

MATRIX COMPOSITES & ENGINEERING LIMITED

ABN 54 009 435 250

NOTICE OF GENERAL MEETING AND EXPLANATORY MEMORANDUM TO SHAREHOLDERS

Date of Meeting

10 February 2011

Time of Meeting

10.30am (Perth time)

Place of Meeting

Claremont Yacht Club (Deep Dene Room), 4 Victoria Avenue, Claremont, Western Australia

A Proxy Form is enclosed

Please read this Notice and Explanatory Memorandum carefully.

If you are unable to attend the General Meeting please complete and return the enclosed Proxy Form in accordance with the specified directions.

Matrix Composites & Engineering Limited

ABN 54 009 435 250

NOTICE OF GENERAL MEETING

Notice is hereby given that a **General Meeting of Shareholders of Matrix Composites & Engineering Limited ABN 54 009 435 250 ("Company")** will be held at the **Claremont Yacht Club (Deep Dene Room), 4 Victoria Avenue, Claremont, Western Australia** on **10 February 2011 at 10.30am (Perth time)** for the purpose of transacting the following business referred to in this Notice of General Meeting.

The Explanatory Memorandum which accompanies and forms part of this Notice of Meeting describes the various matters to be considered at the Meeting.

AGENDA

ITEMS OF BUSINESS

1. Resolution 1- Removal of Auditor

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

"That for the purposes of section 329(1) of the Corporations Act and for all other purposes, Mack & Co be removed as auditor of the Company as at the date of this meeting."

2. Resolution 2 - Appointment of New Auditor

To consider and, if thought fit, to pass with or without amendment, the following resolution as a **special resolution**:

"That subject to the passing of Resolution 1, for the purposes of section 327D(2) of the Corporations Act and for all other purposes Deloitte Touche Tohmatsu, having given its consent be and is hereby appointed as auditor of the Company and the Directors be authorised to fix the remuneration of the auditor"

For the purposes of Resolutions 1 and 2, the following definitions apply:

"**Company**" means Matrix Composites & Engineering Limited ABN 54 009 435 250;

"**Constitution**" means the Company's constitution, as amended from time to time;

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

"**Explanatory Memorandum**" means the explanatory memorandum accompanying this and forms part of the Notice of General Meeting;

"**Director**" means a Director of the Company; and

"**Resolution**" means a resolution contained in this Notice of General Meeting.

Proxies

1. Each Member or Shareholder has a right to appoint a proxy.
2. The proxy need not be a Member of the Company.
3. A Member who is entitled to cast 2 or more votes may appoint 2 proxies and may specify the proportion of number of votes each proxy is appointed to exercise.

By order of the Board

Michael Kenyon
Company Secretary

Dated: 7 January 2011

How to vote

Shareholders can vote by either:

- attending the meeting and voting in person or by attorney or, in the case of corporate shareholders, by appointing a corporate representative to attend and vote; or
- appointing a proxy to attend and vote on their behalf using the proxy form accompanying this Notice of Meeting or by submitting their proxy appointment and voting instructions by person, post, courier or facsimile.

Voting in person (or by attorney)

Shareholders, or their attorneys, who plan to attend the meeting are asked to arrive at the venue 15 minutes prior to the time designated for the meeting, if possible, so that their holding may be checked against the Company's share register and attendances recorded. Attorneys should bring with them an original or certified copy of the power of attorney under which they have been authorised to attend and vote at the meeting.

Voting by a Corporation

A Shareholder that is a corporation may appoint an individual to act as its representative and vote in person at the meeting. The appointment must comply with the requirements of section 250D of the Corporations Act. The representative should bring to the meeting evidence of his or her appointment, including any authority under which it is signed unless previously given to the Company's Share Registry.

Voting by proxy

- A Shareholder entitled to attend and vote is entitled to appoint not more than two proxies. Each proxy will have the right to vote on a poll and also to speak at the meeting.
- The appointment of the proxy may specify the proportion or the number of votes that the proxy may exercise. Where more than one proxy is appointed and the appointment does not specify the proportion or number of the shareholder's votes each proxy may exercise, the votes will be divided equally among the proxies (i.e. where there are two proxies, each proxy may exercise half of the votes).
- A proxy need not be a shareholder.
- The proxy can be either an individual or a body corporate.
- If a proxy is not directed how to vote on an item of business, the proxy may vote, or abstain from voting, as they think fit.
- Should any resolution, other than those specified in this Notice, be proposed at the meeting, a proxy may vote on that resolution as they think fit.

- If a proxy is instructed to abstain from voting on an item of business, they are directed not to vote on the shareholder's behalf on the poll and the shares that are the subject of the proxy appointment will not be counted in calculating the required majority.
- Shareholders who return their proxy forms with a direction how to vote but do not nominate the identity of their proxy will be taken to have appointed the Chairman of the meeting as their proxy to vote on their behalf. If a proxy form is returned but the nominated proxy does not attend the meeting, the Chairman of the meeting will act in place of the nominated proxy and vote in accordance with any instructions. Proxy appointments in favour of the Chairman of the meeting, the secretary or any Director that do not contain a direction how to vote will be used where possible to support each of the resolutions proposed in this Notice.
- To be effective, proxies must be lodged by 10.30am (Perth time) on 8 February 2011. Proxies lodged after this time will be invalid.
- Proxies may be lodged using any of the following methods:
 - by returning a completed proxy form in person or by post using the pre-addressed envelope provided with this Notice,
 - or
 - by faxing a completed proxy form to 1800 783 447 (within Australia) or 61 3 9473 2555 (outside Australia).

The proxy form must be signed by the shareholder or the shareholder's attorney. Proxies given by corporations must be executed in accordance with the Corporations Act. Where the appointment of a proxy is signed by the appointer's attorney, a certified copy of the power of attorney, or the power itself, must be received by the Company at the above address, or by facsimile, and by 10.30am (Perth time) on 8 February 2011. If facsimile transmission is used, the power of attorney must be certified. Alternatively, you may register your proxy instructions electronically at the Share Registry website www.investorvote.com.au by 10.30am (Perth time) on 8 February 2011. For Intermediary Online subscribers only (custodians) please visit www.intermediaryonline.com to submit your voting intentions.

Shareholders who are entitled to vote

In accordance with Regulations 7.11.37 and 7.11.38 of the Corporations Regulations 2001, the Board has determined that a person's entitlement to vote at the General Meeting will be the entitlement of that person set out in the Register of Shareholders as at 5.00pm (Perth time) 8 February 2011.

Matrix Composites & Engineering Limited

ABN 54 009 435 250

EXPLANATORY MEMORANDUM

This Explanatory Memorandum has been prepared for the information of members of Matrix Composites & Engineering Limited (**Matrix** or the **Company**) in connection with the business to be conducted at the general meeting of members to be held at the Claremont Yacht Club (Deep Dene Room), 4 Victoria Avenue, Claremont, Western Australia on 10 February 2011 at 10.30am.

RESOLUTION 1: REMOVAL OF AUDITOR

On 29 December 2010, a notice of request to convene a meeting to consider the resolution to remove the Company's auditor Mack & Co was served on the Company pursuant to section 329(1A) of the Corporations Act (the "Notice of Intention").

Mack & Co was appointed as the Company's auditor on 16 August 2006.

Mack & Co is entitled to make representations under section 329(3) of the Corporations Act within 7 days of receipt of the Notice of Intention in writing and to have those representations sent to members prior to the meeting.

Mack & Co did not make any representations pursuant to section 329(3) of the Corporations Act.

RESOLUTION 2: APPOINTMENT OF AUDITOR

Section 327D of the Corporations Act provides that when an auditor is removed from a company, the company may appoint a new auditor at a general meeting by special resolution. Resolution 2 provides for the auditor vacancy to be filled if Resolution 1 is passed.

Following the Company's elevation to the ranks of a publicly listed company last year, the directors have seen fit to seek out a Tier 1 accounting/advisory firm to take them through the next stage of their growth.

The Company has significant plans to expand internationally into South East Asia, West Africa and Brazil. It was deemed appropriate to engage a firm which is recognised in the international arena and has established operations both in Australia and the regions described above.

Deloitte Touche Tohmatsu is the largest professional services organization in the world. According to the organization's website as of October 2010, Deloitte has approximately 170,000 staff at work in more than 150 countries, delivering audit, tax, consulting, enterprise risk, and financial advisory services through its member firms.

A copy of the nomination of Deloitte Touche Tohmatsu as auditor is attached to this Notice.

GLOSSARY

"**Board**" means the board of Directors of the Company.

"**Company**" means Matrix Composites & Engineering Limited ABN 54 009 435 250.

"**Constitution**" means the constitution of the Company.

"**Corporations Act**" means the *Corporations Act 2001* (Cth).

"**Director**" means a director of the Company.

"**Meeting**" means the general meeting the subject of the Notice of General Meeting.

"**Resolution**" means a resolution proposed pursuant to the Notice of General Meeting.

NOTICE OF NOMINATION OF AUDITOR

6 January 2011

The Secretary
Matrix Composites & Engineering Ltd
42 Truganina Road
Malaga WA 6090

Dear Mr Kenyon

Nomination of Deloitte Touche Tohmatsu as auditor of Matrix Composites & Engineering Ltd

For the purposes of Section 328B of the Corporations Act 2001, I, Yew Chuan Ko, being a member of Matrix Composites & Engineering Ltd hereby nominate Deloitte Touche Tohmatsu of Woodside Plaza, Level 14, 240 St Georges Terrace, Perth WA 6000 as auditor of the company at a meeting to be held at 10:30am on 10 February 2011.

Yours sincerely

A handwritten signature in black ink, appearing to be 'Yew Chuan Ko', followed by two parallel horizontal lines.

Yew Chuan Ko