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## **ASX Announcement**

21 November 2019

### **2019 ANNUAL GENERAL MEETING – CHAIR ADDRESS AND MANAGING DIRECTOR’S PRESENTATION**

The following address and presentation are attached and will be delivered today at the Annual General Meeting in Melbourne, beginning at 2.30pm (AEDT).

- ) Chair’s address – Ms. Leeanne Bond
- ) Managing Director & CEO’s presentation – Mr. Michael Carroll
- ) Annual General Meeting formalities – Resolutions and Voting

Visit [www.synertec.com.au](http://www.synertec.com.au) for more information.

**-ENDS-**

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## **Synertec Chair Address**

### **Synertec 2019 Annual General Meeting – 21 November 2019**

#### **Introduction**

Good afternoon ladies and gentlemen, fellow shareholders and visitors.

My name is Leeanne Bond, I am the Chair of Synertec, and I would like to formally welcome you to Synertec's 2019 Annual General Meeting. As it is 2.30pm and we have a quorum, I can now declare this meeting open for proceedings.

I would like to start by acknowledging the Traditional Owners of the land on which we are meeting. I pay my respects to their Elders, past and present, and the Aboriginal Elders of other communities who may be here today.

I will be the Chair of this meeting on behalf of the Company, except when I hand over briefly to my fellow director, Mr Kiat Poh, during the meeting's AGM formalities for consideration of resolution 2, which relates to my re-election as a director.

For the order of proceedings, I would like to firstly introduce our Board, then provide my comments on another exciting year of development for Synertec. Then I will introduce our Managing Director, Michael Carroll, who will provide his presentation to you, and after that we will be happy to take any questions from our shareholders here today.

Then I will conduct the formal aspects of this meeting that have been set out in the 'Notice of Annual General Meeting'.

I would like to acknowledge the attendance of our Auditor, Mr Adam Pitts from Grant Thornton, and thank Grant Thornton for allowing Synertec to use their offices for today's meeting. Between Adam and our CFO and Company Secretary, Mr David Harris, they will be happy to address any questions you may have regarding the 2019 financial report. We have not received any formally submitted questions from shareholders leading into this meeting.

A few housekeeping matters please before we begin. Could I please ask that anyone who has their mobile phone ensure that it is switched off. I also ask that no unauthorised photos, voice or video recordings of the meeting be taken. When asking questions, please ask one question only to enable all shareholders equal opportunity to speak and please clearly state your name and the number of shares you hold.

Now it is my pleasure to introduce my fellow Board members;

- ) Mr Freddie Heng – who has been a Director with the company since 2013, when it was formerly known as SML Corporation. Incidentally, I would like to acknowledge that Freddie will be retiring from the Board at today's meeting. Freddie has been a very valuable contributor to the evolution of the company over many years and while we are sad that Freddie is leaving the Board, we are honored to have had him serve as a Director for all these years – I will speak more about this later;
- ) Mr. Kiat Poh - who has also been a Director with the company since 2013;
- ) Mr. Michael Carroll – who is a founder of Synertec Pty Ltd and has been the company's Managing Director and CEO since the acquisition and listing in 2017; and
- ) Mr. Dennis Lin – it is with great pleasure, we welcome Dennis to the Synertec Board. Dennis was appointed on 27 August this year and is well known to both the Synertec Board and management having been a trusted advisor over recent years. We are very grateful and excited to have Dennis agree to join the Board and he has already made a valuable contribution to the Company's strategy and development.



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## **FY19 Commentary**

Moving on to my comments about FY19, I say with great pleasure it has been a privilege as Chair to be part of the substantial growth of Synertec since the acquisition of Synertec Pty Ltd and re-listing on the ASX in August 2017. The highlight in a financial sense this year has been delivery of 111% growth in revenue and a return to EBITDA profitability following the listing and restructure process in FY18.

As I said at last year's AGM, FY18 was a challenging year with the acquisition of Synertec Pty Ltd and restructuring of the Group to accommodate what was a new business, Board and management team, however a series of large project awards leading into FY19 delivered a strong foundation for the year and the team have delivered high quality engineering solutions to all of our customers.

Synertec has continued to invest heavily in the refinement of its strategic plan, which was tested amongst industry experts to positive acclaim. The team then proceeded to successfully deliver upon some of the key elements of the strategy, with many significant complex projects awarded and/or completed to a high standard of quality, on time and on budget for our customers.

We are excited to report that from our successful project execution, we are experiencing solid pull-through deeper into our customers and/or the wider project we had been working in. Synertec is consistently being recognised by its customers for its innovative and commercial approach, and customer feedback is also highlighting our proactivity in identifying and successfully delivering practical solutions to optimise our customers' assets, thanks to our evolving knowledge of their business and our wider experience of industry best practices.

This is further strengthening Synertec's reputation for quality, innovation, deep knowledge of our customers' assets and reliability when it comes to successful delivery of challenging, high risk and mission-critical engineering solutions.

As I mentioned earlier, in FY19 Synertec delivered 111% growth in revenue and returned to a positive Earnings Before Interest Tax Depreciation and Amortisation (EBITDA), largely thanks to the commitment, energy and client-centric focus of our Managing Director, Mr. Michael Carroll and the whole Synertec team. Synertec continues to entrench itself as a leading provider of innovative engineering products and solutions in mission-critical automation, controls, instrumentation, process engineering and construction management within its carefully chosen fields of expertise.

Looking ahead, and from my involvement across the energy sector through my various other roles, I am buoyed by Synertec's pipeline of business opportunities that will enable our growth strategy. Each year, higher levels of quality and efficiency are being demanded by our customers, and we expect this trend to continue across the various industries we are involved in. We are confident that the Company has developed a strong strategic plan and business platforms to enable it to continue its growth trajectory with the ultimate objective - to deliver increasingly innovative and higher-yielding products and solutions to our customers, generating stronger shareholder returns.

We are operating across global industries which are expected to grow substantially in the coming years. For example, the size of the markets within the LNG and infrastructure industries for Synertec's proprietary know-how is several hundred million dollars, and both industries are in heavy investment phases globally now, and this is expected to continue over the next decade.

Synertec continues to invest in our people, systems and to identify potentially game-changing opportunities to expand and develop our business. We really care about our people and our customers, and when combined with our ASX-listed governance and Board experience, we believe our culture and value proposition to clients differentiates us from our peers and our larger competitors. We are indebted to our dedicated people who continually strive to deliver the best possible service to our customers and seek continuous improvement across all aspects of our business.

We do believe there are significant organic and inorganic growth opportunities for Synertec. Our growth strategy contains the following two key elements:



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**1. Driving organic growth in our existing products and solutions by focussing on solutions where Synertec is uniquely positioned to win.**

Synertec looks to apply its proprietary IP across new clients within target industries, and in some cases, extend know-how developed in one industry to another industry (for example, with interest expressed in the underground engineering solutions delivered in the rail sector being applied across other infrastructure such as road tunnels, as well as completely different industries which operate underground, such as mining).

**2. Driving growth through value accretive mergers, acquisitions and/or strategic alliances.**

There has continued to be significant M&A activity within the ASX-listed engineering sector over the past couple of years. Our team continues to monitor and explore opportunities for Synertec, and continues to successfully cultivate and formalise strategic alliances which enable Synertec to leverage the scale of larger organisations in order to market, bid and deliver our proprietary intellectual property in a larger project environment within our target industries.

This is demonstrated through our strategic marketing agreement with Trelleborg Group announced in September 2018, with a focus on Synertec's LNG products and solutions; and our announcement yesterday of an important strategic alliance with Babbage Consultants in New Zealand – to be known as Synertec and Babbage Partnership, or "S&BP" - a partnership which is already bidding large live project opportunities from our existing client base. As the announcement highlights, this arrangement expands Synertec's reach in our strategically targeted industries of pharmaceutical, dairy and water across Australia, New Zealand and on a global scale.

With our clear growth strategy, detailed to the market in August 2019 and which Michael will talk to shortly, supported by a passionate and capable team, we believe Synertec continues to be well positioned to deliver sustainable value to its customers and shareholders.

It is pleasing to report that the Board and management dynamic has continued to develop strongly, and we have worked cohesively again over the past year to provide the business with solid leadership, as well as refine and deliver on the growth strategy. I am very excited by the appointment to the Board of Dennis Lin as an independent non-executive director, as he brings a strong depth of experience in M&A and cross border trade and investment with Asia, among many other qualities.

At the same time, we announced the retirement of our long-serving non-executive director, Mr. Freddie Heng. Freddie has provided excellent service to the Company over many years and will retire formally today with the conclusion of this meeting. The Directors are grateful to have served on this Board alongside Freddie, and it is his expertise, leadership and collaboration on various matters with our Executive team which has enabled the seamless transformation of the Company. Dennis will take on the role of Audit and Risk Committee Chair, having received a good handover from Freddie this year.

The result after tax from Synertec's operations was a small loss of \$84,845. While below management's expectations for the year, we feel it was a reasonable result given the finalisation of change in company structure and delays experienced with some key project awards (which were eventually awarded), as well as the significant investment in corporate development and business platforms. In some strategic projects, the company made a conscious investment in time and materials to further develop proprietary IP for the benefit of future products and solutions in key markets. So effectively, our product development has once again been fully funded through operations this year.



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## **Conclusion**

I extend a big thank you to our Managing Director, Mr. Michael Carroll, and the entire team at Synertec, for outstanding and consistent dedication to our customers and to growing and seeking to continuously improve all facets of our business.

I am confident that Synertec continues to be extremely well positioned to embark on an exciting period of development as a pre-eminent global engineering solution provider.

Finally, and importantly, I would like to thank our loyal shareholders, customers and suppliers for their continued support, and I would like to assure all stakeholders that we are working very hard to increase the value that Synertec delivers.

I am now pleased to invite our Managing Director, Michael Carroll, to present to you.

**[ENDS]**





# Synertec Corporation Limited (ASX:SOP)

2019 AGM presentation by Managing Director, Mr. Michael Carroll

21 November 2019



**SYNERTEC**

# Company highlights

111% YoY revenue growth to \$24.1m in FY19:

Growing rapidly in a listed company environment

\$40m medium term revenue target with above industry margins:

Growth trajectory underpinned by the commercialisation of CTS and AICS

High quality customer base:

World-class customer base, 70% of revenue from repeat clients since FY17

Growth strategy playing out:

Formalisation of 2 international strategic partnerships

Board and management team aligned with shareholders:

Board and key management own >25% of shares on issue

Strong track record:

23 year company history



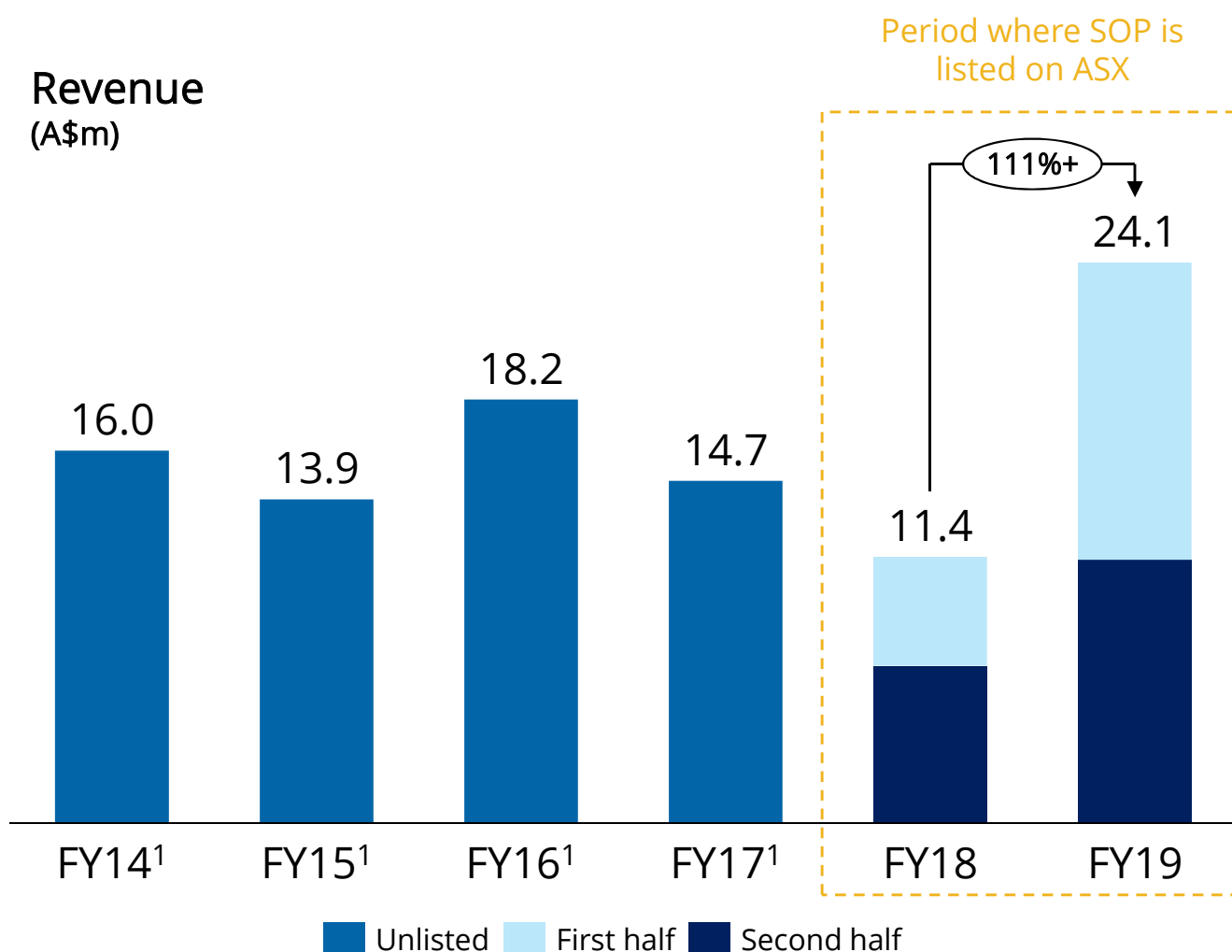
# A high quality customer base



**70%**  
of work from  
repeat clients<sup>1</sup>



# FY19 summary: 111% revenue growth



## Commentary

- Record revenue and growth in FY19 demonstrates ability to successfully deliver large projects in target industries
- FY19 achieved improved project diversification from a range of specialisations (e.g. pharmaceuticals, LNG, terminals, and infrastructure)
- Contracted work continues with many long-term clients
- Key strategic developments position Synertec for further growth

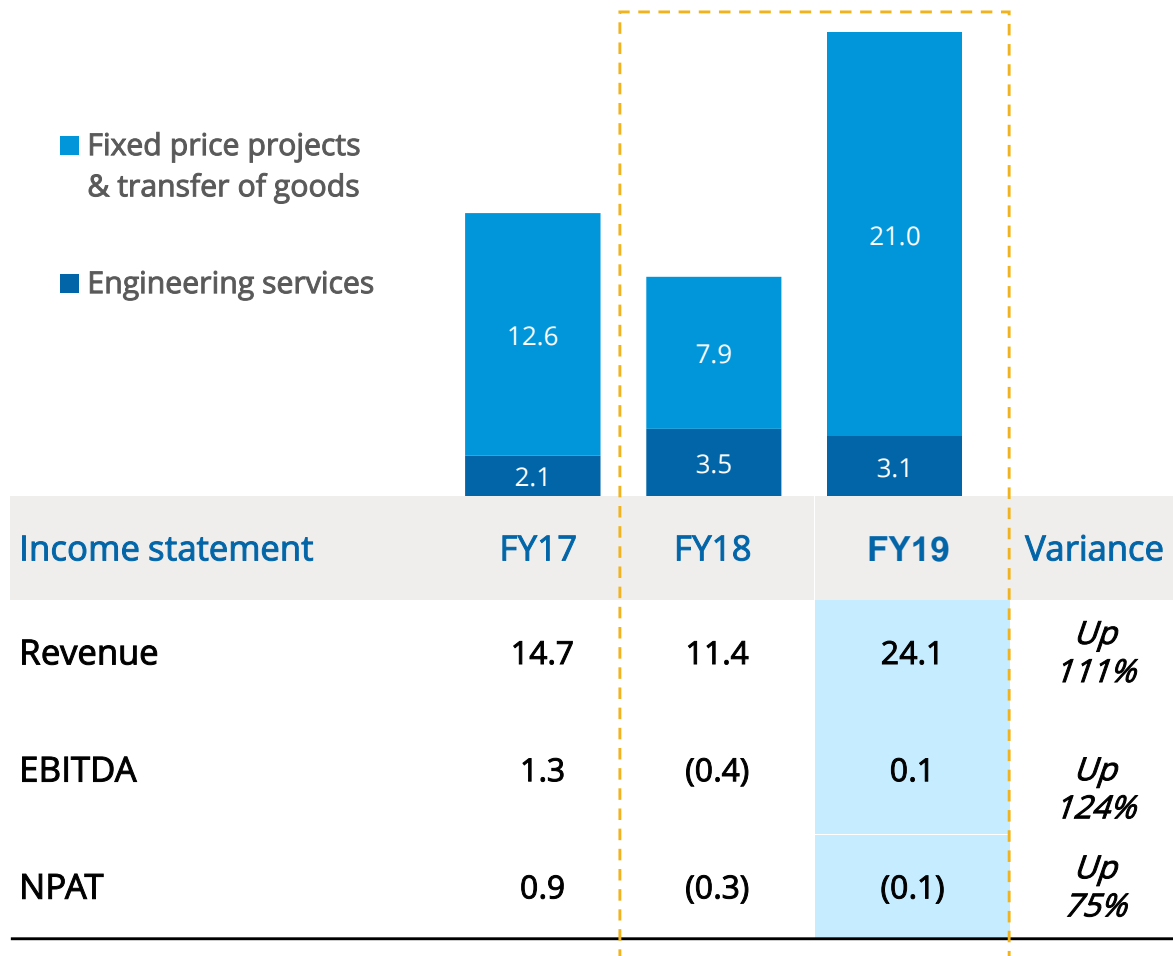
# FY19 summary: income statement

## Income statement (A\$m)

Period where SOP is  
listed on ASX

■ Fixed price projects  
& transfer of goods

■ Engineering services



## Commentary

- Substantial growth & record revenue following the award of several large and strategically important projects.
- Return to EBITDA profitability.
- Expenses include investment in potential high growth strategic opportunities.
- Overall margins reflective of the high proportion of revenue derived from fixed-price solutions and goods which had large materials procurement / construction management components; and
- Substantial investment through select FY19 projects in the development of new proprietary IP which offers high margin earnings potential in the future.



# FY19 summary: cash flow and balance sheet

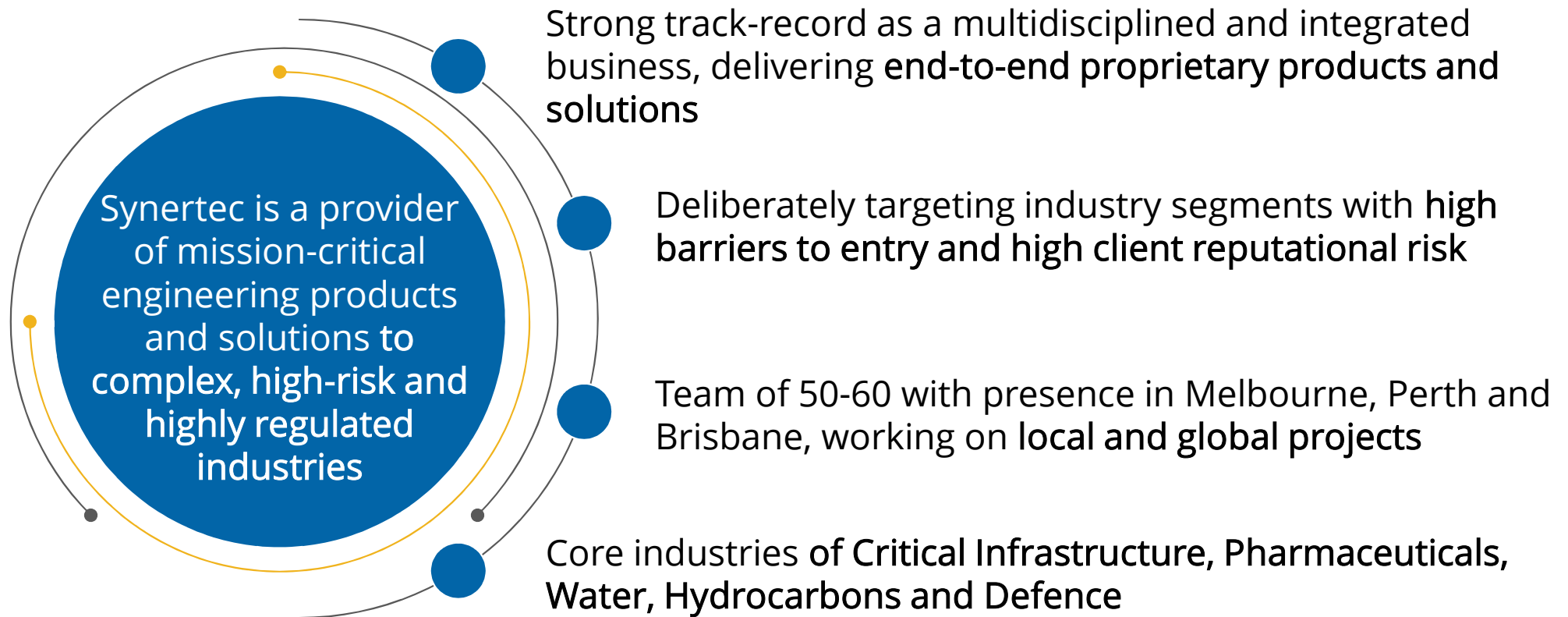
## Key cash flow and balance sheet metrics (A\$m)

Cash flow summary	FY17	FY18	FY19	Variance	
Operating cashflow	(1.3)	1.0	0.8	(17)%	■ <i>Positive operating cashflow</i>
Investing cashflow	-	(1.0)	-	100%	
Financing cashflow	(0.8)	-	-	-	
<b>Total Net Cash Flow</b>	<b>(2.1)</b>	<b>-</b>	<b>0.8</b>	<b>100%</b>	■ <i>Positive total cashflow</i>

Balance sheet summary	FY17	FY18	FY19	Variance	
Cash	3.6	5.0	5.8	16%	■ <i>Strong cash position</i>
Trade and other receivables	4.0	3.5	1.5	(57%)	
Contract assets (WIP)	1.0	1.9	1.4	(26%)	
Other assets	0.8	1.2	1.1	(8%)	
<b>Total assets</b>	<b>9.4</b>	<b>11.6</b>	<b>9.8</b>	<b>(16%)</b>	
Debt	-	-	-	-	■ <i>No debt</i>
Trade and other payables	1.4	2.9	3.5	21%	
Contract liabilities	0.3	2.7	0.3	(89%)	
Other liabilities	0.9	0.6	0.7	17%	
<b>Total liabilities</b>	<b>2.6</b>	<b>6.3</b>	<b>4.5</b>	<b>(29%)</b>	
<b>Total equity</b>	<b>6.8</b>	<b>5.3</b>	<b>5.2</b>	<b>(2%)</b>	



# Synertec's core business



> Synertec is targeting attractive and defensible niches within a A\$46bn engineering services industry



# Multiple value levers are being pursued in tandem

## Growth engines

## Near-term focus



1. Focus on solutions where SOP is uniquely positioned to win

- Multiple projects under tender
- A\$40m+ p.a. medium-term revenue target with above industry margins based on management pipeline, with increasing revenue share from proprietary IP



2. Leverage our niche leadership position to secure strategic agreements and partnerships

- Active potential partnership discussions
- Partnership with Trelleborg Group (Sweden) since September 2018
- Partnership with Babbage Consultants (NZ) announced November 2019



3. Identify value accretive M&A opportunities that reinforce and enhance our core offering

- Actively assessing opportunities
- Particular focus on building out Synertec's offering along the LNG value chain





# Ongoing innovation to drive sustained growth



Deep client  
relationships

*Work in partnership  
with our clients, deeply  
understanding their  
needs and **developing**  
fit-for-purpose  
engineering solutions*



Strategic  
R&D

*Identify 'universal  
solutions' in live  
projects that have  
broad commercial  
application and  
develop  
**proprietary IP***



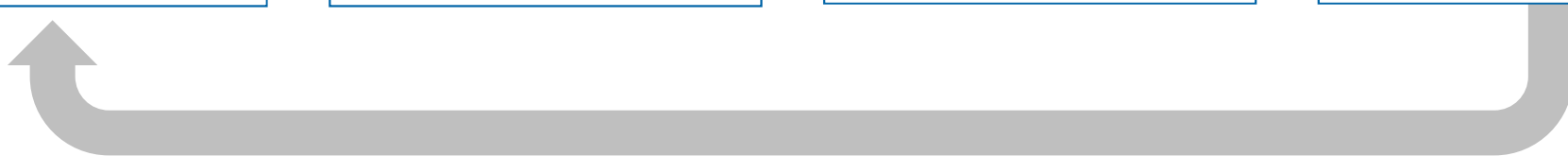
Replication &  
expansion

*Targeted marketing of  
high value **proprietary**  
**IP** in and across  
industries in  
international markets*





Enhance  
offering

*Our **proprietary IP**  
reinforces and  
enhances  
our core business*



# Synertec focused on two proprietary IP opportunities

Proprietary IP:	 <b>CTS: Custody Transfer Systems</b>	 <b>AICS: Advanced Integrated Control Systems</b>
Description of focus area:	<ul style="list-style-type: none"> <li>The measurement of quality and volumes of gas, oil and related products as it is transferred from one party to another</li> </ul>	<ul style="list-style-type: none"> <li>The design, implementation and regulation of functional safety control systems for critical infrastructure projects and regulated industries</li> </ul>
Synertec's competitive advantage and experience:	<ul style="list-style-type: none"> <li>Owns and licenses the IP that enables real-time analysis and sampling of LNG as it is loaded onto and between ships and between plants</li> <li>~\$30m in revenue since 2014</li> </ul>	<ul style="list-style-type: none"> <li>Access to best-in-class technology and unparalleled experience in its implementation in Australia</li> <li>~\$10m of revenue since 2014</li> </ul>
Target industries:	<ul style="list-style-type: none"> <li>LNG</li> <li>LNG by-products (e.g. condensate)</li> </ul>	<ul style="list-style-type: none"> <li>Critical Infrastructure (e.g. rail)</li> <li>Hydrocarbons</li> <li>Regulated industries</li> </ul>
Target market:	<p><b>&gt;US\$200 billion</b></p> <p>Capital expenditure on new LNG plant and upstream infrastructure expected by 2025<sup>1</sup></p>	<p><b>~US\$3.7 trillion</b></p> <p>Average global spend in Infrastructure per annum expected to 2040<sup>2</sup></p>

1 – Wood Mackenzie 2019, 'LNG primed for \$200 billion capex boom - will it drive cost inflation?

2 – Oxford Economics: Global Infrastructure Outlook July 2017

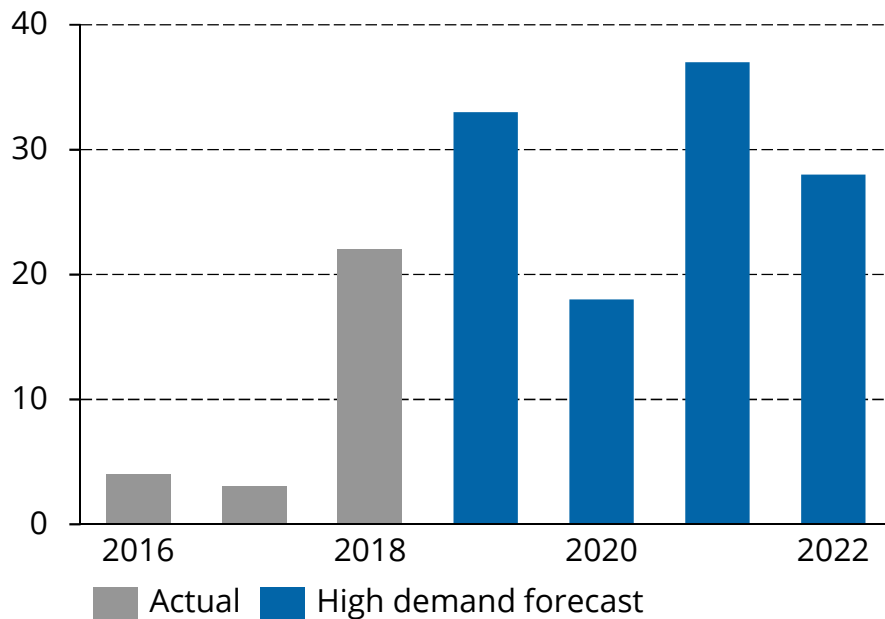




# CTS: Market overview

## Significant uplift in global LNG investment

Global investment in liquefaction capacity (MT)<sup>1</sup>



*"Demand for energy and resources has continued to grow, while investment in supply has not even kept pace."*

WorleyParsons 2018



### Global LNG demand continues to increase

- LNG demand will match supply by 2020<sup>2</sup>
- China is set to become the world's largest gas importer, doubling LNG imports over the last two years



### Significant investment to match demand

- >US\$200bn spend anticipated by 2025 on new LNG plant and upstream infrastructure<sup>3</sup>
- Significant investment in marine (ships) expected to meet increasing LNG trading



### 2020 and 2021 set to be record years

- While FID decisions are expected to be for a similar number of projects in 2019/20 & 2020/21 (compared to previous years), the capacity of these projects is much larger



# CTS: Market overview

## Latest LNG industry comments support the view

*"LNG, meanwhile, is likely to be the fastest growing fossil fuel type, with demand doubling by 2035."*

BHP, in AFR, 12 November 2019

*"The demand for gas, especially in Asia, remains strong. According to research firm Wood Mackenzie, LNG demand is projected to almost double by 2025 relative to last year. That inevitably translates into big projects, big dollars and big disputes."*

AFR, 11 November 2019

*"LNG demand is also growing rapidly and set for continued strong growth across the next 10 years as the global policy and regulatory backdrop will grow increasingly favourable for LNG."*

LNG: Global Industry Trends, October 2019

*"The LNG market is in transition towards a fully globalised and liquid commodity market."*

LNG: Global Industry Trends, October 2019




*"Contractors set for decades of LNG maintenance work."*

The Australian, 8 November 2019



# CTS: Synertec's differentiation

## IP resolves common customer pain points

	Current problem	Our solution
 <i>Accuracy of testing</i>	<ul style="list-style-type: none"><li>▪ Custody Transfer Systems involve heavy components of manual testing and often result in errors of +/- 1%</li></ul>	<ul style="list-style-type: none"><li>✓ Automatic testing with best in class precision</li></ul>
 <i>Speed of testing</i>	<ul style="list-style-type: none"><li>▪ Final data on the quality and volume of LNG transferred is processed offsite and can incur lead times of up to 3 weeks</li></ul>	<ul style="list-style-type: none"><li>✓ Data is immediately available allowing for rapid invoicing</li></ul>
 <i>Redundancy option &amp; fail-safes</i>	<ul style="list-style-type: none"><li>▪ Current systems often do not have redundancy or backup features to kick in if something goes wrong during the transfer process</li></ul>	<ul style="list-style-type: none"><li>✓ System has redundancy and fail-safe functionality built-in allowing for guaranteed process execution</li></ul>

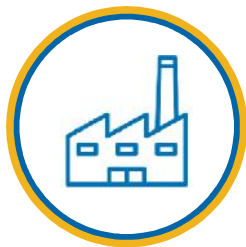






# CTS: Growth plan

## Multiple avenues for growth targeted



### New LNG processing facilities

*In active discussions with several new projects globally*

- Multiple new and expansion LNG projects in Australia alone<sup>1</sup>, with a cost estimate > A\$18bn
- More than 50 proposed terminals globally
- Synertec is well placed to provide custody transfer systems to new facilities



### New investment in LNG marine solutions

*To identify and tender for select ships under construction*

- At the end of 2018, the total LNG tanker fleet consisted of 563 vessels, **with an open order book of 138 units**<sup>2</sup>
- Partnership agreement with Trelleborg in 2018 to market Synertec across sales network



### Refurbishment of existing sites

*In active discussions with 5/6 of Australia's LNG facilities*

- Opportunity for Synertec to bid for the refurbishment and improvement of CTS's in the 100+ existing LNG terminals around the world
- Market-leading position proven with projects at **Wheatstone & Gorgon for Chevron Australia**



### Design and optimisation of gas transmission

*Working with Australia's leading energy infrastructure owner operators*

- Synertec developed pipeline expertise through key projects for Jemena<sup>3</sup> and APA
- Synertec is **one of few Australian companies specialising in complex flow computing and data analytics**<sup>4</sup>, helping operators to optimise their assets and drive profitability




**A site generating \$5bn of revenue p.a. can save \$25-\$75m each year by avoiding minor errors during the LNG custody transfer process – 1% errors are currently common**



# AICS: Market overview










## Significant uplift in critical infrastructure projects

### Priority industries

Rail 
Water 
Hydrocarbons 
Other industries: Nuclear, Tunnels, Pharmaceuticals, Defence, Mining & Materials

***Deep Dive:** Synertec is well positioned to capitalise on the Liberal government's 10 year, \$100bn investment in transport infrastructure*

### High-value active rail projects

WestConnex (NSW)		\$16bn
Sydney Metro (NSW)	 	\$12bn
Melbourne Metro Tunnel (VIC)		\$11bn
Melbourne-Brisbane Rail		\$9.3bn
West Gate Tunnel (VIC)		\$6.8bn
Cross River Rail (QLD)		\$5.4bn
Melbourne Airport Rail Link (VIC)		\$5.0bn
Metronet (WA)		\$1.9bn





# AICS: Growth plan

## Targeted approach in key industries, pipeline building

Synertec is well positioned for continued growth...

...while strengthening its industry leading reputation & experiencing pull-through deeper into customers



Synertec has assembled an experienced and highly regarded team  
*Company operating for over 20 years*



Key industries have been identified and are being actively pursued  
*Rail, Water, Hydrocarbons*



Strategic alliances with larger companies have been formed  
*Trelleborg Group, Babbage Consultants, further active discussions*



Active discussions across 5 states and territories, and New Zealand  
*Projects targeted commencing in FY20*

### Feedback from Jemena's Northern Gas Pipeline project:

*"Synertec was selected to perform these works due to their strong reputation and expertise in automated integrated control systems; functional safety and safety systems; and Liquid Natural Gas (LNG) condensates and gas custody transfer metering systems.*

*Throughout the project, Synertec demonstrated exceptional technical capability and innovative and agile solutions for the benefit of the project. The deliverables were handed over to Jemena on time and within budget."*

**General Manager – Major Projects, Jemena**

### Feedback from Melbourne Underground Rail Loop project:

*"Synertec's professionalism in dealing with a user centred design for a critically important safety system has allowed a customised platform to be developed without compromising the safety of the operational system. Metro look forward to continuing their working relationship with Synertec into the next phases of the MURL upgrade works."*

**Systems Engineering Manager, Metro Trains Melbourne**



# Strategic alliances present considerable upside

## Improved access to LNG market

Strategic alliance with Trelleborg Group  
(announced September 2018)



SYNERTEC



TRELLEBORG

Best-in-class LNG  
custody transfer  
systems

Global marine sales  
network and reach

### Rationale

- Global leader in manufacturing and installing oil and gas transfer technology; operations in 50+ countries
- Global revenues of ~€3.3bn
- Synertec alliance provides Trelleborg an enhanced LNG custody transfer operation to its clients
- Synertec can leverage Trelleborg's mature global sales force team of 100+ with direct penetration to target markets and ability to offer "in country" technical support
- Synertec will access early insight into LNG marine and land-based facilities and associated investment

## Ability to serve large global projects

Strategic alliance with Babbage Consultants, NZ  
(announced November 2019)



SYNERTEC



Highly specialised  
engineering services

Access to large EPC  
contracts

### Rationale

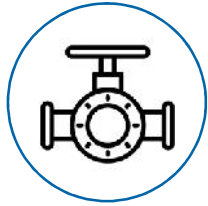
- One of NZ's leading providers of consultancy services across architecture, engineering, surveying, land development, environmental consulting & project management, with established offices and 200+ people across NZ & Melbourne.
- Partnership in which Synertec can bid for larger projects
- Provides Synertec with earlier access to larger opportunities, particularly in pharmaceutical, dairy and water
- Will provide Synertec with an enhanced proposition and ability to further leverage its proprietary IP and expertise across new markets and geographies



SYNERTEC

# Summary:

## Synertec strongly positioned for global growth



### Global growth in LNG investment:

A\$200bn in LNG plant and upstream infrastructure capital expenditure expected by 2025



### LNG focus in China:

Board appointment in August 2019 deepens experience in dealing with the soon-to-be world's largest LNG importer



### Global investment in infrastructure:

Synertec addresses increasing requirements for safety and automation controls globally with an eye to Australia's many significant and complex infrastructure projects and China's Belt and Road initiative



### Global M&A opportunities:

Highly fragmented industry characterised by many businesses offering high-value niche products and services

Engineering solutions leader in Mission Critical Automation, Human Safety Systems & Fiscal Custody Transfer





# Disclaimer and important notice

The information in this presentation about Synertec Corporation Limited (the Group) and its activities is current as at 21 November 2019. It is in summary form and is not necessarily complete.

Information, including forward-looking forecast financial information in this presentation and/or discussed with Synertec Corporation Limited personnel should not be considered as a recommendation in relation to holding, purchasing or selling shares, securities or other instruments in Synertec Corporation Limited or any other company. Due care and attention has been used in the preparation of forecast information. However, actual results may vary from forecast and any variation may be materially positive or negative.

Forecasts, by their very nature, are subject to uncertainty and contingencies may occur which are outside the control of Synertec Corporation Limited. Before making or varying any decision in relation to holding, purchasing or selling shares in Synertec Corporation Limited, investors should consider the appropriateness of that investment in light of their individual investment objectives and financial situation and should seek their own independent professional advice.

The presentation may include non-IFRS financial information. The non-IFRS financial information is unaudited and has not been reviewed by the Group's external auditors. Non-IFRS financial information should not be considered as an indication of, or alternative to, an IFRS measure of profitability, financial performance or liquidity.

Unless marked, all currency is denominated in Australian dollars.





# Synertec Corporation Limited (ASX:SOP)

2019 Annual General Meeting – Resolutions and Voting, presented by  
Chair, Ms. Leeanne Bond

21 November 2019, 2.30pm (AEDT)



**SYNERTEC**

# Items of Business

## **Item 1 – Financial Reports**

To receive and consider the Financial Report, Directors' Report and Auditor's Report for the year ended 30 June 2019.

## **Item 2 – Resolution 1 – Adoption of the Remuneration Report**

To receive, consider and adopt the Remuneration Report for the year ended 30 June 2019, as a non-binding resolution.

## **Item 3 – Resolution 2 – Re-election of Director – Ms. Leeanne Bond**

To consider, and if thought fit, re-elect Ms. Leeanne Bond as a Director of the Company.

## **Item 4 – Resolution 3 – Election of Director – Mr. Dennis Lin**

To consider, and if thought fit, elect Mr. Dennis Lin as a Director of the Company.

## **Item 5 – Resolution 4 – Re-appointment of Auditor**

To consider, and if thought fit, re-appoint Grant Thornton Audit Pty Ltd as Auditors of the Company until conclusion of the next annual general meeting at a fee agreed by the Directors.

## **Item 6 – Resolution 5 – Approval of 10% Placement Facility**

To consider and, if thought fit, resolve to increase placement capacity of the Company's securities through the issue of equity securities up to 10% of the issued capital of the Company (at the time of the issue).

# Item 1 – Receive & Consider FY19 Financial Reports

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To receive and consider the Financial Report, Directors' Report and Auditor's Report for the year ended 30 June 2019.

The Corporations Act requires that the Financial Report, Directors' Report and Auditor's Report of Synertec Corporation Limited (formerly SML Corporation Limited) for the most recent financial year be considered at the AGM. This item of business does not require a formal resolution to be put to Shareholders.

# Item 2 – Resolution 1 (non-binding)

## Remuneration Report

To receive, consider and adopt the Remuneration Report for the year ended 30 June 2019  
(as a non-binding resolution)

### *Voting Exclusion:*

*In accordance with the requirements of section 250R of the Corporations Act, a vote on Resolution 1 must not be cast (in any capacity) by or on behalf of either of the following persons:*

*(a) a member of the Company's key management personnel ("KMP") whose remuneration is included in the Remuneration Report; or*

*(b) a closely related party of such a member of the KMP.*

*However, the Company need not disregard a vote if 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 it is cast by the person chairing the meeting as proxy for a person who is entitled to vote, where the proxy form does not specify the way the proxy is to vote on the resolution and expressly authorised the proxy to exercise the proxy even if the resolution is connected directly or indirectly with the remuneration of a member of the KMP.*

In Favour	Against	Proxy's Discretion	Abstain/Exclude
29,904,305	880,249	39,540,617	101,593,750
42.5%	1.3%	56.2%	-

*Note: The Chair intends to vote undirected Chair proxies (165,617 votes) in favour of the resolution.*





# Item 3 – Resolution 2 (ordinary)

## Re-election of Director – Ms. Leeanne Bond

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

“That Ms. Leeanne Bond, who retires by rotation in accordance with clause 93(a) of the Company’s Bye-Laws and Listing Rule 14.5, being eligible, be re-elected as a Director of the Company.”

Ms. Leeanne Bond is currently an independent director of Synertec Corporation Limited and is a member of the Audit & Risk Management Committee and Chair of the Remuneration & Nomination Committee.

In Favour	Against	Proxy’s Discretion	Abstain/Exclude
128,778,927	5,231	39,541,004	3,593,759
76.5%	0.0%	23.5%	-

*Note: The Chair intends to vote undirected Chair proxies (166,004 votes) in favour of the resolution.*



# Item 4 – Resolution 3 (ordinary)

## Election of Director – Mr. Dennis Lin

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

“That Mr. Dennis Lin, who was appointed since the last AGM and retires in accordance with clause 90(b) of the Company’s Bye-Laws and Listing Rule 14.5, being eligible, be re-elected as a Director of the Company.”

Mr. Dennis Lin is currently an independent director of Synertec Corporation Limited and is a member of the Audit & Risk Management Committee and the Remuneration & Nomination Committee.

In Favour	Against	Proxy’s Discretion	Abstain/Exclude
131,819,451	5,232	39,541,002	553,234
76.9%	0.0%	23.1%	-

*Note: The Chair intends to vote undirected Chair proxies (166,004 votes) in favour of the resolution.*

# Item 5 – Resolution 4 (ordinary)

## Re-appointment of Auditor

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

“That, pursuant to clause 158 of the Company’s Bye-Laws, Grant Thornton Audit Pty Ltd be and hereby are appointed as Auditors of the Company until conclusion of the next annual general meeting at a fee agreed by the Directors.”

Pursuant to Clause 158 of the Company’s Bye-Laws, Members shall appoint an auditor to hold office until the close of the next AGM. In addition, pursuant to Clause 160 of the Company’s Bye-Laws, the remuneration of the Auditor shall be fixed by the Company in general meeting or in such manner as the Members may determine.

Pursuant to Resolution 4, approval is sought for the re-appointment of Grant Thornton Audit Pty Ltd as the Company’s auditors until the close of the next AGM at a fee to be determined by the Directors.

In Favour	Against	Proxy’s Discretion	Abstain/Exclude
130,967,128	2,606	40,395,953	553,234
76.4%	0.0%	23.6%	-

*Note: The Chair intends to vote undirected Chair proxies (1,020,953 votes) in favour of the resolution.*



# Item 6 – Resolution 5 (special)

## Approval of 10% Placement Facility

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

“That, pursuant to and in accordance with Listing Rule 7.1A and for all other purposes, Shareholders approve the issue of Equity Securities up to 10% of the issued capital of the Company (at the time of the issue) calculated in accordance with the formula prescribed in Listing Rule 7.1A.2 and on the terms and conditions in the Explanatory Statement.”

Listing Rule 7.1A enables an eligible entity to issue Equity Securities up to 10% of its issued share capital through placements over a 12-month period after the AGM (10% Placement Facility). The 10% Placement Facility is in addition to the Company's 15% placement capacity under Listing Rule 7.1.

An eligible entity for the purposes of Listing Rule 7.1A is an entity that is not included in the S&P/ASX 300 Index and has a market capitalisation of \$300 million or less. The Company is an eligible entity.

*The Company has not approached any particular existing Shareholder or security holder or an identifiable class of existing security holder to participate in the issue of Equity Securities under this approval. No existing Shareholder's vote will therefore be excluded.*

In Favour	Against	Proxy's Discretion	Abstain/Exclude
130,935,995	1,441,847	39,541,004	75
76.2%	0.8%	23.0%	-

*Note: The Chair intends to vote undirected Chair proxies (166,004 votes) in favour of the resolution.*



# Meeting Close

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On behalf of the Board, I would like to thank you for attending today's meeting.

Leeanne Bond, Chair  
Synertec Corporation Limited

