

23 April 2021



Dear Shareholders

On behalf of the Board of Directors, I extend an invitation for you to participate in the Phoslock Environmental Technologies Limited ACN 099 555 290 (**PET**) Annual General Meeting (**AGM**) on 25 May 2021 commencing at 10.30 am Melbourne time at the offices of Arnold Bloch Leibler, Level 21, 333 Collins St, Melbourne Vic 3000 or online at: <https://web.lumiagm.com/355633525>

Although we have arranged for shareholders to attend the AGM in person, given the ongoing focus on health and safety and COVID in the community, you may prefer to participate virtually, rather than in person. Both enable you to fully participate in the meeting.

You will find details of both the physical and virtual meeting formats in the accompanying Notice of Meeting, together with various methods for you to vote, ask questions and otherwise participate in the AGM.

The Chair's and CEO's presentations will be uploaded shortly prior to the commencement of the AGM to both the ASX website at [www.asx.com.au](http://www.asx.com.au) and to PET's website at <https://www.phoslock.com.au/site/Investors/agm>

You are welcome to also submit questions to PET in advance of the meeting. This can be done by sending the Company Secretary an email at [ir@phoslock.com.au](mailto:ir@phoslock.com.au) or via mail addressed to the Company Secretary at Level 16, 1 Collins Street, Melbourne Vic 3000. We will answer as many of the frequently asked questions submitted to PET as possible at the AGM. Individual replies will not be sent. Questions should be received by email or post by no later than 21 May 2021.

Included with this Notice of Meeting are an Explanatory Memorandum and a Proxy Form. There are a number of important matters to be put to the meeting, so I encourage you to carefully read the Notice of Meeting and Explanatory Memorandum in their entirety and to register your vote utilising the Proxy Form.

Ahead of our AGM, the 2020 Annual Report provides you with a detailed overview of business performance last year. We encourage you to read the report, available at [www.phoslock.com.au](http://www.phoslock.com.au)

Yours sincerely



Laurence Freedman AM  
Chairman  
Phoslock Environmental Technologies Limited



# Notice of Annual General Meeting and Explanatory Memorandum

## Phoslock Environmental Technologies Limited

ACN 099 555 290

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Date: Tuesday 25 May 2021

Time: 10:30 am

Venue: Offices of Arnold Bloch Leibler

Level 21, 333 Collins Street, Melbourne Vic 3000 or online at

<https://web.lumiagm.com/355633525>

<b>In this document you will find:</b>	<b>Page No</b>
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A Proxy Form	Enclosed

# Phoslock Environmental Technologies Limited

## ACN 099 555 290

Dear Phoslock Shareholder,

I am pleased to invite you to attend the 2021 Annual General Meeting of Phoslock Environmental Technologies Limited (**Company** or **Phoslock**) to be held at 10:30 am on Tuesday, 25 May 2021. The Annual General Meeting will be held at offices of Arnold Bloch Leibler, Level 21, 333 Collins Street, Melbourne Vic 3000 or online at: <https://web.lumiagm.com/355633525>.

I enclose your Notice of Meeting, Explanatory Memorandum, Proxy Form and the Company's 2020 Annual Report (for those Shareholders who have elected to receive a printed copy). The Notice of Meeting (including the Explanatory Memorandum) sets out the items of business for the Annual General Meeting. Please take the time to carefully read these documents.

To help you understand what the Notice of Meeting contains, below is a brief outline of the items of business that are proposed for the Annual General Meeting:

- 1. Consideration of the 2020 Annual Report of the Company**
- 2. Adoption of the Company's Remuneration Report**
- 3. Election of Mr Barry Sechos as a Director of the Company**
- 4. Election of Mr Robert Prosser as a Director of the Company**
- 5. Election of Mr David Krasnostein as a Director of the Company**
- 6. Appointment of Auditor of the Company**
- 7. Adoption of New Constitution**
- 8. Other Business**

If you wish to vote on the items of business detailed in the Notice of Meeting and briefly outlined above, you may attend the Annual General Meeting in person or online. In the case of a body corporate, attendance can be by representative or by appointing a proxy or attorney to vote on your behalf.

If appointing a proxy, the accompanying Proxy Form should be completed and returned to the Company (see Proxy Form for details) as soon as possible, but no later than 10.30 am on Monday, 24 May 2021. You are encouraged to direct your proxy how to vote on each item of business including if you appoint me, the Chair of the Meeting, as your proxy.

As announced to the ASX on 11 March 2021, I will be retiring from the Board at the conclusion of the Annual General Meeting. Mr Krasnostein, who is standing for election at the Annual General Meeting, will assume the role as Chairman of Phoslock as foreshadowed in that announcement. I also welcome both Mr Barry Sechos and Mr Robert Prosser as valuable new members of the Board and thank Ms Brenda Shanahan AO and the Managing Director, Mr Lachlan Mckinnon, as well as the Company Secretary and Chief Financial Officer, Mr Matt Parker, for their devotion and dedication to the Company, particularly over the past difficult year.

Finally, thank you, Shareholders for your support over the years in which I have chaired the Company.

I look forward to Mr Krasnostein's and the other directors' and officers' future stewardship and guidance in relation to the Company and its operations.

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If you have any queries in relation to the Annual General Meeting, please contact the Company Secretary, Mr Matthew Parker at Level 16, 1 Collins Street, Melbourne, Vic 3000 or email him at [ir@phoslock.com.au](mailto:ir@phoslock.com.au).

Yours sincerely,



**Laurence Freedman AM**  
**Chairman**  
**Sydney, Australia**

**23 April 2021**



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# Notice of Annual General Meeting

**NOTICE** is given that the 2021 Annual General Meeting of Phoslock Environmental Technologies Limited ACN 099 555 290 (**Phoslock** or **Company**) will be held at 10:30 am on Tuesday, 25 May 2021. The Annual General Meeting will be held at the offices of Arnold Bloch Leibler, Level 21, 333 Collins Street, Melbourne Vic 3000 or online at: <https://web.lumiagm.com/355633525>.

The Explanatory Memorandum accompanying this Notice of Meeting is incorporated in, and forms part of, this Notice of Meeting. The Explanatory Memorandum has been prepared to provide Shareholders with an explanation of the items of business and the Resolutions to be proposed and considered at the Annual General Meeting and should be read in conjunction with this Notice of Meeting.

All documents should be read in their entirety. If you are in any doubt about what to do, you should consult your legal, financial or other professional adviser.

## Agenda

### Business

#### Item 1. Financial and other Reports

To receive and consider the following reports of the Company for the financial year ended 31 December 2020:

- the Annual Financial Report;
- the Directors' Report; and
- the Auditor's Report.

*There is no vote on this item of business.*

#### Item 2. Adoption of Remuneration Report (Resolution 1) – advisory resolution only

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

*“That, for the purposes of section 250R(2) of the Corporations Act, the Remuneration Report for the Company for the financial year ended 31 December 2020 be adopted.”*

Under the Corporations Act, this Resolution is advisory only and does not bind the Directors or the Company. However, please refer to the Explanatory Memorandum for an explanation of the consequences of 25% or more of eligible votes being cast against this advisory resolution.

**Voting exclusion statement:** In accordance with the Corporations Act, a vote on Resolution 1 must not be cast (in any capacity) on Resolution 1 by or on behalf of a member of the Company's Key Management Personnel (**KMP**), details of whose remuneration are included in the Remuneration Report for the Company or a Closely Related Party of such a member.

However, under the Corporations Act, this voting exclusion does not apply to a vote if:

- it is cast by a person as a proxy appointed in writing by a person entitled to vote that specifies how the proxy is to vote on Resolution 1; or
- it is cast by the person chairing the meeting as a proxy appointed in writing by a person entitled to vote and the appointment expressly authorises the chair to exercise the proxy even if the resolution is connected directly or indirectly with the remuneration of a member of the KMP.

If you intend to appoint a member of the KMP (such as one of the Directors) or a Closely Related Party of such a member as your proxy, please ensure that you direct them how to vote on Resolution 1. If you intend to appoint the Chair of the Meeting as your proxy, you can direct him how to vote by marking the appropriate box in the Proxy Form for Resolution 1 (for example, if you wish to vote for, against or abstain from voting), or you can choose not to mark any of the boxes for Resolution 1 and give the Chair your express authority to vote your undirected proxy as he sees fit even though Resolution 1 is connected directly or indirectly with the remuneration of a member of the KMP (in which case, the Chair will vote in favour of Resolution 1).

#### Item 3. Election of Mr Barry Sechos as a Director (Resolution 2)

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

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*“That Mr Barry Sechos, who was appointed a Director since the last Annual General Meeting of the Company and retires in accordance with clause 21.2.1 of the constitution of the Company, and being eligible for election, is elected, and confirmed in office, as a Director of the Company.”*

**Item 4. Election of Mr Robert Prosser as a Director (Resolution 3)**

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

*“That Mr Robert Edward Prosser, who was appointed a Director since the last Annual General Meeting of the Company and retires in accordance with clause 21.2.1 of the constitution of the Company, and being eligible for election, is elected, and confirmed in office, as a Director of the Company.”*

**Item 5. Election of Mr David Krasnostein as a Director (Resolution 4)**

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

*“That Mr David Milton Krasnostein, who was appointed a Director since the last Annual General Meeting of the Company and retires in accordance with clause 21.2.1 of the constitution of the Company, and being eligible for election, is elected, and confirmed in office, as a Director of the Company.”*

**Item 6. Appointment of Auditor of the Company (Resolution 5)**

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

*“That the firm of ShineWing Australia ABN 39 533 589 331, having consented in writing to do so, be appointed to act as auditor of the Company.”*

**Item 7. Adoption of New Constitution (Resolution 6)**

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

*“That in accordance with section 136 of the Corporations Act 2001 (Cth), the Company’s current constitution be repealed in its entirety and the Company approve, and adopt in its place, the New Constitution tabled at the Meeting (and signed for the purposes of identification by the Chair of the Meeting).”*

**Item 8. Other Business**

To conduct or transact any other business that may be properly brought before the Annual General Meeting.

**Questions and Comments by Shareholders**

A reasonable opportunity will be given to Shareholders as a whole at the Annual General Meeting to ask questions about or make comments on the Company’s 2020 Annual Report, the Remuneration Report and the management or performance of the Company and to ask the Auditor or their representative questions relevant to the conduct of the audit, the preparation and content of their Auditor’s Report, the accounting policies adopted by the Company in relation to the preparation of its 2020 Annual Report and the Auditor’s independence in relation to the conduct of the audit.

**By Order of the Board**



**Matthew Parker**  
**Company Secretary**  
**Melbourne, Australia**  
**23 April 2021**

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## Voting and Proxies

### 1. Determination of Shareholding and Voting Entitlement

In accordance with regulation 7.11.37 of the *Corporations Regulations 2001* (Cth), the Directors have determined that the Shares will be taken, for the purpose of determining those persons entitled to attend and vote at the Annual General Meeting, to be held by the persons who are registered as holding them as at 7.00 pm on Sunday, 23 May 2021.

Accordingly, transactions registered after that time will be disregarded when determining entitlements to attend and vote at the Annual General Meeting.

### 2. Voting by Members at Annual General Meeting

On a show of hands, each Shareholder present in person or by proxy or attorney or, in the case of a body corporate, by a representative at the Annual General Meeting will have one vote. On a poll, every Shareholder present in person or by proxy or attorney or, in the case of a body corporate, by a representative will have one vote for each Share held by him or her.

Voting on each Resolution will be conducted by way of a poll.

### 3. Important Voting Information

The Company encourages all Shareholders who submit proxies to direct their proxy how to vote on the Resolutions.

The Chair of the Annual General Meeting intends to vote all undirected proxies in favour of each Resolution subject to any voting restrictions or exclusions. However, the Chair of the Meeting is not permitted to vote an undirected proxy on Resolution 1 (Remuneration Report) unless the proxy expressly authorises the Chair to exercise the proxy on such Resolution even if it is connected directly or indirectly with the remuneration of a member of the Company's Key Management Personnel.

If there is a change in how the Chair intends to vote undirected proxies at the Meeting, the Company will make an appropriate announcement to ASX stating that fact and explaining the reasons for the change.

In respect of Resolution 1, if you intend to appoint a member of the KMP (such as one of the Directors other than the Chair) or a Closely Related Party of such a member as your proxy, please ensure that you direct them how to vote on that Resolution by marking the appropriate box for that Resolution in the Proxy Form.

If you intend to appoint the Chair as your proxy for Resolution 1, you can direct the Chair how to vote by marking the appropriate box for that Resolution in the Proxy Form. Alternatively, in relation to the Chair only, you can choose not to mark a box and give the Chair your express authority to exercise your undirected proxy even if the Resolution concerned is connected directly or indirectly with the remuneration of a member of the KMP (in which case, as outlined above, the Chair will vote in favour of Resolution 1 subject to any voting restrictions or exclusions).

If the Directors or another KMP (other than the Chair) or a Closely Related Party is your proxy, and you fail to provide a voting direction as outlined above in relation to Resolution 1, your vote will not be cast in respect of each such Resolution.

### 4. Proxies

A Shareholder who is entitled to attend and vote at the Annual General Meeting is entitled to appoint a proxy to attend and vote on behalf of the Shareholder. Where the Shareholder is entitled to cast 2 or more votes, the Shareholder may appoint 2 proxies and may specify the proportion or number of votes each proxy is appointed to exercise.

If the Shareholder appoints 2 proxies and the appointment does not specify the proportion or number of the Shareholder's votes each proxy may exercise, each proxy may exercise half of the votes (disregarding fractions).

A proxy need not be a Shareholder of the Company.

A Proxy Form accompanies this Notice of Meeting. If an additional proxy form is required, the Company's share registry, Computershare Investor Services Pty Limited will supply it on request (telephone 1300 855 080 (within Australia) or +61 3 9415 4000 (outside Australia)). The Proxy Form contains important information and other instructions which you should read carefully.

Any instrument of proxy deposited or received by the Company in which the name of the appointee is not filled in will be deemed to be given in favour of the Chair of the Meeting to which it relates.

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Proxies given by corporate Shareholders must be executed in accordance with their constitutions or signed by a duly authorised officer or attorney.

A proxy may decide whether to vote on any motion, except where the proxy is required by law or the constitution of the Company to vote, or abstain from voting, in their capacity as proxy. If a proxy is directed how to vote on an item of business, the proxy may vote on that item only in accordance with the direction. If a proxy is not directed how to vote on an item of business, the proxy may vote as he or she thinks fit (subject to the exceptions set out above under “**Important Voting Information**” above).

To be effective, the instrument appointing a proxy (and power of attorney or other authority, if any, under which it is signed or a certified copy of the power or authority) must be received by the Company not less than 24 hours prior to the Annual General Meeting, that is, by 10.30 am on Monday, 24 May 2021:

- at the Company’s registered office, being Level 16, 1 Collins Street, Melbourne Victoria 3000;
- on-line by going to [www.investorvote.com.au](http://www.investorvote.com.au) and using your secure access information or by scanning the personalised QR Code, found on the accompanying Proxy Form, with your mobile device;
- by email ([ir@phoslock.com.au](mailto:ir@phoslock.com.au)) to the Company’s registered office; or
- at the Company share registry, Computershare Investor Services Pty Limited, GPO Box 242, Melbourne, Victoria 3001 or by facsimile on fax number 1800 783 447 (within Australia) or +61 3 9473 2555 (outside Australia).

Any revocations of proxies must be received at one of these places before commencement of the Meeting, or at the registration desk for the Meeting.

## **5. Bodies Corporate**

A Shareholder which is a body corporate and which is entitled to attend and vote at a meeting of Shareholders of the Company may appoint an individual as a representative to exercise all or any of the powers the body corporate may exercise at the meeting or in the capacity of a Shareholder’s proxy. The appointment may be a standing one. Unless otherwise specified in the appointment, the representative may exercise, on that body corporate’s behalf, all of the powers that the body could exercise at a meeting or in voting on a resolution. The representative must present satisfactory evidence that they are authorised to act as the body corporate’s representative prior to admission to the Meeting.

## **6. Definitions**

Certain terms used in this Notice of Meeting and the Explanatory Memorandum are defined in the “Definitions” section of the Explanatory Memorandum. Those defined terms also apply to the enclosed Proxy Form, unless the context requires otherwise.



# Explanatory Memorandum

This Explanatory Memorandum has been prepared for the information of Shareholders of Phoslock Environmental Technologies Limited ACN 099 555 290 (**Company** or **Phoslock**) in connection with the business to be considered at the Annual General Meeting to be held at 10:30 am on Tuesday, 25 May 2020 at offices of Arnold Bloch Leibler, Level 21, 333 Collins Street, Melbourne Vic 3000 or; online at: <https://web.lumiagm.com/355633525>

This Explanatory Memorandum is incorporated in, and forms part of, the Notice of Meeting. The purpose of this Explanatory Memorandum is to provide Shareholders with information relevant to the Resolutions to be put to Shareholders at the Annual General Meeting.

Certain terms used in this Explanatory Memorandum, the Notice of Meeting and the Proxy Form have the meaning given to them in the “Definitions” section located at the end of this Explanatory Memorandum, unless the context requires otherwise.

Details of the items of business to be considered at the Annual General Meeting are set out below and in the Notice of Meeting.

Your Directors recommend that Shareholders carefully read this Explanatory Memorandum and the Notice of Meeting in full before making a decision in relation to any of the Resolutions. If Shareholders are in any doubt about what to do, they should consult their legal, financial or other professional adviser.

## Item 1. Financial and other Reports

The Company’s 2020 Annual Report is enclosed with the Notice of Meeting (for those Shareholders who have elected to receive a printed copy) and is also available online at the Company’s website at [www.phoslock.com.au](http://www.phoslock.com.au) or the ASX’s website at [www.asx.com.au](http://www.asx.com.au) (ASX code: PET).

Section 317 of the Corporations Act requires the Annual Financial Report of the Company (which includes the Financial Statements and Directors’ Declaration), the Directors’ Report (which includes the Remuneration Report) and the Auditor’s Report in respect of the financial year ended on 31 December 2020 to be laid before the Annual General Meeting.

Except for the non-binding advisory resolution in respect of the Remuneration Report (refer to Resolution 1 below), there is no requirement in either the Corporations Act or the Company’s constitution for Shareholders to approve the Annual Financial Report, the Directors’ Report or the Auditor’s Report.

In accordance with the Corporations Act, Shareholders as a whole will be given a reasonable opportunity at the Annual General Meeting to ask questions about or make comments on these reports and on the management or performance of the Company.

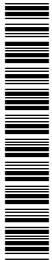
The Auditor or a representative of the Auditor is required to attend the Meeting and will be available to take Shareholders’ questions relevant to the conduct of the audit, the preparation and content of their Auditor’s Report, the accounting policies adopted by the Company in relation to the preparation of its 2020 Annual Report and the Auditor’s independence in relation to the conduct of the audit.

## Item 2. Adoption of Remuneration Report (Resolution 1)

The Corporations Act requires listed entities to put a Remuneration Report relating to director and executive remuneration for each financial year to a resolution of members at their annual general meeting. The Remuneration Report for the Company is included in the Company’s 2020 Annual Report.

Under section 250R(3) of the Corporations Act, the vote on the Remuneration Report is advisory only and does not bind the Directors or the Company. The Directors will consider the outcome of the vote and any comments made by Shareholders at the Meeting when considering the Company’s future remuneration policies and practices.

If, at 2 consecutive annual general meetings of the Company, 25% or more of votes cast on a resolution that the Remuneration Report be adopted are against the adoption of the Remuneration Report, the Company will be required to put to Shareholders a resolution at the second annual general meeting proposing the calling of an extraordinary general meeting to consider the election of Directors of the Company (known as a “**spill resolution**”).



If more than 50% of Shareholders vote in favour of the spill resolution, the Company must convene an extraordinary general meeting (known as a “**spill meeting**”) within 90 days of the spill resolution. All of the Directors who were in office when the Remuneration Report (being, the report laid before the second annual general meeting) was approved by the Board (other than the Managing Director) will cease to hold office immediately before the end of the spill meeting but may stand for re-election at the spill meeting. Following the spill meeting, those persons whose re-election as Directors is approved will remain Directors of the Company.

The Company’s remuneration report for the financial year ended 31 December 2019 was adopted at the 2020 Annual General Meeting of the Company held on 25 May 2020 by more than 75% of the eligible votes cast.

In compliance with section 300A of the Corporations Act, the Remuneration Report sets out the Company’s policy for determining the nature and amount of remuneration for the Directors and specified executive officers of the Company. The Board has a policy of ensuring that remuneration paid to Directors and management is market competitive while at the same time aligned to the achievement of strategic objectives and the creation of value for Shareholders.

During this item of business, there will be opportunity for Shareholders at the Annual General Meeting to comment on and ask questions about the Remuneration Report. The Remuneration Report is available on pages 15 to 22 of the Company’s 2020 Annual Report.

Resolution 1 is proposed as an ordinary resolution and will be passed if more than 50% of the votes cast by Shareholders entitled to vote are in favour of that Resolution. However, please refer above for an explanation of the consequences of 25% or more of eligible votes being cast against Resolution 1.

Shareholders’ attention is drawn to the voting exclusion statement in relation to Resolution 1 in the Notice of Meeting.

**Recommendation**

Noting that each Director has a personal interest in their own remuneration from the Company as set out in the Remuneration Report, your Directors unanimously recommend that Shareholders vote in favour of Resolution 1.

**Item 3. Election of Mr Barry Sechos as a Director (Resolution 2)**

On 28 January 2020, Phoslock announced to ASX that Mr Sechos had been appointed to the Board effective 1 February 2021

Clause 21.2.1 of the constitution of the Company, in summary, provides that any person appointed as a Director by the Board must be confirmed in office at the Company’s next annual general meeting otherwise the person ceases to be a Director of the Company at the end of the annual general meeting. In addition, the ASX Listing Rules provide that a person appointed as an addition to the board of directors of a listed entity must not hold office (without re-election) past the next annual general meeting of the listed entity.

Mr Sechos, having been appointed as a Director since the last Annual General Meeting of the Company, submits himself for election at the Annual General Meeting as a non-executive Director.

Details of Mr Sechos’ experience and qualifications are set out on page 13 of the Company’s 2020 Annual Report. Phoslock has satisfactorily undertaken checks into Mr Secho’s experience and qualifications.

Resolution 2 (and also Resolutions 3 and 4 below) are proposed as ordinary resolutions and will be passed if more than 50% of the votes cast by Shareholders entitled to vote are in favour of the applicable Resolution.

**Recommendation**

Your Directors (other than Mr Sechos as an abstention) unanimously recommend that Shareholders vote in favour of Resolution 2.

#### **Item 4. Election of Mr Robert Prosser as a Director (Resolution 3)**

On 11 March 2021, Phoslock announced to ASX that Mr Prosser had been appointed to the Board effective 5 April 2021.

As mentioned above, clause 21.2.1 of the constitution of the Company, in summary, provides that any person appointed as a Director by the Board must be confirmed in office at the Company's next annual general meeting otherwise the person ceases to be a Director of the Company at the end of the annual general meeting. In addition, the ASX Listing Rules provide that a person appointed as an addition to the board of directors of a listed entity must not hold office (without re-election) past the next annual general meeting of the listed entity.

Mr Prosser, having been appointed as a Director since the last Annual General Meeting of the Company, submits himself for election at the Annual General Meeting as a non-executive Director.

Details of Mr Prosser's experience and qualifications are set out in the Company's announcement to ASX on 11 March 2021. Phoslock has satisfactorily undertaken checks into Mr Prosser's experience and qualifications.

#### ***Recommendation***

Your Directors (other than Mr Prosser as an abstention) unanimously recommend that Shareholders vote in favour of Resolution 3.

#### **Item 5. Election of Mr David Krasnostein as a Director (Resolution 4)**

On 11 March 2021, Phoslock announced to ASX that Mr Krasnostein had been appointed to the Board effective 5 April 2021. It was also announced that Mr Krasnostein would be appointed to the Chair of Phoslock upon the retirement of the current Chair at this Annual General Meeting.

As mentioned above, clause 21.2.1 of the constitution of the Company, in summary, provides that any person appointed as a Director by the Board must be confirmed in office at the Company's next annual general meeting otherwise the person ceases to be a Director of the Company at the end of the annual general meeting. In addition, the ASX Listing Rules provide that a person appointed as an addition to the board of directors of a listed entity must not hold office (without re-election) past the next annual general meeting of the listed entity.

Mr Krasnostein, having been appointed as a Director since the last Annual General Meeting of the Company, submits himself for election at the Annual General Meeting as a non-executive Director.

Details of Mr Krasnostein's experience and qualifications are set out in the Company's announcement to ASX on 11 March 2021. Phoslock has satisfactorily undertaken checks into Mr Krasnostein's experience and qualifications.

#### ***Recommendation***

Your Directors (other than Mr Krasnostein as an abstention) unanimously recommend that Shareholders vote in favour of Resolution 4.

#### **Item 6. Appointment of Auditor of the Company (Resolution 5)**

At the 2017 annual general meeting of the Company, Shareholders approved the appointment of the current Auditor, KPMG.

KPMG has advised the Company that it wishes to resign as Phoslock's auditor, subject to ASIC consenting to the resignation in accordance with section 329(5) of the Corporations Act.

After an extensive search, the Board has selected ShineWing Australia to replace KPMG as the Company's auditor. Details about Shinewing Australia can be obtained from its website at [www.shingwing.com.au](http://www.shingwing.com.au).

As required under section 328B of the Corporations Act, the Company has received a written nomination from a Shareholder for ShineWing Australia to be appointed as auditor of the Company. A copy of the notice of nomination is included with the Notice of Meeting.

In accordance with section 328A of the Corporations Act, ShineWing Australia has given its written consent to act as the Company's auditor, subject to Shareholder approval.

Under the Corporations Act, Shareholder approval is required for the appointment of a new auditor. Subject to this approval being obtained, the appointment of ShineWing Australia will become effective from the close of the Annual General Meeting.

The current Auditor will still be available at the Meeting to take Shareholders' questions as outlined above.

Resolution 5 is proposed as an ordinary resolution and will be passed if more than 50% of the votes cast by Shareholders entitled to vote are in favour of that Resolution.

### ***Recommendation***

Your Directors unanimously recommend that Shareholders vote in favour of Resolution 5.

### **Item 7. Adoption of New Constitution (Resolution 6)**

The Company's constitution is in substantially the same form as the constitution that was adopted in connection with the Company's listing on the ASX in 2002. There have been no major amendments to the Company's constitution since that time except in 2005 when the chair of directors' meetings was given a casting vote.

The Board proposes amending the Company's current constitution to take into account changes to the ASX Listing Rules and the law, and to reflect developments in general corporate governance practice for a company of Phoslock's size and nature.

The Board also considers this a good opportunity to modernise and simplify some of the existing language in the constitution. As a result, the Board believes it appropriate and preferable to adopt a wholly new constitution which aligns with current market standards, rather than amending Phoslock's current constitution on an ad hoc basis.

Resolution 6 is proposed as a special resolution. Accordingly, at least 75% of the votes cast by Shareholders entitled to vote on the Resolution must be in favour of Resolution 6 for it to be passed.

A summary of the more material proposed changes to Phoslock's current constitution is set out in Appendix 1.

If Shareholders do not vote to adopt the New Constitution, Phoslock's current constitution will continue to govern it.

A copy of the proposed New Constitution can be obtained by Shareholders prior to the Meeting from the Company's website at [www.phoslock.com.au](http://www.phoslock.com.au). A copy of the proposed New Constitution will also be available for inspection at the Meeting and will be posted free of charge to a Shareholder on request prior to the Meeting. Shareholders are encouraged to take the time to read the New Constitution in its entirety.

The New Constitution will be tabled at the Meeting (and signed by the Chair of the Meeting for the purposes of identification). If the Resolution is passed, the repeal of the current constitution and the adoption of the New Constitution will take effect on the date on which the Resolution is passed.

### ***Recommendation***

Your Directors unanimously recommend that Shareholders vote in favour of Resolution 6.

## Definitions

Unless the context requires otherwise, the following terms shall have the following meanings in this Explanatory Memorandum, the Notice of Meeting and the Proxy Form:

- (1) **\$** refers to Australian dollars.
- (2) **Annual General Meeting** or **Meeting** means the 2020 Annual General Meeting of the Company convened by the Notice of Meeting.
- (3) **ASIC** means Australian Securities and Investments Commission.
- (4) **ASX** means ASX Limited ACN 008 624 691 or, as the context requires, the market operated by it.
- (5) **ASX Listing Rules** means the listing rules of ASX (as amended or waived).
- (6) **Auditor** means the auditor of the Company.
- (7) **Board** means the board of directors of the Company.
- (8) **Closely Related Party** has the meaning given in section 9 of the Corporations Act and includes a spouse, dependent and certain other close family members of a KMP, as well as companies controlled by a KMP.
- (9) **Company** or **Phoslock** means Phoslock Environmental Technologies Limited ACN 099 555 290.
- (10) **Corporations Act** means the *Corporations Act 2001* (Cth).
- (11) **Directors** mean the directors of the Company from time to time.
- (12) **Explanatory Memorandum** means this explanatory memorandum which accompanies, and is incorporated as part of, the Notice of Meeting and includes any documents annexed to it or incorporated by reference.
- (13) **Key Management Personnel** or **KMP** means persons having authority and responsibility for planning, directing and controlling the activities of the Company and its controlled entities, directly or indirectly, including any Director (whether executive or otherwise).
- (14) **Meeting** or **Annual General Meeting** means the annual general meeting of the Company convened by the Notice of Meeting.
- (15) **New Constitution** means the new constitution of the Company proposed to be approved and adopted by Resolution 6 and signed for the purposes of identification by the Chair of the Annual General Meeting. A copy of the proposed constitution is available at the Company's website prior to the Meeting.
- (16) **Notice of Meeting** means the Notice of Annual General Meeting dated 23 April 2021 accompanying this Explanatory Memorandum.
- (17) **Proxy Form** means the proxy form accompanying this Explanatory Memorandum and the Notice of Meeting.
- (18) **Remuneration Report** means the Remuneration Report set out in the Directors' Report section of the Company's Annual Financial Report for the financial year ended 31 December 2020.
- (19) **Resolution** means a resolution including a special resolution set out in the Notice of Meeting.
- (20) **Shareholder** means a person or entity entered in the Company's register of members from time to time as the holder of Shares.
- (21) **Shares** means fully paid ordinary shares in the capital of the Company quoted on the ASX under the code "PET".
- (22) **ShineWing Australia** means the firm of ShineWing Australia ABN 39 533 589 331, the proposed new Auditor of the Company.

All references to time in the Notice of Meeting or this Explanatory Memorandum are to Melbourne time.

Words importing the singular include the plural and vice versa.

A reference to gender is a reference to all genders.

A reference to a person includes a reference to a body corporate and any other entity.

The meaning of general words is not limited by specific examples introduced by "including", "for example", "such as" or similar expressions.

# Appendix 1: Additional information for Resolution 6

## Material proposed amendments to the Company's constitution

The majority of the provisions proposed in the New Constitution reflect in all material respects the corresponding provisions in Phoslock's current constitution and therefore have not been described in this Appendix. Further, certain provisions which simply reflect corresponding provisions in the Corporations Act already binding on Phoslock contained in its current constitution may have been omitted from the New Constitution. The more material amendments proposed are summarised below. However, Shareholders are encouraged to take the time to read the New Constitution in its entirety.

Rule 14: Unmarketable parcels	This rule permits Phoslock to sell unmarketable parcels as permitted by the ASX Listing Rules. The current constitution does not contain a comparable rule. The Company has no current plans to undertake a sale of unmarketable parcels of Shares.
Rule 31: Fees for Registration	The ASX Listing Rules permit the charging of reasonable fees by listed entities in connection with certain transfers of securities in limited circumstances, for example registering paper-based transfers. Rule 31 reflects those circumstances and is consistent with the ASX Listing Rules and market practice.
Rule 47: Adjourned meetings	The current Phoslock constitution requires the chair to adjourn a meeting if directed by the meeting. The New Constitution gives the chair a discretion in relation to adjournments, consistent with market practice.
Rule 48: Appointing a proxy	The New Constitution permits electronically authenticated proxies. The current constitution does not contain a comparable rule.
Rule 51: Receipt of proxy documents	This rule requires Shareholders to deliver proxy forms at least 48 hours before the start of general meetings, consistent with market practice. The current constitution provides that proxy forms must be delivered no later than 24 hours before the meeting. Under the Corporations Act, the Directors will still have a discretion to reduce that 48 hour period to 24 hours.
Rule 61: Taking a poll	The New Constitution does not permit polls on the election of a chair at a general meeting. Further, the number of members who may demand a poll has been increased from 2 to 5 members. There has been no change to the rule permitting members holding at least 5% of votes that may be cast demanding a poll. Section 250L of the Corporations Act provides that at least 5 members may demand a poll, though companies with a constitution may stipulate a lesser number.
Rule 63: Direct voting	This rule allows the Directors to determine that a member who is entitled to attend and vote at a general meeting is entitled to a direct vote, including a vote delivered to the Company by post, fax or other electronic means. The current constitution does not contain a comparable rule. The Board has no current intention to introduce direct voting.
Rule 71: Eligible candidates	This rule requires persons nominated for a directorship must be proposed by another Shareholder(s) with the nomination being given to the Company at least 30 Business Days (or any other period fixed by the Board and notified to ASX) before the general meeting (usually the annual general meeting) at which the candidate seeks election. Shareholders will not be able to propose themselves for election as a Director.
Rule 70: Vacation of office of Director	The circumstances in which Directors are required to vacate office have been expanded from Phoslock's current constitution. In particular, the managing director and any executive director automatically ceases to hold office if they are no longer employed full-time by Phoslock.
Rule 119: Payment of dividends	This rule reflects s254T of the Corporations Act relating to the payment of dividends. Since the current constitution of the Company was adopted, s254T has been amended to permit the payment of dividends based on a 'balance sheet' test, rather than a 'profits' test. Compliance with s254T of the Corporations Act is mandatory so that unless the current constitution of Phoslock is amended, it would have to comply with both the "balance sheet" and "profits" test in relation to the payment of any dividend.
Rule 133: Indemnity	This rule has been updated to reflect changes to the Corporations Act in relation to the indemnification of Directors for liabilities incurred by them. That right of indemnification is subject to a number of constraints set out in the New Constitution and the Corporations Act. Accordingly, the power of Directors under the current constitution to resolve that such indemnity is not to apply has been removed. In addition to the constitution, the Company generally by deed agrees to indemnify its Directors for liabilities incurred by them on terms consistent with the Corporations Act and the constitution of the Company.



23 April 2021


Notice of Nomination of Auditor

In accordance with section 328B (1) of the Corporations Act (Cwlth) 2001, Long Gully Holdings Pty Ltd (ACN 064 312 732), a shareholder of Phoslock Environmental Technologies Limited (ABN 88 099 555 290) nominates ShineWing Australia (ABN 39 533 589 331) for the appointment as auditor of Phoslock Environmental Technologies Limited (ABN 88 099 555 290) at its next Annual General Meeting.

A handwritten signature in black ink, consisting of a series of loops and a long horizontal stroke at the end, representing the name Lachlan McKinnon.

Mr Lachlan McKinnon  
Director  
Long Gully Holdings Pty Ltd  
(ACN 064 312 732)

## Need assistance?

 **Phone:**  
1300 855 080 (within Australia)  
+61 3 9415 4000 (outside Australia)

 **Online:**  
[www.investorcentre.com/contact](http://www.investorcentre.com/contact)

PET

MR SAM SAMPLE  
FLAT 123  
123 SAMPLE STREET  
THE SAMPLE HILL  
SAMPLE ESTATE  
SAMPLEVILLE VIC 3030



## YOUR VOTE IS IMPORTANT

For your proxy appointment to be effective it must be received by **10:30 AM (Melbourne time) on Monday, 24 May 2021**.

# Proxy Form

## How to Vote on Items of Business

All your securities will be voted in accordance with your directions.

### APPOINTMENT OF PROXY

**Voting 100% of your holding:** Direct your proxy how to vote by marking one of the boxes opposite each item of business. If you do not mark a box your proxy may vote or abstain as they choose (to the extent permitted by law). If you mark more than one box on an item your vote will be invalid on that item.

**Voting a portion of your holding:** Indicate a portion of your voting rights by inserting the percentage or number of securities you wish to vote in the For, Against or Abstain box or boxes. The sum of the votes cast must not exceed your voting entitlement or 100%.

**Appointing a second proxy:** You are entitled to appoint up to two proxies to attend the meeting and vote on a poll. If you appoint two proxies you must specify the percentage of votes or number of securities for each proxy, otherwise each proxy may exercise half of the votes. When appointing a second proxy write both names and the percentage of votes or number of securities for each in Step 1 overleaf.

**A proxy need not be a securityholder of the Company.**

### SIGNING INSTRUCTIONS FOR POSTAL FORMS

**Individual:** Where the holding is in one name, the securityholder must sign.

**Joint Holding:** Where the holding is in more than one name, all of the securityholders should sign.

**Power of Attorney:** If you have not already lodged the Power of Attorney with the registry, 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 sign in the appropriate place to indicate the office held. Delete titles as applicable.

### PARTICIPATING IN THE MEETING

#### Corporate Representative

If a representative of a corporate securityholder or proxy is to participate in the meeting you will need to provide the appropriate "Appointment of Corporate Representative". A form may be obtained from Computershare or online at [www.investorcentre.com](http://www.investorcentre.com) under the help tab, "Printable Forms".

## Lodge your Proxy Form:

**XX**

### Online:

Lodge your vote online at [www.investorvote.com.au](http://www.investorvote.com.au) using your secure access information or use your mobile device to scan the personalised QR code.

Your secure access information is



**Control Number: 999999**  
**SRN/HIN: I9999999999**  
**PIN: 99999**

For Intermediary Online subscribers (custodians) go to [www.intermediaryonline.com](http://www.intermediaryonline.com)

### By Mail:

Computershare Investor Services Pty Limited  
GPO Box 242  
Melbourne VIC 3001  
Australia

### By Fax:

1800 783 447 within Australia or  
+61 3 9473 2555 outside Australia



**PLEASE NOTE:** For security reasons it is important that you keep your SRN/HIN confidential.



MR SAM SAMPLE  
FLAT 123  
123 SAMPLE STREET  
THE SAMPLE HILL  
SAMPLE ESTATE  
SAMPLEVILLE VIC 3030

**Change of address.** If incorrect, mark this box and make the correction in the space to the left. Securityholders sponsored by a broker (reference number commences with 'X') should advise your broker of any changes.



I 9999999999

I ND

## Proxy Form

Please mark  to indicate your directions

### Step 1 Appoint a Proxy to Vote on Your Behalf

XX

I/We being a member/s of Phoslock Environmental Technologies Limited hereby appoint

the Chairman of the Meeting **OR**

**PLEASE NOTE:** Leave this box blank if you have selected the Chairman of the Meeting. Do not insert your own name(s).

or failing the individual or body corporate named, or if no individual or body corporate is named, the Chairman of the Meeting, as my/our proxy to act generally at the meeting on my/our behalf and to vote in accordance with the following directions (or, if no directions have been given, and to the extent permitted by law, as the proxy sees fit) at the Annual General Meeting of Phoslock Environmental Technologies Limited to be held at the offices of Arnold Bloch Leibler, Level 21, 333 Collins St, Melbourne, VIC 3000 on Tuesday, 25 May 2021 at 10:30 AM (Melbourne time) and at any adjournment or postponement of that meeting.

**Chairman authorised to exercise undirected proxies on remuneration related resolutions:** Where I/we have appointed the Chairman of the Meeting as my/our proxy (or the Chairman becomes my/our proxy by default), I/we expressly authorise the Chairman to exercise my/our proxy on Item 1 (except where I/we have indicated a different voting intention in step 2) even though Item 1 is connected directly or indirectly with the remuneration of a member of key management personnel, which includes the Chairman.

**Important Note:** If the Chairman of the Meeting is (or becomes) your proxy, you can direct the Chairman to vote for or against or abstain from voting on Item 1 by marking the appropriate box in step 2.

### Step 2 Items of Business

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

	For	Against	Abstain
1 Adoption of Remuneration Report	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
2 Election of Mr Barry Sechos as a Director	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
3 Election of Mr Robert Prosser as a Director	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
4 Election of Mr David Krasnostein as a Director	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
5 Appointment of Auditor of the Company	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
6 Adoption of New Constitution	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

The Chairman of the Meeting intends to vote undirected proxies in favour of each item of business (to the extent permitted by law). In exceptional circumstances, the Chairman of the Meeting may change his/her voting intention on any resolution, in which case an ASX announcement will be made.

### Step 3 Signature of Securityholder(s) *This section must be completed.*

Individual or Securityholder 1

Sole Director & Sole Company Secretary

Securityholder 2

Director

Securityholder 3

Director/Company Secretary

/ /

Date

**Update your communication details** (Optional)

Mobile Number

Email Address

By providing your email address, you consent to receive future Notice of Meeting & Proxy communications electronically

PET

2 7 5 4 8 5 A



Computershare

