



## **NOTICE OF GENERAL MEETING AND EXPLANATORY MEMORANDUM**

### **TO BE HELD AT:**

**Norton Rose Fulbright**

**Level 15, RACV Tower, 485 Bourke Street, Melbourne, Victoria**

**At 10:00am on Friday, 23<sup>rd</sup> August 2013**

Dear Shareholder,

On behalf of the Board, I'm pleased to invite you to a General Meeting of the Shareholders of Environmental Clean Technologies Limited (**Company** or **ECT**) which will be held at the offices of Norton Rose Fulbright, Level 15, 485 Bourke Street, Melbourne at 10am on Friday, 23<sup>rd</sup> August 2013.

The enclosed Notice of Meeting and Explanatory Memorandum set out the items of business for the General Meeting. They deal with capital management and corporate governance matters and the election of Mr. Glenn Fozard as a non-executive Director. Please read these documents carefully.

### **Background**

The successful demonstration of ECT's Coldry technology is currently the key objective of the Company and is the gateway to commercial deployment and revenue generation. Revenue is the key to delivering fundamental shareholder value.

Engineering development for the Coldry demonstration plant has followed a methodical, iterative process to deliver the increasing levels of accuracy and certainty around cost estimates necessary to attract the capital required to execute the demonstration project.

Working with Arup, we expect to deliver 'construction ready' design and engineering outputs by the end of August 2013, positioning the Company to advance the Coldry demonstration plant subject to external funding drivers.

### **Resolutions**

In support of the above, the first resolution seeks to ratify prior issues of Shares to enable the Company to refresh its capacity under Listing Rules 7.1 and 7.1A for new issues of securities without Shareholder approval. This is a key capital management tool and essential to providing your Board with the flexibility necessary to deliver outcomes in line with the above objective.

In addition, Shareholders will be asked to approve the issue of Shares upon the progressive conversion of the Arup Bond. The face value of the Bond, including its extension announced on 5 July 2013 is \$3,900,000. A total face value of \$2,500,000 has to date been issued and the Company has received conversion notices for part of the Bond, totaling \$1,500,000. This conversion is on the terms outlined in the ASX announcements dated 21 November 2012 and 5 July 2013.

The Bond has been issued in consideration for the work being undertaken by Arup to deliver the design and engineering program and the 'construction ready' engineering works associated with the development and delivery of the Coldry demonstration plant.

Finally, Shareholders will be asked to elect Mr. Glenn Fozard as a Director following his appointment to the Board on 17 July, 2013 and formally approve the Board's policy pertaining to the engagement and remuneration of non-executive Directors in the provision of additional services or special exertions by them beyond their normal services as non-executive Directors.

The enclosed Notice of Meeting and the Explanatory Memorandum provide further detail of the Resolutions and I encourage you to read them in full.

The Meeting will only be dealing with the matters on the Agenda and there will be no general update provided at the Meeting. Any questions from Shareholders at the Meeting will only be dealt with if confined to matters directly related to the Resolutions before the Meeting.

I look forward to seeing you at the Meeting on 23rd August 2013.

Yours sincerely,



**Mike Davies**  
**Chairman**  
**22 July 2013**

A Proxy Form is enclosed separately

TO BE VALID, THE PROXY FORM ENCLOSED FOR USE AT THE MEETING MUST BE COMPLETED AND RETURNED NO LATER THAN 10:00 AM (MELBOURNE TIME) ON WEDNESDAY, 21<sup>st</sup> AUGUST 2013



## Environmental Clean Technologies Limited

### **Notice of General Meeting of Shareholders**

Notice is given that a General Meeting of Shareholders of Environmental Clean Technologies Limited (ACN 009 120 405) (the **Meeting**) will be held at Norton Rose Fulbright, Level 15, RACV Tower, 485 Bourke Street, Melbourne, Victoria on 23<sup>rd</sup> August at 10:00 am (Melbourne time).

The accompanying Explanatory Memorandum has been prepared to provide Shareholders with an explanation of the business and the Resolutions to be proposed and considered at the Meeting.

### **Agenda**

#### **Resolution 1 - Ratification of prior issues of Shares and Options**

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

*“That, for the purposes of ASX Listing Rule 7.4 and for all other purposes, Shareholders approve and ratify the prior issue of 253,794,454 Shares and 2,625,000 listed Options as detailed in the Explanatory Memorandum accompanying this Notice of Meeting.”*

#### **Resolution 2 - Approval of issue of new Shares**

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

*“That, for the purposes of ASX Listing Rule 7.1 and for all other purposes, Shareholders approve the issue of Shares upon conversion of all or any part of the Strategic Deliverable Bond as detailed in the Explanatory Memorandum accompanying this Notice of Meeting.”*

#### **Resolution 3 – Approval of Non-Executive Directors’ Remuneration Policy**

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

*“That Shareholders approve the policy of the Company as detailed in the Explanatory Memorandum for remunerating non-executive Directors of the Company for providing extra services or making special exertions on behalf of the Company or its business.”*

#### **Resolution 4 – Election of Mr G Fozard as a Director**

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

*“That Mr Glenn Fozard, who retires in accordance with clause 13.4 of the Constitution of the Company, being eligible for election, be elected a Director of the Company.”*

To deal with any other business that may be brought forward in accordance with the Constitution and the Corporations Act.

## Voting exclusion statement

As required by ASX Listing Rules, the Company will disregard any votes cast on:

1. Resolution 1 by a person who participated in the issue of the Shares and listed Options and any associate of such a person; and
2. Resolution 2 by a person who may participate in the proposed issue and a person who might obtain a benefit, except a benefit solely in the capacity of a holder of ordinary securities, if Resolution 2 is passed and any associate of such a person.

The Company need not disregard votes of the above persons for Resolutions 1 and 2 if:

1. it is cast by a person as proxy for a person who is entitled to vote, in accordance with the directions on the Proxy Form; or
2. it is cast by the person chairing the Meeting as proxy for a person who is entitled to vote, in accordance with a direction on the Proxy Form to vote as the proxy decides.

In addition, in relation to Resolution 3, a vote must not be cast on that Resolution by a Director or other Key Management Personnel of the Company or a Closely Related Party of such a Director or other Key Management Personnel, acting as proxy, if their appointment does not specify the way the proxy is to vote on Resolution 3, However, this voting exclusion does not apply if the person chairing the Meeting is acting as proxy for a person who is entitled to vote and their appointment expressly authorises the person chairing the Meeting to exercise the proxy even if that resolution is connected directly or indirectly with the remuneration of a member of the Key Management Personnel.

## Voting entitlements

Pursuant to Regulation 7.11.37 of the *Corporations Regulations 2001 (Cth)*, the Directors have determined that the shareholding of each Shareholder for the purposes of ascertaining voting entitlements for the Meeting will be as it appears in the share register at 7:00 pm Melbourne time on Wednesday, 21<sup>st</sup> August 2013. Accordingly, only those persons will be entitled to attend and vote at the Meeting.

## Important voting information

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

Subject to the Corporations Act, the Chairman of the Meeting intends to vote all undirected proxies in favour of all Resolutions.

## Appointment of Proxies

A Proxy Form accompanies the Notice of Meeting and contains important information and other instructions regarding the lodgment of a Proxy Form, which you should carefully read.

A Shareholder who is entitled to attend and vote at the Meeting has the right to appoint a proxy to attend and vote on his or her behalf. The proxy need not be a Shareholder.

A Shareholder who is entitled to cast 2 or more votes may appoint not more than 2 proxies to attend and vote at the Meeting and may specify the proportion or number of votes each proxy is appointed to exercise. If you want to appoint 2 proxies, an additional Proxy Form will be supplied by the Company's share registry, Security Transfer Registrars Pty Ltd, on request by contacting them directly. Contact details for Security Transfer Registrars Pty Ltd are shown below. Where 2 proxies are appointed, both Proxy Forms should be completed with the nominated proportion or number of votes each proxy may exercise. Otherwise, each proxy may exercise half of the votes (disregarding fractions).

Proxy Forms must be signed by a Shareholder or the Shareholder's attorney or, if the Shareholder is a company, must be signed by 2 directors or by a director and a secretary, or if it is a proprietary company that has a sole director who is also the sole secretary (or has no secretary), by that director, or under hand of its



attorney or duly authorised officer. If the Proxy Form is signed by a person who is not the registered holder of Shares (e.g. an attorney), then the relevant authority (e.g. in the case of proxy forms signed by an attorney, the power of attorney or a certified copy of the power of attorney) must either have been exhibited previously to the Company or be enclosed with the Proxy Form.

For an appointment of a proxy to be effective, the proxy's appointment (and, any power of attorney or other authority under which it was signed or a certified copy of that power or authority) must be received by the Company's share registry by 10:00am (Melbourne time) on Wednesday, 21st August 2013.

If you require a second Proxy Form, please contact the Company's share registry or you may copy the Proxy Form.

Proxy Forms may be lodged by posting, delivery or facsimile to the Company's share registry as follows:

**Security Transfer Registrars Pty Ltd**

|                        |   |
|------------------------|---|
| <b>Postal Address:</b> | <b>PO BOX 535, Applecross, Western Australia 6953</b>   |
| <b>Street Address:</b> | <b>Alexandrea House, Suite 1, 770 Canning Highway,<br/>Applecross, Western Australia 6153</b> |
| <b>Telephone:</b>      | <b>+61 8 9315 2333</b>  |
| <b>Facsimile</b>       | <b>+61 8 9315 2233</b>  |
| <b>Email</b>           | <b>registrar@securitytransfer.com.au</b>  |

You can also lodge your proxy online in accordance with the instructions on the Proxy Form.

**Explanatory Memorandum**

The accompanying Explanatory Memorandum forms part of this Notice of Meeting and should be read in conjunction with it. A Glossary of terms used in this Notice of Meeting and Explanatory Memorandum is contained in the Explanatory Memorandum.

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

## **Explanatory Memorandum**

The following Explanatory Memorandum forms part of this Notice of Meeting and should be read in conjunction with it. A Glossary of terms used in this Notice of Meeting and Explanatory Memorandum is contained in the Explanatory Memorandum.

### **1. Resolution 1 - Ratification of prior issue of Shares and Options**

Subject to a number of exceptions, ASX Listing Rule 7.1 limits the number of securities that a listed company may issue or agree to issue without shareholder approval in any 12 month period to 15% of its issued securities.

ASX Listing Rule 7.4 sets out an exception to ASX Listing Rule 7.1. It provides that where a company in general meeting approves the previous issue of securities made pursuant to ASX Listing Rule 7.1 (and provided that the previous issue did not breach ASX Listing Rule 7.1) those securities will be deemed to have been made with shareholder approval for the purpose of ASX Listing Rule 7.1.

In addition, issues made with approval under ASX Listing Rule 7.1A can also be ratified under ASX Listing Rule 7.4.

At the Annual General Meeting of the Company held on 16 November 2012, Shareholders approved by special resolution the issue of securities up to 10% of the issued capital of the Company under ASX Listing Rule 7.1A.

If the Shares issued by the Company prior to the date of the Notice of Meeting are ratified by Shareholders under ASX Listing Rule 7.4, they will be excluded from the calculation of the 10% limit under ASX Listing Rule 7.1A.

#### **(a) Past issues of securities**

In the period to the date of the Notice of Meeting, there have been a number of issues of Shares and listed Options in the Company without Shareholder approval in accordance with ASX Listing Rules 7.1 and 7.1A.

In total, 253,794,454 Shares and 2,625,000 listed Options have been issued.

#### **(b) Summary of past issues of securities**

Resolution 1 requests Shareholders to approve, for the purposes of ASX Listing Rule 7.4, the issue of 253,794,454 Shares and 2,625,000 listed Options as outlined below:

On 9 October 2012, the Company issued 2,625,000 Shares at a nominal issue price at 1.2¢ per Share and 2,625,000 listed Options to Menzies Securities and its clients in respect of interest and fees relating to the 2012 FAST Finance facility.

On 21 November 2012, the Company issued 5,555,556 Shares at a nominal issue price at 1.35¢ per Share to a nominee of Greenard Willing in respect of fees and commissions relating to the arranging of the Strategic Deliverable Bond.

On 6 February 2013, the Company issued 55,906,815 Shares at a nominal issue price of 0.906¢ per Share to the below persons in relation to the following transactions:

- Settlement of remaining 2012 FAST Finance facility totalling \$264,538.80 or 29,198,543 Shares;
- Settlement of commission, brokerage and other fees in relation to the 2013 FAST Finance facility totalling \$116,976.94 or 12,911,362 Shares; and
- Placement of 13,796,909 Shares to raise \$125,000 (before expenses).

All the Shares issued on 6 February 2013 were issued to Menzies Securities, Greenard Willing or their respective clients.



On 19 February 2013, the Company issued 83,453,878 Shares at a nominal issue price of 0.8987¢ per Share to clients of Menzies Securities in satisfaction of a conversion notice received by the Company under the terms of the Strategic Deliverable Bond.

On 22 May 2013, the Company issued 19,072,018 Shares at a nominal issue price of 0.7865¢ per Share to Marbrijen in satisfaction of a conversion notice received by the Company under the terms of the Strategic Deliverable Bond.

On 7 June 2013, the Company issued 27,777,778 Shares at a nominal issue price of 0.72¢ per Share to Marbrijen in satisfaction of a conversion notice received by the Company under the terms of the Strategic Deliverable Bond.

On 26 June 2013, the Company issued 20,833,334 Shares at a nominal issue price of 0.72¢ per Share to Marbrijen in satisfaction of a conversion notice received by the Company under the terms of the Strategic Deliverable Bond.

On 10 July 2013, the Company issued 13,888,889 Shares at a nominal issue price of 0.72¢ per Share to Marbrijen in satisfaction of a conversion notice received by the Company under the terms of the Strategic Deliverable Bond.

On 17 July 2013, the Company issued 21,681,186 Shares at a nominal issue price of 0.69¢ per Share to Marbrijen in satisfaction of a conversion notice received by the Company under the terms of the Strategic Deliverable Bond.

On 17 July 2013, the Company issued 3,000,000 Shares at a nominal issue price of 0.9¢ per Share to Podium International Pty Ltd in satisfaction of milestone-based fees in relation to the granting of EL 5119 as referenced in the ASX announcement of 23 May 2012.

By approving the above issues pursuant to ASX Listing Rule 7.4, the Company will retain the flexibility to issue new Shares and other securities in the future up to the 15% annual limit set out in ASX Listing Rule 7.1 and up to the 10% limit set out in ASX Listing Rule 7.1A (without the need to obtain prior Shareholder approval).

### **(c) Information required for Shareholder ratification**

Under ASX Listing Rule 7.5, the Company is required to provide the following information in relation to Resolution 1:

- The total number of securities in the Company allotted was 253,794,454 Shares and 2,625,000 listed Options as set out in item 1(b) above.
- The prices at which the new Shares and listed Options were issued are detailed in item 1(b) above.
- Each of the Shares was issued as fully paid ordinary shares in the capital of the Company and rank equally in all respects with the Company's existing Shares.
- Each listed Option is exercisable at \$0.02 on or before 16 January 2014 and entitles the holder upon exercise to be issued with one fully paid ordinary share in the capital of the Company. The Options were issued on the same terms and conditions as the Company's existing listed Options.
- The persons to whom the Shares and listed Options were issued are detailed in item 1(b) above.
- The purpose for the issue of the Shares and listed Options is detailed in item 1(b) above.
- A voting exclusion statement is included in the Notice of Meeting.

### **Recommendation**

The Board unanimously **RECOMMENDS** that Shareholders vote in favour of **Resolution 1**.

## **2. Resolution 2 – Approval of future issue of Shares for Strategic Deliverable Bond (Arup Bond)**

### **Background**

On 21 November 2012, the Company announced to ASX that it had executed an agreement in favour of Arup for the issue of the Strategic Deliverable Bond to fund the Design for Tender program and other pre-construction associated engineering works.

Under the terms of the Strategic Deliverable Bond, the Company was entitled to draw down up to \$2.5 million to fund the design of those engineering works. On 5 July 2013, the maximum amount which could be drawn down under the Strategic Deliverable Bond was increased to \$3.9 million.

Prior to the date of the Notice of Meeting, ECT has drawn down \$2,500,000 and also issued 186,707,083 Shares under the Strategic Deliverable Bond in conversion of \$1,500,000 of the amount drawn down. The sum of \$1,000,000 drawn down under the Strategic Deliverable Bond remaining unconverted.

All the Shares issued to the date of the Notice of Meeting on conversion of \$1,500,000 drawn down under the Strategic Deliverable Bond are subject to Shareholder approval under Resolution 1.

Arup's rights under the Strategic Deliverable Bond are generally assigned to Menzies Securities or its clients to fund the design and engineering works undertaken by Arup.

A holder or assignee of those rights can issue a conversion notice. Shares can be issued at an issue price equal to 90% of the lowest daily volume weighted average price of Shares sold on ASX (**VWAP**) over the 5 trading days preceding the date of the conversion notice.

For example, if the lowest daily VWAP for Shares during the 5 trading days prior to the date of the conversion notice was 1.1 cents, a conversion of \$100,000 drawn down under the Strategic Deliverable Bond will result in the issue of 10,101,010 new Shares.

Resolution 2 seeks Shareholder approval for the issue of Shares on conversions of amounts drawn down under the Strategic Deliverable Bond.

### **ASX Listing Rule 7.1**

ASX Listing Rule 7.1 provides that a listed company must not, subject to certain exceptions, issue or agree to issue more than 15% of its capital within a 12 month period without the approval of Shareholders.

By obtaining the prior approval of Shareholders to the issue of Shares on conversion of amounts drawn down under the Strategic Deliverable Bond, the issue of those Shares will not come within the 15% limit under ASX Listing Rule 7.1.

### **ASX Listing Rule 7.3**

ASX Listing Rule 7.3 contains certain requirements as to the contents of a notice of meeting sent to Shareholders for the purposes of ASX Listing Rule 7.1. The following information is included in this Explanatory Memorandum for that purpose:

- The maximum number of Shares which may be issued is calculated by reference to the total amount which may be converted under the Strategic Deliverable Board divided by the issue price of those Shares calculated in accordance with the formula outlined above. As at the date of the Notice of Meeting, \$1,000,000 has been drawn down under the Strategic Deliverable Bond and not converted and \$1,400,000 remains undrawn. The maximum amount which may be converted under the Strategic Deliverable Bond is \$2,400,000 (assuming all amounts under the Strategic Deliverable Bond are drawn down).
- The Shares will be issued progressively, and in any event, no later than 3 months after the date of the Meeting. Shares issued after that time on conversion of amounts drawn down under the Strategic



Deliverable Bond must fall within the 15% limit set out in ASX Listing Rule 7.1 or 10% limit set out in ASX Listing Rule 7.1A or otherwise be approved by Shareholders in general meeting.

- Arup's rights under the Strategic Deliverable Bond are generally assigned to Menzies Securities or its clients. Accordingly, the allottees of the Shares on conversion of these amounts drawn down under the Strategic Deliverable Bond will generally either be Arup or Menzies Securities or clients of Menzies Securities. The allottees of the Shares referred to in Resolution 1 on satisfaction of a conversion notice are clients of Menzies Securities.
- Each Share issued will be issued as a fully paid ordinary share on the capital of ECT and will rank equally in all respects with the Company's existing Shares.
- Shares are issued to satisfy the Company's obligations under the Strategic Deliverable Bond in respect of amounts drawn down under it. Amounts drawn down under that Bond are used to satisfy fees and other amounts payable by the Company to Arup in relation to the engineering design and planning works being undertaken by Arup.
- A voting exclusion statement is included in the Notice of Meeting.

### **Recommendation**

The Board unanimously **RECOMMENDS** that Shareholders vote in favour of **Resolution 2**.

### **3. Resolution 3 – Approval of Non-Executive Directors' Remuneration Policy**

#### **Background**

Clause 13.7 of the Constitution of ECT provides that Directors shall be paid out of the funds of the Company, by way of remuneration for their services as Directors.

The total aggregate fixed sum term per annum to be paid to Directors from time to time must not exceed the sum determined by Shareholders in general meeting. Currently, this fixed sum is \$250,000 per annum. That sum cannot be varied except by an ordinary resolution of Shareholders in general meeting.

The Constitution also provides that if any of the Directors being willing are called upon to perform extra services or make any special exertions on behalf of the Company or its business, the Directors may remunerate this Director in accordance with such services or exertions, and this remuneration may be either in addition to or in substitution for his or her share of the remuneration provided for by clause 13.7 of the Constitution of the Company (outlined above).

#### **Non-Executive Directors' Remuneration Policy**

The Board has adopted the following policy in relation to the remuneration of non-executive Directors where such Directors have been called upon to perform extra services or make any special exertions on behalf of the Company or its business:

- Any remuneration paid to a non-executive Director must be reasonable given the circumstances of ECT and the non-executive Director (including responsibilities involved in the performance of the additional services or special exertions).
- Wherever practicable, the Company will obtain an independent quotation or estimate from an appropriate independent party in respect of those additional services or special exertions.
- If the non-executive Director is an appropriate person to perform those additional services or special exertions, the remuneration must be benchmarked against any such quotation or estimate obtained by the Company.
- The managing director (or chief executive officer) or, his or her designate, in the absence of the managing director (or chief executive officer) must report to the Board on the budgetary impact to the Company of the proposed engagement of the non-executive Director. Any engagement of a non-

executive Director to provide those additional services or special exertions must be unanimously approved by all Directors (other than the non-executive Director providing his or her services).

- The non-executive Director must report in writing to the Board at the completion of the additional services or special exertions in such form as the Board may reasonably require.
- All amounts paid to non-executive Directors in respect of providing those additional services or special exertions will be disclosed in the annual and half-yearly financial statements of ECT.
- The above policy also applies to entities associated with a Director, where the additional services or special exertions of the non-executive Director are provided through that entity.

### **Recommendation**

The Board unanimously **RECOMMENDS** that Shareholders vote in favour of **Resolution 3**.

### **Resolution 4 – Election of Mr. G Fozard as a Director**

Clause 13.4 of the Company's Constitution provides that the Board may at any time appoint a person to be a Director, either to fill a casual vacancy or as an addition to the existing Directors. Any Director so appointed holds office only until the next following general meeting and is then eligible for re-election.

Mr. G Fozard was appointed as a Director by the Board on 17 July 2013 and, in accordance with clause 13.4 outlined above, must retire at the Meeting but, being eligible offers himself for election.

Mr. Fozard brings to ECT a strong commercial background and extensive experience in the finance and capital markets at both board and executive management level. He has over 13 years experience in the finance sector holding various senior management and sales roles, including 5 years at Macquarie Bank's Securitised Lending division.

With in-depth experience in tailored financing solutions for SME's in the cleantech and agricultural industries, Mr. Fozard is the founding partner of Greenard Willing, a specialist financial advisory firm.

Mr. Fozard has held an advisory position with ECT for over 5 years and has contributed significantly towards the capital raising for the Company during that time.

Mr. Fozard holds a Bachelor of Business and a Bachelor of Arts from Monash University majoring in international trade and psychology

### **Recommendation**

The Board (other than Mr. Glenn Fozard) **RECOMMENDS** that Shareholders vote in favour of **Resolution 4**.



## Glossary

### In this Notice and Explanatory Memorandum:

**\$ or A\$** means Australian dollars (AUD);

**¢** means Australian cents;

**2012 FAST Finance facility** means the facility made available by Greenard Willing referred to in the ASX announcements dated 19 July 2012 and 8 October 2012;

**2013 FAST Finance facility** means the facility made available by Greenard Willing referred to in the ASX announcement dated 4 February 2013;

**Arup** means Arup Pty Ltd ACN 000 966 165, the Company's engineering development partner;

**ASX** means ASX Limited ACN 008 624 691 or the securities exchange operated by it (as the case requires);

**ASX Listing Rules** means the listing rules of the ASX (as amended or waived from time to time);

**Board** means the board of Directors of the Company;

**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, as well as companies controlled by a member of the Key Management Personnel;

**Constitution** means the constitution of the Company;

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

**Design for Tender** means a design for a Coldry Plant to be located in the Latrobe Valley with sufficient documentation and engineering plans to enable a reputable construction contractor to prepare a capital and operating cost estimate of sufficient accuracy to support the further development of the Coldry Plant. Further details are available on the Company's website at [www.ectltd.com.au](http://www.ectltd.com.au);

**Directors** mean the directors of the Company from to time;

**Explanatory Memorandum** means the explanatory memorandum which accompanies, and is incorporated as part of, the Notice of Meeting;

**ECT or Company** means Environmental Clean Technologies Limited ACN 009 120 405;

**General Meeting or Meeting** means the general meeting of Shareholders of the Company to be held at 10:00am on Friday, 23 August, 2013 convened by way of the Notice of Meeting;

**Greenard Willing** means Greenard Willing Pty Ltd ACN 147 158 334;

**Key Management Personnel** means a person having authority and responsibility for planning, directing and controlling the activities of the Company and its controlled entities, directly or indirectly, including any Director;

**Marbrijen** means Marbrijen Pty Ltd ACN 127 479 467, a client of Menzies Securities;

**Menzies Securities** means Menzies Securities Pty Ltd ACN 130 703 463;

**Notice or Notice of Meeting** means the Notice of Meeting convening the General Meeting;

**Options** means options to acquire Shares;

**Proxy Form** means the proxy form which accompanies the Notice;

**Resolution** means each resolution to be put to Shareholders at the Meeting, as set out in the Notice of Meeting;

**Shareholder** means the registered holder of Shares;

**Shares** means fully paid ordinary shares in the capital of the Company; and

**Strategic Deliverable Bond** means the bond (otherwise referred to as the “Arup Bond”) initially for up to \$2.5 million issued for the purposes of funding the balance of the Design for Tender and other associated pre-construction engineering works as outlined in the ASX announcement made 21 November 2012. As announced to ASX on 5 July, 2013, the maximum amount of the bond was increased to \$3.9 million.

PROXY FORM

THIS DOCUMENT IS IMPORTANT. IF YOU ARE IN DOUBT AS TO HOW TO DEAL WITH IT, PLEASE CONTACT YOUR STOCK BROKER OR LICENSED PROFESSIONAL ADVISOR.

REGISTERED OFFICE:
SUITE 712
530 LITTLE COLLINS STREET
MELBOURNE VIC 3000

ENVIRONMENTAL CLEAN TECHNOLOGIES LIMITED

ABN:28 009 120 405

SHARE REGISTRY:
Security Transfer Registrars Pty Ltd
All Correspondence to:
PO BOX 535,
APPLECROSS WA 6953 AUSTRALIA
770 Canning Highway,
APPLECROSS WA 6153 AUSTRALIA
T: +61 8 9315 2333 F: +61 8 9315 2233
E: registrar@securitytransfer.com.au
W: www.securitytransfer.com.au

Code: ESI

Holder Number:

SECTION A: Appointment of Proxy

I/We, the above named, being registered holders of share(s) in the Company and entitled to attend and vote hereby appoint:

Empty box for Chairperson appointment

OR

Grid for name of person appointing

The meeting Chairperson
(mark with an "X")

The name of the person you are appointing

(if this person is someone other than the Chairperson of the meeting).

or failing the person named, or if no person is named, the Chairperson 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, as the Proxy sees fit) at the General Meeting of the Company to be held at 10.00am (Melbourne time) on Friday 23 August 2013 at Norton Rose Fullbright, Level 15, RACV Tower, 485 Bourke Street, Melbourne, Victoria and at any adjournment of that Meeting.

SECTION B: Voting Directions to your Proxy

Please mark "X" in the box to indicate your voting directions to your Proxy.

Resolution

For Against Abstain\*

Table with 4 rows of resolutions and 3 columns for voting directions (For, Against, Abstain\*)

The Chairman of the General Meeting intends to vote all available proxies in favour of all Resolutions. If the Chairman of the Meeting is your proxy or is appointed your proxy by default, unless you indicate otherwise by ticking either the "for", "against" or "abstain" box in relation to each Resolution, you will be authorising the Chairman to vote in accordance with the Chairman's voting intentions on each Resolution, even if a Resolution is connected directly or indirectly with the remuneration of a member of the Key Management Personnel of the Company.

If no directions are given my proxy may vote as the proxy thinks fit or may abstain.

\* 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.

SECTION C: Please Sign Below

This section must be signed in accordance with the instructions overleaf to enable your directions to be implemented.

Individual or Security Holder

Security Holder 2

Security Holder 3

Signature box for Individual or Security Holder

Signature box for Security Holder 2

Signature box for Security Holder 3

Sole Director and Sole Company Secretary

Director

Director / Company Secretary

Proxies must be received by Security Transfer Registrars Pty Ltd no later than 10.00am (Melbourne time) on Wednesday 21 August 2013.

ONLINE PROXY SERVICE

You can lodge your proxy online at www.securitytransfer.com.au

- 1. Log into the Investor Centre using your holding details.
2. Click on "Proxy Voting" and provide your Online Proxy ID to access the voting area.

Online Proxy ID: [Empty box]

