

NOTICE OF GENERAL MEETING

PERTH, AUSTRALIA; 9 DECEMBER 2020: Hazer Group Limited (ASX: HZR) advises of the following documents in relation to the upcoming General Meeting:

- Shareholder Letter containing Important Information Regarding the Company's Upcoming General Meeting
- Notice of General Meeting
- Proxy Form

For more information contact:

Emma Waldon, Company Secretary
ewaldon@hazergroup.com.au

ENDS

4 December 2020

Level 9, 99 St Georges Terrace
Perth WA 6000

PO Box Z5511
St Georges Terrace
Perth WA 6831

e contact@hazergroup.com.au

Dear Shareholders

IMPORTANT INFORMATION REGARDING THE COMPANY'S UPCOMING GENERAL MEETING

The Company will be holding a General Meeting in Perth on Tuesday 12th January 2021 at Level 9, 99 St Georges Terrace, Perth WA 6000 at 10.00am (AWST) (Meeting).

In accordance with subsection 5(f) of the Corporations (Coronavirus Economic Response) Determination (No. 1) 2020, the Company will not be dispatching physical copies of the Notice of Meeting (NOM) to shareholders. Instead, a copy of the NOM can be viewed and downloaded online on the Company's website at the following link below and the ASX website:

<https://hazergroup.com.au/announcements/>

Taking into consideration the evolving COVID-19 situation, Directors of the Company being located in a number of States and restrictions on travel, the Directors have decided that Shareholders will not be able to attend the Meeting in person, and rather the Meeting will be held via a webinar electronic platform.

The Meeting will be accessible to all Shareholders via a live webinar which will allow Shareholders to listen to the Meeting and ask questions. The Meeting Chair will provide instructions as to how questions may be asked by Shareholders during the webinar.

To register and access the Meeting by webinar Shareholders should copy the link below to your web browser and you will be emailed a link to join the Meeting.

https://us02web.zoom.us/webinar/register/WN_uZkD-amvSmu_OQqjW12ZQ

Shareholders are encouraged to submit questions in advance of the meeting by emailing the questions to ewaldon@hazergroup.com.au by no later than Friday 8th January 2021. This will assist in enabling management to prepare appropriate responses to your questions.

All resolutions will be decided on a poll (rather than a show of hands). The poll will be conducted based on votes submitted by proxy and at the Meeting by Shareholders who have indicated that they intend to vote at the Meeting in accordance with the instructions below.

Shareholders are strongly encouraged to complete a Proxy Form to appoint the Chair of the Meeting as their proxy and to provide specific instructions on how the Shareholder's vote is to be exercised on each item of business. The Chair must follow your instructions. If a person other than the Chair is appointed as proxy, the proxy will revert to the Chair in the absence of the appointed proxy holder's attendance at the Meeting.

Lodgement instructions (which include the ability to lodge proxies electronically) are set out in the enclosed Proxy Form.

Shareholders who do not wish to vote using a Proxy Form and who intend to vote on a poll at the Meeting must email the Company at ewaldon@hazergroup.com.au to notify the Company of their intentions and to request a personalised poll form.



Shareholders who wish to vote on a poll at the Meeting will also need to register for the webinar using the link above and access the webinar to attend the Meeting. The Company will send personalised poll forms following the cut-off time for the return of Proxy Forms (i.e. after 10.00am (AWST) on Sunday 10th January 2021) to Shareholders who request them prior to this time.

Personalised poll forms must be completed and returned to the Company after the poll has been called and prior to the close of polling. During the Meeting, the Chair will notify you how and when you are able to complete and return the personalised poll form.

You may still attend the Meeting via the webinar if you have completed a Proxy Form, the person you have appointed as proxy will cast your vote on your behalf.

Please note that if you have previously submitted a Proxy Form and you elect to vote by poll during the Meeting your proxy's authority to vote will be revoked for any resolutions where you have cast a poll vote.

Shareholders are encouraged to participate in the Meeting via the live webinar, lodge a directed Proxy Form and submit questions prior to the meeting in the manner described above.

This announcement and letter is authorised by the Board.

Sincerely,
Emma Waldon
Company Secretary

HAZER GROUP LIMITED

ABN 40 144 044 600

NOTICE OF GENERAL MEETING

TIME: 10.00 am (AWST)

DATE: Tuesday, 12 January 2021

PLACE: Level 9, 99 St Georges Terrace
Perth WA 6000

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 advisers prior to voting.

Should you wish to discuss the matters in this Notice of Meeting please do not hesitate to contact the Company Secretary, using the contact details on page 10.

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YOUR VOTE IS IMPORTANT

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

VOTING IN PERSON

Given the current COVID-19 circumstances, restrictions on travel and in the interests of public health and safety of our Shareholders, the Company is not able to allow Shareholders to physically attend the Meeting. Please refer to the information below on how Shareholders can participate in the Meeting.

VOTING BY POLL

All resolutions will be decided on a poll (rather than a show of hands). The poll will be conducted based on votes submitted by proxy and at the Meeting by Shareholders who have indicated that they intend to vote at the Meeting in accordance with the instructions below.

VOTING BY PROXY

Shareholders are strongly encouraged to complete a Proxy Form to appoint the Chair of the Meeting as their proxy and to provide specific instructions on how the Shareholder's vote is to be exercised on each item of business. The Chair must follow your instructions. If a person other than the Chair is appointed as proxy, the proxy will revert to the Chair in the absence of the appointed proxy holder's attendance at the Meeting.

Lodgement instructions (which include the ability to lodge proxies electronically) are set out in the Proxy Form.

ONLINE ATTENDANCE AND VOTING VIA WEBINAR

The Meeting will be accessible to all Shareholders via a live webinar, which will allow Shareholders to listen to the Meeting and ask questions. The Meeting Chair will provide instructions as to how questions may be asked by Shareholders during the webinar.

To register and access the Meeting by webinar Shareholders should copy the link below to your web browser and you will be emailed a link to join the Meeting.

https://us02web.zoom.us/webinar/register/WN_uZkD-amvSmu_OQqjW12ZQ

Shareholders are encourage to submit questions in advance of the meeting by emailing the questions to ewaldon@hazergroup.com.au by no later than Friday 8th January 2021. This will assist in enabling management to prepare appropriate responses to your questions.

Shareholders who do not wish to vote using a Proxy Form and who intend to vote on a poll at the Meeting must email the Company at ewaldon@hazergroup.com.au to notify the Company of their intentions and to request a personalised poll form.

Shareholders who wish to vote on a poll at the Meeting will also need to register for the webinar using the link above and access the webinar to attend the Meeting. The Company will send personalised poll forms following the cut-off time for the return of Proxy Forms (i.e. after 10.00am (AWST) on Sunday 10th January 2021) to Shareholders who request them prior to this time.

Personalised poll forms must be completed and returned to the Company after the poll has been called and prior to the close of polling. During the Meeting, the Chair will notify you how and when you are able to complete and return the personalised poll form.

You may still attend the Meeting via the webinar if you have completed a Proxy Form, the person you have appointed as proxy will cast your vote on your behalf.

Please note that if you have previously submitted a Proxy Form and you elect to vote by poll during the Meeting your proxy's authority to vote will be revoked for any resolutions where you have cast a poll vote.

APPOINTING A PROXY

A Shareholder who is entitled to attend and vote at the Meeting may appoint a proxy to attend and vote at the Meeting on their behalf. A proxy does not need to be a Shareholder of the Company.

If a Shareholder is entitled to cast two or more votes at the Meeting, the Shareholder may appoint two proxies and may specify the percentage or number of votes each proxy can exercise. If the proxy form does not specify the percentage or number of the Shareholder's votes that each proxy may exercise, each proxy may exercise half of the Shareholder's votes on a poll. Fractions will be disregarded.

To appoint a proxy online, visit www.linkmarketservices.com.au, select 'Investor Login' and in the "Single Holding" section enter Hazer Group Limited or the ASX code HZR in the Issuer name field, your Security Reference Number (SRN) or Holder Identification Number (HIN) (which is shown on the front of your proxy form), postcode and security code which is shown on the screen and click 'Login'. Select the 'Voting' tab and then follow the prompts. You will be taken to have signed your Proxy Form if you lodge it in accordance with the instructions given on the website.

Alternatively, you can appoint a proxy by completing and signing the enclosed proxy form and sending the form to:

- (a) by post to Link Market Services Locked Bag A14 SYDNEY SOUTH NSW 1235; or
- (b) by fax to Link Market Services at (+61 2) 9287 0309.

The deadline for receipt of proxy appointments is 10.00am (AWST) on Sunday, 10 January 2021.

Proxy appointments received later than this time will be invalid.

POWER OF ATTORNEY

If the proxy form is signed under a power of attorney on behalf of a Shareholder, then the attorney must make sure that either the original power of attorney or a certified copy is sent with the proxy form, unless the power of attorney has already been provided to the Share Registry.

CORPORATE REPRESENTATIVES

If a representative of a corporate Shareholder or a corporate proxy will be attending the Meeting, the representative should bring to the Meeting adequate evidence of their appointment, unless this has previously been provided to the Share Registry.

An appointment of corporate representative form may be obtained from Link Market Services by calling (+61) 1300 554 474 or online at <http://www.linkmarketservices.com.au/corporate/resources/forms.html>

NOTICE OF GENERAL MEETING

Notice is given that the General Meeting (**GM**) of Shareholders of Hazer Group Limited will be held at Level 9, 99 St Georges Terrace Perth WA 6000 at 10.00 am (AWST) on Tuesday, 12 January 2021.

The Explanatory Statement to this Notice of Meeting provides additional information on matters to be considered at the GM. Terms and abbreviations used in this Notice of Meeting and Explanatory Statement are defined in the Glossary.

The Directors have determined under Regulation 7.11.37 of the Corporations Regulations 2001 (Cth) that the persons eligible to vote at the Meeting are those who are registered Shareholders of the Company at 4:00 pm (AWST) on Sunday, 10 January 2021.

AGENDA

RESOLUTION 1 – APPROVAL FOR THE ISSUE OF THE CONVERTIBLE NOTES

Shareholders will be asked to consider and, if thought fit, to pass, with or without amendment, the following resolution as an **Ordinary Resolution**:

*"That, for the purpose ASX Listing Rule 7.1 and for all other purposes, approval is given for the Company to issue 4,000,000 Convertible Notes which are convertible into Shares in the Company to AP Ventures Fund II GP LLP or its nominee (**APV**) on the terms and conditions set out in the Explanatory Statement."*

RESOLUTION 2 – APPROVAL FOR THE ISSUE OF THE OPTIONS

Shareholders will be asked to consider and, if thought fit, to pass, with or without amendment, the following resolution as an **Ordinary Resolution**:

*"That, for the purpose ASX Listing Rule 7.1 and for all other purposes, approval is given for the Company to issue 2,250,000 Options which are exercisable into Shares in the Company to AP Ventures Fund II GP LLP or its nominee (**APV**) on the terms and conditions set out in the Explanatory Statement."*

DATED: 4 DECEMBER 2020

BY ORDER OF THE BOARD



**HAZER GROUP LIMITED
EMMA WALDON
COMPANY SECRETARY**

Voting Exclusion Statements

Voting restrictions apply in respect of Resolution 1 and 2 under the ASX Listing Rules, voting exclusions. The Company will disregard votes cast on Resolutions 1 and 2 by the persons detailed in the below.

Resolution 1 – Approval for the Issue of the Convertible Notes

Voting Exclusion Statement:

The Company will disregard any votes cast in favour of the Resolution by or on behalf of AP Ventures Fund II GP LLP and any persons who are expected to participate in, or who will obtain a material benefit as a result of, the proposed issue (except a benefit solely by reason of being a Shareholder), or any associate of those persons.

The above voting exclusions do not apply to a vote cast in favour of the relevant Resolution by:

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

Resolution 2 – Approval for the Issue of the Options

Voting Exclusion Statement:

The Company will disregard any votes cast in favour of the Resolution by or on behalf of AP Ventures Fund II GP LLP and any persons who are expected to participate in, or who will obtain a material benefit as a result of, the proposed issue (except a benefit solely by reason of being a Shareholder), or any associate of those persons.

The above voting exclusions do not apply to a vote cast in favour of the relevant Resolution by:

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

EXPLANATORY STATEMENT

This Explanatory Statement has been prepared for the information of the Shareholders of the Company in connection with the business to be conducted at the General Meeting to be held on Tuesday, 12 January 2021 at 10.00am (AWST).

This purpose of this Explanatory Statement is to provide information which the Directors believe to be material to Shareholders in deciding whether or not to pass the Resolutions in the Notice of Meeting.

1. RESOLUTION 1 – APPROVAL FOR THE ISSUE OF THE CONVERTIBLE NOTES

(a) Background

As announced on 30 November 2020, the Company has executed a binding convertible note and option deed with AP Ventures Fund II GP LLP (**APV**) (**Note and Option Deed**) under which APV will (subject to receipt of required regulatory and shareholder approvals) acquire 4,000,000 unsecured convertible notes each with a face value of \$1.00 (**Convertible Notes** or **Notes**) and 2,250,000 Options, which subject to receipt of required regulatory and shareholder approvals will be convertible into Shares.

AP is a UK based investment fund which manages venture capital funds with a global mandate to invest in pioneering new technologies and businesses which aim to solve global challenges such as renewable energy integration, resource scarcity and rapidly changing demographics. APV's portfolio is concentrated in the hydrogen sector, with its investments supporting companies through their commercialisation and scale up phases.

A summary of the Note and Option Deed is set out in Schedule 1 and a summary of the terms and conditions of the Notes and Options is set out in Schedules 2 and 3 respectively.

The funds raised by the Company through the issue of Notes and Options under the Note and Option Deed will further secure the Company's position to accelerate its growth strategy and be specifically applied to the construction a Commercial Demonstration Plant, and support the Company's ongoing research and development program into applications for the Company's graphite advanced carbon material, business development activities, and improving the Company's working capital position.

Resolution 1 seeks Shareholder approval for the purpose of Listing Rule 7.1 and for all other purposes for the issue of the Convertible Notes to APV.

If Resolution 1 is approved by Shareholders, the Company will issue the Convertible Notes to APV before the date which is 3 months from the date of shareholder approval. The Company will also be entitled to issue Shares in accordance with the Note and Option Deed without using the Company's annual 15% placement capacity.

(b) ASX Listing Rule 7.1

Broadly speaking, and subject to a number of exceptions, 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 shares it had on issue at the start of that period.

The proposed issue of the Notes to APV does not fall within any of these exceptions and exceeds the 15% limit in Listing Rule 7.1. It therefore requires the approval of the Company's shareholders under Listing Rule 7.1. Resolution 1 seeks the required shareholder approval to issue the Notes under and for the purposes of Listing Rule 7.1.

If Resolution 1 is passed, it will permit Company to complete the issue of the Notes no later than 3 months after the date of the Meeting (or such longer period as allowed by ASX). In addition, the issue of the Notes will be excluded from the calculation of the number of Equity Securities that the Company can issue without shareholder approval under Listing Rule 7.1.

If Resolution 1 is not passed, the Company will not be able to proceed with the issue of the Notes and the Company will not be able to complete the proposed fundraising through the Note and Option Deed.

(a) Technical information required by Listing Rule 7.3

Pursuant to and in accordance with Listing Rule 7.3, the following information is provided in relation to Resolution 1:

- (i) the Company will issue a maximum of 4,000,000 Notes pursuant to Resolution 1 for \$4,000,000;
- (ii) the Notes will be issued no later than 3 months after the date of the Meeting or such later date as permitted by ASX. It is intended that all of the Notes will be issued on the same date;
- (iii) The Notes are convertible into Shares of APV at a conversion price of the higher of:
 - 1. volume weighted average price (VWAP) of the Shares, as traded on the ASX, in the five (5) trading days preceding the receipt of a conversion notice under the terms of the Note and Option Deed; and
 - 2. \$0.20,

per Share, adjusted to account for any reorganisation of the Company's share capital and the dilutive impact to the price of the Company's Shares of any rights issue, placement or similar issue of Shares (**Conversion Price**).
- (iv) Section (d) below provides examples of the amount convertible into Shares in accordance with the Conversion Price formula. Given the Notes are issued with a floor price of \$0.20, the maximum amount of Shares which can be issued on the conversion of all of the Notes is 20,000,000 (subject to adjustments to the Conversion Price due to reorganisations of the Company's share capital).
- (v) Further details of the terms of the Notes are set out in **Schedule 2**;
- (vi) the Notes will be issued to APV which is not a related party of the Company;
- (vii) \$4,000,000 will be raised from the issue of the Notes, which will further secure the Company's position to accelerate its growth strategy and be specifically applied to the construction a Commercial Demonstration Plant, and support the Company's ongoing research and development program into applications for the Company's graphite advanced carbon material, business development activities, and improving the Company's working capital position;
- (viii) the Notes will be issued pursuant to the terms of the Note and Option Deed and further details of which are contained in Schedule 1; and
- (ix) a voting exclusion statement is included in the Notice.

(b) Examples of conversion of the Convertible Notes

The formula for calculating the Conversion Price of the Convertible Notes is dependent on the timing of the conversion, subject at all times to the Conversion Price being no lower than a floor price of \$0.20.

The table below shows examples of the potential effect of the conversion of the Convertible Notes into Shares at a range of Conversion Prices.

The examples are based on the following assumptions:

- (a) the Convertible Notes are all converted in full; and

- (b) the number of Shares on issue at the time of conversion is 141,834,802 and no other shares are issued prior to conversion.

Conversion Price	Number of Shares issued on conversion	Dilution to Shareholders
\$0.20 ¹	20,000,000	12.36%
\$0.78 ²	5,128,205	3.49%
\$1.56 ³	2,564,103	1.78%
\$0.39 ⁴	10,256,410	6.74%

Notes:

1. The floor price as set out in Schedule 2.
2. The Conversion Price being the 5-day VWAP that would apply if the Convertible Notes were to be converted on 30 November 2020, being the latest practicable date before the date of this Notice.
3. The Conversion Price being the amount which is twice the 5-day VWAP as set in Note 2 above.
4. The Conversion Price being the amount which is half the 5-day VWAP as set in Note 2 above.

(c) **Interests and recommendations of Directors**

None of the Directors have any personal interest in the outcome of the Resolution.

Based on the information available, including that contained in this Explanatory Memorandum, all of the Directors consider that the issue of the Convertible Notes the subject of the Resolution is in the best interests of the Company.

The Directors are not aware of any other information other than as set out in this Notice of Meeting that would be reasonably required by Shareholders to allow them to make a decision whether it is in the best interests of the Company to pass the Resolution.

Each of the Directors approved the proposal to put the Resolution to Shareholders and each of the Directors recommend that Shareholders vote in favour of the Resolution.

2. RESOLUTION 2 – APPROVAL FOR THE ISSUE OF THE OPTIONS

(a) Background

As announced on 30 November 2020, the Company has executed a binding convertible note and option deed with AP Ventures Fund II GP LLP (**APV**) (**Note and Option Deed**) under which APV will (subject to receipt of required regulatory and shareholder approvals) acquire 4,000,000 unsecured convertible notes each with a face value of \$1.00 (**Convertible Notes** or **Notes**) and 2,250,000 Options, which subject to receipt of required regulatory and shareholder approvals will be convertible into Shares.

AP is a UK based investment fund which manages venture capital funds with a global mandate to invest in pioneering new technologies and businesses which aim to solve global challenges such as renewable energy integration, resource scarcity and rapidly changing demographics. APV's portfolio is concentrated in the hydrogen sector, with its investments supporting companies through their commercialisation and scale up phases.

A summary of the terms and conditions of the Note and Option Deed is set out in Schedule 1 and a summary of the terms and conditions of the Notes and Options is set out in Schedules 2 and 3 respectively.

The funds raised by the Company through the issue of Notes and Options under the Note and Option Deed will further secure the Company's position to accelerate its growth strategy and be specifically applied to the construction a Commercial Demonstration Plant, and support the Company's ongoing research and development program into applications for the Company's graphite advanced carbon material, business development activities, and improving the Company's working capital position.

Resolution 2 seeks Shareholder approval for the purpose of Listing Rule 7.1 and for all other purposes for the issue of the Options to APV.

If Resolution 2 is approved by Shareholders, the Company will issue the Options to APV before the date which is 3 months from the date of shareholder approval. The Company will also be entitled to issue Shares in accordance with the Note and Option Deed without using the Company's annual 15% placement capacity.

(b) ASX Listing Rule 7.1

Broadly speaking, and subject to a number of exceptions, 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 shares it had on issue at the start of that period.

The proposed issue of the Options to APV does not fall within any of these exceptions and exceeds the 15% limit in Listing Rule 7.1. It therefore requires the approval of the Company's shareholders under Listing Rule 7.1.

Resolution 2 seeks the required shareholder approval to the issue the Options under and for the purposes of Listing Rule 7.1.

If Resolution 2 is passed, it will permit Company to complete the issue of the Options no later than 3 months after the date of the Meeting (or such longer period as allowed by ASX). In addition, the issue of the Options will be excluded from the calculation of the number of Equity Securities that the Company can issue without shareholder approval under Listing Rule 7.1.

If Resolution 2 is not passed, the Company will not be able to proceed with the issue of the Options and the Company will not be able to complete the proposed fundraising through the Note and Option Deed.

(a) Technical information required by Listing Rule 7.3

Pursuant to and in accordance with Listing Rule 7.3, the following information is provided in relation to Resolution 2:

- (i) the Company will issue a maximum of 2,250,000 Options pursuant to Resolution 2 for nil consideration;
- (ii) the Options will be issued no later than 3 months after the date of the Meeting or such later date as permitted by ASX. It is intended that all of the Options will be issued on the same date;
- (iii) the terms of the Options are set out in Schedule 3;
- (iv) the Options will be issued to APV which is not a related party of the Company;
- (v) no funds will be raised from the issue of the Options (as they are being issued as part of the commercial arrangement reached between APV and the Company in connection with the Note and Option Deed as summarised in the Resolution 5);

- (vi) the Options will be issued pursuant to the terms of the Note and Option Deed and further details of which are contained in Schedule 1; and
- (vii) a voting exclusion statement is included in the Notice.

(b) Interests and recommendations of Directors

None of the Directors have any personal interest in the outcome of the Resolution.

Based on the information available, including that contained in this Explanatory Memorandum, all of the Directors consider that the issue of the Options the subject of the Resolution is in the best interests of the Company.

The Directors are not aware of any other information other than as set out in this Notice of Meeting that would be reasonably required by Shareholders to allow them to make a decision whether it is in the best interests of the Company to pass the Resolution.

Each of the Directors approved the proposal to put the Resolution to Shareholders and each of the Directors recommend that Shareholders vote in favour of the Resolution.

3. ENQUIRIES

Shareholders may contact the Company Secretary if they have any queries in respect of the matters set out in these documents.

Emma Waldon
Company Secretary
Hazer Group Limited
PO Box Z5511, St Georges Tce
Perth, WA 6831
Australia

Tel: +61 417 800 529

Email: ewaldon@hazergroup.com.au

GLOSSARY

General Meeting, GM or Meeting means the meeting convened by the Notice.

APV means AP Ventures Fund II GP LLP or its nominee.

ASX means ASX Limited (ABN 98 008 624 691).

ASX Listing Rules means the Listing Rules of ASX.

AWST means Australian Western Standard Time, Perth, Western Australia.

Board means the board of Directors of the Company as constituted from time to time.

Business Day has the meaning given to that term in ASX Listing Rule 19.12.

Company or **Hazer** means Hazer Group Limited (ABN 40 144 044 600).

Constitution means the Constitution of the Company.

Convertible Notes or **Notes** means 4,000,000 unsecured convertible notes each with a face value of \$1.00, with the terms set out in Schedule 2.

Corporations Act means the Corporations Act 2001 (Cth).

Directors mean the directors of the Company.

Documents means each of the Notice, Explanatory Statement and the Proxy Form and all other documents that accompany each other when sent to each Shareholder.

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

Explanatory Statement means the explanatory statement accompanying the Notice.

Note and Option Deed means the binding agreement between APV and Hazer in respect of the issue of Convertible Notes and Options dated 30 November 2020.

Notice means the notice of Meeting that accompanies and forms part of the Documents.

Option means an option, if exercised in accordance with its terms, to acquire one Share in the Company.

Ordinary Resolution means a resolution passed by more than 50 per cent of the votes at a general meeting of Shareholders.

Proxy Form means the proxy form accompanying this Notice of Meeting.

Resolutions means the resolutions set out in the Notice, or any one of them, as the context requires.

Share means a fully paid ordinary share in the capital of the Company.

Shareholder means a holder of a Share.

Share Registry means Link Market Services.

Trading Day has the meaning given to that term in ASX Listing Rule 19.12.

Interpretation

In these Documents, unless the context requires otherwise:

- (a) a reference to a word includes the singular and the plural of the word and vice versa;

- (b) a reference to a gender includes any gender;
- (c) if a word or phrase is defined, then other parts of speech and grammatical forms of that word or phrase have a corresponding meaning;
- (d) a term which refers to a natural person includes a company, a partnership, an association, a corporation, a body corporate, a joint venture or a governmental agency;
- (e) headings are included for convenience only and do not affect interpretation;
- (f) a reference to a document includes a reference to that document as amended, novated, supplemented, varied or replaced;
- (g) a reference to a thing includes a part of that thing and includes but is not limited to a right;
- (h) the terms "included", "including" and similar expressions when introducing a list of items do not exclude a reference to other items of the same class or genus;
- (i) a reference to a statute or statutory provision includes but is not limited to:
 - (i) a statute or statutory provision which amends, extends, consolidates or replaces the statute or statutory provision;
 - (ii) a statute or statutory provision which has been amended, extended, consolidated or replaced by the statute or statutory provision; and
 - (iii) subordinate legislation made under the statute or statutory provision including but not limited to an order, regulation, or instrument;
- (j) a reference to "\$", "A\$", "Australian Dollars" or "dollars" is a reference to the lawful tender for the time being and from time to time of the Commonwealth of Australia; and
- (k) a reference to an asset includes all property or title of any nature including but not limited to a business, a right, a revenue and a benefit, whether beneficial, legal or otherwise.

Schedule 1: Summary of terms of the Note and Option Deed

<p>Conditions precedent</p>	<p>The transaction is subject to the following conditions precedent:</p> <p>1.1 (Placement capacity) prior to the issue of the Notes and the Options, Hazer having sufficient 'placement capacity' pursuant to ASX Listing Rules 7.1 and / or 7.1A and, to the extent insufficient, Hazer obtaining approval of Hazer Shareholders for the issue of the Notes and/or the Options (as applicable);</p> <p>1.2 (ASX Approval) Hazer receiving confirmation from ASX that:</p> <p>(a) the terms of the Notes and the Options are appropriate and equitable for the purposes of Listing Rule 6.1;</p> <p>(b) to the extent applicable, the transfer, conversion or redemption of the Notes in accordance with their terms does not constitute a divestment of the Notes for the purpose of Listing Rule 6.12; and</p> <p>(c) to the extent applicable, the board appointment rights, negative covenants and other governance related materials set out in the Note and Option Deed are acceptable in light of Listing Rule 12.5.</p> <p>1.3 (FIRB clearance) prior to the issue of the Notes and the Options:</p> <p>(a) APV receives notice in writing from the Federal Treasurer or his or her agent to the effect that there are no objections under the Australian Government's foreign investment policy or under <i>Foreign Acquisitions and Takeovers Act 1975</i> (Cth) (FATA) to APV being issued the Notes and the Options; or</p> <p>(b) the Treasurer is, by reason of lapse of time, no longer empowered to make an order under FATA in respect of the Proposed Transaction.</p> <p>The conditions precedent must be satisfied as soon as possible, and if the parties are unable to satisfy the conditions precedent by 31 December 2021, the agreement may be terminated.</p>
<p>Securities</p>	<p>4,000,000 convertible notes on the terms set out in Schedule 2 of this Notice and 2,250,000 options on the terms summarised in schedule 3 of this Notice will be issued.</p>
<p>Terms of Notes</p>	<p>See schedule 1</p>
<p>Terms of Options</p>	<p>See schedule 2</p>
<p>Board nomination</p>	<p>Subject to the requirements of the Listing Rules, the Corporations Act and Hazer's constitution, for so long as APV meets the Threshold Requirement (defined below) APV will be entitled to nominate one member to the board of Hazer (Nominated Director).</p> <p>"Threshold Requirement" shall mean that APV holds at least:</p>

	1.1 \$2,000,000 worth of securities (either debt or Shares or both); or 1.2 3% of the issued capital, in the Company, whichever is lower.
Governing law	Western Australia

Schedule 2: Convertible Notes

- (a) **(Face Value)** Each Note will have a face value of \$1.00.
- (b) **(Unsecured)** Each Note will be unsecured.
- (c) **(Not quoted)** The Notes will be unquoted and Hazer will not seek quotation of the Notes on the ASX or any other financial market.
- (d) **(Number of securities)** The maximum number of Notes to be issued is 4 million Convertible Notes
- (e) **(Maturity Date)** Five (5) years from the issue date.
- (f) **(Interest)** 0% per annum (subject to interest payable on an early redemption by the Company in the circumstances set out in sub-paragraph (l))
- (g) **(Conversion Price)** The Notes are convertible into Shares of APV at a conversion price of the higher of:
 - (a) volume weighted average price (VWAP) of the Shares, as traded on the ASX, in the five (5) trading days preceding the receipt of a conversion notice under the terms of the Note and Option Deed; and
 - (b) \$0.20,per Share, adjusted to account for any reorganisation of the Company's share capital and the dilutive impact to the price of the Company's Shares of any rights issue, placement or similar issue of Shares **(Conversion Price)**.
- (h) **(Adjustments and reorganisations)** If the Company makes an issue of Shares pro rata to existing Shareholders there will be no adjustment to the Conversion Price. If there is any consolidation, subdivision, reduction or return of the issued share capital of the Company **(Reorganisation)**, the rights of APV may (with APV's consent, not to be unreasonably withheld) be varied to ensure that APV neither receives a benefit or suffers a detriment relative to Hazer if there is a Reorganisation, provided that any adjustment complies with the ASX Listing Rules which apply to a Reorganisation.
- (i) **(Conversion standstill)** Following the initial 12 months of the term of the Note and Option Deed, APV can exercise its right to conversion until the Maturity Date.
- (j) **(Conversion Right)** APV may elect to convert some or all of the Notes to Shares by providing the Company with written notice setting out the number of Notes to be converted **(Conversion Notice)**, provided that:
 - (a) Conversion Notice is issued after the conversion standstill;
 - (b) The Conversion Notice is in respect of Notes with a face value of up to \$1,333,333;
 - (c) APV may issue up to two (2) conversion notices in each financial quarter, with no more than one Conversion Notice to be lodged within 30 days of another; and
 - (d) the Company and APV have obtained all necessary approvals under the Corporations Act and the ASX Listing Rules and, if required, received approval from the Australian Foreign Investments Review Board.
- (k) **(Repayment and redemption)** For any Notes remaining on issue as at the Maturity Date, the Company must redeem the Notes by repaying to the noteholder the face value of the outstanding Notes in full and all other outstanding moneys then due and payable.

If the Company does not make payment of this amount before the Maturity Date, APV has the option (subject to the Company receiving required regulatory approvals) to convert the Notes into Shares at a price per Share which is the higher of \$0.20 and a 35% discount to the five (5) day VWAP of the Shares at the Maturity Date.

- (l) **(Early redemption)** The Notes will be redeemable by the Company on request by the Company, at any time before the Maturity Date (**Redemption Notice**). Upon receiving a Redemption Notice, APV must elect (at its option) within (10) business days to either:
 - (a) Subject to receipt of any required regulatory or shareholder approvals convert the Notes into Shares, in accordance with the item (g) above; or
 - (b) notify the Company that APV wishes to be repaid the Issue Price of the outstanding Notes as at the date of the Redemption Notice (**Redemption Payment**). The Redemption Payment will accrue interest at 8% per annum accruing and calculated daily from the issue date until the date the Redemption Payment is made.
- (m) **(Issue of Shares)** Once Hazer has received a valid Conversion Notice it must, as soon as practicable issue and deliver to APV the Shares calculated with reference to the Conversion Price and a share certificate for the Shares subject to receipt of all required regulatory and shareholder approvals.
- (n) **(Shares issued on conversion)** Shares issued on conversion of the Notes rank equally with the Shares of the Company.
- (o) **(Quotation of shares on conversion)** The Company will apply to ASX for official quotation of the Shares issued on the conversion of the Notes.
- (p) **(No Secondary Trading Restrictions)** The Company must as soon as reasonably practicable but in any event within 3 months of the date of the Conversion Notice, issue a cleansing notice (or if necessary, a cleansing prospectus), to ensure there is no secondary trading restrictions in relation to the shares.
- (q) **(Negative covenants)** Hazer must not without the prior consent of APV incur or agree to incur any obligation or liability under or in respect of borrowed money or other financial accommodation other than permitted indebtedness under the terms of the Note and Option Deed; dispose of any assets other than in the ordinary course of business; consolidate, subdivide, reduce or return its issued share capital; materially change the nature of its business; make an application under section 411 of the Corporations Act; grant any security interest over any of its assets except in the ordinary course of business; or transfer or otherwise alter the jurisdiction of its incorporation.
- (r) **(Non-transferable)** APV must not sell, transfer, assign, create any security interest over or otherwise deal with Notes outside of APV and all of its Related Bodies Corporate (as defined in the Corporations Act) unless it has prior written consent of Hazer.

Schedule 3: Options

- (a) **(Total number)** 2,250,000 Options.
- (b) **(Entitlement)** Each Option entitles APV to subscribe for one Share upon the exercise of the Option.
- (c) **(Exercise Price)** The collective exercise price for all of the 2,250,000 Options is \$1. That is, for the payment of \$1 only, the Investor is entitled to receive 2,250,000 Options.
- (d) **(Expiry Date)** Each Option will expire at 5.00pm (AWST) on the date which is 5 years from the Issue Date.
- (e) **(Exercise period)** The Options are exercisable at any time from the date of expiry of the Conversion Standstill period (being 1 year from the Execution Date) to the Expiry Date.
- (f) **(Notice of exercise)** The Options may be exercised by notice in writing to the Company and payment of the Exercise Price for the Options. Any notice of exercise of an Option received by Hazer will be deemed to be a notice of the exercise of that Option as at the deemed date of receipt (provided in the full form 'notice' provision).
- (g) **(Shares issued on exercise)** Shares issued on conversion of the Options will be fully tradeable, without restriction, fully paid and will rank *pari passu* in all respects with the Shares on issue in the Company as at the date of conversion
- (h) **(Options not quoted)** the Company will not apply to ASX for quotation of the Options.
- (i) **(Quotation of shares on exercise)** The Company will apply to ASX for official quotation of the Shares issued on the exercise of the Options.
- (j) **(Timing of issue of Shares)** After an Option is validly exercised the Company must issue the Shares as soon as possible following receipt of any shareholder or regulatory approvals (if required). The Company must use best endeavours to obtain any approvals as quickly as possible following the exercise of any Options.
- (k) **(Participation in new issues)** There are no participation rights or entitlements inherent in the Options and a holder will not be entitled to participate in new issues of capital offered to Shareholders during the currency of the Options.
- (l) **(Adjustment for rights issues)** If the Company makes an issue of Shares pro rata to existing Shareholders there will be no adjustment to the Exercise Price.
- (m) **(Change in Exercise Price)** An Option does not confer the right to a change in Exercise Price or a change in in the number of underlying securities over which the Option can be issued.
- (n) **(Adjustments for Reorganisation)** If there is any reorganisation (including consolidation, subdivision, reduction or return) **(Reorganisation)** of the issued share capital of the Company, the rights of the Option holder may (with the Option holder's consent, not to be unreasonably withheld) be varied to ensure that the Option holder neither receives a benefit or suffers a detriment relative to the other party if there is a Reorganisation, provided that any variation complies with the Listing Rules which apply to a Reorganisation.
- (o) **(Options not transferable)** The Options are not transferable, except with the prior written approval of the board of directors of the Company and subject to compliance with the Corporations Act and the Listing Rules.



HAZER GROUP LIMITED

ABN 40 144 044 600

LODGE YOUR VOTE

ONLINE
www.linkmarketservices.com.au

BY MAIL
Hazer Group Limited
C/- Link Market Services Limited
Locked Bag A14
Sydney South NSW 1235 Australia

BY FAX
+61 2 9287 0309

BY HAND
Link Market Services Limited
1A Homebush Bay Drive, Rhodes NSW 2138

ALL ENQUIRIES TO
Telephone: +61 1300 554 474



X99999999999

PROXY FORM

I/We being a member(s) of Hazer Group Limited and entitled to attend and vote hereby appoint:

APPOINT A PROXY

the Chair of the Meeting (mark box)

OR if you are **NOT** appointing the Chair of the Meeting as your proxy, please write the name of the person or body corporate you are appointing as your proxy

STEP 1

or failing the person or body corporate named, or if no person or body corporate is named, the Chair of the Meeting, as my/our proxy to act on my/our behalf (including to vote in accordance with the following directions or, if no directions have been given and to the extent permitted by the law, as the proxy sees fit) at the General Meeting of the Company to be held at **10:00am (AWST) on Tuesday, 12 January 2021 at Level 9, 99 St Georges Terrace Perth WA 6000** (the Meeting) and at any postponement or adjournment of the Meeting.

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

VOTING DIRECTIONS

Proxies will only be valid and accepted by the Company if they are signed and received no later than 48 hours before the Meeting. Please read the voting instructions overleaf before marking any boxes with an

Resolutions

For Against Abstain*

1 Approval for the Issue of the Convertible Notes

<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
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2 Approval for the Issue of the Options

<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
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STEP 2

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

SIGNATURE OF SHAREHOLDERS – THIS MUST BE COMPLETED

Shareholder 1 (Individual)

Joint Shareholder 2 (Individual)

Joint Shareholder 3 (Individual)

Sole Director and Sole Company Secretary

Director/Company Secretary (Delete one)

Director

This form should be signed by the shareholder. If a joint holding, either shareholder may sign. If signed by the shareholder's attorney, the power of attorney must have been previously noted by the registry or a certified copy attached to this form. If executed by a company, the form must be executed in accordance with the company's constitution and the Corporations Act 2001 (Cth).

STEP 3

HZR PRX2101A



HOW TO COMPLETE THIS SHAREHOLDER PROXY FORM

YOUR NAME AND ADDRESS

This is your name and address as it appears on the Company's share register. If this information is incorrect, please make the correction on the form. Shareholders sponsored by a broker should advise their broker of any changes. **Please note: you cannot change ownership of your shares using this form.**

APPOINTMENT OF PROXY

If you wish to appoint the Chair of the Meeting as your proxy, mark the box in Step 1. If you wish to appoint someone other than the Chair of the Meeting as your proxy, please write the name of that individual or body corporate in Step 1. A proxy need not be a shareholder of the Company.

DEFAULT TO CHAIR OF THE MEETING

Any directed proxies that are not voted on a poll at the Meeting will default to the Chair of the Meeting, who is required to vote those proxies as directed. Any undirected proxies that default to the Chair of the Meeting will be voted according to the instructions set out in this Proxy Form.

VOTES ON ITEMS OF BUSINESS – PROXY APPOINTMENT

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

APPOINTMENT OF A SECOND PROXY

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

To appoint a second proxy you must:

- on each of the first Proxy Form and the second Proxy Form state the percentage of your voting rights or number of shares applicable to that form. If the appointments do not specify the percentage or number of votes that each proxy may exercise, each proxy may exercise half your votes. Fractions of votes will be disregarded; and
- return both forms together.

SIGNING INSTRUCTIONS

You must sign this form as follows in the spaces provided:

Individual: where the holding is in one name, the holder must sign.

Joint Holding: where the holding is in more than one name, either shareholder may sign.

Power of Attorney: to sign under Power of Attorney, you must lodge the Power of Attorney with the registry. If you have not previously lodged this document for notation, please attach a certified photocopy of the Power of Attorney to this form when you return it.

Companies: where the company has a Sole Director who is also the Sole Company Secretary, this form must be signed by that person. If the company (pursuant to section 204A of the *Corporations Act 2001*) does not have a Company Secretary, a Sole Director can also sign alone. Otherwise this form must be signed by a Director jointly with either another Director or a Company Secretary. Please indicate the office held by signing in the appropriate place.

CORPORATE REPRESENTATIVES

If a representative of the corporation is to attend the Meeting the appropriate "Certificate of Appointment of Corporate Representative" must be produced prior to admission in accordance with the Notice of Meeting. A form of the certificate may be obtained from the Company's share registry or online at www.linkmarketservices.com.au.

LODGEMENT OF A PROXY FORM

This Proxy Form (and any Power of Attorney under which it is signed) must be received at an address given below by **10:00am (AWST) on Sunday, 10 January 2021**, being not later than 48 hours before the commencement of the Meeting. Any Proxy Form received after that time will not be valid for the scheduled Meeting.

Proxy Forms may be lodged using the reply paid envelope or:



ONLINE

www.linkmarketservices.com.au

Login to the Link website using the holding details as shown on the Proxy Form. Select 'Voting' and follow the prompts to lodge your vote. To use the online lodgement facility, shareholders will need their "Holder Identifier" - Securityholder Reference Number (SRN) or Holder Identification Number (HIN).



BY MOBILE DEVICE

Our voting website is designed specifically for voting online. You can now lodge your proxy by scanning the QR code adjacent or enter the voting link www.linkmarketservices.com.au into your mobile device. Log in using the Holder Identifier and postcode for your shareholding.

QR Code



To scan the code you will need a QR code reader application which can be downloaded for free on your mobile device.



BY MAIL

Hazer Group Limited
C/- Link Market Services Limited
Locked Bag A14
Sydney South NSW 1235
Australia



BY FAX

+61 2 9287 0309



BY HAND

delivering it to Link Market Services Limited*
1A Homebush Bay Drive
Rhodes NSW 2138

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



COMMUNICATION PREFERENCE

We encourage you to receive all your shareholder communication via email. This communication method allows us to keep you informed without delay, is environmentally friendly and reduces print and mail costs.



ONLINE

www.linkmarketservices.com.au

Login to the Link website using the holding details as shown on the Proxy Form. Select 'Communications' and click the first button to receive all communications electronically and enter your email address. To use the online facility, securityholders will need their "Holder Identifier" - Securityholder Reference Number (SRN) or Holder Identification Number (HIN).

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