 2 (Individual)

Joint Shareholder 3 (Individual)

Sole Director and Sole Company Secretary

Director/Company Secretary (Delete one)

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).

STEP 3



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.

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:

- (a) 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
- (b) 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" must 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.

LODGEMENT OF A PROXY FORM

This Proxy Form (and any Power of Attorney under which it is signed) must be received at an address given below by **10:00am (Brisbane time) on Monday, 29 July 2019**, 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

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, shareholders will need their "Holder Identifier" (Securityholder Reference Number (SRN) or Holder Identification Number (HIN) as shown on the front of the Proxy Form).



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

delivering it to Link Market Services Limited*
1A Homebush Bay Drive
Rhodes NSW 2138
or
Level 12
680 George Street
Sydney NSW 2000

* During business hours (Monday to Friday, 9:00am–5:00pm)

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