



## **Terragen Holdings Limited** **ACN 073 892 636**

### **Notice of Annual General Meeting & Explanatory Statement**

**To be held at:** Convening as a virtual meeting at <https://meetings.linkgroup.com/TGHAGM23>  
**To be held on:** Thursday 23 November 2023  
**Commencing:** 2:00 p.m. AEDT (Melbourne time)

More information regarding online participation at the Annual General Meeting (including how to vote and ask questions online during the Annual General Meeting) is available in Section C of this Notice of Annual General Meeting.

#### **Important Information**

This Notice of Meeting should be read in its entirety. If Shareholders are in doubt as to how they should vote, they should seek advice from their professional advisors prior to voting.

**Important dates**

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Deadline for lodgement of Proxy Forms for the Annual General Meeting	2:00 p.m. AEDT (Melbourne time) Tuesday 21 November 2023
Annual General Meeting	2:00 p.m. AEDT (Melbourne time) Thursday 23 November 2023

## Letter from the Chair

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Dear Shareholders,

We are pleased to invite you to the Annual General Meeting of Terragen Holdings Limited ACN 073 892 636 (**Company**) to be held at 2:00 p.m. AEDT (Melbourne time) on Thursday 23 November 2023 as a virtual meeting (**Annual General Meeting**).

In accordance with Part 1.2AA of the *Corporations Act 2001 (Cth)*, the Company will only be dispatching physical copies of the Notice of Annual General Meeting (**Notice of Annual General Meeting**) to Shareholders who have elected to receive the Notice of Annual General Meeting in physical form. The Notice of Annual General Meeting is being made available to Shareholders electronically and can be viewed and downloaded online on the Company's ASX market announcements page (ASX:TGH).

Questions from Shareholders who plan not to attend the Annual General Meeting must be submitted in advance of the Annual General Meeting. It may not be possible to respond to all questions. It is encouraged that Shareholders lodge questions prior to the meeting by submitting your question to the Company Secretary by email at [Robyns@terragen.com.au](mailto:Robyns@terragen.com.au).

### Background to the Resolutions

In addition to customary resolutions, this Annual General Meeting seeks the approval of Shareholders for:

- the re-election of Non-Executive Director, Sam Brougham;
- the election of Non-Executive Director and Chairman, Mike Barry;
- the election of Executive Director, Miles Brennan;
- the election of Non-Executive Director, Scobie Ward;
- the additional 10% placement facility under ASX Listing Rule 7.1A; and
- the appointment of SW Audit as auditor.

All of the Directors entitled to make a recommendation in respect of a particular Resolution recommend that you vote in favour of adopting that Resolution.

### Voting

#### Virtual Annual General Meeting

The Company is pleased to provide Shareholders with the opportunity to attend and participate in the Annual General Meeting virtually through an online meeting platform powered by Link Market Services.

Shareholders participating virtually will be able to watch, listen, ask questions and vote online.

#### Your vote is important

The business of the Annual General Meeting affects your shareholding and your vote is important.

All resolutions will be decided on a poll. The poll will be conducted based on votes submitted by proxy and at the Annual General Meeting.

Further instructions on how to vote virtually are provided for in the Notice of Annual General Meeting.

Alternatively, Shareholders are strongly encouraged to complete and submit their vote by proxy by using one of the following methods:

<b>Online</b>	Lodge the Proxy Form online at <a href="https://investorcentre.linkgroup.com">https://investorcentre.linkgroup.com</a> by following the instructions: Login to the Link Market Services website using the holding details as shown on the Proxy Form and click on 'Voting'. To use the online lodgement facility, Shareholders will need their holder number
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(Securityholder Reference Number (SRN) or Holder Identification Number (HIN)) as shown on the front of the Proxy Form.

**By post**

Completing the enclosed Proxy Form and posting it to:  
Link Market Services, Locked Bag A14, Sydney South NSW 1235

**By hand**

Completing the enclosed Proxy Form and delivering it by hand to:  
Link Market Services, Parramatta Square, Level 22, Tower 6, 10 Darcy Street, Parramatta NSW 2150

Your Proxy instruction must be received no later than 48 hours before the commencement of the Annual General Meeting. Proxy Forms received later than this time will be invalid.

If you are unsure as to how to vote, we recommend that you speak with your professional adviser.

**The Chair intends to vote all open proxies in favour of all resolutions, where permitted.**

**Booklet & Questions**

With respect to the Annual General Meeting, this booklet contains the following:

- the Notice of Meeting for the Annual General Meeting which contains information about the business to be conducted at the Annual General Meeting, including the Resolutions to be put to the Annual General Meeting (see Section B);
- information explaining the business to be conducted at the Annual General Meeting (see the Explanatory Statement at Section D); and
- information on how to vote, how to attend the Annual General Meeting and how to appoint a proxy to vote on the Resolutions to be passed at the Annual General Meeting (see Section C).

Please read the whole of this booklet carefully as it provides important information on the Annual General Meeting, items of business and the Resolutions that you, as a Shareholder, are being asked to vote on. Should you wish to discuss the matters in this Notice of Annual General Meeting please do not hesitate to contact the Company Secretary, Robyn Smith, by email at [Robyns@terrigen.com.au](mailto:Robyns@terrigen.com.au).

By order of the Board

Dated 23 October 2023



Mike Barry – Chair  
Terragen Holdings Limited

## Section A – Glossary

<b>\$</b>	Australian dollars.
<b>AEDT</b>	Australian Eastern Daylight Savings Time.
<b>Annual General Meeting</b>	The Annual General Meeting of Shareholders.
<b>ASIC</b>	The Australian Securities & Investments Commission.
<b>ASX</b>	The Australian Securities Exchange operated by ASX Limited.
<b>ASX Listing Rules or Listing Rules</b>	The listing rules of the ASX, as amended from time to time.
<b>Board</b>	The board of directors of the Company.
<b>Closely Related Party</b>	<p>A “Closely Related Party” of a member of the Key Management Personnel means:</p> <ul style="list-style-type: none"> <li>• a spouse or child of the member;</li> <li>• a child of the member’s spouse;</li> <li>• a dependent of the member or the member’s spouse;</li> <li>• 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 dealing with the entity;</li> <li>• a company the member controls; or</li> <li>• a person prescribed by the Corporations Regulations.</li> </ul>
<b>Company</b>	Terragen Holdings Limited ACN 073 892 636.
<b>Constitution</b>	The constitution of the Company.
<b>Corporations Act</b>	The <i>Corporations Act 2001</i> (Cth).
<b>Corporations Regulations</b>	The <i>Corporations Regulations 2001</i> (Cth).
<b>Directors</b>	The directors of the Company.
<b>Equity Securities</b>	Any type of security in the Company, including a Share, option, unit, convertible security, and as otherwise defined in the ASX Listing Rules.
<b>Explanatory Statement</b>	The explanatory statement accompanying the Notice of Annual General Meeting and contained in <b>Section D</b> to this booklet.
<b>Glossary</b>	The glossary contained in Section A to this booklet.
<b>Key Management Personnel</b>	Has the meaning given in the accounting standards as 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) of the Company.
<b>Notice of Annual General Meeting</b>	The notice of the Annual General Meeting accompanying the Explanatory Statement for the Annual General Meeting and contained in Section B to this booklet.
<b>Proxy Form</b>	The Proxy Form accompanying this Notice of Annual General Meeting. Refer to <b>Section C</b> for details.
<b>Resolution(s)</b>	The resolution(s) contained in the Notice of Annual General Meeting.
<b>Section</b>	A section of this booklet.
<b>Shareholders</b>	The holders of all shares issued in the Company and <b>Shareholder</b> means any one of them.
<b>Shares</b>	All of the ordinary shares on issue in the share capital of the Company and <b>Share</b> means any one of them.
<b>Trading Day</b>	Has the meaning given in ASX Listing Rule 19.12.
<b>VWAP</b>	The volume-weighted average price.

## Section B – Notice of Annual General Meeting

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### Time and place

Notice is hereby given that the Annual General Meeting will be held as follows:

Held: Virtually at <https://meetings.linkgroup.com/TGHAGM23>

Commencing at: 2:00 p.m. AEDT (Melbourne time) on Thursday 23 November 2023

### Explanatory Statement

The Explanatory Statement which accompanies and forms part of this Notice of Annual General Meeting describes the matters to be considered at the Annual General Meeting.

### Defined terms

Terms used in this Notice of Annual General Meeting have the meaning given to them in the Glossary in **Section A** of this Notice of Annual General Meeting.

## ORDINARY BUSINESS

### 1. Financial statements and reports

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To receive and consider the Company's 2023 Annual Report, which comprises the Directors' Report, the Auditor's Report and the Financial Report for the financial year ended 30 June 2023.

### 2. Resolution 1: Adoption of Remuneration Report

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To consider and, if thought fit, pass the following resolution as an **ordinary resolution**:

*"That, for the purposes of section 250R(2) of the Corporations Act, and for all other purposes, Shareholders adopt the Remuneration Report for the financial year ended 30 June 2023 as disclosed in the Directors' Report for the year ended 30 June 2023."*

Please note that the vote on this resolution is advisory only and does not bind the Directors or the Company.

**Short Explanation:** This Resolution is required as a result of section 250R(2) of the Corporations Act, which requires that a resolution that the Remuneration Report of the Company be adopted must be put to a vote. The vote on this Resolution is advisory only and does not bind 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 member of the Key Management Personnel whose remuneration details are included in the Remuneration Report; or
- a Closely Related Party of such member.

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

- the person does so as a proxy; and
- 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
- either:
  - the voter is appointed as a proxy by writing that specifies the way the proxy is to vote on this Resolution; or
  - 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.

### 3. Resolution 2: Re-election of Mr Sam Brougham

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To consider and, if thought fit, pass the following resolution as an **ordinary resolution**:

*"That Mr Sam Brougham who retires by rotation as a Director of Terragen Holdings Limited in accordance with rule 17.5 of the Company's Constitution and, being eligible and offering himself for re-election, be re-elected as a Director of the Company."*

**Short Explanation:** This Resolution is required as rule 17.5 of the Company's Constitution provides that at each annual general meeting one-third of the Directors (except for the managing director), or if their number is not three or a multiple of three, then the number nearest but not exceeding one-third, must retire from office by rotation. Each retiring Director is eligible for re-election.

This number cannot come from those Directors standing for election following the appointment by the Board.

### 4. Resolution 3: Election of Mr Mike Barry

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To consider and, if thought fit, pass the following resolution as an **ordinary resolution**:

*"That Mr Mike Barry who was appointed by the Board on 30 June 2023 and who retires as a Director of Terragen Holdings Limited in accordance with ASX Listing Rule 14.4 and rule 17.7 of the Company's Constitution and, being eligible and offering himself for election, be elected as a Director of the Company."*

**Short Explanation:** This Resolution is required as rule 17.7 of the Company's Constitution provides that any Director appointed by the Board, to fill a casual vacancy or as an addition to the existing Directors, holds office only until the next following annual general meeting and is then eligible for election by Shareholders but shall not be considered in determining the Directors who are to retire by rotation (if any) at that meeting.

Further, ASX Listing Rule 14.4 provides that a director appointed to fill a casual vacancy or as an addition to the board must not hold office (without re-election) past the next annual general meeting of the company.

### 5. Resolution 4: Election of Mr Miles Brennan

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To consider and, if thought fit, pass the following resolution as an **ordinary resolution**:

*"That Mr Miles Brennan who was appointed by the Board on 28 March 2023 and who retires as a Director of Terragen Holdings Limited in accordance with ASX Listing Rule 14.4 and rule 17.7 of the Company's Constitution and, being eligible and offering himself for election, be elected as a Director of the Company."*

**Short Explanation:** This Resolution is required as rule 17.7 of the Company's Constitution provides that any Director appointed by the Board, to fill a casual vacancy or as an addition to the existing Directors, holds office only until the next following annual general meeting and is then eligible for election by Shareholders but shall not be considered in determining the Directors who are to retire by rotation (if any) at that meeting.

Further, ASX Listing Rule 14.4 provides that a director appointed to fill a casual vacancy or as an addition to the board must not hold office (without re-election) past the next annual general meeting of the company.

## 6. Resolution 5: Election of Mr Scobie Ward

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To consider and, if thought fit, pass the following resolution as an **ordinary resolution**:

*"That Mr Scobie Ward who was appointed by the Board on 7 September 2023 and who retires as a Director of Terragen Holdings Limited in accordance with ASX Listing Rule 14.4 and rule 17.7 of the Company's Constitution and, being eligible and offering himself for election, be elected as a Director of the Company."*

**Short Explanation:** This Resolution is required as rule 17.7 of the Company's Constitution provides that any Director appointed by the Board, to fill a casual vacancy or as an addition to the existing Directors, holds office only until the next following annual general meeting and is then eligible for election by Shareholders but shall not be considered in determining the Directors who are to retire by rotation (if any) at that meeting.

Further, ASX Listing Rule 14.4 provides that a director appointed to fill a casual vacancy or as an addition to the board must not hold office (without re-election) past the next annual general meeting of the company

## SPECIAL BUSINESS

### 7. Resolution 6: Approval of 10% Placement Facility

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

*"That, pursuant to and in accordance with ASX Listing Rule 7.1A and for all other purposes, Shareholders approve the issue of equity securities up to 10% of the issued capital of the Company (at the time of issue) calculated in accordance with the formula prescribed in ASX Listing Rule 7.1A.2 and on the terms and conditions referred to, in the Explanatory Statement accompanying this Notice."*

**Short Explanation:** Approval under ASX Listing Rule 7.1A will enable the Company to issue "equity securities" up to a further 10% of its issued Share capital through placements over a 12-month period after the Annual General Meeting (**10% Placement Facility**). This is in addition to its 15% placement capacity under ASX Listing Rule 7.1.

**Voting exclusion statement:** The Company will disregard any votes cast in favour of this Resolution by a person (and any associates of such a person) who is expected to participate, or who will obtain a material benefit as a result of, the proposed issue (except a benefit solely by reason of being a holder of ordinary securities in the Company).

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

- 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
- 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
- a holder acting solely in a nominee, trustee, custodial or other fiduciary capacity on behalf of a beneficiary, provided the following conditions are met:
  - 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
  - the holder votes on the resolution in accordance with directions given by the beneficiary to the holder to vote in that way.



## **8. Resolution 7: Appointment of Auditor**

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To consider and, if thought fit, pass the following resolution as an **ordinary resolution**:

*“That, for the purpose of section 327C(2) of the Corporations Act and for all other purposes, SW Audit, having been nominated by a member of the Company, pursuant to section 328B(1) of the Corporations Act, and being qualified and having consented in writing to act in the capacity of auditor of the Company, pursuant to section 328A(1) of the Corporations Act, be appointed as auditor of the Company effective from the close of the meeting.”*

<p><b>Short Explanation:</b> This Resolution is required under section 327C(2) of the Corporations Act to appoint SW Audit as auditor, following the Board's appointment of SW Audit as auditor on 1 December 2022 under section 327C(1) of the Corporations Act.</p>
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## **OTHER BUSINESS**

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To transact any other business which may be brought forward in accordance with the Constitution.

## Section C – How to vote

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If you are entitled to vote at the Annual General Meeting, you may vote by attending the Annual General Meeting virtually or by attending the meeting by proxy.

**Please note that if you intend to attend the meeting, you will need your shareholder number (which can be found on your Proxy Form) for verification purposes.**

### 1. Your vote is important

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The business of the Annual General Meeting affects your shareholding and your vote is important.

### 2. Venue and Voting Information

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The Annual General Meeting of the Shareholders to which this Notice of Annual General Meeting relates will be held at 2:00 (Melbourne time) on Thursday 23 November 2023 as a virtual meeting at <https://meetings.linkgroup.com/TGHAGM23>.

The company is pleased to provide Shareholders with the opportunity to attend and participate in the Annual General Meeting virtually through an online meeting platform powered by Link Market Services.

Shareholders participating virtually will be able to watch, listen, ask questions and vote online.

To access the virtual meeting on the day:

- (a) **All:** Open your internet browser and go to <https://meetings.linkgroup.com/TGHAGM23>.
- (b) **Shareholders:** When you log onto the online platform, you will need to provide your details (including SRN/HIN and postcode) to verified as a Shareholder. Shareholders with a registered address outside of Australia should click “Outside Australia” and select the country of their registered address.
- (c) **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 Annual General Meeting.

For further instructions on how to participate online (including how to vote and ask questions virtually during the Annual General Meeting), please refer to the Virtual Meeting Online Guide which can be found at [www.terragen.com.au](http://www.terragen.com.au).

Shareholders are also encouraged to submit questions in advance of the Annual General Meeting to the Company.

Questions must be submitted in writing to the Company Secretary by email at [robyns@terragen.com.au](mailto:robyns@terragen.com.au) at least 48 hours before the Annual General Meeting.

The Company will also provide Shareholders with the opportunity to ask questions during the Annual General Meeting in respect to the formal items of business as well as general questions in respect to the Company and its business.

### 3. Voting virtually at the Meeting

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Shareholders who wish to vote virtually on the day of the Annual General Meeting can do so through the online meeting platform powered by Link Market Services.

Once you are on the meeting platform, you will be able to obtain the voting card by clicking on 'Get a Voting Card' button. If you wish to ask a question, click on the 'Ask a Question' button.

For further information on the voting process, please refer to the Virtual Meeting Online Guide.

### 4. Voting by proxy

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To vote by proxy, please use one of the following methods:

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| <b>Online</b>  | Lodge the Proxy Form online at <a href="https://investorcentre.linkgroup.com">https://investorcentre.linkgroup.com</a> by following the instructions: Login to the Link Market Services website using the holding details as shown on the Proxy Form and click on 'Voting'. To use the online lodgement facility, Shareholders will need their holder number (Securityholder Reference Number (SRN) or Holder Identification Number (HIN)) as shown on the front of the Proxy Form. For further information on the online proxy lodgement process please see the reverse of the Proxy Form. |
| <b>By post</b> | Completing the enclosed Proxy Form and posting it to:<br>Link Market Services, Locked Bag A14, Sydney South NSW 1235  |
| <b>By hand</b> | Completing the enclosed Proxy Form and delivering it by hand to:<br>Link Market Services, Parramatta Square, Level 22, Tower 6, 10 Darcy Street, Parramatta NSW 2150  |

### 5. Eligibility to vote

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The Directors have determined pursuant to Regulation 7.11.37 of the *Corporations Regulations 2001* (Cth) that the persons eligible to vote at the Annual General Meeting are those that are registered Shareholders at 7:00pm (Sydney time) on Tuesday 21 November 2023. If you are not the registered holder of a relevant Share at that time you will not be entitled to vote in respect of that Share.

### 6. Voting procedure – on a poll

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Every resolution at this Annual General Meeting will be decided on a poll. Upon a poll, every person entitled to vote who is present at the virtual meeting or by proxy will have one vote for each voting share held by that person.

### 7. Enquiries

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For all enquiries, please contact the Company Secretary by email at [robyns@terragen.com.au](mailto:robyns@terragen.com.au).

## Section D – Explanatory Statement

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This Explanatory Statement forms part of the Notice of Annual General Meeting convening the Annual General Meeting of Shareholders of the Company to be held commencing at 2:00 p.m. AEDT (Melbourne time) on Thursday 23 November 2023 as a virtual meeting at <https://meetings.linkgroup.com/TGHAGM23>.

Refer to **Section C** for details on how to attend and vote at the Annual General Meeting.

This Explanatory Statement is to be read in conjunction with the Notice of Annual General Meeting.

### Purpose

The purpose of this Explanatory Statement is to provide information which the Directors believe is material to Shareholders in deciding whether or not to pass the Resolutions to be put forward in the Annual General Meeting.

The Directors recommend Shareholders read the Notice of Annual General Meeting and this Explanatory Statement in full before making any decisions relating to the Resolutions contained in the Notice of Annual General Meeting.

### Defined terms

Terms used in this Explanatory Statement have the meaning given to them in the Glossary in **Section A** of this Notice of Annual General Meeting in which this Explanatory Statement is contained.

## GENERAL INFORMATION

### 1. Agenda Item 1 – Financial statements and reports

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#### 1.1 Purpose

The Corporations Act requires that the report of the directors (**Directors' Report**), the auditor's report (**Auditor's Report**) and the financial report (**Financial Report**) be laid before the Annual General Meeting.

The 2023 Annual Report for the year ended 30 June 2023 includes the Directors' Reports, the Auditor's Report and the Financial Report (which includes the financial statements and directors' declaration).

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 2023 Annual Report.

#### 1.2 Questions to the Chair

Shareholders will be given reasonable opportunity at the meeting to raise questions and make comments on the 2023 Annual Report.

In addition to asking questions at the meeting, Shareholders may address written questions to the Chair about the management of the Company or to the Company's auditor, Mr Blayney Morgan of SW, if the question is relevant to:

- the content of the Auditor's Report; or
- the conduct of its audit of the Financial Report to be considered at the Annual General 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 the Company's auditor must be delivered by 5:00 p.m. AEDT (Melbourne time) on Thursday 16 November 2023 to:

Terragen Holdings Limited  
 Attn: The Company Secretary  
 Unit 6, 39 Access Crescent  
 Coolum Beach QLD 4573  
 Or via email to: [Robyns@terragen.com.au](mailto:Robyns@terragen.com.au)

## **2. Resolution 1: Adoption of Remuneration Report**

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### **2.1 Purpose of Resolution**

The Remuneration Report of the Company for the financial year ended 30 June 2023 is set out in the Directors' Report contained in the 2023 Annual Report.

The Remuneration Report sets out the Company's remuneration arrangements for the executive and non-executive Directors and executive employees of the Company.

The Corporations Act at section 250R(2) requires that a resolution that the Remuneration Report of the Company be adopted must be put to a vote.

A reasonable opportunity will be given for the discussion of the Remuneration Report at the meeting.

This Resolution is an ordinary resolution.

### **2.2 Voting consequences**

In accordance with the Corporations Act, the vote on this Resolution is advisory only and does not bind the Company.

However, Part 2G.2, Division 9 of the Corporations Act provides that if at least 25% of the votes cast on this Resolution are voted against the adoption of the Remuneration Report at the Annual General Meeting, then:

- (a) if comments are made on the Remuneration Report at the Annual General Meeting, the Company's Remuneration Report for the next financial year will be required to include an explanation of the Board's proposed action in response or, if no action is proposed, the Board's reason for this; and
- (b) if at the next Annual General Meeting, at least 25% of the votes cast on the resolution for adoption of the Remuneration Report are against such adoption, the Company will be required to put to Shareholders a resolution proposing that a general meeting be called to consider the election of Directors of the Company (**Spill Resolution**). If a Spill Resolution is passed, all of the Directors, other than the managing director, will cease to hold office at the subsequent general meeting, unless re-elected at that meeting.

### **2.3 Voting exclusion and Directors' recommendations**

As set out in the notes to Resolution 1, a voting exclusion statement applies with respect to the voting on this Resolution by certain persons connected to the Company.

As the resolution relates to matters including the remuneration of the Directors, the Board, as a matter of corporate governance and in accordance with section 250R(2) of the Corporations Act, makes no recommendations regarding this Resolution.

The Chair of the Annual General Meeting intends to vote undirected proxies in favour of Resolution 1, subject to compliance with the Corporations Act.

### **3. Resolution 2: Re-election of Mr Sam Brougham**

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#### **3.1 Purpose of Resolution**

Mr Sam Brougham has served as a director since 10 July 2017.

Mr Sam Brougham retires from office under rule 17.5 of the Constitution and stands for re-election.

This Resolution is an ordinary resolution.

#### **3.2 The law**

This Resolution is required as rule 17.5 of the Company's Constitution provides that at each annual general meeting one-third of the Directors (except for the managing director), or if their number is not three or a multiple of three, then the number nearest but not exceeding one-third, must retire from office by rotation. Each retiring Director is eligible for re-election.

This number cannot come from those Directors standing for election following the appointment by the Board.

Further, ASX Listing Rule 14.5 provides that an election of directors must be held at each annual general meeting.

#### **3.3 Director resume**

Mr Brougham has over thirty years' experience in private and public investment and is currently a director of Ellerston Asian Investments and Ceres Capital, a private global equity investment firm he co-founded in 1999.

Sam also co-founded Structured Asset Management in 1993. After receiving an economics degree from the University of Adelaide, he spent his early career with Price Waterhouse, and as a partner at JB Were.

Mr Brougham previously served as Chairman of the Board from July 2017 to December 2019, before continuing on the Board in the capacity of Non-Executive Director.

#### **3.4 Director independence**

Given Mr Sam Brougham has a relevant interest in 6.37% of the issued share capital of the Company, he is not considered to be an independent director.

#### **3.5 Directors' recommendations**

The Board (with Mr Sam Brougham abstaining) recommends that Shareholders vote in favour of Resolution 2.

The Chair of the Annual General Meeting intends to vote undirected proxies in favour of Resolution 2.

## **4. Resolution 3: Election of Mr Mike Barry**

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### **4.1 Purpose of Resolution**

Mr Mike Barry was appointed a Director on 30 June 2023.

Mr Mike Barry retires from office under ASX Listing Rule 14.4 and rule 17.7 of the Constitution and stands for re-election.

This Resolution is an ordinary resolution.

### **4.2 The law**

This Resolution is required as rule 17.7 of the Company's Constitution provides that any Director appointed by the Board holds office only until the next following annual general meeting and is then eligible for election by Shareholders but shall not be considered in determining the Directors who are to retire by rotation (if any) at that meeting.

Further, ASX Listing Rule 14.4 provides that a director appointed to fill a casual vacancy or as an addition to the board must not hold office (without re-election) past the next annual general meeting of the company.

### **4.3 Director resume**

Mr Barry is currently the Non-Executive Chair of Entyr Limited (ASX:ETR). Prior to this Mr Barry's executive career included 10 years in senior executive roles at Boral Limited, including Regional General Manager for the Western Australian and South Australian Construction Materials operations. Mr Barry was also the CEO of MSF Sugar Limited for 13 years up until 2020.

### **4.4 Director independence**

The Board considers that Mr Mike Barry is free from any business or any other relationship that could materially interfere with, or reasonably be perceived to interfere with, the exercise of his unfettered and independent judgement and is able to fulfil the role of independent Director for the purpose of the ASX Recommendations.

### **4.5 Directors' recommendations**

The Board (with Mr Mike Barry abstaining) recommends that Shareholders vote in favour of Resolution 3.

The Chair of the Annual General Meeting intends to vote undirected proxies in favour of Resolution 3.

## **5. Resolution 4: Election of Mr Miles Brennan**

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### **5.1 Purpose of Resolution**

Mr Miles Brennan was appointed a Director on 28 March 2023.

Mr Miles Brennan retires from office under rule 17.7 of the Constitution and stands for re-election.

This Resolution is an ordinary resolution.

### **5.2 The law**

This Resolution is required as rule 17.7 of the Company's Constitution provides that any Director appointed by the Board, to fill a casual vacancy or as an addition to the existing Directors, holds

office only until the next following annual general meeting and is then eligible for election by Shareholders but shall not be considered in determining the Directors who are to retire by rotation (if any) at that meeting.

Further, ASX Listing Rule 14.4 provides that a director appointed to fill a casual vacancy or as an addition to the board must not hold office (without re-election) past the next annual general meeting of the company.

### **5.3 Director resume**

Mr Brennan has 20 years' experience in senior finance and operational roles with consumer goods companies including Red Bull UK, Fosters, Treasury Wine Estates and Simplot Australia.

### **5.4 Director independence**

As the managing director, Mr Miles Brennan is not considered to be an independent director.

### **5.5 Directors' recommendations**

The Board (with Mr Miles Brennan abstaining) recommends that Shareholders vote in favour of Resolution 4.

The Chair of the Annual General Meeting intends to vote undirected proxies in favour of Resolution 4.

## **6. Resolution 5: Election of Mr Scobie Ward**

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### **6.1 Purpose of Resolution**

Mr Scobie Ward was appointed a Director on 7 September 2023.

Mr Scobie Ward retires from office under ASX Listing Rule 14.4 and rule 17.7 of the Constitution and stands for re-election.

This Resolution is an ordinary resolution.

### **6.2 The law**

This Resolution is required as rule 17.7 of the Company's Constitution provides that any Director appointed by the Board, to fill a casual vacancy or as an addition to the existing Directors, holds office only until the next following annual general meeting and is then eligible for election by Shareholders but shall not be considered in determining the Directors who are to retire by rotation (if any) at that meeting.

Further, ASX Listing Rule 14.4 provides that a director appointed to fill a casual vacancy or as an addition to the board must not hold office (without re-election) past the next annual general meeting of the company.

### **6.3 Director resume**

Mr Ward was an early investor in Terragen, holding shares in the Company prior to its IPO in 2019. Since the Company has listed on the ASX, Mr Ward has increased his interest and is now the largest shareholder of Terragen with an interest of approximately 33.31% following the issue (with Shareholder approval) of 83,333,340 Shares on 7 September 2023.

Mr Ward has a strong academic background, graduating cum laude with a BA from Harvard University in 1989 and holding a CFA charter. Mr Ward brings a wealth of experience, having over 30 years of investment management experience focusing on smaller listed companies. Mr Ward was also the co-founder and executive chairman of the investment firm Ward Ferry Management.



#### 6.4 Director independence

Given Mr Scobie Ward has a relevant interest in 33.31% of the issued share capital of the Company, he is not considered to be an independent director.

#### 6.5 Directors' recommendations

The Board (with Mr Scobie Ward abstaining) recommends that Shareholders vote in favour of Resolution 5.

The Chair of the Annual General Meeting intends to vote undirected proxies in favour of Resolution 5.

### 7. Resolution 6: Approval of 10% Placement Facility

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#### 7.1 Purpose of Resolution

Broadly speaking, and subject to a number of exceptions, ASX Listing Rule 7.1 limits the amount of Equity Securities that a listed company can issue without the approval of its shareholders over any 12-month period to 15% of the fully paid ordinary securities it had on issue at the start of that period.

Under ASX Listing Rule 7.1A, however, an eligible entity can seek approval from its members, by way of special resolution passed at its annual general meeting, to increase this 15% limit by an extra 10% to 25% (**10% Placement Facility**).

An eligible entity for the purposes of ASX Listing Rule 7.1A is an entity that is not included in the S&P/ASX 300 Index and has a market capitalisation of \$300 million or less. The Company is an eligible entity as it is not included in the S&P/ASX 300 Index and has a current market capitalisation of approximately \$9.96 million.

This Resolution seeks Shareholder approval by way of special resolution for the Company to have the additional 10% Placement Facility provided for in ASX Listing Rule 7.1A to issue Equity Securities without shareholder approval.

If this Resolution is passed, the Company will be able to issue Equity Securities up to the combined 25% limit in the ASX Listing Rules 7.1 and 7.1A without further Shareholder approval.

If this Resolution is not passed, the Company will not be able to access the additional 10% capacity to issue Equity Securities without Shareholder approval provided for in ASX Listing Rule 7.1A and will remain subject to the 15% limit on issuing Equity Securities without Shareholder approval set out in ASX Listing Rule 7.1.

#### 7.2 ASX Listing Rule requirements — Description of ASX Listing Rule 7.1A

##### (a) Shareholder Approval

The ability to issue Equity Securities under the 10% Placement Facility is subject to Shareholder approval by way of a special resolution at an Annual General Meeting.

##### (b) Equity Securities

Any Equity Securities issued under the 10% Placement Facility must be in the same class as an existing quoted class of Equity Securities of the Company. The Company, as at the date of the Notice, has ordinary shares on issue, being the "Shares".

##### (c) Formula for Calculating the 10% Placement Facility

Listing Rule 7.1A.2 provides that eligible entities which have obtained Shareholder approval at an Annual General Meeting may issue or agree to issue, during the 12

month period after the date of the Annual General Meeting, a number of Equity Securities calculated in accordance with the following formula:

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

**A** is the number of Shares on issue 12 months before the date of issue or agreement:

- (i) plus the number of fully paid ordinary securities issued in the 12 months under an exception to ASX Listing Rule 7.2 other than exception 9, 16 or 17;
- (ii) plus the number of fully paid ordinary securities issued in the relevant period on the conversion of convertible securities within ASX Listing Rule 7.2 exception 9 where:
  - (A) the convertible securities were issued or agreed to be issued before the commencement of the relevant period; or
  - (B) the issue of, or agreement to issue the convertible securities was approved or taken under these rules to have been approved under ASX Listing Rule 7.1 or 7.4;
- (iii) plus the number of fully paid ordinary securities issued in the relevant period under an agreement to issue securities within ASX Listing Rule 7.2 exception 16 where:
  - (A) the agreement was entered into before the commencement of the relevant period; or
  - (B) the agreement or issue was approved, or taken under these rules to have been approved under ASX Listing Rule 7.1 or 7.4;
- (iv) plus the number of any other fully paid ordinary securities issued in the relevant period with approval under ASX Listing Rule 7.1 or 7.4;
- (v) plus the number of any other fully paid ordinary securities that became fully paid in the relevant period; and
- (vi) less the number of fully paid ordinary securities cancelled in the last 12 months.

Note that A has the same meaning in ASX Listing Rule 7.1 when calculating an entity's 15% placement capacity.

**D** is 10%

**E** the number of Equity Securities issued or agreed to be issued under ASX Listing Rule 7.1A.2 in the last 12 months immediately preceding the date of issue of the shares where the issue or agreement has not been subsequently approved by the holders of its ordinary securities under ASX Listing Rule 7.4.

(d) **ASX Listing Rule 7.1 and ASX Listing Rule 7.1A**

The ability of an entity to issue Equity Securities under ASX Listing Rule 7.1A is in addition to the entity's 15% placement capacity under ASX Listing Rule 7.1.

In accordance with ASX Listing Rule 7.1, as at the date of this Notice, the Company currently has on issue 369,081,126 Shares and the capacity to issue 55,362,168 Equity Securities.

Under ASX Listing Rule 7.1A the Company requests an additional 10% capacity which will increase the total number of Equity Securities that can be placed without Shareholder approval to 92,270,280 for the next 12 months.

The actual number of Equity Securities that the Company will have capacity to issue under ASX Listing Rule 7.1A will be calculated at the date of issue of the Equity Securities in accordance with the formula prescribed in ASX Listing Rule 7.1A.2 (refer to paragraph (c) above).

(e) **Minimum Issue Price**

The Company may seek to issue the equity securities in consideration for cash only. The issue price of Equity Securities issued under ASX Listing Rule 7.1A must not be less than 75% of the VWAP of Equity Securities in the same class calculated over the 15 Trading Days on which trades in that class were recorded immediately before:

- (i) the date on which the price at which the Equity Securities are to be issued is agreed; or
- (ii) if the Equity Securities are not issued within 10 Trading Days of the date in paragraph (i) above, the date on which the Equity Securities are issued.

(f) **10% Placement Period**

Shareholder approval of the 10% Placement Facility under ASX Listing Rule 7.1A is valid from the date of the Annual General Meeting at which the approval is obtained and expires on the earlier to occur of:

- (i) the date that is 12 months after the date of the Annual General Meeting at which approval is obtained;
- (ii) the time and date of the Company's next annual general meeting; or
- (iii) the time and date of the approval by Shareholders of a transaction under ASX Listing Rules 11.1.2 (a significant change to the nature or scale of activities) or 11.2 (disposal of main undertaking),

or such longer period if allowed by the ASX (**10% Placement Period**).

### 7.3 Effect of ASX Listing Rule 7.1A

The effect of Resolution 6 will be to allow the Directors to issue the Equity Securities under ASX Listing Rule 7.1A during the 10% Placement Period without using the Company's 15% placement capacity under ASX Listing Rule 7.1.

### 7.4 Specific information required by ASX Listing Rule 7.3A

In accordance with ASX Listing Rule 7.3A, information is provided as follows:

- (a) **Minimum price** - The Company may seek to issue the Equity Securities in consideration for cash only. The Equity Securities will be issued at an issue price of not less than 75% of the VWAP for the Company's Equity Securities over the 15 Trading Days on which trades in that class were recorded immediately before:
  - (i) the date on which the price at which the Equity Securities are to be issued is agreed; or
  - (ii) if the Equity Securities are not issued within 10 Trading Days of the date in paragraph (i) above, the date on which the Equity Securities are issued.
- (b) **Risk** - If Resolution 6 is approved by Shareholders and the Company issues Equity Securities under the 10% Placement Facility, the existing Shareholders' voting power in the Company will be diluted. The potential dilution effect is illustrated in the table below.
  - (i) the market price for the Company's Equity Securities may be significantly lower on the date of the issue of the Equity Securities than on the date of the Annual General Meeting; and

- (ii) the Equity Securities may be issued at a price that is at a discount to the market price for the Company's Equity Securities on the issue date or the Equity Securities are issued as part of consideration for the acquisition of a new asset,

which may have an effect on the amount of funds raised by the issue of the Equity Securities.

- (c) **Dilution** - The table below shows the dilution of existing Shareholders on the basis of the current market price of Shares and the current number of ordinary securities for variable "A" calculated in accordance with the formula in ASX Listing Rule 7.1A.2 as at the date of the Notice of Annual General Meeting.

The table also shows:

- (i) two examples where variable "A" has increased by 50% and 100%. Variable "A" is based on the number of ordinary securities the Company has on issue. The number of ordinary securities on issue may increase as a result of:
- (A) issues of ordinary securities that do not require Shareholder approval (for example, a pro-rata entitlements issue or scrip issued under a takeover offer); or
- (B) future issues of ordinary securities that are made with approval by Shareholders under ASX Listing Rule 7.1; or
- (C) future issues of ordinary securities that are made without approval and within the ASX Listing Rule 7.1 15% issue capacity; and
- (ii) two examples of where the issue price of ordinary securities has decreased by 50% and increased by 50% as against the current market price.

Number of Shares on issue (Variable "A" in Listing ASX Rule 7.1A.2)	No. of Shares issued under 10% placement capacity (10% voting dilution)	Dilution		
		Issue price		
		\$0.0135	\$0.027	\$0.0405
		Issue price at 50% decrease to current price	Issue price at current price	Issue price at 50% increase in current price
Funds raised				
369,081,126	36,908,113	\$498,259	\$996,519	\$1,494,778
50% increase to the current Shares 553,621,689	55,362,168	\$747,389	\$1,494,778	\$2,242,167
100% increase to the current Shares 738,162,252	73,816,225	\$996,519	\$1,993,038	\$2,989,557

\* The number of Shares on issue (Variable A in the formula) could increase as a result of the issue of Shares that do not require Shareholder approval (such as under a pro-rata rights issue or scrip issued under a takeover offer) or that are issued with Shareholder approval under ASX Listing Rule 7.1 or without approval under the ASX Listing Rule 7.1 15% issue capacity.

The table has been prepared on the following assumptions:

- (i) the Company issues the maximum number of Equity Securities available under the 10% Placement Facility;
- (ii) no convertible securities (including any convertible securities issued under the 10% Placement Facility) are converted into Shares before the date of issue of the Equity Securities;

- (iii) 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%;
  - (iv) the table does not show an example of dilution that may be caused to a particular Shareholder by reason of placements under the 10% Placement Facility, based on that Shareholder's holding at the date of the Meeting;
  - (v) the table shows only the effect of issues of Equity Securities under ASX Listing Rule 7.1A, not under the 15% placement capacity under ASX Listing Rule 7.1;
  - (vi) the issue of Equity Securities under the 10% Placement Facility consists only of Shares; and
  - (vii) the issue price is \$0.027 being the closing price of Shares on the ASX on 4 October 2023.
- (d) **Period of approval** - The Company will only issue the Equity Securities during the 10% Placement Period. The approval of Resolution 6 for the issue of the Equity Securities will cease to be valid in the event that Shareholders approve a transaction under ASX Listing Rule 11.1.2 (a significant change of the nature or scale of activities) or ASX Listing Rule 11.2 (disposal of main undertaking).
- (e) **Purpose of issue** - The Company may seek to issue the Equity Securities in consideration for cash only. In such circumstances, the Company intends to use the funds raised towards funding its growth agenda, as cash consideration for the acquisition of new assets and or other investments, or as cash for general working capital purposes.
- (f) **Disclosure obligations** - The Company will comply with the disclosure obligations under ASX Listing Rules 7.1A.4. Namely, upon issue of any Equity Securities:
- (i) it will state in its announcement of the proposed issue under ASX Listing Rule 3.10.3 or in its application for quotation of the securities under ASX Listing Rule 2.7 that the securities are being issued under ASX Listing Rule 7.1A; and
  - (ii) give to the ASX immediately after the issue a list of names of the persons to whom the Equity Securities are issued and the number of Equity Securities issued to each.
- (g) **Allocation policy** - The Company's allocation policy is dependent on the prevailing market conditions at the time of any proposed issue pursuant to the 10% Placement Facility. The identity of the allottees of Equity Securities will be determined on a case-by-case basis having regard to the factors including but not limited to the following:
- (i) 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;
  - (ii) the effect of the issue of the Equity Securities on the control of the Company;
  - (iii) the financial situation and solvency of the Company; and
  - (iv) advice from corporate, financial and broking advisers (if applicable).
- The allottees under the 10% Placement Facility have not been determined as at the date of the Notice of Annual General Meeting but may include existing substantial Shareholders and/or new Shareholders who are not a related party or an associate of a related party of the Company.
- (h) **Issues in prior 12 months** - The Company was admitted to the official list of the ASX in December 2019. The Company has not previously obtained shareholder approval under ASX Listing Rule 7.1A.

- (i) **Voting Exclusion statement** - A voting exclusion statement is included in the Notice of Annual General Meeting. At the date of the Notice of Annual General Meeting, the Company has not approached any particular existing Shareholder or security holder or an identifiable class of existing security holder to participate in the issue of the Equity Securities. No existing Shareholder's votes will therefore be excluded under the voting exclusion in the Notice of Annual General Meeting.

## 7.5 Voting exclusion and Directors' recommendations

The Board recommends that Shareholders vote in favour of Resolution 6.

A voting exclusion is contained in Resolution 6.

Resolution 6 is a special resolution and so requires the approval of 75% or more of the votes cast by Shareholders.

The Chair of the Annual General Meeting intends to vote undirected proxies in favour of Resolution 6.

## 8. Resolution 7: Appointment of Auditor

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### 8.1 Purpose of Resolution

On 1 December 2022 and in accordance with section 329(5) of the Corporations Act, Deloitte Touche Tohmatsu resigned as the Company's auditors.

Section 327C(1) of the Corporations Act provides that if:

- (a) a vacancy occurs in the office of auditor of a public company; and
- (b) the vacancy is not caused by the removal of an auditor from office; and
- (c) there is no surviving or continuing auditor of the company,

the directors of the company must, within 1 month after the vacancy occurs, appoint an auditor to fill the vacancy unless the company at a general meeting has appointed an auditor to fill the vacancy.

Section 327C(2) of the Corporations Act further provides that any such auditor appointed to fill the vacancy holds office until the company's next annual general meeting. This is consistent with section 327B(1) of the Corporations Act, which provides that a public company must appoint an auditor of the company at its first annual general meeting and thereafter at each subsequent annual general meeting where an auditor is appointed by the company to fill any vacancy in the office of auditor.

Pursuant to section 327C(1) of the Corporations Act, on 1 December 2022, the directors of the Company appointed SW Audit, to fill the vacancy in the office of auditor. The Company has received:

- (a) a nomination under section 328B of the Corporations Act from a shareholder for SW Audit to be re-appointed as the Company's auditor, a copy of which is annexed as **Annexure A** to this Explanatory Statement; and
- (b) a consent to act as auditor of the Company under section 328A of the Corporations Act, duly executed by SW Audit.

This Resolution seeks Shareholder approval pursuant to section 327B(1) of the Corporations Act to re-appoint SW Audit as the Company's auditor.

## **8.2 Directors' recommendations**

The Board recommends that Shareholders vote in favour of Resolution 7.

Resolution 7 is an ordinary resolution and so requires the approval of more than 50% of the votes cast by Shareholders.

The Chair of the Annual General Meeting intends to vote undirected proxies in favour of Resolution 7.

**Annexure A**

To: Company Secretary

Terragen Holdings Limited  
Unit 6, 39 Access Crescent  
Coolum Beach  
QLD Australia 4573

Dear Sir/Madam,

**NOMINATION OF AUDITOR**

For the purpose of Section 328B(1) of the *Corporations Act 2001* (Cth) (**Corporations Act**), I, Jocelyn West, being a member of Terragen Holdings Limited (the **Company**) hereby nominate SW Audit for appointment as Auditor of the Company at the 2023 Annual General Meeting of the Company.

Please distribute copies of this notice of nomination as required by sections 328B(3) and (4) of the Corporations Act.

Signed for and on behalf of Terragen Holdings Limited.



Dated: 26 September 2023