

NOTICE OF ANNUAL GENERAL MEETING



Thursday, 21 November 2019

Allens

Level 26, 480 Queen Street, Brisbane, Queensland

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Notice of Annual General Meeting

NOVONIX Limited ACN 157 690 830

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

Location	Allens, Level 26, 480 Queen Street, Brisbane, Queensland 4000
Date	Thursday, 21 November 2019
Time	11.00am (Brisbane time)

Business

Financial statements and reports

To consider and receive the financial report, the Directors' report and the auditor's report for the year ended on 30 June 2019.

Resolution 1: Adoption of 2019 Remuneration Report

To consider and, if in favour, pass the following resolution as a non-binding resolution:

- 1 *'That for the purposes of section 250R(2) of the Corporations Act and for all other purposes, the Remuneration Report for the financial year ended on 30 June 2019 be adopted.'*

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

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

Resolution 2: Re-election of Mr Anthony Bellas

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

- 2 *'That Mr Anthony Bellas, having held office for three annual general meetings and who retires at this Annual General Meeting, and being eligible and offering himself for re-election, be re-elected as a Director of the Company in accordance with Listing Rule 14.4 and rule 19.2(b) of the Company's Constitution.'*

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

Resolution 3: Re-election of Mr Gregory Baynton

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

- 3 *'That Mr Gregory Baynton, having held office for three annual general meetings and who retires at this Annual General Meeting, and being eligible and offering himself for re-election, be re-elected as a Director of the Company in accordance with Listing Rule 14.4 and rule 19.2(b) of the Company's Constitution.'*

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

Resolution 4: Approval of NOVONIX Option Plan

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

- 4 *'That, for the purposes of Listing Rule 7.2, exception 9 and all other purposes, the Company is authorised to issue Options under the NOVONIX Limited Option Plan, the principal terms of which are set out in Explanatory Memorandum and Annexure A.'*

Due to the potential interest in the outcome of this resolution, the Directors abstain from making a recommendation in relation to this resolution.

Resolution 5: Grant of Incentive Options to Mr Nicholas 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 all other purposes, Shareholders approve the grant of 2,500,000 Incentive Options to Mr Nicholas Liveris (or entities controlled by him) as detailed in the Explanatory Memorandum.'*

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

Resolution 6: Approval of additional 10% placement capacity

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

- 6 *'That, for the purposes of Listing Rule 7.1A and for all other purposes, Shareholders approve the issue of Equity Securities up to 10% of its issued capital (at the time of the issue), calculated in accordance with the formula prescribed in Listing Rule 7.1A.2, and otherwise on the terms and conditions set out in the Explanatory Memorandum.'*

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

Dated: 22 October 2019

By order of the Board



Suzanne Yeates
Company Secretary

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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. To be effective, the proxy must be received at the share registry of the Company no later than 11.00am (Brisbane time) on 19 November 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 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 Corporations Regulations 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 2019.
- (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 exclusions

Resolutions	Voting exclusions
Resolution 1 - Directors Remuneration Report	<p>The Company will disregard any votes cast on resolution 1:</p> <ul style="list-style-type: none"> (a) by or on behalf of a member of the Key Management Personnel (KMP) named in the Remuneration Report for the year ended 30 June 2019, or a closely related party of that KMP, regardless of the capacity in which the vote is cast; and (b) as proxy of a member of the KMP at the date of the AGM, or a closed related party of that KMP, unless the vote is cast as proxy for a person who is entitled to vote on resolution 1: <ul style="list-style-type: none"> (i) in accordance with their directions on how to vote as set out in the proxy appointment (e.g. for, against, abstain); or (ii) by the Chairman of the AGM and the appointment of the Chairman as proxy expressly authorises the Chairman to exercise the proxy even if this resolution is connected directly or indirectly with the remuneration of a member of the KMP.
Resolution 4 – Approval of NOVONIX Limited Option Plan Resolution 5 –Grant of Options to Mr Nicholas Liveris	<p>In accordance with Listing Rule 14.11, the Company will disregard any votes cast in favour of these resolutions by:</p> <ul style="list-style-type: none"> (a) in respect of resolution 4, by any Director of the Company (given each Director is entitled to participate in the Option Plan) and their associates; (b) in respect of resolution 5, Mr Nicholas Liveris and his associates; <p>However, the Company need not disregard a vote on any of the resolutions 4 or 5 if the vote is cast by:</p> <ul style="list-style-type: none"> (a) 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 (b) the Chairman of the AGM 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).
Resolution 6 - Approval of additional 10% placement capacity	<p>In accordance with Listing Rule 14.11, the Company will disregard any votes cast in favour of resolution 6 by or on behalf of a person who is expected to participate in, or who will obtain a material benefit as a result of, the proposed issue of equity securities in the Company (except a benefit solely by reason of being a holder of ordinary securities in the Company) or an Associate of such person (or persons). However, the Company need not disregard a vote if it is cast by:</p> <ul style="list-style-type: none"> (a) 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 (b) the Chairman of the AGM 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 Allens, Level 26, 480 Queen Street, Brisbane, Queensland on Thursday, 21 November 2019 at 11.00am (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 requires that the report of the Directors, the auditor's report and the financial report for the year ended on 30 June 2019 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, PricewaterhouseCoopers, 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 Please send any written questions for PricewaterhouseCoopers to:

Company Secretary
PO Box 10348
BRISBANE QLD 4000

or via email to: 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

Resolution 1: Remuneration Report

- 7 Shareholders are asked to adopt the Remuneration Report of the Company for the financial year ended on 30 June 2019. The Remuneration Report is included in the Directors' report in

NOVONIX's 2019 Annual Report and is available on the Company's website www.NOVONIXgroup.com.

- 8 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.

9 The Chairman will allow a reasonable opportunity for Shareholders to ask questions about, or to make comments on, the Remuneration Report.

10 This resolution is advisory only and not binding on the Company or the Directors. 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.

11 Under the Corporations Act, if 25% or more of votes that are cast are voted against the adoption of the Remuneration Report at two consecutive annual general meetings, Shareholders will be required to vote at the second of those annual general meetings on a resolution that a further meeting is held at which all of the Company's Directors who were directors when the resolution to make the directors report considered at the later annual general meeting was passed (other than the managing director) must go up for re-election (**Spill Resolution**).

12 If more than 50% of votes cast are in favour of the Spill Resolution, the Company must convene a shareholder meeting (**Spill Meeting**) within 90 days of the second annual general meeting.

13 All of the directors of the company who were directors of the company when the resolution to make the directors' report considered at the second annual general meeting was passed, other than the managing director of the company, will cease to hold office immediately before the end of the Spill Meeting but may stand for re-election at the Spill Meeting.

14 At the Company's 2018 annual general meeting, less than 25% of the eligible votes cast in respect of the 2018 remuneration report were cast against the adoption of the 2018 remuneration report, and as a result there is no requirement to vote on a Spill Resolution if 25% or more of the votes cast vote against resolution 1.

15 Voting on resolution 1 will be determined by a poll at the Meeting.

16 A voting exclusion applies to this resolution, as set out earlier in this Notice of Meeting.

Directors' recommendation

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

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Resolutions 2 and 3: Re-election of Directors

18 Listing Rule 14.4 and rule 19.3(b) of the Constitution provide that no director who is not a managing director may hold office without re-election beyond the third AGM following the meeting at which the Director was last elected or re-elected.

19 Messrs Anthony Bellas and Gregory Baynton were re-elected as Directors at the Company's 2016 annual general meeting and, by reason of rule 19.3(b) retire at this Annual General Meeting. Being eligible for re-election, Messrs Bellas and Baynton offer themselves for re-election at this Annual General Meeting.

20 The Directors consider Mr Bellas' skills complement and are valuable to the Board's existing skills and experience. Further information regarding Mr Bellas' qualifications, experience and skills are set out in the Company's 2019 annual report.

21 The Directors consider Mr Baynton's skills complement and are valuable to the Board's existing skills and experience. Further information regarding Mr Baynton's qualifications, experience and skills are set out in the Company's 2019 annual report.

Directors' recommendation

22 The Directors (in each case excluding the relevant candidates) recommend that Shareholders vote in favour of resolutions 2 and 3.

Resolution 4: Approval of the NOVONIX Limited Option Plan

23 Resolution 4 seeks Shareholder approval of the NOVONIX Limited Option Plan (**Option Plan**) for the purposes of Listing Rule 7.2, exception 9.

Background to the Option Plan

24 The Option Plan was first approved by Shareholders in April 2017 to assist the Company to better align the interests of its current and future Directors and executive management and senior leadership teams with the interests of its Shareholders, by linking part of their remuneration with the financial performance of Novonix and therefore, drive NOVONIX's performance.

25 Under the Option Plan, NOVONIX intends to grant Options to participants at no cost. Each Option, once vested, will entitle the participant to be issued one Share upon the exercise of each Option at the applicable exercise price (if any).

Why is Shareholder approval sought in respect of the Option Plan?

26 Listing Rule 7.1 restricts the number of new securities a Company can issue in any 12 month period to 15% of the number of Shares on issue 12 months before the issue date (**Reference Date**), unless Shareholder approval has been obtained or an exception applies (**15% Limit Rule**).

27 Listing Rule 7.2, exception 9 provides an exception to the 15% Limit Rule. The operation of exception 9 allows NOVONIX to issue securities under the Option Plan in circumstances where that issue would otherwise cause NOVONIX to exceed the 15% Limit Rule.

28 Exception 9 will apply to the Option Plan if, within three years before the issue date of securities under the Option Plan, Shareholders have approved the issue of securities under the Option Plan,

as an exception to Listing Rule 7.1. As the Option Plan was last approved in April 2017, the Company seeks the approval of Shareholders to the Option Plan so that it may rely on exception 9 of Listing Rule 7.2 with respect to issues made under the Option Plan (other than to Directors and related parties, for which separate shareholder approval is required under Chapter 10 of the Listing Rules).

29 The Board is empowered to operate the Option Plan and grant Options to eligible participants in accordance with the Listing Rules and the Option Plan, a summary of which is set out in Annexure A of this Explanatory Memorandum.

30 For the purpose of Listing Rule 7.2, the following information is provided for Resolution 4:

- (a) A summary of the terms of the Option Plan: as set out in Annexure A.
- (b) Number of securities issued since last approval: an option plan was last approved by Shareholders in April 2017. Since then, 19,475,000 Options have been granted under the plan.
- (c) A voting exclusion statement is contained in the Notice.

Directors' recommendation

31 As the Directors are each able to participate in the Option Plan, each Director abstains from making a recommendation on this resolution.

Resolution 5 - Grant of Incentive Options to Mr Nicholas Liveris

32 The Company proposes to grant 2,500,000 Incentive Options to Mr Nicholas Liveris on the terms set out below. Mr Nicholas Liveris is the Group Vice President for Business Development, CFO of NOVONIX Battery Testing Services Inc and CFO of PUREgraphite LLC, and, as noted above, is the son of Non-Executive Director, Mr Andrew Liveris. Mr Nicholas Liveris is a related party to the Company.

Corporations Act

33 Chapter 2E of the Corporations Act prohibits a public company from giving a financial benefit to a related party of the company unless either:

- (a) the giving of the financial benefit falls within one of the exceptions (such as reasonable remunerations) to the provision; or
- (b) prior shareholder approval is obtained for the giving of the financial benefit.

34 Related party is widely defined under the Corporations Act and includes directors and the children of the directors of a company. An exception to the requirement for shareholder approval is where the proposed benefit is reasonable remuneration given the circumstances of the company and the person who will receive the benefit.

35 The Directors believe that Shareholder approval is not required under Chapter 2E of the Corporations Act as the Directors (other than Mr Andrew Liveris) form the view that the Incentive Options constitute reasonable remuneration to Mr Nicholas Liveris as the Group Vice President

for Business Development, CFO of NOVONIX Battery Testing Services Inc and CFO of PUREgraphite LLC considering:

- (a) the circumstances of the Company and the Group; and
- (b) Mr Nicholas Liveris's circumstances (including the responsibilities involved as the Group Vice President for Business Development, CFO of NOVONIX Battery Testing Services Inc and CFO of PUREgraphite LLC).

36 Mr Nicholas Liveris is the son of a Director, and therefore a related party for the purposes of the Listing Rules. As a result, the proposed issue of Options requires Shareholder approval under Listing Rule 10.11.

Listing Rule 10.11

37 Resolution 5 seeks Shareholder approval under Listing Rule 10.11 for the grant of 2,500,000 Incentive Options to Mr Nicholas Liveris on the terms set out below.

38 For the purpose of ASX Listing Rule 10.14, the following information is provided:

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Terms	Options Resolution 5
Maximum number of securities to be granted	2,500,000 Options. Each Option, once vested, will entitle Mr N. Liveris to be issued one Share in NOVONIX. The Options do not carry any dividend or voting rights prior to exercising and are non-transferrable.
Issue price per security	The Options will be granted at no cost to Mr N. Liveris.
Exercise price per security and intended use of funds	Each Option will have an exercise price of AUD\$0.50. Funds raised through the exercise of the Options will be used for additional working capital.
Vesting date	<p>The Options will vest as follows:</p> <ul style="list-style-type: none"> • 1/10th on achievement of sales of 1,000 tonnes of anode material in a financial year. • 1/10th on achievement of sales of 2,000 tonnes of anode material in a financial year. • 1/10th on achievement of sales of 3,000 tonnes of anode material in a financial year. • 1/10th on achievement of sales of 4,000 tonnes of anode material in a financial year. • 1/10th on achievement of sales of 5,000 tonnes of anode material in a financial year. • 1/10th on achievement of sales of 6,000 tonnes of anode material in a financial year. • 1/10th on achievement of sales of 7,000 tonnes of anode material in a financial year. • 1/10th on achievement of sales of 8,000 tonnes of anode material in a financial year. • 1/10th on achievement of sales of 9,000 tonnes of anode material in a financial year. • 1/10th on achievement of sales of 10,000 tonnes of anode material in a financial year.
Expiration Date/Lapse	The Options will lapse upon the earlier of the termination of employment, death or disablement of Mr N. Liveris.
Date the securities will be granted	If Shareholder approval is obtained, the Options will be granted to Mr Nicholas Liveris as soon as practicable and in any event within one month after the date of the Meeting.
Change of control	In the event of a change of control of the Company, all unvested Options will automatically vest and may be exercised. The Company may buy-back Options, arrange for options in any bidder for the Company to be granted to Mr Liveris on the same terms, or allow Options to continue, or any combination of the foregoing.

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Valuation of the financial benefit

- 39 The Board has valued the Incentive Options to be granted to Mr Nicholas Liveris using a Cox, Ross and Rubinstein Binomial Tree option valuation model. The basic assumptions underlying the valuation is set out in the table below.

Assumptions	Options
Underlying price per Share	\$0.70 per Share ¹
Exercise price	\$0.50
Risk free rate	1.96%
Dividend yield (estimate)	0.00%
Volatility	81.03%
Vesting date	30 June 2021 to 28 February 2025
Expiry date	13 March 2029
Value of security	\$0.54 to \$0.58 per option ³
No. of securities granted	2,500,000 options (10 tranches of 250,000)
Total estimated value ⁴	\$1,412,575

Notes

- 1 Share price represents the closing price on 13 March 2019, being the day on which terms and conditions were agreed between the Company and Mr Nicholas Liveris, subject to obtaining Shareholder approval.
- 2 An expiry period 10 years has been applied for the purposes of the valuation model.
- 3 Cox, Ross & Rubenstein Call option value.
- 4 Represent the theoretical value for the options. Any change in the variables applied in the valuation methodologies between the date of the valuation (being, 13 March 2019) and the date the options are exercised would have an impact on their value.

Mr Nicholas Liveris' interest in NOVONIX and remuneration package

- 40 Mr Nicholas Liveris does not currently have an interest (either directly or indirectly) in any NOVONIX Shares. If Shareholders approve this resolution, the effect will be to dilute the holdings of existing Shareholders by an equivalent amount as follows:

	Current share capital		Share capital on exercise of the options ¹	
	Shares	%	Shares	%
Mr Nicholas Liveris	0	0%	2,500,000	1.91
Existing Shareholders	128,137,680	100%	128,137,680	98.09
Total	128,137,680	100%	130,637,680²	100

Notes

- 1 Includes the options to be granted to Mr Liveris pursuant to be this resolution 5.

2 Assumes that no other securities are issued by the Company, other than the Shares issued upon exercise of the options granted to Mr Nicholas Liveris pursuant to resolution 5.

41 Excluding the value of the options, Mr Nicholas Liveris is paid a salary of USD\$165,000 per annum for his services as Group Vice President for Business Development, CFO of NOVONIX Battery Testing Services Inc and CFO of PUREgraphite LLC (**Base Salary**). In addition to his Base Salary, he is entitled to receive a cash bonus of up to USD\$165,000 at the end of each financial year subject to achievement of KPIs (which may be satisfied by issue of shares, at the Board's discretion, on the basis of a 1.5 multiple using the 10 day VWAP of NOVONIX Shares as at the last day of the relevant financial year).

42 A voting exclusion applies to Resolution 5 as set out in the Notice of Meeting.

Directors' recommendation

43 The Directors (with Mr Andrew Liveris abstaining) recommend that Shareholders vote in favour of resolution 5. Mr Andrew Liveris abstains from making a recommendation given his relationship with Mr Nicholas Liveris.

Resolution 6: Approval of additional 10% placement capacity

44 Resolution 6 seeks Shareholder approval to permit NOVONIX to issue Equity Securities of an additional 10% of its issued capital over a 12 month period in accordance with Listing Rule 7.1A (**Additional Placement Facility**).

45 Listing Rule 7.1 permits NOVONIX to issue a maximum of 15% of its capital in any 12 month period without requiring Shareholder approval. Under Listing Rule 7.1A, eligible entities that are outside the S&P/ASX 300 index with a market capitalisation of \$300 million or less can issue a further 10% of their share capital in 12 months on a non-pro rata basis without having to obtain shareholder approval, provided that Shareholders 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.

46 NOVONIX is an eligible entity as at the date of this Notice of Meeting.

47 Under the Additional Placement Facility, NOVONIX 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 the following equity securities on issue:

- (a) 128,137,680 fully paid ordinary shares;
- (b) 3,395,833 unquoted performance rights;
- (c) 77,060,000 unquoted options; and
- (d) 36,416,667 Loan Notes.

48 The number of Shares that may be issued (if Shareholder approval under Listing Rule 7.1A 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 x D) – E

Where:

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.

49 For the purposes of Listing Rule 7.3A, NOVONIX provides the following information:

Term	Details
<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"> (a) the date on which the price, at which the securities are to be issued, is agreed; or (b) if the securities are not issued within five trading days of the date in paragraph (a), the date on which the securities are issued.
<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 Shareholders. The risks include:</p> <ul style="list-style-type: none"> (a) the market price for Shares may be significantly lower on the issue date than on the date of the approval under Listing Rule 7.1A; and (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, which may have an effect on the amount of funds raised by the issue of equity securities. <p>In accordance with Listing Rule 7.3A.2, Table 1 below describes the notional possible dilution, based upon various assumptions as stated.</p>

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Term	Details
Date by which the Company may issue the securities	<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:</p> <ul style="list-style-type: none"> (a) the date which is 12 months after the date of the AGM at which approval is obtained; and (b) the date of the approval by Shareholders of a transaction under Listing Rules 11.1.2 or 11.2. <p>The approval under Listing Rule 7.1A will cease to be valid if Shareholders approve a transaction under Listing Rules 11.1.2 or 11.2.</p>
Purposes for which the equity securities may be issued, including whether the Company may issue them for non-cash consideration	<p>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, which would principally include to further progress (by organic growth or acquisition) NOVONIX's battery anode research and commercialisation strategy, including:</p> <ul style="list-style-type: none"> (a) to raise cash to fund working capital; (b) to purchase plant and equipment as customer demand requires the business to grow; and (c) new acquisitions or investments (including their associated expenses). <p>The Company reserves the right to issue Shares for non-cash consideration, including for payment of service or consultancy fees and costs.</p>
Details of NOVONIX's allocation policy for issues under approval	<p>The Company's allocation policy is dependent on the prevailing market conditions at the time of any proposed issue pursuant to 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> <ul style="list-style-type: none"> (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; (b) the effect of the issue of the Listing Rule 7.1A shares on the control of the Company; (c) the financial situation and solvency of the Company; and (d) advice from corporate, financial and broking advisers (if applicable). <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>

Term	Details
Previous approvals under ASX Listing Rule 7.1A	Approval was previously obtained at the 2018 annual general meeting held on 22 November 2018.

Information under Listing Rule 7.3A.2

Table 1

Variable 'A' in Listing Rule 7.1A.2		Dilution		
		\$0.23 (50% decrease in issue price)	\$0.46 (issue price)	\$0.92 (100% increase in issue price)
Current variable A* 128,137,680 Shares	10% voting dilution	12,813,768	12,813,768	12,813,768
	Funds raised	\$2,947,167	\$5,894,333	\$11,788,667
50% increase in current variable A 192,206,520 Shares	10% voting dilution	19,220,652	19,220,652	19,220,652
	Funds raised	\$4,420,750	\$8,841,500	\$17,683,000
100% increase in current variable A 256,275,360 Shares	10% voting dilution	25,627,536	25,627,536	25,627,536
	Funds raised	\$5,894,333	\$11,788,667	\$23,577,333

*Current Variable A refers to securities on issue as at the date of this Notice of Meeting.

Table 1 has been prepared on the assumptions set out below.

- The Company issues the Shares for cash under the Additional Placement Facility.
- The Company issues the maximum number of Shares allowed under the Additional Placement Facility (being 10% of the number of the Shares on issue).
- 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%.
- Table 1 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.
- Table 1 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.
- Other than as indicated in Table 1, the Company does not issue any additional equity securities during the 12 month period.

(g) The issue price is \$0.46, being the closing price of the Shares on ASX on 7 October 2019.

50 Details of the voting exclusions which apply to this resolution are set out in the Notice of Meeting.

Information under Listing Rule 7.3A.6

51 A total of 97,490,000 equity securities were issued by NOVONIX during the 12 months preceding the date of the Annual General Meeting, which represents 63.8% of the equity securities on issue as at the commencement of that period. Annexure B sets out details of all equity securities issued by NOVONIX during the 12 months preceding the date of the Meeting.

Directors' Recommendation

52 The Directors unanimously recommend that Shareholders vote in favour of resolution 6.

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Glossary

Term	Definition
\$	means the lawful currency of Australia.
Additional Placement Capacity	has the meaning given to that term in paragraph 44.
AGM or Annual General Meeting or Meeting	means the 2019 annual general meeting of NOVONIX, the subject of this Notice of Meeting.
Annual Report	means the 2019 Annual Report of the Company.
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 Annual 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.
Explanatory Memorandum	means 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 (executive or non-executive). The KMP for the Company during the year ended 30 June 2019 are identified in the Directors' Report.
Listing Rules	means the listing rules of ASX.
Notice or Notice of Meeting	means this notice of meeting and includes the Explanatory Memorandum.
Option	means an option to be issued a Share.
Option Plan or NOVONIX Limited Option Plan	means the option plan the terms of which are set out in annexure A.
Remuneration Report	means the section of the Directors' report for the 2019 financial year that is included under section 300A(1) of the Corporations Act.
Shares	means fully paid ordinary shares in the capital of NOVONIX.
Shareholder	means a person who is the registered holder of Shares.
USD	means the lawful currency of the United States.
VWAP	means the volume weighted average price of trading in NOVONIX's Shares on the ASX over the relevant period.

Annexure A
NOVONIX Limited Option Plan Terms

- 1 Eligibility: Eligible persons under the Option Plan include:
- (a) full or part time employees, contractors or service providers of the Company or any associated body corporate of the Company; or
 - (b) any other person who may participate without requiring compliance with Chapters 6D.2, 6D.3 (except section 736) and 7.9 of the Corporations Act.
- (Eligible Participants).**
- 2 Consideration: Options issued under the Executive Option Plan will be issued for nil cash consideration.
- 3 Conversion: Each Option will entitle the holder to subscribe for and be issued one Share ranking equally in all respect with the existing issued Shares in the Company.
- 4 Exercise Price and Expiry Date: The exercise price (if any) and expiry date of an Option offered under an offer will be determined by the Board in its discretion.
- 5 Exercise Restrictions: The Options granted under the Option Plan may be subject to such conditions as determined by the Board in its discretion (**Exercise Conditions**) which must be satisfied (unless waived by the Board in its absolute discretion) before the Option can be exercised. Any restrictions imposed by the Directors must be set out in the offer for the Options.
- 6 Lapsing of Options: Subject to the terms of the Offer made to an Eligible Participant, an unexercised Option will lapse:
- (a) on its expiry date;
 - (b) if any Exercise Condition is unable to be met; and
 - (c) subject to certain exceptions, on the Eligible Participant ceasing to be an employee, contractor or service provider of the Company or an associated body corporate of the Company.
- 7 Share Restriction Period: A Share issued on the exercise of an Option may be subject to a restriction that they may not be transferred or otherwise dealt with until a restriction period has expired, as specified in the offer for the Options.
- 8 Disposal of Options: Options will not be transferable and will not be quoted on the ASX, unless the offer provides otherwise.
- 9 Trigger Events: The Company may permit Options to be exercised in certain circumstances where there is a change in control of the Company (including by takeover or entry into a scheme of arrangement).
- 10 Participation in Rights Issues and Bonus Issues:
- (a) If the Company makes a pro rata issue of securities (except a bonus issue) to the holders of Shares (other than an issue in lieu or in satisfaction of dividends or by way of dividend

reinvestment) the Option exercise price shall be reduced according to the formula specified in the Listing Rules.

- (b) In the event of a bonus issue of Shares being made pro rata to Shareholders, (other than an issue in lieu of dividends), the number of Shares issued on exercise of each Option will include the number of bonus Shares that would have been issued if the Option had been exercised prior to the record date for the bonus issue. No adjustment will be made to the exercise price per Share of the Option.
- 11 Reorganisation: If at any time the capital of the Company is reorganised, the terms of the Options will be changed in a manner consistent with the Corporations Act and the Listing Rules at the time of the reorganisation.

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Annexure B

Details of Equity Securities issued since Listing Rule 7.1A.6 approval at 2018 AGM

Issue Date	Number issued	Class and summary of terms	Grantee	Issue price and discount to market price	Total cash consideration and use/intended use of capital	Non-cash consideration (and value)
28.11.2018	1,750,000	Performance rights over unissued ordinary shares for nil cash consideration which vest on or before 1 January 2020 subject to the satisfaction of vesting conditions related to sales, production and share price.	Novonix group employees and directors	Nil	Not applicable.	Nil consideration.
28.11.2018	1,500,000	Options: vest on 28 July 2019 and are exercisable at \$0.80. Options expire on cessation of employment.	Novonix group employees and directors	Nil	Not applicable.	Options were granted for nil consideration.
28.11.2018	950,000	Options: 316,666 of the options vest immediately and are exercisable at \$0.90. 316,667 vest on 6 March 2019 and are exercisable at \$1.20. The remaining 316,667 vest on 6 March 2020 and are exercisable at \$1.40. Options expire on March 2023.	Novonix group employees and directors	Nil	Not applicable.	Options were granted for nil consideration.
28.11.2018	2,000,000	Options: 500,000 of the options vest immediately and are exercisable at \$0.70. 500,000 options vest on 29 August 2019	Novonix group employees and directors	Nil	Not applicable.	Options were granted for nil consideration.

Issue Date	Number issued	Class and summary of terms	Grantee	Issue price and discount to market price	Total cash consideration and use/intended use of capital	Non-cash consideration (and value)
		and are exercisable at \$0.90. 500,000 options vest on 29 August 2020 and are exercisable at \$1.20. The remaining 500,000 options vest on 29 August 2021 and are exercisable at \$1.40. All options expire on 29 August 2023.				
6.12.2018	40,000	Options: 40,000 unlisted options vest on 5 December 2020 and are exercisable at \$0.55. Options expire on 6 December 2023.	Novonix group employees and directors	Nil	Not applicable.	Options were granted for nil consideration.
14.03.2019	17,250,000	Unsecured loan note. <ul style="list-style-type: none"> Coupon 10% per annum capitalised over a term of 36 months. Convertible at the option of the holder on a 1 for 1 basis. Redeemable by NVX at any time (with 10 business days notice) subject to payment of interest. 	St Baker Energy Innovation Fund and other sophisticated investors.	\$0.40 per loan note	\$6,900,000 (Proceeds have facilitated the exercise of the PURE graphite option and will provide additional working capital to fund PURE graphite)	Not applicable.
14.03.2019	17,250,000	Options with the following principal terms: <ul style="list-style-type: none"> 1 for 1 attaching option to the unsecured loan note. Unlisted options. Exercise price \$0.80. 	St Baker Energy Innovation Fund and other sophisticated investors.	Nil	Not applicable.	Options were granted for nil consideration as attaching options to the unsecured notes.

Issue Date	Number issued	Class and summary of terms	Grantee	Issue price and discount to market price	Total cash consideration and use/intended use of capital	Non-cash consideration (and value)
		<ul style="list-style-type: none"> Expiry 12/03/2022. 				
14.03.2019	12,500,000	<p>Options with the following principal terms:</p> <ul style="list-style-type: none"> Unlisted options. Exercise price \$0.50. Expiry on cessation of employment. Vesting in 10 tranches on achievement of progressive PUREgraphite sales milestones being achieved. 	Novonix Group employees	Nil	Not applicable.	Options were granted for nil consideration.
14.03.2019	750,000	<p>Options with the following principal terms:</p> <ul style="list-style-type: none"> Unlisted options Exercise price \$0.50 Expiry on cessation of employment or termination of services. Vesting in 3 equal tranches on 31/12/19, 31/12/20 and 31/12/2021. 	Novonix Group employees and contractors	Nil	Not applicable.	Options were granted for nil consideration.
24.06.2019	5,000,000	Ordinary shares ranking equally with other ordinary shares on issue.	Philip St Baker	\$0.30 (share price was \$0.395 so represents a 24.1% discount)	Not applicable. The Company provided a limited recourse loan to Philip St Baker to fund the exercise of the options.	Not applicable.

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Issue Date	Number issued	Class and summary of terms	Grantee	Issue price and discount to market price	Total cash consideration and use/intended use of capital	Non-cash consideration (and value)
					The loan is interest free and has a term of 5 years.	
5.8.2019	10,000,000	Unsecured loan note. <ul style="list-style-type: none"> Coupon 10% per annum capitalised over a term of 36 months. Convertible at the option of the holder on a 1 for 1 basis. Redeemable by NVX at any time (with 10 business days notice) subject to payment of interest. 	St Baker Energy Innovation Fund	\$0.40 per loan note	\$4,000,000 (Proceeds have facilitated the exercise of the PURE graphite option and will provide additional working capital to fund PURE graphite)	Not applicable.
5.8.2019	10,000,000	Options with the following principal terms: <ul style="list-style-type: none"> 1 for 1 attaching option to the unsecured loan note. Unlisted options. Exercise price \$0.80. Expiry 5/08/2022. 	St Baker Energy Innovation Fund	Nil	Not applicable.	Options were granted for nil consideration as attaching options to the unsecured notes.
5.8.2019	16,000,000	Options with the following principal terms: <ul style="list-style-type: none"> Unlisted options. Exercise price \$0.50. Vesting in two equal tranches on achievement of PURE 	Novonix group employees and directors	Nil	Not applicable.	Options were granted for nil consideration.

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Issue Date	Number issued	Class and summary of terms	Grantee	Issue price and discount to market price	Total cash consideration and use/intended use of capital	Non-cash consideration (and value)
		graphite customer engagement milestone. <ul style="list-style-type: none"> • Expiry 5/08/2024. 				
5.8.2019	2,500,000	Options with the following principal terms: <ul style="list-style-type: none"> • 1 for 1 attaching option to the unsecured loan note. • Unlisted options. • Exercise price \$0.80. • Expiry on cessation of employment. 	Novonix group employees and directors	Nil	Not applicable.	Options were granted for nil consideration.

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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

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 **11:00am (Brisbane time) on Thursday, 21 November 2019 at the offices of Allens, Level 26, 480 Queen Street, Brisbane QLD 4000** (the Meeting) and at any postponement or adjournment of the Meeting.

Important for Resolutions 1, 4 & 5: 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 Resolutions 1, 4 & 5, even though the Resolutions are 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

Resolutions	For	Against	Abstain*	Resolutions	For	Against	Abstain*
1 Adoption of 2019 Remuneration Report	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	5 Grant of Incentive Options to Mr Nicholas Liveris	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
2 Re-election of Mr Anthony Bellas	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	6 Approval of additional 10% placement capacity	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
3 Re-election of Mr Gregory Baynton	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>				
4 Approval of NOVONIX Option Plan	<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).

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STEP 1

STEP 2

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, including where the Resolutions are 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:

- (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 **11:00am (Brisbane time) on Tuesday, 19 November 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).



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 ANNUAL GENERAL MEETING, PLEASE BRING THIS FORM WITH YOU.
THIS WILL ASSIST IN REGISTERING YOUR ATTENDANCE.**