
MATRIX COMPOSITES & ENGINEERING LTD

ACN 009 435 250

2014 NOTICE OF ANNUAL GENERAL MEETING

TIME: 10.00am (WST)

DATE: Wednesday, 5 November 2014

PLACE: The AMC Jakovich Centre, Garden Island Room
4 McGrath Road, Henderson, Western Australia 6166

This Notice of Annual General 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 Annual General Meeting please do not hesitate to contact the Company Secretary on (+61 8) 9412 1200.

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TIME AND PLACE OF MEETING AND HOW TO VOTE

VENUE

The Annual General Meeting of the Shareholders to which this Notice of Meeting relates will be held at 10.00 am (WST) on Wednesday, 5 November 2014 at:

The AMC Jakovich Centre, Garden Island Room, 4 McGrath Road, Henderson, Western Australia 6166.

YOUR VOTE IS IMPORTANT

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

VOTING IN PERSON

To vote in person, attend the Annual General Meeting on the date and at the place set out above.

CORPORATE REPRESENTATIVES

A body corporate which is a shareholder, or which has been appointed as a proxy, is entitled to appoint any person to act as its representative at the Annual General Meeting. The appointment of the representative must comply with the requirements in section 250D of the Corporations Act. The representative should bring to the Annual General Meeting evidence of his or her appointment as the body corporate's representative, including any authority under which the appointment is signed. Unless the appointment states otherwise, the representative may exercise on the body corporate's behalf all of the powers that the appointing body could exercise at a meeting or in voting on a resolution. Shareholders can download and fill out the 'Appointment of Corporate Representation' form from the website of the share registry of the Company – www.linkmarketservices.com.au (under 'Investor Services' then 'Forms').

VOTING BY PROXY

To vote by proxy, please complete and sign the enclosed proxy form and return by:

- (a) post to the Company's share registry, Link Market Services Limited at Locked Bag A14, Sydney South NSW 1235 or deliver to Link Services Limited at 1A Homebush Bay Drive, Rhodes NSW 2138; or
- (b) facsimile to the Company's share registry, Link Market Services Limited on facsimile number (+612) 9287 0309; or
- (c) online by visiting www.investorcentre.linkmarketservices.com.au. You will be taken to have signed your Proxy Form if you lodge it in accordance with the instructions given on the website,

so that it is received not later than 10.00am (WST) on Monday, 3 November 2014.

Proxy forms received later than this time will be invalid.

NOTICE OF ANNUAL GENERAL MEETING

Notice is given that the 2014 Annual General Meeting of Shareholders of Matrix Composites & Engineering Ltd will be held at 10.00am (WST) on Wednesday, 5 November 2014 at the AMC Jakovich Centre, Garden Island Room, 4 McGrath Road, Henderson, Western Australia 6166.

The Explanatory Statement to this Notice of Annual General Meeting provides additional information on matters to be considered at the Annual General Meeting. The Explanatory Statement and the proxy form are part of this Notice of Annual General Meeting.

The Directors have determined pursuant to Regulation 7.11.37 of the Corporations Regulations 2001 (Cth) that the persons eligible to vote at the Annual General Meeting are those who are registered Shareholders of the Company at 4.00pm (WST) on Monday, 3 November 2014.

Terms and abbreviations used in this Notice of Annual General Meeting and Explanatory Statement are defined in the Glossary.

AGENDA

1. ORDINARY BUSINESS

2. ANNUAL FINANCIAL REPORT

To receive and consider the Financial Report of the Company for the year ended 30 June 2014, consisting of the Income Statements, Statement of Financial Position, Statements of Changes in Equity, Statements of Cash Flows, the Directors' Report, the Directors' Declaration and the Independent Auditor's Report.

3. RESOLUTION 1 – RE-ELECTION OF MR STEVEN COLE AS A DIRECTOR

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

"That, Mr Steven Cole, who was appointed as a Director of the Company on 2 April 2014 and holds office until the conclusion of this meeting in accordance with clause 11.12 of the Company's Constitution, and being eligible, is re-elected as a Director of the Company."

4. RESOLUTION 2 – RE-ELECTION OF DR DUNCAN PAUL CLEGG AS A DIRECTOR

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

"That, Dr Duncan Paul Clegg, who was appointed as a Director of the Company on 17 September 2014 and holds office until the conclusion of this meeting in accordance with clause 11.12 of the Company's Constitution, and being eligible, is re-elected as a Director of the Company."

5. RESOLUTION 3 – RE-ELECTION OF MR CRAIG NEIL DUNCAN AS A DIRECTOR

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

"That, Mr Craig Neil Duncan, being a Director of the Company, retiring by rotation in accordance with clause 11.3 of the Company's Constitution, and being eligible, is re-elected as a Director of the Company."

6. RESOLUTION 4 – THE REMUNERATION REPORT FOR THE YEAR ENDED 30 JUNE 2014 IS ADOPTED

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

“That the Remuneration Report, as set out in pages 25 – 30 of the Company’s 2014 Annual Report, is adopted.”

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

Voting exclusion:

The Company will disregard any votes cast on Resolution 4 (in any capacity) by or on behalf of, the following persons:

- a member of the Key Management Personnel (**KMP**) (which includes each of the Directors of the Company) whose remuneration is disclosed in the 2014 Remuneration Report; or
- a closely related party (as that term is defined in the Corporations Act) (such as close family members and any controlled companies) (**Closely Related Party**) of such a member of the KMP.

However, the Company will not disregard the vote if it is cast as a proxy for a person who is entitled to vote and:

- the proxy appointment is in writing and specifies how the proxy is to vote (for, against, abstain); or
- the vote is cast by the person chairing of the Annual General Meeting and;
 - the appointment does not specify how the proxy is to vote; and
 - the appointment expressly authorises the chair of the meeting to exercise the proxy even if the resolution is connected directly or indirectly with the remuneration of a member of the KMP.

7. OTHER BUSINESS

To deal with any other business which may be brought forward in accordance with the Company’s Constitution and the Corporations Act.

DATED: 3 OCTOBER 2014**BY ORDER OF THE BOARD**

PETER TAZEVELL
MATRIX COMPOSITES & ENGINEERING LTD
CHIEF FINANCIAL OFFICER AND COMPANY SECRETARY

ENQUIRIES

Shareholders may contact the Company Secretary on (+61 8) 9412 1200 if they have any queries in respect of the matters set out in these documents.

If you have an issue or question that you would like addressed at the Annual General Meeting or would like to submit a written question to the Chairman or Deloitte (our external auditor) before the Annual General Meeting, please send your query to companysec@matrixengineered.com no later than Tuesday, 28 October 2014.

EXPLANATORY STATEMENT

This Explanatory Statement has been prepared for the information of the Shareholders in connection with the business to be conducted at the 2014 Annual General Meeting to be held at 10.00am (WST) on Wednesday 5 November 2014 at the AMC Jakovich Centre, Garden Island Room, 4 McGrath Road, Henderson, Western Australia 6166.

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

1. ANNUAL FINANCIAL REPORT

In accordance with the Constitution, the business of the Annual General Meeting will include receipt and consideration of the Financial Report of the Company for the financial year ended 30 June 2014 together with the Directors' Declaration, the Directors' Report, and the Auditor's Report.

The financial report of the Company for the financial year ended 30 June 2014 is available on the Company's website at www.matrixengineered.com.

No formal resolution is required regarding the Annual Financial Report, however provision will be made for members as a whole to ask questions or make comments on the reports or the management of the Company. Members may question the Independent External Auditor regarding the conduct of the audit, the independence of the auditor, preparation and content of the reports and accounting policies adopted by the Company.

2. RESOLUTIONS 1, 2 AND 3 – RE-ELECTION OF DIRECTORS

Resolutions 1 and 2

In accordance with clause 11.11 of the Constitution, Mr Steven Cole and Dr Duncan Paul Clegg were each appointed as non-executive Directors on 2 April 2014 and 17 September 2014, respectively to each fill a casual vacancy.

Mr Cole and Dr Clegg each hold office until the conclusion of the Annual General Meeting in accordance with clause 11.12 of the Constitution, and being eligible, offer themselves for re-election as non-executive Directors of the Company.

Details of Mr Cole are set out on page 14 of the Company's 2014 Annual Report.

The Board (excluding Mr Cole) have assessed that Mr Cole is an independent director and recommends the re-election of Mr Cole as a Director.

Details of Dr Clegg are set out below:

Dr Clegg has 40 years' experience in the global oil and gas industry as an engineer and business executive. With extensive leadership experience, Dr Clegg has worked in venture formation, project development and management of large scale projects in Australia, Asia, Europe and Africa. Dr Clegg is an engineering consultant focused on leadership in project development and execution, and commercial opportunity due diligence. Prior to these positions, Dr Clegg was the Manager of Projects and Developments at Coogee Resources Pty Ltd, and has held various engineering and managerial positions at Woodside Petroleum Limited, Shell International Petroleum Maatschappij and Conoco North Sea.

Dr Clegg was a Non-Executive Director of Verve Energy until its merger with Synergy in July 2013. Dr Clegg has qualified as a Chartered Engineer, holds a Doctor of Philosophy (Soil Science) from the University of Cambridge and is a graduate of the Australian Institute of Company Directors.

The Board (excluding Dr Clegg) have assessed that Dr Clegg is an independent director and recommends the re-election of Dr Clegg as a Director.

Resolution 3

Clause 11.3 of the Constitution provides that at every annual general meeting of the Company, one-third of the Directors (or the number nearest one-third) and any Director not in such one-third who has held office for three years or more (except a Managing Director) must retire from office.

In accordance with clause 11.3 of the Constitution, the Company has determined that one must retire by rotation.

In accordance with clause 11.4 of the Constitution, a Director who retires by rotation under clause 11.3 is eligible for re-election.

Mr Duncan, being a Director of the Company, will retire by way of rotation and, being eligible, offers himself for re-election as a non-executive Director of the Company.

Details of Mr Duncan are set out on page 14 of the Company's 2014 Annual Report.

The Board (excluding Mr Duncan) recommends the re-election of Mr Duncan as a Director.

3. RESOLUTION 4 – REMUNERATION REPORT

The Corporations Act requires that at a listed company's annual general meeting, a resolution for adoption of the remuneration report is required to be considered and voted on by shareholders. The Remuneration Report details the Company's policy on the remuneration of non-executive Directors, the Chief Executive Officer and senior executives and is set out on pages 25 – 30 of the 2014 Annual Report which is available on the Company's website at www.matrixengineered.com

Shareholders will be given the opportunity to ask questions and to make comments on the Remuneration Report.

The vote on the adoption of the remuneration report is advisory only and does not bind the Directors or the Company. However, if a company's remuneration report receives a 'no' vote of 25 per cent or more at two consecutive annual general meetings, a resolution must then be put to shareholders at the second annual general meeting as to whether another meeting should be held (within 90 days) at which all directors (other than the managing director) who were in office at the date of approval of the applicable directors' report must stand for re-election (**Spill Resolution**). In summary, Shareholders will be entitled to vote in favour of holding a general meeting to re-elect the Board if the remuneration report receives 'two strikes' from Shareholders.

The Company did not receive a 'no' vote of 25 per cent or more in regard to the Remuneration Report at the 2013 AGM and as such the 2014 Notice of Meeting does not contain a Spill Resolution.

For the voting exclusions applicable to this resolution, please refer to page 4 of this Notice of Meeting.

In the interests of corporate governance, the Board abstains from making a recommendation in relation to this resolution.

GLOSSARY

Annual General Meeting means the meeting convened by the Notice of Annual General Meeting.

ASX means ASX Limited (ACN 008 624 691).

Board means the current Board of Directors.

Business Day means Monday to Friday inclusive, except New Year's Day, Good Friday, Easter Monday, Christmas Day, Boxing Day, and any other day that ASX declares is not a business day.

Closely Related Party of a member of the key management personnel means:

- (a) a spouse or child of the member; or
- (b) a child of the member's spouse; or
- (c) a dependant of the member or of the member's spouse; or
- (d) anyone else who is one of the member's family and may be expected to influence the member, or be influenced by the member, in the member's dealings with the Company; or
- (e) a company that the member controls; or
- (f) a person prescribed by the relevant regulations applicable for the purposes of this definition under the Corporations Act.

Company means Matrix Composites & Engineering Ltd (ACN 009 435 250).

Constitution means the Company's constitution.

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

Directors means the current directors of the Company.

Explanatory Statement means the Explanatory Statement accompanying this Notice of Annual General Meeting.

Key Management Personnel has the same meaning as in the Accounting Standards. The term broadly includes those persons with the authority and responsibility for planning, directing and controlling the activities of the Company (whether directly or indirectly), and includes any Director.

Notice of Annual General Meeting means this notice of annual general meeting including the Explanatory Statement.

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

Shareholder means a holder of a Share.

WST means Western Standard Time as observed in Perth, Western Australia.

