

22 March 2024

ASX Announcement

Board Renewal Update

Rectifier Technology Limited's (**RFT** or **Company**) provides a further update on the renewal of its board and senior management.

Reconstitution of Board

On 29 November 2023, the date of Rectifier Technology Limited's 2023 annual general meeting (**AGM**) a number of the directors of the Company resigned after it was apparent from a report provided to the board of the proxies filed in respect of the AGM (**Proxy Report**) that the resolutions for the re-appointment of the directors standing for re-election at the AGM would not be passed.

The Company respects the decision of the holders of the majority of its shares to oppose the re-appointment of the directors to stand for re-election at the AGM, being the ultimate corporate governance standard to which directors are held. RFT has embraced the determination of shareholders by appointing a new board on 5 December 2023 which has a majority of independent and non-executive directors in accordance with Recommendation 2.4 of the ASX Corporate Governance Principles and Recommendations.

As announced on 15 March 2024, the new board has also taken the opportunity to reinvigorate the Chief Executive Officer role with an appropriately skilled and experienced CEO and the energy and drive to capture the opportunities of the booming new energy markets and new technologies and who will be focused on improving shareholder and investor communication and growing shareholder value.

RFT has also announced that the Chairman of the board, Mr Yingming Wang, has communicated his intention to step down from his role as Chairman and director of the Company once stability has been restored and a suitable candidate for Chairman is identified. The Company is targeting a two month period to transition the role.

A number of unsolicited approaches and recommendations for new directors of RFT were made to the Company by shareholders and former directors through various channels after the announcements of the resignations on the day of the AGM. Messrs Trevor Fox, Philippe Compagnon and Deng Mu were 3 of the candidates that were recommended to RFT by such means. They do not have any of the interests, positions or relationships identified in Box 2.3 of the ASX Corporate Governance Principles and Recommendations and are considered independent directors. Messrs Compagnon and Mu were selected on the basis of their experience in industrial manufacturing and financial risk prevention and control. Mr Fox was selected on the basis of his extensive experience as a non-executive independent director. The other appointee, Mr Zorn Wong has ten years of management experience and professional skills in the new energy field, having worked at Smart New Energy Technology Co. Ltd and Longyuan Green Energy Co. Ltd. Zorn was the general manager of Zorn Asset Management where he was responsible for the financing, planning and execution of several large-scale new energy projects. As an executive director and the son of the major shareholder of the Company, Mr Yingming Wang, Zorn is not considered independent.

Information about the background, experience, skills and qualifications of the newly appointed directors was included in the Company's announcement on 8 December 2023.

Background to Resignations

The circumstances relating to the resignations on the date of the AGM were as follows.

On 27 November 2023 the Proxy Report was circulated to the board. It was clear from the Proxy Report that the resolutions for the re-appointment of the directors standing for re-election at the AGM, being Mr Jitto Arulampalam, Mr Tino Vescovi and Mr Nicholas Yeoh, and the proposed resolutions contemplating that the Company would undertake a capital raising and dilute existing shareholders by up to 25%, would not be passed, and that the Chairman would vote the shares he controls against those resolutions.

On 28 November 2023 Mr Arulampalam convened a board meeting to be held in the morning of 29 November 2023, before the AGM (**Board Meeting**).

At the Board Meeting Mr Arulampalam explained that he believed the Company had a good business but that it was undervalued by the market and that he had developed a strategy to address that (which was understood to involve a capital raising via connections of Mr Arulamapalam, the effect of which was considered to unnecessarily dilute the interests of existing shareholders and the purpose of which was unclear), but was disappointed that he would not be able to implement it. Mr Arulamapalam then resigned with immediate effect and circulated a proposed announcement that he asked the board to release to ASX.

A revised version of the announcement, that had been approved by Mr Arulampalam (**Announcement**), was approved by all of the directors other than the Chairman. Messrs Tino Vescovi and Nicholas Yeoh then resigned from office as directors with immediate effect without any further explanation.

Immediately prior to the AGM Messrs Yanbin Wang and Nigel Machin tendered their written resignations from office as directors with immediate effect (**Written Resignations**). The wording in the Written Resignations was identical to that in the Announcement as to the reasons for the resignations, but no further explanation was provided.

Notwithstanding the reasons for the resignations expressed in the Announcement and the Written Resignations, none of the directors who resigned actually identified any specific issue about corporate governance before or at the time of their resignation, or in response to investigations undertaken since the date of the AGM.

Messrs Machin (Chief Power Engineer) and Yeoh (Group Director of Sales and Marketing) remain employed by RFT in the same senior executive roles managing the Company that they held prior to their resignations as directors. In these roles these executives contribute to implementing and managing the Company's corporate governance practices. They have confirmed to the new board that they do not have any current concerns with the corporate governance of the Company.

The non-executive directors are not involved the management of any day to day activities of the Company.

The Company requests that its shares be reinstated to quotation by ASX.



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This announcement has been authorised by the board of the Company.

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