



Dear Shareholder,

2020 ANNUAL GENERAL MEETING -COVID-19 ARRANGEMENTS

Terragen Holdings Limited (“the Company”) advises that the 2020 Annual General Meeting of the shareholders of the Company is scheduled to be held by virtual technology on Wednesday, 18th November 2020 at 12.00pm AEDST.

In accordance with the temporary modifications to the Corporations Act under the Corporations (Coronavirus Economic Response) Determination (No.1) 2020, hard copies of the Notice of the 2020 Annual General Meeting are not being mailed to shareholders. The Notice of the 2020 Annual General Meeting can be viewed and downloaded at www.terrigen.com.au and through the Company’s announcement page on ASX by searching the code “TGH”.

The health and safety of shareholders, Company personnel, and other stakeholders, is the highest priority in the current circumstances resulting from COVID-19. While the COVID-19 situation remains volatile and uncertain, based on the best information available to the Directors at the time of the Notice of the 2020 Annual General Meeting, the Company intends to conduct the meeting virtually on an online platform provided by the Company’s share registry.

More information regarding virtual attendance at the Annual General Meeting (including how to vote and ask questions virtually during the meeting) is set out in the Virtual Meeting Online Guide at www.terrigen.com.au.

Shareholders are strongly encouraged to vote by lodging a directed proxy appointing the Chairman as your proxy before 12.00pm (AEDST) on 16th November 2020. Your personalised Proxy Form is enclosed for your convenience. Please complete and return the attached Proxy Form to the Company’s share registry in accordance with the instructions set out in the Proxy Form.

The notice of meeting is important and should be read in its entirety. If you are in doubt as to the course of action you should follow, you should consult your financial adviser, lawyer, accountant, or other professional advisor. If you have any difficulties obtaining a copy of the Notice of Meeting, please contact the Company’s share registry Link Market Services Limited on 1300 554 474.

The Company will continue to closely monitor guidance from the Federal and State Governments for any impact on the proposed arrangements for the Annual General Meeting. If any changes are required, the details will be made available on our website at www.terrigen.com.au.

Authorised by the Board of Terragen Holdings Limited.

For further information please contact:

Jim Cooper
Managing Director and CEO
+ 61 417 321 145
jimc@terrigen.com.au



TERRAGEN HOLDINGS LIMITED

ABN 36 073 892 636

**NOTICE OF ANNUAL GENERAL MEETING
EXPLANATORY MEMORANDUM
PROXY FORM**

Date of Meeting

Wednesday 18th November, 2020

Time of Meeting

12.00pm (AEDST)

Place of Meeting

Virtually - online (including to listen, vote and ask questions online during the Meeting):
<https://agmlive.link/TGH20>

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

The Directors have determined pursuant to Regulation 7.11.37 of the Corporations Regulations 2001 (Cth) that the persons eligible to vote at the Meeting are those who are registered Shareholders at 7.00pm (AEDST) on Monday 16th November, 2020.

NOTICE OF ANNUAL GENERAL MEETING

Notice is hereby given that an Annual General Meeting (**Meeting**) of the Shareholders of Terragen Holdings Limited ABN 36 073 892 636 (**Company or Terragen**) will be held on Wednesday 18 November 2020 commencing at 12.00pm (Australian Eastern Daylight Savings time) virtually via an online platform provided by the Company's share registry, further details of which are set out below.

An online version of the Company's 2020 Annual Report can be downloaded or viewed at www.terragen.com.au. The 2020 Annual Report has also been sent by post to those Shareholders who have previously elected to receive a hard copy.

This Notice of Meeting incorporates, and should be read together with, the Explanatory Memorandum and Proxy Form. Shareholders are specifically referred to the Glossary in the Explanatory Memorandum which contains definitions of capitalised terms used in both this Notice of Meeting and the Explanatory Memorandum.

ORDINARY BUSINESS

Receipt of financial statements and reports

To receive and consider the Directors' report, the Auditor's report and the financial statements of the Company for the financial year ended 30 June 2020.

Resolutions

1. Adoption of Remuneration Report (non-binding resolution)

To consider and if thought fit, pass, with or without amendment, the following ordinary resolution as a **non-binding resolution**:

"That, for the purposes of section 250R(2) of the Corporations Act and for all other purposes, approval is given for the adoption of the Remuneration Report for the financial year ended 30 June 2020 as set out in the Company's 2020 Annual Report"

Note: Under the Corporations Act, this Resolution is advisory only and does not bind the Directors or the Company.

Voting Exclusion Statement:

In accordance with section 250R of the Corporations Act, a vote on this Resolution must not be cast (in any capacity) by or on behalf of either of the following persons:

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

However, the above persons may cast a vote on this Resolution if:

- (a) the person does so as a proxy; and
- (b) the vote is not cast on behalf of a member of the Key Management Personnel whose remuneration details are included in the remuneration report or a Closely Related Party of such a member; and
- (c) either:
 - (i) the voter is appointed as a proxy by writing that specifies the way the proxy is to vote on this Resolution; or
 - (ii) the voter is the Chair of the Annual General Meeting and the appointment of the Chair as proxy does not specify the way the proxy is to vote on this Resolution and expressly authorises the Chair to vote as the proxy even if this Resolution is connected directly or indirectly with the remuneration of a member of the Key Management Personnel of the Company or, if the Company is part of a consolidated entity, for the entity.

2. Re-election of Director, Dr Paul Schober

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

“That, for the purpose of clause 17.5 of the Constitution and for all other purposes, Dr Paul Schober, a Director, retires by rotation, and being eligible, is re-elected as a Director.”

3. Re-election of Director, Mr Travis Dillon

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

“That, for the purpose of clause 17.7 of the Constitution, ASX Listing Rule 14.4 and for all other purposes, Mr Travis Dillon, a Director who was appointed casually on 1 May 2020, retires, and being eligible, is re-elected as a Director.”

4. Re-election of Director, Ms Ingrid van Dijken

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

“That, for the purpose of clause 17.7 of the Constitution, ASX Listing Rule 14.4 and for all other purposes, Ms Ingrid van Dijken, a Director who was appointed casually on 11 December 2019, retires, and being eligible, is re-elected as a Director.”

5. Issue of Options to Mr Jim Cooper

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

“That, for the purposes of ASX Listing Rule 10.14 and for all other purposes, approval is given for the Company to issue up to 8,000,000 Options to Mr Jim Cooper (or his nominee) exercisable over five years in three tranches as follows:

- (a) 1,000,000 at an exercise price of \$0.25 per Option;*
- (b) 2,000,000 at an exercise price of \$0.50 per Option; and*
- (c) 5,000,000 at an exercise price of \$1.00 per Option,*

and in accordance with the terms and conditions set out in the Explanatory Memorandum.”

Voting Exclusion Statement:

The Company will disregard any votes cast in favour of this Resolution by or on behalf of:

- (a) Mr Jim Cooper (and his nominee) and any other person who will obtain a material benefit as a result of the issue of the securities (except a benefit solely by reason of being a holder of ordinary securities in the entity); or
- (b) an associate of that person or persons.

However, this does not apply to a vote cast in favour of a resolution by:

- (a) a person or proxy or attorney for a person who is entitled to vote on the resolution, in accordance with directions given to the proxy or attorney to vote on the resolution in that way; or

- (b) the chair of the meeting as proxy or attorney for a person who is entitled to vote on the resolution, in accordance with a direction given to the chair to vote on the resolution as the chair decides; or
- (c) a holder acting solely in a nominee, trustee, custodial or other fiduciary capacity on behalf of a beneficiary provided the following conditions are met:
 - (i) the beneficiary provides written confirmation to the holder that the beneficiary is not excluded from voting, and is not an associate of a person excluded from voting, on the resolution; and
 - (ii) the holder votes on the resolution in accordance with directions given by the beneficiary to the holder to vote in that way.

6. Amendments to Constitution

To consider and, if thought fit, pass the following resolution as a **special resolution**:

“That for the purposes of section 136(2) of the Corporations Act, the Constitution of the Company be modified by making the amendments contained in the document tabled at the Annual General Meeting and signed by the Chairman for the purposes of identification.”

Voting Exclusion: A voting exclusion does not apply to this resolution.

ATTENDANCE AND VOTING AT THE MEETING

COVID-19 and attendance at the Meeting

In light of the current global outbreak of the Coronavirus (**COVID-19**) and the implementation of social distancing requirements and the restriction imposed by state governments on gatherings of individuals and inter and intra state travel, the Board of Terragen Holdings Limited has decided that special arrangements will apply for the Meeting and the Meeting will be held **virtually** .

The Board considers that the health, safety and welfare of the Company’s staff, its Shareholders, and other stakeholders to be paramount. Accordingly, the number of physical attendees at the meeting will be limited to the maximum number of attendees permitted based on the relevant government regulations and guidelines in force at the time of the meeting. The Meeting will be accessible to all Shareholders virtually via an online platform provided by the Company’s share registry, further details of which are set out below.

Shareholders who are unable to join us at the AGM are encouraged to cast a direct vote prior to the meeting or, alternatively, to appoint a proxy to attend and vote on your behalf. If you direct your proxy how to vote, your votes will be cast at the meeting in accordance with your directions. Shareholders can appoint a proxy online at www.linkmarketservices.com.au or by following the instructions on the Voting Form. These must be submitted by no later than 12.00pm (AEDST) on Monday 16th November 2020 to be valid. Even if you plan to attend the virtual meeting, you are still encouraged to submit a directed proxy in advance of the meeting so that your votes can still be counted if for any reason you cannot attend (for example, if there is an issue with your internet connection on the day of the meeting).

Participate live online

Shareholders and proxyholders can watch, vote, and ask questions during the AGM via the online platform at:

<https://agmlive.link/TGH20>

To do this, you will need access to a computer or mobile/tablet device with internet access.

Shareholders: When you log onto the online platform, you will need to provide your details (including SRN/HIN and postcode) to be verified as a shareholder. Shareholders with a registered address outside Australia should click “Outside Australia” and select the country of their registered address.

Proxyholders: When you log onto the online platform, you will need your “Proxy Number” which will be provided to you by Link Market Services by email before the AGM.

More information regarding virtual attendance at the Annual General Meeting (including how to vote and ask questions virtually during the meeting) is set out in the Virtual Meeting Online Guide at www.terrigen.com.au.

It is encouraged that Shareholders lodge questions prior to the meeting by submitting your question to Ms Kara King by email at karak@terrigen.com.au.

Voting entitlement

In accordance with regulation 7.11.37 of the *Corporations Regulations 2001* (Cth), the Board has determined that Shareholders who are on the Company’s share register at 7.00pm (AEDST) on Monday 16th November 2020 shall, for the purposes of the Meeting, be entitled to attend and vote at the Meeting.

If you are not the registered holder of a relevant Share at that time, you will not be entitled to vote at the Meeting.

Voting at the Meeting

Ordinary resolutions require the support of more than 50% of the votes cast. Special resolutions require the support of at least 75% of the votes cast. Resolutions 1 to 5 inclusive are ordinary resolutions and resolution 6 is a special resolution.

The passing of each Resolution arising at this meeting will be decided by a poll. Upon a poll, every person who attends online in person or by proxy, corporate representative, or attorney, will have one vote for each Share held by that person.

Shareholders are strongly urged to vote by proxy prior to the meeting and to appoint the Chair of the Meeting as their proxy. Shareholders can complete the proxy form to provide specific instructions on how their vote is to be exercised on each Resolution. The Chair of the meeting MUST follow the Shareholder’s instructions. Instructions for voting by proxy are set out below.

Shareholders participating virtually will be able to submit poll votes immediately after the Chair declares voting open and up to the close of the Meeting. This means that the outcome of each Resolution will not be able to be determined until after the conclusion of the Meeting to allow the Company Secretary sufficient time to finalise the counting of poll votes submitted.

Voting by proxy

A Shareholder who is entitled to attend and vote at this Meeting may appoint a proxy to attend and vote on the Shareholder’s behalf. A proxy need not be a Shareholder. If the Shareholder is entitled to cast two or more votes at the Meeting, the Shareholder may appoint two proxies and may specify the proportion or number of votes that each proxy is appointed to exercise.

A Proxy Form accompanies this Notice. To be valid, the Proxy Form must be received no later than 12.00pm (AEDST) on Monday 16th November 2020, being no less than 48 hours prior to the commencement of the Meeting.

To record a valid proxy vote, a Shareholder will need to complete and lodge the Proxy Form at the share registry of the Company, Link Market Services Limited, in accordance with the instructions set out in the proxy form, or vote online on www.linkmarketservices.com.au.

If you choose to appoint a proxy, you are encouraged to direct your proxy how to vote on each of the Resolutions by marking either **For**, **Against** or **Abstain** on the voting form for each item of business. As explained further below, your vote on Resolution 1 and Resolution 5 may not be counted if you do not direct your proxy how to vote.

Pursuant to section 250BB of the Corporations Act, an appointment of a proxy may specify the way the proxy is to vote on a particular Resolution and, if it does:

- (a) the proxy need not vote on a show of hands, but if the proxy does so, the proxy must vote that way (i.e. as directed);
- (b) if the proxy has 2 or more appointments that specify different ways to vote on the Resolution, the proxy must not vote on a show of hands;
- (c) if the proxy is the Chair of the meeting at which the Resolution is voted on, the proxy must vote on a poll, and must vote that way (i.e. as directed); and
- (d) if the proxy is not the Chair, the proxy need not vote on the poll, but if the proxy does so, the proxy must vote that way (i.e. as directed).

Under section 250BC of the Corporations Act, if:

- (a) an appointment of a proxy specifies the way the proxy is to vote on a particular Resolution at a meeting of a company's members;
- (b) the appointed proxy is not the Chair of the meeting;
- (c) at the meeting, a poll is duly demanded on the Resolution; and
- (d) either of the following applies:
 - (i) the proxy is not recorded as attending the meeting;
 - (ii) the proxy does not vote on the resolution,

the Chair of the meeting is taken, before voting on the resolution closes, to have been appointed as the proxy for the purposes of voting on the Resolution at the meeting.

Undirected proxies

Please note that if the Chair of the Meeting is appointed as your proxy (or becomes your proxy by default), you expressly authorise the Chair to exercise your proxy on the Resolutions even though they may be connected directly or indirectly with the remuneration of a member of the Key Management Personnel of the Company, which includes the Chair. If you appoint the Chair as your proxy you can direct the Chair to vote for or against or abstain from voting on any of the Resolutions by marking the appropriate box on the Proxy Form.

The Chair intends to vote undirected proxies in favour of each item of business.

Please also note that if you appoint a Director or a member of the Key Management Personnel (or their Closely Related Parties) as your proxy, in accordance with section 250R(5) of the Corporations Act you must direct your proxy how to vote on Resolution 1 and Resolution 5 otherwise your vote will not be counted. Follow the instructions on the proxy form to direct your proxy how to vote.

Voting by corporate representative

A Shareholder or proxy that is a corporation and entitled to attend and vote at the Meeting may appoint an individual to act as its corporate representative.

Evidence of the appointment of a corporate representative must be in accordance with section 250D of the Corporations Act and be lodged with the Company before the Meeting or at the registration desk on the day of the Meeting.

Voting by attorney

A Shareholder entitled to attend and vote at the Meeting is entitled to appoint an attorney to attend and vote at the Meeting on the Shareholder's behalf.

An attorney need not be a holder of Shares.

An instrument conferring the power of attorney or a certified copy of the authority must be produced to the Company at least 48 hours prior to the commencement of the Meeting.

DATED 19 October 2020

**BY ORDER OF THE BOARD
TERRAGEN HOLDINGS LIMITED**

**KARA KING
COMPANY SECRETARY**

EXPLANATORY MEMORANDUM

IMPORTANT NOTICE

This Explanatory Memorandum forms part of the Notice convening the Annual General Meeting of Shareholders of Terragen Holdings Limited to be held on Wednesday 18th November 2020 at 12.00pm (AEDST). This Explanatory Memorandum is to assist Shareholders in understanding the background to, and the legal and other implications of, the Notice and the reasons for the Resolutions proposed. Both documents should be read in their entirety and in conjunction with each other.

Other than the information set out in this Explanatory Memorandum, the Directors believe that there is no other information that could reasonably be required by Shareholders to consider the Resolutions.

If you are in doubt about what to do in relation to the Resolutions, you should consult your financial or other professional adviser.

Words or expressions used in the Notice of Meeting and in this Explanatory Memorandum are defined in the Glossary. Unless otherwise stated, all references to sums of money, '\$' and 'dollars' are references to Australian currency.

This Explanatory Memorandum is dated 19 October 2020.

BACKGROUND TO THE RESOLUTIONS

ORDINARY BUSINESS

Receipt of financial statements and reports

This item does not require voting by Shareholders. It is intended to provide an opportunity for Shareholders to raise questions on the financial statements and reports. The Company's auditor will be present at the Meeting and available to answer any questions.

In addition to asking questions at the Meeting, Shareholders may address written questions to the Chair of the Meeting about the management of the Company or to the Company's Auditor, Deloitte, if the question is relevant to:

1. the content of the Auditor's report; or
2. the conduct of its audit of the financial statements to be considered at the Meeting.

Note: Under section 250PA(1) of the 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.

Written questions for Deloitte must be delivered by 11th November 2020 to the address listed on the Proxy Form attached to this Notice of Meeting.

1. Resolution 1 – Adoption of Remuneration Report (non-binding resolution)

1.1 Background

The Annual Report for the year ended 30 June 2020 contains a Remuneration Report that sets out the remuneration policy of the Company and the remuneration details for each Director and for each member of the Company's senior executive management team.

An electronic copy of the 2020 Annual Report is available to download or view on the Company's website at www.terrigen.com.au. The 2020 Annual Report has also been sent by post to those Shareholders who have previously elected to receive a hard copy.

The Corporations Act requires that a resolution to adopt the Remuneration Report be put to the vote of the Company's shareholders. Shareholders should note that the vote on Resolution 1 is advisory only and, subject to the matters outlined below, will not bind the Company or the Directors. However, the Directors will take the outcome of the vote into consideration when reviewing the Company's remuneration policy.

1.2 Two strikes

If 25% or more of votes that are cast on this non-binding Resolution 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 these annual general meetings on a resolution (a **Spill Resolution**) that another meeting be held within 90 days (**Spill Meeting**), at which:

- (a) all of the Company's Directors (other than the Managing Director) cease to hold office immediately before the end of the Spill Meeting; and
- (b) Resolutions to appoint persons to offices that will be vacated immediately before the end of the Spill Meeting will be put to the vote at the Spill Meeting.

The approval threshold for the Spill Resolution is 50% or more of votes that are cast on the Spill Resolution.

The Company was not a listed entity at the time of its 2019 Annual General Meeting and was not required to put a resolution relating to the remuneration report to that meeting.

1.3 Board Recommendation

As the Remuneration Report sets out the remuneration details for each Director, the Board does not wish to make a recommendation as to how Shareholders ought to vote on Resolution 1.

The Chair intends to vote undirected proxies in favour of Resolution 1.

2. Resolution 2 – Re-election of Director, Dr Paul Schober

2.1 Background

The Constitution sets out the requirements for determining which Directors are to retire by rotation at an annual general meeting.

Dr Paul Schober, who has served as a director since 17 June 2017, retires by rotation and seeks re-election.

2.2 Qualifications

Paul has had a 30-year career in the animal health industry, including senior executive positions in which he established global distribution agreements and implemented commercial rigour for biotechnology research companies including Peptech Animal Health, Anatara Lifesciences and Apex Laboratories. Paul attained PhD and MBA degrees at the University of Sydney.

2.3 *Independence*

If elected, the board considers Dr Schober will be an independent director.

2.4 *Board Recommendation*

The Board (with Dr Schober abstaining) recommends that Shareholders vote **FOR** Resolution 2.

The Chair intends to vote undirected proxies in favour of Resolution 2.

3. **Resolution 3 - Re-election of Director, Mr Travis Dillon**

3.1 *Background*

The Constitution allows the Directors to appoint at any time a person to be a Director either to fill a casual vacancy or as an addition to the existing Directors, but only where the total number of Directors does not at any time exceed the maximum number specified by the Constitution.

Pursuant to the Constitution and ASX Listing Rule 14.4, any Director so appointed holds office only until the next following annual general meeting and is then eligible for re-election by Shareholders but shall not be considered in determining the Directors who are to retire by rotation (if any) at that meeting.

Mr Travis Dillon having been appointed a Director on 1 May 2020 pursuant to a resolution of Directors in accordance with Rule 17.7 of the Constitution, will retire in accordance with the Constitution and ASX Listing Rule 14.4 and, being eligible, seeks re-election from Shareholders.

3.2 *Qualifications*

Mr Dillon holds extensive commercial and strategic expertise in the agricultural distribution channel. Mr Dillon was the CEO and Managing Director of Ruralco Holdings Limited until its acquisition by Nutrien in September 2019. Prior to becoming Ruralco's Managing Director in 2015, he was the Executive General Manager of Ruralco's Operations. Over a career in Agriservices, spanning nearly three decades, Travis has held many positions including Branch Manager, Agronomist and numerous Category Manager roles.

3.3 *Independence*

If elected, the Board considers Mr Dillon will be an independent director.

3.4 *Board recommendation*

The Board (with Mr Dillon abstaining) recommends that Shareholders vote **FOR** Resolution 3.

The Chair intends to vote undirected proxies in favour of Resolution 3.

4. **Resolution 4 - Re-election of Director, Ms Ingrid van Dijken**

4.1 *Background*

The Constitution allows the Directors to appoint at any time a person to be a Director either to fill a casual vacancy or as an addition to the existing Directors, but only where the total number of Directors does not at any time exceed the maximum number specified by the Constitution.

Pursuant to the Constitution and ASX Listing Rule 14.4, any Director so appointed holds office only until the next following annual general meeting and is then eligible for re-election by Shareholders but shall not be taken into account in determining the Directors who are to retire by rotation (if any) at that meeting.

Ms Ingrid van Dijken having been appointed a Director on 11 December 2019 pursuant to a resolution of Directors in accordance with Rule 17.7 the Constitution, will retire in accordance

with the Constitution and ASX Listing Rule 14.4 and, being eligible, seeks re-election from Shareholders.

4.2 Qualifications

Ingrid holds a Masters' degree in International Relations from the Graduate Institute in Geneva and an undergraduate degree from the Universiteit Utrecht, in the Netherlands.

Ingrid has more than 20 years' experience in private banking and funds management both in Australia and Switzerland. During these years she held senior management positions and acquired an in-depth understanding of wealth management for high net worth individuals.

She currently works at a privately held funds management firm. From early 2014 until September 2018 she worked at the Impact Investment Group (IIG) in Melbourne, an Australian impact investment funds manager. She joined as the General Manager and became the Chief Operating Officer & Head of Investor Relations. She was instrumental in driving the transformation from a start-up in 2014 to a medium sized funds management business four years later. During her tenure with IIG it was involved in transactions in excess of \$1 billion across commercial real estate, large scale renewable energy infrastructure and venture capital.

4.3 Independence

If elected, the Board considers Ms van Dijken will be an independent director.

4.4 Board recommendation

The Board (with Ms van Dijken abstaining) recommends that Shareholders vote **FOR** Resolution 4.

The Chair intends to vote undirected proxies in favour of Resolution 4.

Resolution 5 - Issue of up to 8,000,000 MD Options to Mr Jim Cooper

5.1 Background

The Company has agreed, subject to obtaining Shareholder approval, to issue up to 8,000,000 Options to the Company's Managing Director and Chief Executive Officer Mr Jim Cooper (or his nominees) as a component of his remuneration (**MD Options**).

The Board has received advice from an independent remuneration and governance consultant that the MD Options are a fair and reasonable form of equity based remuneration. The Board (with Mr Jim Cooper abstaining) agrees with this advice.

The terms and conditions of the MD Options are set out in Appendix 1.

Resolution 5 seeks shareholder approval for the issue of the MD Options to Mr Cooper or his nominees.

The grant of the MD Options is subject to Shareholder approval.

5.2 Chapter 2E of the Corporations Act

For a public company, or an entity that the public company controls, to give a financial benefit to a related party of the public company, the public company or entity must:

- (a) obtain the approval of the public company's members in the manner set out in sections 217 to 227 of the Corporations Act; and
- (b) give the benefit within 15 months following such approval,

unless the giving of the financial benefit falls within an exception set out in sections 210 to 216 of the Corporations Act.

The issue of the MD Options constitutes the giving of a financial benefit and Mr Cooper is a related party of the Company by virtue of being a director.

The Board (other than Mr Cooper), after receiving advice from an independent remuneration and corporate governance consultant, has considered the application of Chapter 2E of the Corporations Act to the proposed issue of MD Options and considers that the financial benefit given by the issue of the MD Options does not require Shareholder approval pursuant to section 208 of the Corporations Act for the following reasons:

- (a) the MD Options constitute part of Mr Cooper's remuneration as the Managing Director and Chief Executive Officer of the Company;
- (b) the MD Options are a reasonable form of equity-based remuneration to Mr Cooper given the circumstances of the Company and Mr Cooper's role within it;
- (c) the MD Options provide a performance linked incentive component in Mr Cooper's remuneration package and represent a cost effective form of remuneration, enabling the Company to spend a greater proportion of its cash reserves on its operations than it would if alternative cash forms of remuneration were given to Mr Cooper;
- (d) Mr Cooper's remuneration arrangements have been negotiated at arm's length, and are not more favourable to Mr Cooper than other commensurate agreements for persons in similar roles in entities similar to the Company; and
- (e) it is not considered that there are any significant opportunity costs to the Company or benefits foregone by the Company in conducting the issue of the MD Options on the terms proposed.

The directors (with Mr Cooper abstaining) therefore consider that Shareholder approval pursuant to Chapter 2E of the Corporations Act is not required in respect of the issue of the MD Options the subject of this Resolution 5, because the proposed issue of MD Options is considered to be reasonable remuneration in the circumstances and will align the interests of Mr Cooper with the interests of the Company's Shareholders.

5.3 ASX Listing Rule 10.14

ASX Listing Rule 10.14 requires shareholder approval to be obtained where an entity issues, or agrees to issue, securities to a director of the entity, an associate of the director, or a person whose relationship with the entity, director or associate of the director is, in ASX's opinion, such that approval should be obtained.

5.4 Technical information required by ASX Listing Rule 10.15

Pursuant to and in accordance with the requirements of ASX Listing Rule 10.15, the following information is provided in relation to the proposed issue of the MD Options pursuant to this Resolution 5:

- (a) The MD Options are to be issued to Mr Jim Cooper (or his nominees) who is a related party by virtue of being a director of the Company;
- (b) the maximum number of MD Options (being the nature of the financial benefit being provided) to be issued is 8,000,000;
- (c) the MD Options will be issued for nil cash consideration;
- (d) the terms and conditions of the MD Options are set out in Appendix 1;

- (e) the MD Options are being issued pursuant to the Company's Employee Incentive Plan (EIP). A summary of the key terms of the EIP is set out in Appendix 2;
- (f) Mr Cooper's current total annual remuneration package is:

	\$
Cash salary inclusive of superannuation	301,125
Motor vehicle allowance	19,545
	<u>320,670</u>

- (g) the Company values the MD Options as follows using a Black Scholes valuation methodology:

	Option exercise price as a multiple of the Company's share price at time of Mr Cooper's appointment as Managing Director ^{##}	Value per option ^{^^}	Total value	Annualised value over 5 years
Tranche 1 - 1,000,000 options with an exercise price of \$0.25 per option and a term of 5 years	1.43	\$0.1807	\$180,744	\$36,149
Tranche 2 - 2,000,000 options with an exercise price of \$0.50 per option and a term of 5 years	2.86	\$0.1508	\$301,521	\$60,304
Tranche 3 - 5,000,000 options with an exercise price of \$1.00 per option and a term of 5 years	5.71	\$0.1184	\$591,959	\$118,392
			<u>\$1,074,224</u>	<u>\$214,845</u>

^{##}Mr Cooper was appointed Managing Director and Chief Executive Officer of Terragen on 25 June 2020. The closing price for the Company's shares on 24 June 2020 was \$0.175. The Board (in the absence of Mr Cooper), considers that the issue of the MD Options aligns the interests of Mr Cooper with the interests of Shareholders as the MD Options will only have intrinsic value for Mr Cooper if there is significant appreciation in Terragen's share price (as indicated by the multiples presented in the table) subsequent to Mr Cooper's appointment as Managing Director and Chief Executive Officer.

^{^^}The valuations noted above are not necessarily the market price at which the MD Options could be traded.

- (h) Mr Cooper has not previously been issued any incentives under the EIP;
- (i) the MD Options will be issued no later than 3 years after the date of the Meeting (or such later date as permitted by any ASX waiver or modification of the ASX Listing Rules). It is anticipated the MD Options will be issued on one date and shortly after the Meeting;
- (j) details of any Shares issued to Mr Cooper on exercise of the MD Options will be published in the annual report of the Company relating to the period in which the Shares have been

issued and it will be disclosed that the approval for the issue of the Shares was obtained under ASX Listing Rule 10.14;

- (k) any additional person covered by Listing Rule 10.14 who becomes entitled to participate in an issue of securities under the EIP after the resolution is approved, and who was not named in the notice of meeting, will not participate until approval is obtained under Listing Rule 10.14;
- (l) the potential impact of the issue of the MD Options (assuming that no other equity securities are issued by the Company) is set out in Table 1; and

Table 1 - Potential Dilutionary Effect of Resolution 5

Resolution Number	Description	Shares (number)	Shares (cumulative)	% (at issue)	% (after issue of all Shares per Resolution)	Options (number)	Options, Performance Shares and Salary Sacrifice Rights (cumulative)	% (at issue)	% (fully diluted)	Total equities (number)	Total equities (cumulative)
	Current issued capital	187,215,902	187,215,902	100%	100%	18,587,043	18,587,043	100%	9%	205,802,945	205,802,945
5	Approval to issue MD Options	-	187,215,902	0%	100%	8,000,000	26,587,043	30%	12%	8,000,000	213,802,945

- (m) no loans are being provided in connection with the issue of the Options.

Approval pursuant to ASX Listing Rule 7.1 is not required to issue the MD Options as approval is being obtained under ASX Listing Rule 10.14. Accordingly, the issue of Options to the Managing Director will not be included in the 15% calculation of the Company's annual placement capacity pursuant to ASX Listing Rule 7.1.

5.5 Directors Recommendation

The Board (with Mr Cooper abstaining) recommends that Shareholders vote **FOR** Resolution 5.

Resolution 6 - Amendments to Constitution

6.1 General

The Company is currently governed by its existing Constitution which has been in effect since the Company was listed on the ASX in December 2019.

Under section 136(2) of the Corporations Act, it is proposed to amend the Company's Constitution by special resolution of shareholders.

The changes being proposed to the Constitution relate solely to the administration of general meetings of shareholders as summarised below:

- i. to amend the Constitution to be consistent with recent changes to the ASX Listing Rules requiring all resolutions put to a general meeting of shareholders for the purposes of the ASX Listing Rules to be voted on by a poll; and
- ii. to amend the Constitution to allow the Company to continue to conduct virtual meetings of shareholders.

6.2 Overview of regulatory approval requirements

Under section 136(2) of the Corporations Act, a company can modify its constitution or a provision of its constitution by special resolution.

6.3 Summary of proposed amendments

Voting on a poll

It is proposed that the Constitution be amended to include a new provision that any resolution to be put to Shareholders for the purposes of the ASX Listing Rules be voted on a poll.

This amendment is required to align the Constitution with ASX Guidance Note 35.

It is proposed that rules 14.10(a) and 14.10(b) be amended as follows (with the proposed amendment in italics and underlined):

"(a) A poll must be demanded by the chairperson where a poll is required to comply with the requirements of the Listing Rules.

(b) If a poll is not required to comply with the requirements of the Listing Rules, a poll may be demanded:

(i) by the chairperson;

(ii) by at least 5 members entitled to vote on the resolution;

(iii) members with at least 5% of the votes that may be cast on the resolution on a poll."

Virtual meetings

It is proposed that the Constitution be updated to include the following provisions to allow it to continue to hold general meetings virtually:

- Rule 7.11 be amended as follows (with the proposed amendment in italics and underlined):

"Until a call, together with any interest and expenses has been paid, the shareholder is not entitled to receive any dividend or bonus or to be present (whether in person or electronically) and vote at any meeting (other than as proxy for another shareholder) either personally or by proxy or by authorised corporate representative. The shareholder may not be counted in a quorum or exercise any other privilege as a shareholder."

- Rule 13.1 be amended as follows (with the proposed amendment in italics and underlined):

"The Company must hold an annual general meeting as required by section 250N of the Corporations Act in person and/or electronically from more than one location."

- Rule 13.2 be amended as follows (with the proposed amendment in italics and underlined):

"Any Director may convene a general meeting whenever he or she thinks fit. For the avoidance of doubt, this includes convening a general meeting wholly virtually provided that members have the opportunity to ask questions on the business of the general meeting and vote electronically."

- Rule 14.1 be amended as follows (with the proposed amendment in italics and underlined):

"The Company may hold a meeting of its members at two or more venues or wholly virtually using any technology that gives the members as a whole a reasonable opportunity to participate."

- Rule 14.2 be amended as follows (with the proposed amendment in italics and underlined):

"Business may not be transacted at any general meeting unless a quorum of members is present (including in person and/or electronically or by proxy) at the time when the meeting proceeds to business. Three members, either in person and/or electronically, (including any proxy for a shareholder and any person representing a company shareholder in accordance with the Corporations Act) constitute a quorum in all cases."

- Rule 14.3 be amended as follows (with the proposed amendment in italics and underlined):

"If a quorum is not present either in person and/or electronically or by proxy within 30 minutes from the notified starting time for the meeting:

(a) where the meeting was convened on the requisition of members, the meeting is cancelled; and

(b) in any other case, the meeting is postponed to the same place on the same day and at the same time the following week, or to any other time and place chosen by the Board. If a quorum is not present in accordance with rule 14.2, within half an hour after the starting time of the postponed meeting, it is cancelled."

- Rule 14.5 be amended as follows (with the proposed amendment in italics and underlined):

"Where a general meeting is held and:

(a) no person has been elected as a chairperson of the Board; or

(b) neither the chairperson nor the deputy chairperson is present within 15 minutes after the time appointed for the holding of the meeting or is unwilling to act,

the members present, whether in person and/or electronically or by proxy must elect one of their number to be chairperson of the meeting."

- Rule 14.6 be amended as follows (with the proposed amendment in italics and underlined):

"The chairperson may at any time adjourn a meeting to be held either in person and/or electronically. The chairperson must adjourn a meeting if the meeting votes to adjourn it. The only business that can be transacted at an adjourned meeting is the unfinished business from the original meeting."

- Rules 14.9(a) and 14.9(b) be amended as follows (with the proposed amendment in italics and underlined):

"(a) At any general meeting a resolution put to the vote of the meeting is decided on a show of hands of all members entitled to vote unless a poll is (before or on the declaration of the result of the show of hands) demanded or required by the Listing Rules according to this Constitution.

(b) Unless a poll is duly demanded or is required to comply with the requirements of the Listing Rules, a declaration by the chairperson that a resolution or a show of hands has been carried or carried unanimously, or by a particular majority, or lost, must be made in the minutes of the meeting."

- Rule 14.12 be amended as follows (with the proposed amendment in italics and underlined):

"(a) at meetings of members or classes of members each member entitled to vote may vote in person or by proxy or attorney (including if attending electronically); and

(b) on a show of hands every person present (including if attending electronically) who is a member or a representative of a member has one vote in respect of all shares held carrying the right to vote and on a poll every person present in person or by proxy (including if attending electronically), attorney or representative has one vote for each share held carrying the right to vote."

- Rule 14.13 be amended as follows (with the proposed amendment in italics and underlined):

"If shares are held jointly, only one of the joint holders may vote either in person or electronically. If more than one of the joint holders tenders a vote, the vote of the holder whose name in respect of those shares appears first in the register of shareholders is to be treated as the only vote in relation to those shares."

- Rule 14.18 be amended as follows (with the proposed amendment in italics and underlined):

"The chairperson of a general meeting may refuse admission to a person (whether they are attending in person or electronically), or require a person to leave and not return to, a meeting if the person:"

- Rule 14.19(a) be amended as follows (with the proposed amendment in italics and underlined):

"(a) attend any general meeting of the Company in person or electronically;"

- Rule 15.1(a) be amended as follows (with the proposed amendment in italics and underlined):

"(a) member who is entitled to attend and cast a vote at a meeting of the Company's members may appoint a person (who need not be a member) as the member's proxy to attend either in person or electronically and vote for the member at the meeting. The person appointed as the member's proxy may be an individual or a body corporate."

- Rule 15.1(h) be amended as follows (with the proposed amendment in italics and underlined):

"(h) where a person present at a general meeting represents personally or by proxy, attorney or Representative more than one member (including if present electronically):"

- Rule 15.4 be amended as follows (with the proposed amendment in italics and underlined):

"A member that is a body corporate may appoint an individual to act as its representative at meetings of members as permitted by section 250D of the Corporations Act and to attend such meeting either in person or electronically"

- Rule 16.2(a)(ii) be amended as follows (with the proposed amendment in italics and underlined):

"(a)(ii) would not be entitled to vote on the resolution in respect of the share if the person were present *either in person or electronically* at the meeting at which the resolution is considered:"

- Rule 16.2(b) be amended as follows (with the proposed amendment in italics and underlined):

"(b) if had the vote been cast in person *(including if cast electronically)* at the meeting at which the resolution is considered:"

- Rule 16.2(c) be amended as follows (with the proposed amendment in italics and underlined):

"(c) if had the vote been cast in person *(including if cast electronically)* at the meeting at which the resolution is considered;"

6.4 *Effective Date*

Under section 137(a) of the Corporations Act, the modification is effective on the date on which the resolution is passed if it specifies no later date.

Given no later date is specified in the Resolution, the modification is effective on the date the Resolution is passed.

6.5 *Obtaining a copy of the Constitution*

A copy of the modified constitution:

- will be available on the Company's website in mark-up;
- will be sent to any Shareholder on request; and
- will also be available for inspection at the office of the Company during normal business hours prior to the Annual General Meeting.

6.6 *Directors' recommendations*

The Board recommends that Shareholders vote **FOR** Resolution 6.

Glossary

In this Explanatory Memorandum and the Notice of Meeting:

AUD, \$, AU\$ are references to the Australian Dollar;

Annual General Meeting or **Meeting** means the annual general meeting of the Company to be convened by this Notice of Meeting (unless the context otherwise requires);

Associate(s) has the meaning given in the Corporations Act;

ASX means the Australian Securities Exchange or ASX Limited ACN 008 624 691;

ASX Listing Rules means the official Listing Rules of ASX;

Board means the board of Directors of the Company at the date of this Notice;

Chair means the chair of the Meeting;

Closely Related Party of a member of the Key Management Personnel for an entity, includes:

1. a spouse or child of the member;
2. a child of the member's spouse;
3. a dependent of the member or of the member's spouse;
4. anyone else who is one of the member's family and may be expected to influence the member, or be influenced by the member, in the member's dealings with the entity;
5. a company the member controls; or
6. a person prescribed as such by the *Corporations Regulations 2001* (Cth);

Company means Terragen Holdings Limited ACN 073 892 636;

Constitution means the constitution of the Company in effect at the time of the Meeting;

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

Directors means the directors of the Company as at the date of this Notice of Meeting, being Travis Dillon, Paul Schober, Sam Brougham, Ingrid van Dijken and Jim Cooper;

MD Options means the options proposed to be issued to Jim Cooper, the Managing Director and Chief Executive Officer, pursuant to Resolution 5 on the terms and conditions set out in Appendix 1;

Employee Incentive Plan or EIP means the Company's Employee Incentive Plan dated 17 July 2019, the key terms of which are summarised in Appendix 2;

Equity Securities includes a Share, a right to a Share or Option, an Option, a convertible security and any security that ASX decides to classify as an Equity Security;

Explanatory Memorandum means this explanatory memorandum that accompanies and forms part of the Notice of Meeting;

Financial Report means the 30 June 2020 financial report of the Company, a copy of which was lodged with ASX on 31 August 2020 under the announcement "Appendix 4E and Full Year Statutory Accounts";

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

Notice of Meeting means the notice of annual general meeting dated 9 October 2020 which this Explanatory Memorandum accompanies and in which the Resolutions are set out;

Ordinary Securities has the meaning set out in the ASX Listing Rules;

Proxy Form means a valid proxy form for this Annual General Meeting (unless the context otherwise requires);

Remuneration Report means the remuneration report of the Company for the year ended 30 June 2020 contained in the Financial Report;

Resolution or **Resolutions** means the resolutions referred to in the Notice of Meeting;

Share means a fully paid ordinary share in the Company; and

Shareholder means a holder of Shares.

APPENDIX 1

TERMS AND CONDITIONS OF DIRECTOR OPTIONS TO BE ISSUED TO THE MANAGING DIRECTOR AND CHIEF EXECUTIVE OFFICER (MD OPTIONS) PURSUANT TO RESOLUTION 5

The MD Options are being issued under the Company's Employee Incentive Plan (EIP) and are subject to the provisions of the EIP. A summary of the key terms of the EIP is provided in Appendix 2 to the Explanatory Memorandum.

1. Each MD Option entitles the holder to one ordinary share in the Company subject to payment of the exercise price.
2. The MD Options shall be issued in the following tranches:
Tranche 1 - 1,000,000 options with an exercise price of \$0.25 per option.
Tranche 2 - 2,000,000 options with an exercise price of \$0.50 per option.
Tranche 3 - 5,000,000 options with an exercise price of \$1.00 per option.
3. The expiry date of the MD Options shall be 5 years from the date on which they are issued.
4. The MD Options are not subject to any vesting conditions and will vest immediately.
5. MD Options not exercised before the expiry of the exercise period will lapse.
6. MD Options are exercisable by notice in writing to the Board delivered to the registered office of the Company and payment of the exercise price per option in cleared funds.
7. The Company will not apply to ASX for official quotation of the MD Options.
8. The Company will make application for official quotation on ASX of new shares allotted on exercise of the MD Options. Those shares will participate equally in all respects with existing issued ordinary shares, and new shares allotted on exercise of the options will qualify for dividends declared after the date of their allotment.
9. MD Options can only be transferred with Board approval, except that if at any time before expiry of the exercise period the option holder dies, the legal personal representative of the deceased option holder may:
 - (i) elect to be registered as the new holder of the MD Options;
 - (ii) whether or not he or she becomes so registered, exercise those options in accordance with the terms and conditions on which they were granted; and
 - (iii) if the deceased has already exercised options, pay the exercise price in respect of those options.
10. An option holder may only participate in new issues of securities to holders of ordinary shares in the Company if the option has been exercised and shares allotted in respect of the option before the record date for determining entitlements to the issue. The Company must give prior notice to the option holder of any new issue before the record date for determining entitlements to the issue in accordance with the ASX Listing Rules.
11. If there is a bonus issue to the holders of ordinary shares in the capital of the Company, the number of ordinary shares over which the option is exercisable will be increased by the number of ordinary shares which the holder of the option would have received if the option had been exercised before the record date for the bonus issue.

12. If, during the currency of the options the issued capital of the Company is reorganised, those options will be reorganised to the extent necessary to comply with ASX Listing Rules.

APPENDIX 2

SUMMARY OF THE KEY TERMS OF THE TERRAGEN HOLDINGS LIMITED EMPLOYEE INCENTIVE PLAN (EIP)

On 17 July 2019, Terragen adopted an Employee Incentive Plan (EIP) to assist in the motivation, reward and retention of its Directors, executive staff and other selected employees.

The key terms of the Employee Incentive Plan are detailed below.

Terms	Description
Purpose:	The purpose of the Employee Incentive Plan is to provide competitive, performance-based remuneration to assist in the motivation, reward and retention of those eligible to receive it.
Eligibility:	<p>Incentives under the Employee Incentive Plan may be offered to an Eligible Employee which means:</p> <ul style="list-style-type: none">• an employee of a Group Company;• an executive director, a non-executive director or a company secretary of a Group Company; or• a contractor or consultant who provides services to a Group Company. <p>In selecting Eligible Employees to apply for, or otherwise receive, Incentives, the Board will have regard to:</p> <ul style="list-style-type: none">• the position in the Terragen Group held or to be held by the Eligible Employee;• the Eligible Employee's length of service with the Terragen Group;• the contribution made by the Eligible Employee to the Terragen Group;• the potential contribution to be made by the Eligible Employee to the Terragen Group; and• any other matters which the Board considers relevant.
Form of equity:	<p>The following incentives (Incentives) may be issued under the Employee Incentive Plan:</p> <ul style="list-style-type: none">• a performance right;• an option; and• a Share.
Terms of award:	<p>A grant of Incentives under the Employee Incentive Plan is subject to both the rules of the Employee Incentive Plan and the terms of the specific grant.</p> <p>The Board must give to each Eligible Employee who is invited to apply for Incentives under the Employee Incentive Plan an application form together with an offer letter setting out the following information in relation to the Incentives:</p> <ul style="list-style-type: none">• whether the Incentives are performance rights, options or Shares;• the number of Incentives for which the Eligible Employee may apply;• the consideration (if any) for the grant of the Incentives;• if the Incentives are options or performance rights:<ul style="list-style-type: none">– the exercise price of the options and performance rights (if any) or the method of determining such exercise price;– the latest time at which the options and performance rights may be exercised;

Terms	Description
	<ul style="list-style-type: none"> - any applicable vesting conditions (including, without limitation, the period or periods during which the options and performance rights or any of them may be exercised and any applicable Performance Hurdles); • the conditions of any holding lock which apply to the Incentives; • any other terms and conditions relating to the invitation or the Incentives, which in the opinion of the Board, are fair and reasonable and not inconsistent with these Rules; • the time within which the invitation may be accepted by the Eligible Employee (Acceptance Period); • in respect of the initial application made by an Eligible Employee, a summary of, or a copy of, these Rules; and • any other information or documents that the Applicable Law require the Company to give to the Eligible Employee.
<p>Vesting and exercise:</p>	<p>The vesting of options and performance rights and the exercise of any options or performance rights granted under the Employee Incentive Plan may only be effected in such form and manner as the Board prescribes.</p> <p>An option or performance rights granted under the Employee Incentive Plan may only be exercised if, at the time of exercise:</p> <ul style="list-style-type: none"> • the option or performance rights has vested; • the option or performance rights has not been forfeited or lapsed; and • the exercise price (for option or performance right (as adjusted if applicable)) has been paid. <p>The exercise of some options or performance rights only does not affect the holder's right to exercise other options or performance rights at a later time.</p> <p>Following exercise of an option or performance rights, the Company must, within such time as the Board determines, issue to the person exercising the option or performance rights, that number of Shares in respect of which the option or performance rights has been exercised, credited as fully paid.</p>
<p>Lapse or forfeiture:</p>	<p>End of exercise period</p> <p>Subject to the following, an option or performance rights automatically lapses as at the moment immediately after:</p> <ul style="list-style-type: none"> • (if that option or performance rights is not a vested option or performance rights) the latest time at which that option or performance rights may become a Vested option or performance rights, as specified by the Board in the offer letter; or • (if that option or performance rights is a vested option or performance rights) the latest time at which that option or performance rights may be exercised, as specified by the Board in the offer letter. <p>Good leaver</p> <p>If a holder of options or performance rights is a good leaver, then:</p> <ul style="list-style-type: none"> • all options or performance rights held by the holder that are Vested options or performance rights at the date of cessation of employment or office or contractual relations may be exercised by the holder during the 30 day period (or such longer period as is specified in the applicable documentation) following the date of cessation of employment or office or contract (notwithstanding that the exercise period

Terms	Description
	<p>specified in the offer letter may end during the 30 day period), after which those options or performance rights will automatically lapse;</p> <ul style="list-style-type: none"> • all other options or performance rights held by the holder will be automatically forfeited and automatically lapse on the date of cessation of employment or office or contract; and • all offer letters which have not been accepted by the holder are automatically revoked on the date of cessation of employment or office, <p>unless the Board determines otherwise.</p> <p>Bad leaver</p> <p>If a holder of options or performance rights is a bad leaver, then on the date of cessation of employment or office or contract:</p> <ul style="list-style-type: none"> • all options and performance rights held by the holder will be automatically forfeited and automatically lapse; • the holder automatically forfeits all of his/her rights, title and interest in all options, performance rights and entitlements; and • all offer letters which have not been accepted by the holder are automatically revoked,
Alteration of capital and reconstructions	<p>Subject to all applicable laws and the ASX Listing Rules, if the Company makes any new issue of securities or alterations to its capital by way of a rights issue, bonus issue or other distribution of capital, reduction of capital or reconstruction of capital then the Board may make adjustments to the rights attaching to those options or performance rights (including, without limitation, to the number of Shares which may be acquired on exercise of the options or performance rights and the exercise price of an option or performance right) on any basis it deems fit in its discretion.</p>
New issue	<p>Subject to all applicable laws and the ASX Listing Rules, unless the Board determines otherwise, a holder is only entitled to participate (in respect of options or performance rights granted under the Employee Incentive Plan) in a new issue of Shares to existing shareholders of the Company if the holder has validly exercised its options or performance rights and become a Shareholder prior to the relevant record date, and is then only entitled to participate in relation to Shares of which the holder is the registered holder.</p>
Shares	<p>All Shares (including incentive Shares and Shares issued on exercise of options or performance rights) issued under the Employee Incentive Plan will rank equally in all respects with all existing Shares from the date of allotment.</p>



003 / 000001

Sam Sample

LODGE YOUR VOTE

ONLINE
www.linkmarketservices.com.au

BY MAIL
Terragen Holdings 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

ALL ENQUIRIES TO
Telephone: +61 1300 554 474

<Reference Number>

PROXY FORM

I/We being a member(s) of Terragen Holdings Limited (the **Company**) 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 and email of the person or body corporate you are appointing as your proxy. An email will be sent to your appointed proxy with details on how to access the virtual meeting.

Name

Email

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 **12:00pm (AEDST) on Wednesday, 18 November 2020** (the **Meeting**) and at any postponement or adjournment of the Meeting.

The Meeting will be conducted as a virtual meeting and you can participate by logging in online at <https://agmlive.link/TGH20> (refer to details in the Virtual Meeting Online Guide).

Important for Resolutions 1 and 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 and 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

	For	Against	Abstain*		For	Against	Abstain*
1 Adoption of Remuneration Report (non-binding resolution)	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	5 Issue of Options to Mr Jim Cooper	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
2 Re-election of Director, Dr Paul Schober	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	6 Amendment to Constitution	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
3 Re-election of Director, Mr Travis Dillon	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>				
4 Re-election of Director, Ms Ingrid van Dijken	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>				

i * If you mark the Abstain box for a particular Item, you are directing your proxy not to vote on your behalf 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).

TGH PRX2001N

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 and email address of that individual or body corporate in Step 1. A proxy need not be a shareholder of the Company.

DEFAULT TO CHAIRMAN OF THE MEETING

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

VOTES ON ITEMS OF BUSINESS – PROXY APPOINTMENT

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

APPOINTMENT OF A SECOND PROXY

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

To appoint a second proxy you must:

- (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 virtually the appropriate "Certificate of Appointment of Corporate Representative" must be received at registrars@linkmarketservices.com.au prior to admission in accordance with the Notice of Annual General 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 **12:00pm (AEDST) on Monday, 16 November 2020**, 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

Terragen Holdings 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

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



Update your details online

1. Visit www.linkmarketservices.com.au and click on "**Investor Login**" or scan the QR Code (on the right) to take you to the Investor Centre
2. You may wish to set up a Portfolio* to easily manage multiple holdings
 - * Setting up a portfolio login allows you to easily manage your holdings across a number of issuers for whom Link acts as the Share Registry
3. If you do not have a Portfolio login, please login using the Single Holding login
4. Key in Terragen Holdings Limited or TGH in the **Issuer Name** field
5. Enter your **Securityholder Reference Number (SRN) or Holder Identification Number (HIN)**. This is located on the top right hand side of the front of this letter and on your holding statement
6. Enter your **postcode** or, if your registered address is overseas, click on the **OUTSIDE AUSTRALIA** link to look up your country of residence
7. Type in the security code
8. Click on the box regarding the terms and conditions
9. Click on Login



Update your Communications Preference

1. Click on the **Communications** tab at the top of the page
2. There are a number of options
3. Check the first button to receive all communications electronically. This will include company announcements, dividend or payment statements, annual reports and notices of meeting documents.
4. Enter your email address.