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**DECMIL GROUP LIMITED****ACN 111 210 390****NOTICE OF GENERAL MEETING**

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Notice is given that the Meeting will be held at:

**TIME:** 10:00am (WST)

**DATE:** 30 August 2021

**PLACE:** Level 3  
20 Parkland Road  
Osborne Park WA 6017

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

***This Notice of 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.***

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## BUSINESS OF THE MEETING

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### AGENDA

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**1. RESOLUTION 1 – RATIFICATION OF PRIOR ISSUE OF SHARES UNDER THE TRANCHE 1 PLACEMENT**

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

*“That, for the purposes of Listing Rule 7.4 and for all other purposes, Shareholders ratify the issue of 19,310,639 Shares to the Tranche 1 Placement Participants on the terms and conditions set out in the Explanatory Statement.”*

**Note: A voting exclusion statement applies to this Resolution.**

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**2. RESOLUTION 2 – APPROVAL TO ISSUE SHARES UNDER THE TRANCHE 2 PLACEMENT**

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

*“That, for the purposes of Listing Rule 7.1 and for all other purposes, approval is given for the Company to issue up to 3,814,361 Shares to the Unrelated Tranche 2 Placement Participants (or their nominees) on the terms and conditions set out in the Explanatory Statement.”*

**Note: A voting exclusion statement applies to this Resolution.**

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**3. RESOLUTION 3 – APPROVAL TO ISSUE OPTIONS TO UNRELATED PARTICIPANTS IN THE PLACEMENT**

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

*“That, for the purposes of Listing Rule 7.1 and for all other purposes, approval is given for the Company to issue one Placement Option for every two Shares subscribed for and issued to the Tranche 1 Placement Participants and the Unrelated Tranche 2 Placement Participants (or their nominees) on the terms and conditions set out in the Explanatory Statement.”*

**Note: A voting exclusion statement applies to this Resolution.**

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**4. RESOLUTION 4 – APPROVAL TO ISSUE SHARES AND OPTIONS TO A RELATED PARTY UNDER THE TRANCHE 2 PLACEMENT – ANJET PROJECTS PTY LTD ATF THE LYNDI SUPERFUND**

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

*“That, for the purposes of section 195(4) of the Corporations Act, Listing Rule 10.11 and for all other purposes, approval is given for the Company to issue up to 1,125,000 Shares and 562,500 Options to Anjet Projects Pty Ltd ATF The Lyndi Superfund (an entity controlled by Director, Dickie Dique) (or its nominee) on the terms and conditions set out in the Explanatory Statement.”*

**Note: A voting exclusion statement applies to this Resolution.**

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**5. RESOLUTION 5 – APPROVAL TO ISSUE SHARES AND OPTIONS TO A RELATED PARTY UNDER THE TRANCHE 2 PLACEMENT – SOBRADO PTY LTD ATF BARCLAY FAMILY SUPERANNUATION FUND**

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

*“That, for the purposes of section 195(4) of the Corporations Act, Listing Rule 10.11 and for all other purposes, approval is given for the Company to issue up to 125,000 Shares and 62,500 Options to Sobrado Pty Ltd ATF Barclay Family Superannuation Fund (an entity controlled by Director, Andrew Barclay) (or its nominee) on the terms and conditions set out in the Explanatory Statement.”*

**Note: A voting exclusion statement applies to this Resolution.**

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**6. RESOLUTION 6 – APPROVAL TO ISSUE SHARES AND OPTIONS TO A RELATED PARTY UNDER THE TRANCHE 2 PLACEMENT – BORRELLO HOLDINGS PTY LTD ATF THE STEELE SUPERANNUATION FUND**

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

*“That, for the purposes of section 195(4) of the Corporations Act, Listing Rule 10.11 and for all other purposes, approval is given for the Company to issue up to 125,000 Shares and 62,500 Options to Borrello Holdings Pty Ltd ATF the Steele Superannuation Fund (an entity controlled by Director, David Steele) (or its nominee) on the terms and conditions set out in the Explanatory Statement.”*

**Note: A voting exclusion statement applies to this Resolution.**

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**7. RESOLUTION 7 – APPROVAL TO ISSUE SHARES AND OPTIONS TO A RELATED PARTY UNDER THE TRANCHE 2 PLACEMENT – MR PETER THOMAS**

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

*“That, for the purposes of section 195(4) of the Corporations Act, Listing Rule 10.11 and for all other purposes, approval is given for the Company to issue up to 500,000 Shares and 250,000 Options to Mr Peter Thomas (or his nominee) on the terms and conditions set out in the Explanatory Statement.”*

**Note: A voting exclusion statement applies to this Resolution.**

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**8. RESOLUTION 8 – APPROVAL TO ISSUE PURE ASSET WARRANT**

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

*“That, for the purposes of Listing Rule 7.1 and for all other purposes, approval is given for the Company to issue the Pure Asset Warrant to Pure Asset Management Pty Ltd (or its nominee) on the terms and conditions set out in the Explanatory Statement.”*

**Note: A voting exclusion statement applies to this Resolution.**

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**9. RESOLUTION 9 – APPROVAL TO ISSUE HORLEY WARRANT**

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

*“That, for the purposes of Listing Rule 7.1 and for all other purposes, approval is given for the Company to issue the Horley Warrant to Horley Pty Ltd (or its nominee) on the terms and conditions set out in the Explanatory Statement.”*

**Note: A voting exclusion statement applies to this Resolution.**

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**10. RESOLUTION 10 – APPROVAL TO ISSUE OPTIONS TO SPP PARTICIPANTS**

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

*“That, for the purposes of Listing Rule 7.1 and for all other purposes, approval is given for the Company to issue up to 2,500,000 Options to the SPP Participants (or their nominee/(s)) on the terms and conditions set out in the Explanatory Statement.”*

**Note: A voting exclusion statement applies to this Resolution.**

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**Dated: 29 July 2021**

**By order of the Board**



**Ian Hobson  
Company Secretary**

## Voting Exclusion Statements

In accordance with Listing Rule 14.11, the Company will disregard any votes cast in favour of the resolution set out below by or on behalf of the following persons:

<b>Resolution 1 – Ratification of prior issue of Shares under the Tranche 1 Placement</b>	The Tranche 1 Placement Participants and any other person who participated in the issue or is a counterparty to the agreement being approved or an associate of that person or those persons.
<b>Resolution 2 – Approval to issue Shares under the Tranche 2 Placement</b>	The Unrelated Tranche 2 Placement Participants and any other person who is expected to participate in, or who will obtain a material benefit as a result of, the proposed issue (except a benefit solely by reason of being a holder of ordinary securities in the Company) or an associate of that person (or those persons).
<b>Resolution 3 – Approval to issue Options to unrelated participants in the Placement</b>	The Tranche 1 Placement Participants, Unrelated Tranche 2 Placement Participants and any other person who is expected to participate in, or who will obtain a material benefit as a result of, the proposed issue (except a benefit solely by reason of being a holder of ordinary securities in the Company) or an associate of that person (or those persons).
<b>Resolution 4 – Approval to issue Shares and Options to a Related Party under the Tranche 2 Placement – Anjet Projects Pty Ltd ATF The Lyndi Superfund</b>	Anjet Projects Pty Ltd ATF The Lyndi Superfund (or their nominee) and any other person who will obtain a material benefit as a result of the issue of the securities (except a benefit solely by reason of being a holder of ordinary securities in the Company) or an associate of that person or those persons.
<b>Resolution 5 – Approval to issue Shares and Options to a Related Party under the Tranche 2 Placement – Sobrado Pty Ltd ATF Barclay Family Superannuation Fund</b>	Sobrado Pty Ltd ATF Barclay Family Superannuation Fund (or their nominee) and any other person who will obtain a material benefit as a result of the issue of the securities (except a benefit solely by reason of being a holder of ordinary securities in the Company) or an associate of that person or those persons.
<b>Resolution 6 – Approval to issue Shares and Options to a Related Party under the Tranche 2 Placement – Borrello Holdings Pty Ltd ATF The Steele Superannuation Fund</b>	Borrello Holdings Pty Ltd ATF The Steele Superannuation Fund (or their nominee) and any other person who will obtain a material benefit as a result of the issue of the securities (except a benefit solely by reason of being a holder of ordinary securities in the Company) or an associate of that person or those persons.
<b>Resolution 7 – Approval to issue Shares and Options to a Related Party under the Tranche 2 Placement – Mr Peter Thomas</b>	Mr Peter Thomas (or his nominee) and any other person who will obtain a material benefit as a result of the issue of the securities (except a benefit solely by reason of being a holder of ordinary securities in the Company) or an associate of that person or those persons.
<b>Resolution 8 – Approval to issue Pure Asset Warrant</b>	Pure Asset and any other person who is expected to participate in, or who will obtain a material benefit as a result of, the proposed issue (except a benefit solely by reason of being a holder of ordinary securities in the Company) or an associate of that person (or those persons).
<b>Resolution 9 – Approval to issue Horley Warrant</b>	Horley and any other person who is expected to participate in, or who will obtain a material benefit as a result of, the proposed issue (except a benefit solely by reason of being a holder of ordinary securities in the Company) or an associate of that person (or those persons).
<b>Resolution 10 – Approval to issue Options to SPP Participants</b>	The SPP Participants or any other person who is expected to participate in, or who will obtain a material benefit as a result of, the proposed issue (except a benefit solely by reason of being a holder of ordinary securities in the Company) or an associate of that person (or those persons).

However, this does not apply to a vote cast in favour of the Resolution by:

- (a) a person as a proxy or attorney for a person who is entitled to vote on the Resolution, in accordance with the directions given to the proxy or attorney to vote on the Resolution in that way; or
- (b) the Chair as proxy or attorney for a person who is entitled to vote on the Resolution, in accordance with a direction given to the Chair to vote on the Resolution as the Chair decides; or
- (c) a holder acting solely in a nominee, trustee, custodial or other fiduciary capacity on behalf of a beneficiary provided the following conditions are met:
  - (i) the beneficiary provides written confirmation to the holder that the beneficiary is not excluded from voting, and is not an associate of a person excluded from voting, on the resolution; and
  - (ii) the holder votes on the resolution in accordance with directions given by the beneficiary to the holder to vote in that way.

### **Voting eligibility**

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The Directors have determined pursuant to Regulation 7.11.37 of the *Corporations Regulations 2001* (Cth) that the persons eligible to vote at the Meeting are those who are registered Shareholders at 10:00am (WST) on 28 August 2021.

### **Voting by proxy**

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To vote by proxy, please complete and sign the enclosed Proxy Form and return by the time and in accordance with the instructions set out on the Proxy Form.

In accordance with section 249L of the Corporations Act, Shareholders are advised that:

- each Shareholder has a right to appoint a proxy;
- the proxy need not be a Shareholder of the Company; and
- a Shareholder who is entitled to cast two (2) or more votes may appoint two (2) proxies and may specify the proportion or number of votes each proxy is appointed to exercise. If the member appoints two (2) proxies and the appointment does not specify the proportion or number of the member's votes, then in accordance with section 249X(3) of the Corporations Act, each proxy may exercise one-half of the votes.

Shareholders and their proxies should be aware that:

- if proxy holders vote, they must cast all directed proxies as directed; and
- any directed proxies which are not voted will automatically default to the Chair, who must vote the proxies as directed.

### **Voting in person**

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

***Should you wish to discuss the matters in this Notice of Meeting please do not hesitate to contact the Company Secretary on +61 8 9388 8290.***

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## EXPLANATORY STATEMENT

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This Explanatory Statement has been prepared to provide information which the Directors believe to be material to Shareholders in deciding whether or not to pass the Resolutions.

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### 1. BACKGROUND TO RESOLUTIONS

#### 1.1 Overview

As announced on 26 July 2021, the Company has launched a debt raising and associated equity raising to raise up to approximately \$32,000,000 to fund its growth working capital requirements.

#### 1.2 Equity Raising

The equity raising will predominately be undertaken by way of a placement, through the issue of approximately 25,000,000 Shares to professional and sophisticated investors at an issue price of \$0.40 per Share raise up to a total of \$10,000,000 (**Placement**). Subject to Shareholder approval being obtained under Resolutions 2 and 3, participants in the Placement will also be issued one Option for every two Shares subscribed for and issued (**Placement Options**). The Placement Options will be exercisable at \$0.48 each on or before the date that is two years from the date of issue. The full terms and conditions of the Placement Options are set out in Schedule 1.

The offer price under the Placement and the SPP represents an 8.6% discount to the Company's five trading-day volume weighted average price of \$0.438 between 15 and 21 July 2021.

#### Placement

The Securities issued under the Placement will be issued as follows:

- (a) the first tranche comprises the issue of 19,310,639 Shares, which will be issued on 2 August 2021 pursuant to the Company's existing placement capacity under Listing Rule 7.1 (ratification of which is sought pursuant to Resolution 1) (**Tranche 1 Placement**); and
- (b) the second tranche comprises the issue of 5,689,361 Shares (**Tranche 2 Placement**) which will be issued as follows:
  - (i) 3,814,361 Shares will be issued to unrelated professional and sophisticated investors (the **Unrelated Tranche 2 Placement Participants**) subject to Shareholder approval being obtained under Resolution 2; and
  - (ii) 1,875,000 Shares will be issued to Directors of the Company subject to Shareholder approval being obtained under Resolutions 4 to 7. Further details in respect of the intended participation in the Tranche 2 Placement by the Directors of the Company are set out in Section 5.

The Company is also seeking Shareholder approval pursuant to Resolution 3 (and Resolutions 4 to 7 in respect of the Director participation) for the issue of one Placement Option for every two Shares subscribed for by the participants in the Placement. The Placement Options are expected to be issued on or around 6 September 2021.

The issue of Securities under the Tranche 2 Placement will be conditional upon the conditions precedent to the subordinated debt facility being satisfied and the subordinated debt facility otherwise remaining in good standing.

### Share Purchase Plan

Additionally, the Company is conducting a share purchase plan to raise up to \$2 million, through the issue of up to 5,000,000 Shares (**SPP**).

Under the SPP, eligible Shareholders may each apply for up to \$30,000 of new Shares at an issue price of \$0.40 (being the same issue price as the Placement). Subject to Shareholder approval being obtained under Resolution 10, eligible Shareholders who participate in the SPP will also be issued one Option for every two Shares subscribed for and issued (**SPP Options**). The SPP Options will be issued on the same terms as the Placement Options. The full terms and conditions of the SPP Options are set out in Schedule 1.

### Use of Funds

The Company intends to apply the funds raised under the Placement and the SPP to support working capital for growth, including reduced reliance on the NAB overdraft facility and repayment of final outstanding amount due to surety providers for called bonds and payment of facility fees.

### Lead Manager

Petra Capital Pty Limited (ACN 110 952 782) (**Petra Capital**) and Euroz Hartleys Limited (ACN 104 195 057) (**Euroz Hartleys**) are the joint lead managers and bookrunners for the Placement and SPP. The Company has agreed to pay Petra Capital and Euroz Hartleys (together, the **Joint Lead Managers**):

- (a) an offer management fee of 4.5% of the gross amount raised under the Placement, being an amount of \$450,000 (**Proceeds**); and
- (b) an incentive fee of up to 1.0% of the Proceeds, being a fee of up to \$100,000, which fee will be payable at the absolute discretion of the Board.

### Indicative Timetable

An indicative timetable for the Placement and the SPP is set out below.

Event	Date
SPP record date (7.00pm AEST)	23 Jul 2021
Announcement of SPP offer	26 July 2021
Settlement of Tranche 1 Placement	30 July 2021
Issue of new Shares under the Tranche 1 Placement Lodgement of Appendix 2A with ASX	2 August 2021
Dispatch SPP offer documents and personalised application forms to Shareholders Lodgement of Appendix 3B with ASX SPP offer opens	6 August 2021
General Meeting	30 August 2021



Event	Date
SPP closing date (5.00pm AEST)	30 August 2021
Announcement of SPP results	2 September 2021
Settlement of Tranche 2 Placement Issue of new Shares under the SPP Lodgement of Appendix 2A with ASX	3 September 2021 (before noon AEST)
Issue of new Shares under Tranche 2 Placement Issue of SPP Options and Placement Options Lodgement of Appendix 2A and Appendix 3G with ASX	6 September 2021

\* The above dates are indicative only and may change without notice. The Company reserves the right to extend the Closing Date of the SPP, close the SPP early or extend the date of issue of the Placement Options, SPP Options and the Securities under the Tranche 2 Placement without notice.

### 1.3 Debt Raising

The debt raising comprises a \$15 million subordinated debt facility with Pure Asset Management Pty Ltd (ACN 616 178 771) in its capacity as trustee for The Income and Growth Fund (**Pure Asset**) and a \$5 million subordinated debt facility with Horley Pty Ltd (ACN 633 246 858) in its capacity as trustee for Metal Trust (**Horley**).

In addition to the entry into facility agreements with each of Pure Asset and Horley (together, the **Lenders**) the Company has entered into a warrant deed with each of the Lenders, whereby it has agreed to issue a warrant to each of the Lenders.

Details of the debt facilities extended by the Lenders are as follows:

	Pure Asset	Horley
<b>Facility Structure</b>	An interest-bearing loan facility with partially detached warrant coverage.	
<b>Facility Limit</b>	\$15,000,000	\$5,000,000
<b>Facility Maturity Date</b>	42 months	
<b>Interest Rate</b>	11% per annum (if NSLR > 2.0) and 10% per annum if NSLR is ≤ 2.0)	
<b>Warrants</b>	One warrant which may be exercised into 23,076,923 Warrant Shares	One warrant which may be exercised into 7,692,308 Warrant Shares
<b>Warrant Exercise Price</b>	\$0.65 per Warrant Share (subject to adjustment)	
<b>Warrant Term</b>	60 months from the date of this Meeting	
<b>Security</b>	General security over all present and after-acquired property of the Company and each of its subsidiaries and a second ranking registered real property mortgage over the property located at 101 Calliope River Road, West Stowe QLD	
<b>Use of Proceeds</b>	Payment of the facility fees, payment of the Company's overdraft and working capital and other general corporate purposes	

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## **2. RESOLUTION 1 – RATIFICATION OF PRIOR ISSUE OF SHARES UNDER THE TRANCHE 1 PLACEMENT**

### **2.1 General**

As set out in Section 1.2 above, the Company intends to issue 19,310,639 Shares on or around 2 August 2021 to professional and sophisticated investors who participated in the Tranche 1 Placement at an issue price of \$0.40 per Share to raise \$7,724,255 (**Tranche 1 Placement Shares**).

Resolution 1 seeks Shareholder ratification pursuant to Listing Rule 7.4 for the issue of the Tranche 1 Placement Shares.

### **2.2 Listing Rules 7.1 and 7.4**

Broadly speaking, and subject to a number of exceptions, Listing Rule 7.1 limits the amount of equity securities that a listed company can issue without the approval of its shareholders over any 12 month period to 15% of the fully paid ordinary shares it had on issue at the start of that period.

The issue of the Tranche 1 Placement Shares does not fit within any of the exceptions set out in Listing Rule 7.2 and, as it has not yet been approved by Shareholders, it effectively uses up part of the 15% limit in Listing Rule 7.1, reducing the Company's capacity to issue further equity securities without Shareholder approval under Listing Rule 7.1 for the 12 month period following the date of issue of the Tranche 1 Placement Shares.

Listing Rule 7.4 allows the shareholders of a listed company to approve an issue of equity securities after it has been made or agreed to be made. If they do, the issue is taken to have been approved under Listing Rule 7.1 and so does not reduce the company's capacity to issue further equity securities without shareholder approval under that rule.

The Company wishes to retain as much flexibility as possible to issue additional equity securities in the future without having to obtain Shareholder approval for such issues under Listing Rule 7.1. Accordingly, the Company is seeking Shareholder ratification pursuant to Listing Rule 7.4 for the issue of the Tranche 1 Placement Shares.

### **2.3 Technical information required by Listing Rule 14.1A**

If Resolution 1 is passed, the Tranche 1 Placement Shares will be excluded in calculating the Company's 15% limit in Listing Rule 7.1, effectively increasing the number of equity securities the Company can issue without Shareholder approval over the 12 month period following the date of issue of the Tranche 1 Placement Shares.

If Resolution 1 is not passed, the Tranche 1 Placement Shares will be included in calculating the Company's 15% limit in Listing Rule 7.1, effectively decreasing the number of equity securities that the Company can issue without Shareholder approval over the 12 month period following the date of issue of the Tranche 1 Placement Shares.

## 2.4 Technical information required by Listing Rule 7.5

Pursuant to and in accordance with Listing Rule 7.5, the following information is provided in relation to Resolution 1:

- (a) the Tranche 1 Placement Shares will be issued to professional and sophisticated investors who are clients of the Joint Lead Managers (**Tranche 1 Placement Participants**). The Tranche 1 Placement Participants were identified through a bookbuild process, which involved the Joint Lead Managers seeking expressions of interest to participate in the capital raising from non-related parties of the Company. In accordance with paragraph 7.4 of ASX Guidance Note 21, the Company confirms that other than existing substantial Shareholders Thorney Investment Group and entities associated with Horley who participated in the Tranche 1 Placement, none of the Tranche 1 Placement Participants are Material Persons and will be issued more than 1% of the issued capital of the Company at the time of issue;
- (b) 19,310,639 Tranche 1 Placement Shares will be issued and the Tranche 1 Placement Shares issued were all fully paid ordinary shares in the capital of the Company issued on the same terms and conditions as the Company's existing Shares;
- (c) the Tranche 1 Placement Shares will be issued on or around 2 August 2021;
- (d) the issue price will be \$0.40 per Tranche 1 Placement Share. The Company has not and will not receive any other consideration for the issue of the Tranche 1 Placement Shares;
- (e) the purpose of the issue of the Tranche 1 Placement Share is to raise \$7,724,255, which will be applied to support working capital for growth, including reduced reliance on the NAB overdraft facility and repayment of final outstanding amount due to surety providers for called bonds and payment of facility fees as set out in Section 1.2 above; and
- (f) the Tranche 1 Placement Shares will not be issued under an agreement.

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## 3. RESOLUTION 2 – APPROVAL TO ISSUE SHARES UNDER THE TRANCHE 2 PLACEMENT

### 3.1 General

As set out in Section 1.2 above, the Company has received firm subscriptions from investors to subscribe for 5,689,361 Shares at an issue price of \$0.40 per Share to raise \$2,275,745 under the Tranche 2 Placement.

Resolution 2 seeks Shareholder approval for the purposes of Listing Rule 7.1 for the issue of 3,814,361 Shares (**Unrelated Tranche 2 Shares**) to unrelated professional and sophisticated investors who wish to participate in the Tranche 2 Placement (**Unrelated Tranche 2 Placement Participants**).

### 3.2 Listing Rule 7.1

A summary of Listing Rule 7.1 is set out in Section 2.2 above.

The proposed issue of the Unrelated Tranche 2 Shares falls within exception 17 of Listing Rule 7.2. It therefore requires the approval of Shareholders under Listing Rule 7.1.

### **3.3 Technical information required by Listing Rule 14.1A**

If Resolution 2 is passed, the Company will be able to proceed with the issue of the Unrelated Tranche 2 Shares. In addition, the issue of the Unrelated Tranche 2 Shares will be excluded from the calculation of the number of equity securities that the Company can issue without Shareholder approval under Listing Rule 7.1.

If Resolution 2 is not passed, the Company will not be able to proceed with the issue of the Unrelated Tranche 2 Shares. In these circumstances, the Company would be unable to raise any further funds under the Tranche 2 Placement (other than any funds that may be raised as a result of the Participation, approval in respect of which is sought under Resolutions 4 to 7 below). As obtaining shareholder approval for the issue of the Unrelated Tranche 2 Shares is a condition subsequent to the subordinated debt facility, if Resolution 2 is not passed, the Company will be in default under the facility agreement and the Lenders may declare all or any part of the debt facility to be immediately due and payable. In these circumstances, the Company would be unable to immediately repay the debt facility and may be required to seek alternative arrangements with the Lenders.

### **3.4 Technical information required by Listing Rule 7.1**

Pursuant to and in accordance with Listing Rule 7.3, the following information is provided in relation to Resolution 2:

- (a) the Unrelated Tranche 2 Shares will be issued to the Unrelated Tranche 2 Placement Participants are clients of the Joint Lead Managers. The Unrelated Tranche 2 Placement Participants have been identified through a bookbuild process, which involved the Joint Lead Managers seeking expressions of interest to participate in the capital raising from non-related parties of the Company. In accordance with paragraph 7.2 of ASX Guidance Note 21, the Company confirms that none of the Unrelated Tranche 2 Placement Participants are Material Persons and will be issued more than 1% of the issued capital of the Company at the time of issue;
- (b) the maximum number of Unrelated Tranche 2 Shares to be issued under this Resolution is 3,814,361;
- (c) the Shares issued will be fully paid ordinary shares in the capital of the Company issued on the same terms and conditions as the Company's existing Shares;
- (d) the Unrelated Tranche 2 Shares will be issued no later than 3 months after the date of the Meeting (or such later date to the extent permitted by any ASX waiver or modification of the Listing Rules) and it is intended that issue of the Unrelated Tranche 2 Shares will occur on the same date;
- (e) the issue price of the Unrelated Tranche 2 Shares will be \$0.40 per Share. The Company will not receive any other consideration for the issue of the Unrelated Tranche 2 Shares ;
- (f) the purpose of the issue of the Unrelated Tranche 2 Shares is to raise \$2,275,744, which the Company intends to apply to support working capital for growth, including reduced reliance on the NAB overdraft facility and repayment of final outstanding amount due to surety providers for called bonds and payment of facility fees as set out in Section 1.2 above; and

- (g) the Unrelated Tranche 2 Shares are not being issued under, or to fund, a reverse takeover.

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#### **4. RESOLUTION 3 – APPROVAL TO ISSUE OPTIONS TO PARTICIPANTS IN THE TRANCHE 1 PLACEMENT AND THE UNRELATED TRANCHE 2 PARTICIPANTS**

##### **4.1 General**

As set out in Section 1.2 above, the Company has agreed subject to obtaining Shareholder approval, to issue participants in the Placement one Placement Option for every two Shares subscribed for and issued.

Resolution 3 seeks Shareholder approval for the purposes of Listing Rule 7.1 for the issue of Placement Options to the Tranche 1 Placement Participants and the Unrelated Tranche 2 Placement Participants (**Unrelated Placement Options**).

##### **4.2 Listing Rule 7.1**

A summary of Listing Rule 7.1 is set out in Section 2.2 above.

The proposed issue of the Unrelated Placement Options falls within exception 17 of Listing Rule 7.2. It therefore requires the approval of Shareholders under Listing Rule 7.1.

##### **4.3 Technical information required by Listing Rule 14.1A**

If Resolution 3 is passed, the Company will be able to proceed with the issue of the Unrelated Placement Options. In addition, the issue of the Unrelated Placement Options will be excluded from the calculation of the number of equity securities that the Company can issue without Shareholder approval under Listing Rule 7.1.

If Resolution 3 is not passed, the Company will not be able to proceed with the issue of the Unrelated Placement Options. If this occurs, the Company may consider alternative mechanisms to recompense the Tranche 1 Placement Participants and the Unrelated Tranche 2 Placement Participants (together, the **Unrelated Placement Participants**).

This will result in the Company being unable to fulfill the commercial terms of the Placement, which may lead to dissatisfaction of the new investors with the management of the Company.

##### **4.4 Technical information required by Listing Rule 7.1**

Pursuant to and in accordance with Listing Rule 7.3, the following information is provided in relation to Resolution 3:

- (a) the Unrelated Placement Options will be issued to the Unrelated Placement Participants (or their nominees). In accordance with paragraph 7.2 of ASX Guidance Note 21, the Company confirms that none of the Tranche 1 Placement Participants will be:
- (i) related parties of the Company, members of the Company's Key Management Personnel, substantial holders of the Company, advisers of the Company or an associate of any of these parties; and

- (ii) issued more than 1% of the issued capital of the Company at the time of issue;
- (b) the Unrelated Placement Options will be issued on the basis of one Option for every two Shares subscribed for and issued under the Placement. The Company anticipates that approximately 11,562,500 Options will be issued, however the exact number of Options to be issued will be subject to rounding (with fractional entitlements rounding up);
- (c) the terms and conditions of the Unrelated Placement Options are set out in Schedule 1;
- (d) the Unrelated Placement Options will be issued no later than 3 months after the date of the Meeting (or such later date to the extent permitted by any ASX waiver or modification of the Listing Rules) and it is intended that issue of the Unrelated Placement Options will occur on the same date;
- (e) the Unrelated Placement Options will be issued at a nil issue price, on the basis of one Option for every two Shares subscribed for and issued to the Unrelated Placement Participants;
- (f) the Unrelated Placement Options are not being issued under an agreement; and
- (g) the Unrelated Placement Options are not being issued under, or to fund, a reverse takeover.

## 5. RESOLUTIONS 4 TO 7 – APPROVAL TO ISSUE SHARES AND OPTIONS TO RELATED PARTIES UNDER THE TRANCHE 2 PLACEMENT

### 5.1 General

Directors Dickie Dique, Andrew Barclay, David Steele and Peter Thomas wish to participate in the Tranche 2 Placement (either directly or through their controlled entities noted in the table below) on the same terms as the Unrelated Tranche 2 Placement Participants (**Participation**). Further details in respect of the intended Participation are set out in the table below.

Related Party	Subscription Amount (A\$)	Shares	Placement Options
Anjet Projects Pty Ltd ATF The Lyndi Superfund (an entity controlled by Director, Dickie Dique)	\$450,000	1,125,000	562,500
Sobrado Pty Ltd ATF Barclay Family Superannuation Fund (an entity controlled by Director, Andrew Barclay)	\$50,000	125,000	62,500
Borrello Holdings Pty Ltd ATF the Steele Superannuation Fund (an entity controlled by Director, David Steele)	\$50,000	125,000	62,500
Peter Thomas	\$200,000	500,000	250,000

Related Party	Subscription Amount (A\$)	Shares	Placement Options
<b>TOTAL</b>	<b>\$750,000</b>	<b>1,875,000</b>	<b>937,500</b>

Resolutions 4 to 7 seek Shareholder approval under and for the purposes of section 195(4) of the Corporations Act and Listing Rule 10.11 for the issue of up to an aggregate of 1,875,000 Shares and 937,500 Placement Options to the entities noted in the table above (**Related Tranche 2 Placement Participants**), as a result of the Participation on the terms set out below.

## 5.2 Chapter 2E of the Corporations Act

For a public company, or an entity that the public company controls, to give a financial benefit to a related party of the public company, the public company or entity must:

- (a) obtain the approval of the public company's members in the manner set out in sections 217 to 227 of the Corporations Act; and
- (b) give the benefit within 15 months following such approval,

unless the giving of the financial benefit falls within an exception set out in sections 210 to 216 of the Corporations Act.

The Participation will result in the issue of Securities which constitutes giving a financial benefit and the recipients of the Securities are related parties of the Company by virtue of being Directors of the Company or entities controlled by Directors of the Company (as noted in the table in Section 5 above).

The Directors (other than Mr Dique who has a material personal interest in the Resolution 4) consider that Shareholder approval pursuant to Chapter 2E of the Corporations Act is not required in respect of Resolution 4 because the Securities will be issued to Anjet Projects Pty Ltd (ACN 099 092 378) ATF The Lyndi Superfund (**Anjet**) on the same terms as Securities issued to unrelated participants in the Tranche 2 Placement and as such the giving of the financial benefit is on arm's length terms.

The Directors (other than Mr Barclay who has a material personal interest in the Resolution 5) consider that Shareholder approval pursuant to Chapter 2E of the Corporations Act is not required in respect of Resolution 5 because the Securities will be issued to Sobrado Pty Ltd (ACN 067 541 557) ATF Barclay Family Superannuation Fund (**Sobrado**) on the same terms as Securities issued to unrelated participants in the Tranche 2 Placement and as such the giving of the financial benefit is on arm's length terms.

The Directors (other than Mr Steele who has a material personal interest in the Resolution 6) consider that Shareholder approval pursuant to Chapter 2E of the Corporations Act is not required in respect of Resolution 6 because the Securities will be issued to Borrello Holdings Pty Ltd (ACN 009 467 627) ATF the Steele Superannuation Fund (**Borrello**) on the same terms as Securities issued to unrelated participants in the Tranche 2 Placement and as such the giving of the financial benefit is on arm's length terms.

The Directors (other than Mr Thomas who has a material personal interest in the Resolution 7) consider that Shareholder approval pursuant to Chapter 2E of the Corporations Act is not required in respect of Resolution 7 because the Securities

will be issued to Mr Thomas on the same terms as Securities issued to unrelated participants in the Tranche 2 Placement and as such the giving of the financial benefit is on arm's length terms.

### **5.3 Section 195(4) of the Corporations Act**

Section 195 of the Corporations Act provides that a Director of a public company may not vote or be present during meetings of Directors when matters in which that Director holds a "material personal interest" are being considered, except in certain limited circumstances. Section 195(4) relevantly provides that if there are not enough Directors to form a quorum for a Directors meeting because of this restriction, one or more of the Directors may call a general meeting and the general meeting may pass a resolution to deal with the matter.

It might be argued (but it is neither conceded nor, indeed, is it thought by the Board to be the case) that four of the five Directors comprising the Board have a material personal interest in the outcome of Resolutions 4, 5, 6 and 7. If each does have such an interest, then a quorum could not be formed to consider the matters contemplated by Resolutions 4, 5, 6 and 7 at Board level.

Accordingly, for the avoidance of any doubt, and for the purpose of transparency and best practice corporate governance, the Company also seeks Shareholder approval for Resolutions 4, 5, 6 and 7 for the purposes of section 195(4) of the Corporations Act in respect of the reliance on the reasonable remuneration exception and the decision not to seek Shareholder approval under Chapter 2E of the Corporations Act.

### **5.4 Listing Rule 10.11**

Listing Rule 10.11 provides that unless one of the exceptions in Listing Rule 10.12 applies, a listed company must not issue or agree to issue equity securities to:

- 10.11.1 a related party;
- 10.11.2 a person who is, or was at any time in the 6 months before the issue or agreement, a substantial (30%+) holder in the company;
- 10.11.3 a person who is, or was at any time in the 6 months before the issue or agreement, a substantial (10%+) holder in the company and who has nominated a director to the board of the company pursuant to a relevant agreement which gives them a right or expectation to do so;
- 10.11.4 an associate of a person referred to in Listing Rules 10.11.1 to 10.11.3;  
or
- 10.11.5 a person whose relationship with the company or a person referred to in Listing Rules 10.11.1 to 10.11.4 is such that, in ASX's opinion, the issue or agreement should be approved by its shareholders,

unless it obtains the approval of its shareholders.

The Participation falls within Listing Rule 10.11.1 and does not fall within any of the exceptions in Listing Rule 10.12. It therefore requires the approval of Shareholders under Listing Rule 10.11.



## **5.5 Technical information required by Listing Rule 14.1A**

If Resolutions 4 to 7 are passed, the Company will be able to proceed with the issue of the Securities under the Participation within one month after the date of the Meeting (or such later date as permitted by any ASX waiver or modification of the Listing Rules) and will raise additional funds which will be used in the manner set out in Section 1.2 above. As approval pursuant to Listing Rule 7.1 is not required for the issue of the Securities in respect of the Participation (because approval is being obtained under Listing Rule 10.11), the issue of the Securities will not use up any of the Company's 15% annual placement capacity.

If Resolution 4 to 7 are not passed, the Company will not be able to proceed with the issue of the Securities under the Participation and no further funds will be raised in respect of the participation in the Tranche 2 Placement by the Related Tranche 2 Placement Participants. As obtaining shareholder approval for the issue of the Securities under the Participation is a condition subsequent to the subordinated debt facility, if Resolution 4 to 7 are not passed, the Company will be in default under the facility agreement and the Lenders may declare all or any part of the debt facility to be immediately due and payable. In these circumstances, the Company would be unable to immediately repay the debt facility and may be required to seek alternative arrangements with the Lenders.

## **5.6 Technical Information required by Listing Rule 10.13**

Pursuant to and in accordance with Listing Rule 10.13, the following information is provided in relation to Resolutions 4 to 7:

- (a) the Securities will be issued to the persons noted in the table in Section 5.1 above, each of whom falls within the category set out in Listing Rule 10.11.1 by virtue of being a Director or an entity controlled by a Director;
- (b) the maximum number of Shares to be issued to the Related Tranche 2 Placement Participants is 1,875,000 and the maximum number of Placement Options to be issued to the Related Tranche 2 Placement Participants is 937,500. The maximum number of Securities to be issued to each Related Tranche 2 Placement Participants is set out in the table in Section 5 above;
- (c) the Shares issued will be fully paid ordinary shares in the capital of the Company issued on the same terms and conditions as the Company's existing Shares;
- (d) the Options will be issued on the terms and conditions set out in Schedule 1;
- (e) the Securities will be issued no later than 1 month after the date of the Meeting (or such later date to the extent permitted by any ASX waiver or modification of the Listing Rules) and it is anticipated the Securities will be issued on the same date;
- (f) the issue price will be \$0.40 per Share and the issue price of the Options will be nil as the Options will be issued free attaching with the Shares on a 1:2 basis. The Company will not receive any other consideration for the issue of the Securities (other than in respect of funds received on exercise of the Options);
- (g) the purpose of the issue of Securities under the Participation is to raise capital, which the Company intends to apply to support working capital

for growth, including reduced reliance on the NAB overdraft facility and repayment of final outstanding amount due to surety providers for called bonds and payment of facility fees asset out in Section 1.2 above;

- (h) the Securities to be issued under the Participation are not intended to remunerate or incentivise the Director; and
- (i) the Securities are not being issued under an agreement.

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## **6. RESOLUTIONS 8 AND 9 – APPROVAL TO ISSUE WARRANTS**

### **6.1 General**

As set out in Section 1.3 above, the Company has launched a debt raising to raise up to an aggregate of \$20 million through a subordinated debt facility with each of the Lenders.

In conjunction with entry into the facility agreements, the Company has entered into a warrant deed with each of the Lenders, in accordance with which the Company has agreed, subject to obtaining Shareholder approval, to issue:

- (a) one Warrant which is exercisable into 23,076,923 Shares (subject to adjustment in accordance with the terms and conditions set out in Schedule 2) to Pure Asset (or its nominees) (**Pure Asset Warrant**); and
- (b) one Warrant which is exercisable into 7,692,308 Shares (subject to adjustment in accordance with the terms and conditions set out in Schedule 2) to Horley (or its nominees) (**Horley Warrant**).

Resolutions 8 and 9 seek Shareholder approval for the issue of the Pure Asset Warrant and the Horley Warrant.

### **6.2 Listing Rule 7.1**

A summary of Listing Rule 7.1 is set out in Section 2.2 above.

The proposed issue of the Warrants does not fall within any of the exceptions set out in Listing Rule 7.2 and exceeds the 15% limit in Listing Rule 7.1. It therefore requires the approval of Shareholders under Listing Rule 7.1.

### **6.3 Technical information required by Listing Rule 14.1A**

If Resolutions 8 and 9 are passed, the Company will be able to proceed with the issue of the Warrants. In addition, the issue of the Warrants (and the issue of any Shares on exercise of the Warrants) will be excluded from the calculation of the number of equity securities that the Company can issue without Shareholder approval under Listing Rule 7.1.

If Resolutions 8 and 9 are not passed, the Company will not be able to proceed with the issue of the Warrants. The Company has indemnified the Lenders for the full economic value of the Warrants as a result of or in connection with the Company's inability to issue the Warrants. The economic value is to be determined by an independent expert with suitable qualifications should the Lenders and the Company fail to agree the amount. The current economic value of the Warrants is approximately \$1,492,000 (based on a Black-Scholes valuation using a Share price of \$0.40). However, the Company notes that the economic value of the Warrants is likely to fluctuate over time.

## **6.4 Technical information required by Listing Rule 7.3**

Pursuant to and in accordance with Listing Rule 7.3, the following information is provided in relation to Resolutions 8 and 9:

- (a) a maximum of two Warrants will be issued as follows:
  - (i) the Pure Asset Warrant will be issued on the terms and conditions set out in Schedule 2 to Pure Asset (or its nominee) pursuant to Resolution 8; and
  - (ii) the Horley Warrant will be issued on the terms and conditions set out in Schedule 2 to Horley (or its nominee) pursuant to Resolution 9;
- (b) the Warrants will be issued no later than 3 months after the date of the Meeting (or such later date to the extent permitted by any ASX waiver or modification of the Listing Rules) and it is intended that issue of the Warrants will occur on the same date;
- (c) the Warrants will be issued for nil cash consideration, other than Pure Asset and Horley entering into the subordinated debt facility agreements with the Company. The Company will not receive any other consideration for the issue of the Warrants (other than in respect of funds received on exercise of the Warrants);
- (d) the Warrant is being issued under the warrant deeds which have been entered into with Pure Asset and Horley, a summary of the material terms and conditions of which is set out in Section 6.1; and
- (e) the Warrants are not being issued under, or to fund, a reverse takeover.

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## **7. RESOLUTION 10 – APPROVAL TO ISSUE OPTIONS TO THE SPP PARTICIPANTS**

### **7.1 General**

As set out in Section 1.2, eligible Shareholders who participate in the SPP will have the right to subscribe for one SPP Option for every two Shares subscribed for and issued under the SPP.

Resolution 10 seeks Shareholder approval for the purposes of Listing Rule 7.1 for the issue of up to 2,500,000 SPP Options.

### **7.2 Listing Rule 7.1**

A summary of Listing Rule 7.1 is set out in Section 2.2 above.

The proposed issue of the SPP Options does not fall within any of the exceptions set out in Listing Rule 7.2 and exceeds the 15% limit in Listing Rule 7.1. It therefore requires the approval of Shareholders under Listing Rule 7.1.

### **7.3 Technical information required by Listing Rule 14.1A**

If Resolution 10 is passed, the Company will be able to proceed with the issue of the SPP Options. In addition, the issue of the SPP Options will be excluded from the calculation of the number of equity securities that the Company can issue without Shareholder approval under Listing Rule 7.1.

If Resolution 10 is not passed, the Company will not be able to proceed with the issue of the SPP Options. If this occurs, the Company may consider alternative mechanisms to recompense eligible Shareholders who participate in the SPP.

#### **7.4 Technical information required by Listing Rule 7.1**

Pursuant to and in accordance with Listing Rule 7.3, the following information is provided in relation to Resolution 10:

- (a) the SPP Options will be issued to Shareholders with a registered address in Australia or New Zealand at the Record Date who elect to participate in the SPP (or their nominees) (the **SPP Participants**);
- (b) the SPP Options will be issued on the basis of one Option for every two Shares subscribed for and issued under the SPP. The Company anticipates that approximately 2,500,000 Options will be issued, however the exact number of Options to be issued will be subject to rounding (with fractional entitlements rounding up);
- (c) the terms and conditions of the SPP Options are set out in Schedule 1;
- (d) the SPP Options will be issued no later than 3 months after the date of the Meeting (or such later date to the extent permitted by any ASX waiver or modification of the Listing Rules) and it is intended that issue of the SPP Options will occur on the same date;
- (e) the SPP Options will be issued at a nil issue price as the Options will be issued free attaching with the Shares issued under the SPP on a 1:2 basis;
- (f) the SPP Options are not being issued under an agreement; and
- (g) the SPP Options are not being issued under, or to fund, a reverse takeover.

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## GLOSSARY

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**\$** means Australian dollars.

**ASIC** means the Australian Securities & Investments Commission.

**ASX** means ASX Limited (ACN 008 624 691) or the financial market operated by ASX Limited, as the context requires.

**Board** means the current board of directors of the Company.

**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.

**Chair** means the chair of the Meeting.

**Company** means Decmil Group Limited (ACN 111 210 390).

**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 the Notice.

**General Meeting** or **Meeting** means the meeting convened by the Notice.

**Key Management Personnel** has the same meaning as in the accounting standards issued by the Australian Accounting Standards Board and means those persons having authority and responsibility for planning, directing and controlling the activities of the Company, or if the Company is part of a consolidated entity, of the consolidated entity, directly or indirectly, including any director (whether executive or otherwise) of the Company, or if the Company is part of a consolidated entity, of an entity within the consolidated group.

**Listing Rules** means the Listing Rules of ASX.

**Material Person** means:

- (a) a related party of the Company;
- (b) a member of the Company's Key Management Personnel;
- (c) a substantial holder of the Company;
- (d) an adviser of the Company; or
- (e) an associate of any of the parties listed at (a) to (d) above.

**Notice** or **Notice of Meeting** means this notice of meeting including the Explanatory Statement and the Proxy Form.

**NSLR** means the net senior leverage ratio under the subordinated debt facility.

**Option** means an option to acquire a Share.

**Optionholder** means a holder of an Option.

**Proxy Form** means the proxy form accompanying the Notice.

**Resolutions** means the resolutions set out in the Notice, or any one of them, as the context requires.

**Section** means a section of the Explanatory Statement.

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

**Shareholder** means a registered holder of a Share.

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

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## SCHEDULE 1 – TERMS AND CONDITIONS OF OPTIONS

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(a) **Entitlement**

Each Option entitles the holder to subscribe for one Share upon exercise of the Option.

(b) **Exercise Price**

Subject to paragraph (i), the amount payable upon exercise of each Option will be \$0.48 (**Exercise Price**).

(c) **Expiry Date**

Each Option will expire at 5:00 pm (WST) on the date that is two years from the date of issue (**Expiry Date**). An Option not exercised before the Expiry Date will automatically lapse on the Expiry Date.

(d) **Exercise Period**

The Options are exercisable at any time on or prior to the Expiry Date (**Exercise Period**).

(e) **Notice of Exercise**

The Options may be exercised during the Exercise Period by notice in writing to the Company in the manner specified on the Option certificate (**Notice of Exercise**) and payment of the Exercise Price for each Option being exercised in Australian currency by electronic funds transfer or other means of payment acceptable to the Company.

(f) **Exercise Date**

A Notice of Exercise is only effective on and from the later of the date of receipt of the Notice of Exercise and the date of receipt of the payment of the Exercise Price for each Option being exercised in cleared funds (**Exercise Date**).

(g) **Timing of issue of Shares on exercise**

Within five Business Days after the Exercise Date, the Company will:

- (i) issue the number of Shares required under these terms and conditions in respect of the number of Options specified in the Notice of Exercise and for which cleared funds have been received by the Company;
- (ii) if required, give ASX a notice that complies with section 708A(5)(e) of the Corporations Act, or, if the Company is unable to issue such a notice, lodge with ASIC a prospectus prepared in accordance with the Corporations Act and do all such things necessary to satisfy section 708A(11) of the Corporations Act to ensure that an offer for sale of the Shares does not require disclosure to investors; and
- (iii) if admitted to the official list of ASX at the time, apply for official quotation on ASX of Shares issued pursuant to the exercise of the Options.

If a notice delivered under (g)(ii) for any reason is not effective to ensure that an offer for sale of the Shares does not require disclosure to investors, the Company must, no later than 20 Business Days after becoming aware of such notice being

ineffective, lodge with ASIC a prospectus prepared in accordance with the Corporations Act and do all such things necessary to satisfy section 708A(11) of the Corporations Act to ensure that an offer for sale of the Shares does not require disclosure to investors.

(h) **Shares issued on exercise**

Shares issued on exercise of the Options rank equally with the then issued shares of the Company.

(i) **Reconstruction of capital**

If at any time the issued capital of the Company is reconstructed, all rights of an Optionholder are to be changed in a manner consistent with the Corporations Act and the ASX Listing Rules at the time of the reconstruction.

(j) **Participation in new issues**

There are no participation rights or entitlements inherent in the Options and holders will not be entitled to participate in new issues of capital offered to Shareholders during the currency of the Options without exercising the Options.

(k) **Change in exercise price**

An Option does not confer the right to a change in Exercise Price or a change in the number of underlying securities over which the Option can be exercised.

(l) **Transferability**

The Options are transferable subject to any restriction or escrow arrangements imposed by ASX or under applicable Australian securities laws.



## SCHEDULE 2 – TERMS AND CONDITIONS OF WARRANTS

### ITEM 1 – GENERAL TERMS

#### Definitions

For the purposes of these terms and conditions:

**Adjusted Price** means the price calculated in accordance with the following formula:

$$\frac{A + B}{C}$$

where:

A = market capitalisation of the Company on the trading day prior to the announcement of the issue of equity securities;

B = the number of equity securities the subject of the issue multiplied by their issue price; and

C =  
(i) the number of Shares on issue immediately after the issue of equity securities; plus  
(ii) if the issued equity securities include convertible securities, the Diluted Amount of those convertible securities.

If a Share is issued pursuant to the exercise of an Option, its issue price for the purposes of parameter B above will be the exercise price of the Option.

**Diluted Amount** means:

(a) in relation to an issue of Shares, the number of issued Shares; and

(b) in relation to an issue of convertible securities:

- (i) the maximum number of Shares that may be issued from the conversion of those convertible securities into Shares; or
- (ii) if the maximum number of Shares cannot be determined until the time of conversion, the maximum number of Shares that would be issued if the convertible securities were converted on the date of issue of the convertible securities (but otherwise in accordance with the terms of the convertible securities).

**Exercise Price** means the lower of the following per Warrant Share:

(a) \$0.65; and

(b) if the Company makes an issue of equity securities (or a series of consecutive issuances of equity securities in any period not exceeding 12 months) and the Diluted Amount of those equity securities (in aggregate) exceeds 15% of the number of Shares on issue before the issue or issuances:

- (i) the Adjusted Price; or
- (ii) in the case of a series of issuances, the volume weighted Adjusted Price in relation to those issuances,

or as otherwise adjusted in accordance with Item 2 below.



Paragraph (b) does not apply to an issuance of equity securities that concludes before the date of utilisation of the loan facility (the **Utilisation Date**) (or any issuance of equity securities announced before the Utilisation Date that is subject to Shareholder approval), but does apply to all issuances of equity securities after that date and may apply on more than one occasion and in respect of any set of consecutive issuances (in which case the applicable value for the purposes of paragraph (b) will be the lowest value determined in accordance with paragraph (b) on any of those occasions). For the purposes of paragraph (b), two or more issuances of equity securities will occur within a period not exceeding 12 months if they are both announced in a period not exceeding 12 months.

<b>Entitlement</b>	<p>Subject to Item 2 below, the:</p> <ul style="list-style-type: none"> <li>(a) Pure Asset Warrant entitles the holder to subscribe for 23,076,923 Shares upon exercise of the Warrant; and</li> <li>(b) Horley Warrant entitles the holder to subscribe for 7,692,308 Shares upon exercise of the Warrant.</li> </ul> <p>For the purposes of this Schedule, the Shares issued on exercise of a Warrant will be referred to as the <b>Warrant Shares</b>.</p>
<b>Expiry Date</b>	<p>The Warrant will expire at 5:00pm (WST) on the date that is 60 months after the date of the Meeting (<b>Expiry Date</b>).</p> <p>If the Warrant is not exercised on or before the Expiry Date (<b>Exercise Period</b>), then the Warrant and all rights of holder in connection with the Warrant lapse and cease to be of any force or effect from the end of the Exercise Period.</p>
<b>Exercise of Warrant</b>	<p>The holder may exercise the Warrant by delivering a duly executed notice of exercise to the Company at any time during the Exercise Period.</p> <p>The holder may exercise the Warrant in respect of:</p> <ul style="list-style-type: none"> <li>(a) all of the Warrant Shares (or the number of Warrant Shares which have not already been the subject of exercise); or</li> <li>(b) any number of Warrant Shares greater than or equal to \$500,000 divided by the Exercise Price (defined below),</li> </ul> <p>and the Warrant shall remain in effect in respect of any Warrant Shares which have not been the subject of a Notice of Exercise (defined below).</p>
<b>Purchase Price</b>	<p>Subject to Item 2 below, the amount payable upon exercise of the Warrant will be equal to the number of Warrant Shares proposed to be issued multiplied by the Exercise Price (<b>Purchase Price</b>).</p>
<b>Completion</b>	<p>If the holder delivers an Exercise Notice to the Company, completion of exercise of the Warrant (<b>Completion</b>) will take place on:</p> <ul style="list-style-type: none"> <li>(a) if on the date of delivery of the Exercise Notice (<b>Exercise Date</b>) the Company is not in possession of excluded information (as defined in section 708A(7) of the Corporations Act) (<b>Excluded Information</b>), the date that is five Business Days after the Exercise Date; or</li> <li>(b) if, on the Exercise Date, the Company is in possession of Excluded Information, a date nominated by the Company in writing (provided that such date is within ten days of the Exercise Date),</li> </ul> <p>or such other date as the Company and the holder agree in writing, acting reasonably.</p> <p>On the date of Completion:</p> <ul style="list-style-type: none"> <li>(a) the Company must issue to the holder or its nominee, and the holder shall subscribe for, or procure its nominee to subscribe for, the Warrant Shares (that are the subject of the exercise);</li> <li>(b) the holder must pay, or procure that its nominee pays, to the Company the Purchase Price.</li> </ul>
<b>Post-Completion Obligations</b>	<p>Immediately and in any event within five Business Days after Completion, the Company must:</p> <ul style="list-style-type: none"> <li>(a) give ASX a notice that complies with section 708A(5)(e) of the Corporations Act; or</li> <li>(b) lodge a prospectus in accordance with section 708A(11) of the Corporations Act,</li> </ul> <p>so that the on-sale of those Warrant Shares are not subject to any on-sale or other restrictions, limitations or additional requirements on their transferability and tradability and are freely transferable on the ASX.</p>

<b>Dividends</b>	<p>The Warrant does not confer on the holder any entitlement to any dividends or other distributions by the Company or any right to attend or vote at any general meeting of the Company.</p> <p>In a winding up or liquidation of the Company, the Warrant ranks equally with all other Shares.</p>
<b>Quotation</b>	<p>The Warrant shall not be listed for quotation on ASX or any other securities exchange.</p>

## ITEM 2 – BONUS ISSUES, PRO-RATA ISSUES AND REORGANISATIONS OF CAPITAL

<b>Participation in new issues of Shares</b>	<p>(a) The holder cannot participate in a new issue of capital offered to Shareholders during the Exercise Period without first exercising the Warrant.</p> <p>(b) Notwithstanding clause (a), the Company must give written notice to the holder at least 15 Business Days before the record date applicable to any new issue of capital offered to Shareholders in order to give the holder the opportunity to exercise the Warrant and receive the Warrant Shares prior to the date of determination of entitlements to participate in the new issue.</p>
<b>Bonus Issues</b>	<p>If the Company makes (whether before or during the Exercise Period) a bonus issue to Shareholders, then the number of Shares over which the Warrant is exercisable is increased by the number of Shares which the holder would have received under the bonus issue if the holder had exercised the Warrant prior to the record date for the bonus issue and no change will be made to the Exercise Price.</p>
<b>Pro Rata Issues</b>	<p>If the Company makes (whether before or during the Exercise Period) a pro-rata issue of Shares (except a bonus issue) to Shareholders which does not result in paragraph (b) of the definition of Exercise Price being engaged, the Exercise Price of the Warrant is adjusted in accordance with the formula set out in Listing Rule 6.22.2 (but only if such adjustment would result in a reduction to the Exercise Price).</p>
<b>Reorganisation of capital</b>	<p>If there is a reorganisation of capital of the Company (whether before or during the Exercise Period) then the rights of the holder are changed to the extent necessary to comply with the Listing Rules applying to a reorganisation of capital at the time of the reorganisation.</p>
<b>Non-Ordinary Shares</b>	<p>(a) The Company must not issue any shares in the capital of the Company other than fully paid ordinary shares (including preference shares, performance shares and partly paid shares) (<b>Non-Ordinary Shares</b>) (or securities convertible into Non-Ordinary Shares) without the consent of the holder.</p> <p>(b) The holder agrees to provide its consent under clause (a) if the Exercise Price is adjusted so that the economic value of the Warrant is not adversely affected by the issue described in clause (a).</p>

DCG  
MR SAM SAMPLE  
FLAT 123  
123 SAMPLE STREET  
THE SAMPLE HILL  
SAMPLE ESTATE  
SAMPLEVILLE VIC 3030**Need assistance?** **Phone:**  
1300 850 505 (within Australia)  
+61 3 9415 4000 (outside Australia) **Online:**  
[www.investorcentre.com/contact](http://www.investorcentre.com/contact)**YOUR VOTE IS IMPORTANT**For your proxy appointment to be effective it must be received by **10:00am (AWST) Saturday, 28 August 2021.**

# Proxy Form

## How to Vote on Items of Business

All your securities will be voted in accordance with your directions.

### APPOINTMENT OF PROXY

**Voting 100% of your holding:** Direct your proxy how to vote by marking one of the boxes opposite each item of business. If you do not mark a box your proxy may vote or abstain as they choose (to the extent permitted by law). If you mark more than one box on an item your vote will be invalid on that item.**Voting a portion of your holding:** Indicate a portion of your voting rights by inserting the percentage or number of securities you wish to vote in the For, Against or Abstain box or boxes. The sum of the votes cast must not exceed your voting entitlement or 100%.**Appointing a second proxy:** You are entitled to appoint up to two proxies to attend the meeting and vote on a poll. If you appoint two proxies you must specify the percentage of votes or number of securities for each proxy, otherwise each proxy may exercise half of the votes. When appointing a second proxy write both names and the percentage of votes or number of securities for each in Step 1 overleaf.**A proxy need not be a securityholder of the Company.**

### SIGNING INSTRUCTIONS FOR POSTAL FORMS

**Individual:** Where the holding is in one name, the securityholder must sign.**Joint Holding:** Where the holding is in more than one name, all of the securityholders should sign.**Power of Attorney:** If you have not already lodged the Power of Attorney with the registry, please attach a certified photocopy of the Power of Attorney to this form when you return it.**Companies:** Where the company has a Sole Director who is also the Sole Company Secretary, this form must be signed by that person. If the company (pursuant to section 204A of the Corporations Act 2001) does not have a Company Secretary, a Sole Director can also sign alone. Otherwise this form must be signed by a Director jointly with either another Director or a Company Secretary. Please sign in the appropriate place to indicate the office held. Delete titles as applicable.

### PARTICIPATING IN THE MEETING

**Corporate Representative**If a representative of a corporate securityholder or proxy is to participate in the meeting you will need to provide the appropriate "Appointment of Corporate Representative". A form may be obtained from Computershare or online at [www.investorcentre.com](http://www.investorcentre.com) under the help tab, "Printable Forms".

## Lodge your Proxy Form:

**XX****Online:**Lodge your vote online at [www.investorvote.com.au](http://www.investorvote.com.au) using your secure access information or use your mobile device to scan the personalised QR code.

Your secure access information is

**Control Number: 999999****SRN/HIN: I999999999****PIN: 99999**For Intermediary Online subscribers (custodians) go to [www.intermediaryonline.com](http://www.intermediaryonline.com)**By Mail:**Computershare Investor Services Pty Limited  
GPO Box 242  
Melbourne VIC 3001  
Australia**By Fax:**1800 783 447 within Australia or  
+61 3 9473 2555 outside Australia**PLEASE NOTE:** For security reasons it is important that you keep your SRN/HIN confidential.

MR SAM SAMPLE  
 FLAT 123  
 123 SAMPLE STREET  
 THE SAMPLE HILL  
 SAMPLE ESTATE  
 SAMPLEVILLE VIC 3030

**Change of address.** If incorrect, mark this box and make the correction in the space to the left. Securityholders sponsored by a broker (reference number commences with 'X') should advise your broker of any changes.



I 9999999999

I ND

# Proxy Form

Please mark  to indicate your directions

## Step 1 Appoint a Proxy to Vote on Your Behalf

XX

I/We being a member/s of Decmil Group Limited hereby appoint

the Chairman of the Meeting **OR**

**PLEASE NOTE:** Leave this box blank if you have selected the Chairman of the Meeting. Do not insert your own name(s).

or failing the individual or body corporate named, or if no individual or body corporate is named, the Chairman 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, and to the extent permitted by law, as the proxy sees fit) at the General Meeting of Decmil Group Limited to be held at Level 3, 20 Parkland Road, Osborne Park, WA 6017 on Monday, 30 August 2021 at 10:00am (AWST) and at any adjournment or postponement of that meeting.

## Step 2 Items of Business

**PLEASE NOTE:** If you mark the **Abstain** box for an item, you are directing your proxy not to vote on your behalf on a show of hands or a poll and your votes will not be counted in computing the required majority.

	For	Against	Abstain		For	Against	Abstain
1	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	7	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
2	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	8	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
3	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	9	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
4	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	10	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
5	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>				
6	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>				

The Chairman of the Meeting intends to vote undirected proxies in favour of each item of business. In exceptional circumstances, the Chairman of the Meeting may change his/her voting intention on any resolution, in which case an ASX announcement will be made.

## Step 3 Signature of Securityholder(s) *This section must be completed.*

Individual or Securityholder 1  Securityholder 2  Securityholder 3  / /  
 Sole Director & Sole Company Secretary Director Director/Company Secretary Date

**Update your communication details** (Optional)

Mobile Number  Email Address

By providing your email address, you consent to receive future Notice of Meeting & Proxy communications electronically

