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

Notice is given that the Meeting will be held at:

TIME: 10:00am (WST)

DATE: 10 November 2022

PLACE: The meeting is a **hybrid meeting**

Virtually: Online via a web-based meeting portal

Physically: Suite 9, 110 Hay Street
Subiaco WA 6008

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

This Notice 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.

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 5:00pm on 8 November 2022.

BUSINESS OF THE MEETING

AGENDA

1. □ FINANCIAL STATEMENTS AND REPORTS

To receive and consider the annual financial report of the Company for the financial year ended 30 June 2022 together with the declaration of the Directors, the Directors' report, the Remuneration Report and the auditor's report.

2. □ RESOLUTION 1 – ADOPTION OF REMUNERATION REPORT

To consider and, if thought fit, to pass, with or without amendment, the following resolution as a **non-binding resolution**:

“That, for the purposes of section 250R(2) of the Corporations Act and for all other purposes, approval is given for the adoption of the Remuneration Report as contained in the Company's annual financial report for the financial year ended 30 June 2022.”

Note: the vote on this Resolution is advisory only and does not bind the Directors or the Company.

A voting prohibition statement applies to this Resolution. Please see below.

3. □ RESOLUTION 2 – RE-ELECTION OF DIRECTOR – ANDREW BARCLAY

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

“That, for the purpose of clause 14.2 of the Constitution, and for all other purposes, Andrew Barclay, a Director, retires by rotation, and being eligible, is re-elected as a Director.”

4. □ RESOLUTION 3 – RATIFICATION OF PRIOR ISSUE OF WARRANT TO PURE ASSET MANAGEMENT

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 the Warrant to Pure Asset Management Pty Ltd (or their nominee/s) on the terms and conditions set out in the Explanatory Statement.”

A voting exclusion statement applies to this Resolution. Please see below.

5. □ RESOLUTION 4 – RATIFICATION OF PRIOR ISSUE OF WARRANT TO HORLEY

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 the Warrant to Horley Pty Ltd (or their nominee/s) on the terms and conditions set out in the Explanatory Statement.”

A voting exclusion statement applies to this Resolution. Please see below.

6. □ RESOLUTION 5 – ADOPTION OF EMPLOYEE SECURITIES INCENTIVE PLAN

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 7.2 (Exception 13(b)) and for all other purposes, approval is given for the Company to adopt an employee incentive scheme titled Employee Securities Incentive Plan and for the issue of a maximum of 20,000,000 securities under that Plan, on the terms and conditions set out in the Explanatory Statement.”

A voting exclusion statement and voting prohibition statement apply to this Resolution. Please see below.

7. □ RESOLUTION 6 – ISSUE OF PERFORMANCE RIGHTS TO RELATED PARTY – ROD HEALE

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

“That, subject to the passing of Resolution 5, for the purposes of Listing Rule 10.14 and for all other purposes, approval is given for the Company to issue up to 7,727,273 Performance Rights to Rod Heale (or his nominee/s) under the Employee Securities Incentive Plan on the terms and conditions set out in the Explanatory Statement.”

A voting exclusion statement and voting prohibition statement applies to this Resolution. Please see below.

8. □ RESOLUTION 7 – ISSUE OF PERFORMANCE RIGHTS TO RELATED PARTY – PETER THOMAS

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

“That, subject to the passing of Resolution 5, for the purposes of Listing Rule 10.14 and for all other purposes, approval is given for the Company to issue up to 6,000,000 Performance Rights to Peter Thomas (or his nominee/s) under the Employee Securities Incentive Plan on the terms and conditions set out in the Explanatory Statement.”

A voting exclusion statement and voting prohibition statement applies to this Resolution. Please see below.

9. □ RESOLUTION 8 – REPLACEMENT OF CONSTITUTION

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

“That, for the purposes of section 136(2) of the Corporations Act and for all other purposes, approval is given for the Company to repeal its existing Constitution and adopt a new constitution in its place in the form as signed by the chairman of the Meeting for identification purposes.”

Dated: 4 October 2022

By order of the Board



**Ian Hobson
Company Secretary**

□

Voting Prohibition Statements

<p>Resolution 1 – Adoption of Remuneration Report</p>	<p>A vote on this Resolution must not be cast (in any capacity) by or on behalf of either of the following persons:</p> <ul style="list-style-type: none"> (a) a member of the Key Management Personnel, details of whose remuneration are included in the Remuneration Report; or (b) a Closely Related Party of such a member. <p>However, a person (the voter) described above may cast a vote on this Resolution as a proxy if the vote is not cast on behalf of a person described above and either:</p> <ul style="list-style-type: none"> (a) the voter is appointed as a proxy by writing that specifies the way the proxy is to vote on this Resolution; or (b) the voter is the Chair and the appointment of the Chair as proxy: <ul style="list-style-type: none"> (i) does not specify the way the proxy is to vote on this Resolution; and (ii) expressly authorises the Chair to exercise the proxy even though this Resolution is connected directly or indirectly with the remuneration of a member of the Key Management Personnel.
<p>Resolution 5 – Adoption of Employee Securities Incentive Plan</p>	<p>A person appointed as a proxy must not vote, on the basis of that appointment, on Resolution 6Resolution 7or Resolution 8 if:</p> <ul style="list-style-type: none"> (a) the proxy is either: <ul style="list-style-type: none"> (i) a member of the Key Management Personnel; or (ii) a Closely Related Party of such a member; and (b) the appointment does not specify the way the proxy is to vote on Resolution 6Resolution 7 or Resolution 8.
<p>Resolution 6 – Issue of Performance Rights to Related Party – Rod Heale</p>	<p>However, the above prohibition does not apply if:</p> <ul style="list-style-type: none"> (a) the proxy is the Chair; and (b) the appointment expressly authorises the Chair to exercise the proxy even though Resolution 6Resolution 7or Resolution 8 are connected directly or indirectly with remuneration of a member of the Key Management Personnel.
<p>Resolution 7 – Issue of Performance Rights to Related Party – Peter Thomas</p>	

Voting Exclusion Statements

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

Resolution 3 – Ratification of prior issue of Warrant to Pure Asset Management	Pure Asset Management (or their nominee/s) or 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.
Resolution 4 – Ratification of prior issue of Warrant to Horley	Horley (or their nominee/s) or 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.
Resolution 5 – Adoption of Employee Securities Incentive Plan	A person who is eligible to participate in the employee incentive scheme or an associate of that person or those persons.
Resolution 6 – Issue of Performance Rights to Related Party – Rod Heale	Any person referred to in Listing Rule 10.14.1, 10.14.2 or 10.14.3 who is eligible to participate in the employee incentive scheme in question (including Rod Heale) or an associate of that person or those persons.
Resolution 7 – Issue of Performance Rights to Related Party – Peter Thomas	Any person referred to in Listing Rule 10.14.1, 10.14.2 or 10.14.3 who is eligible to participate in the employee incentive scheme in question (including Peter Thomas) 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.

IMPORTANT INFORMATION REGARDING MEETING ATTENDANCE AND VOTING

Voting in person

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

Attending the Meeting virtually

The Meeting will be virtually accessible to all Shareholders, and will allow Shareholders, as a whole, a reasonable opportunity to participate without being physically present at the Meeting.

The technology used to hold the Meeting will be reasonable and, Shareholders entitled to attend and vote at the Meeting, will be able to:

- (a) view the Meeting live;
- (b) exercise a right, orally and in writing, to ask questions and make comments; and
- (c) cast votes in real time on a poll during the Meeting.

Shareholders who wish to attend the Meeting virtually must first register their attendance with the Company by no later than 10:00pm (AWST) on 9 November 2022, the day prior to the day of the Meeting, by email to the Company Secretary at ian.hobson@decml.com.au, including the Shareholder's name, address and HIN or SRN. The Company will then email the Shareholder the details to participate in the virtual Meeting via zoom (a web-based meeting portal).

Voting by poll

All votes taken at the Meeting will be conducted by way of a poll, taken both physically at the Meeting and electronically. Shareholders who wish to vote by poll during the virtual Meeting must first notify the Company of their intention by emailing the Company Secretary at ian.hobson@decml.com.au, by no later than 10:00am (AWST) on 9 November 2022, the day prior to the Meeting. Shareholders will be able to submit their email poll votes immediately after the Chair calls for a vote on each Resolution and up to a period of one hour after the Meeting ends. This means that the outcome of each Resolution will not be able to be determined until after the conclusion of the Meeting to allow the company secretary sufficient time to count such poll votes submitted by email.

Voting by Proxy

A Proxy Form is attached to the Notice. This is to be used by Shareholders if they wish to appoint a representative (a 'proxy') to vote in their place. All Shareholders are invited and encouraged to attend the Meeting or, if they are unable to attend in person, sign and return the Proxy Form to the Company in accordance with the instructions thereon. Lodgement of a Proxy Form will not preclude a Shareholder from attending and voting at the Meeting in person.

Please note that:

- (a) a member of the Company entitled to attend and vote at the Meeting is entitled to appoint a proxy;
- (b) a proxy need not be a member of the Company; and
- (c) a member of the Company entitled to cast two or more votes may appoint two proxies and may specify the proportion or number of votes each proxy is appointed to exercise, but where the proportion or number is not specified, each proxy may exercise half of the votes.

The enclosed Proxy Form provides further details on appointing proxies and lodging Proxy Forms.

Section 250BB(1) of the Corporations Act provides that an appointment of a proxy may specify the way the proxy is to vote on a particular resolution and, if it does:

- (a) the proxy need not vote on a show of hands, but if the proxy does so, the proxy must vote that way (i.e. as directed);
- (a) if the proxy has 2 or more appointments that specify different ways to vote on the resolution – the proxy must not vote on a show of hands;
- (b) if the proxy is the Chair of the meeting at which the resolution is voted on – the proxy must vote on a poll, and must vote that way (i.e. as directed); and
- (c) if the proxy is not the Chair – the proxy need not vote on the poll, but if the proxy does so, the proxy must vote that way (i.e. as directed).

Section 250BC of the Corporations Act provides that, if:

- (a) an appointment of a proxy specifies the way the proxy is to vote on a particular resolution at a meeting of the Company's members;
- (b) the appointed proxy is not the chair of the meeting;

- (c) at the meeting, a poll is duly demanded, or is otherwise required under section 250JA on the resolution; and
- (d) either the proxy is not recorded as attending the meeting or the proxy does not vote on the resolution,

the Chair of the meeting is taken, before voting on the resolution closes, to have been appointed as the proxy for the purposes of voting on the resolution at the meeting.

Chair's voting intentions

If the Chair is your proxy, either by appointment or by default, and you have not indicated your voting intention, you expressly authorise the Chair to exercise the proxy in respect of Resolution 1 even though the Resolution is connected directly or indirectly with the remuneration of the Company's Key Management Personnel.

Subject to the following paragraph, the Chair intends to exercise all available proxies in favour of all Resolutions, unless the Shareholder has expressly indicated a different voting intention.

If the Chair is a person referred to in the voting prohibition statement applicable to a Resolution under section 224 of the Corporations Act, the Chair will only be able to cast a vote as proxy for you on the relevant Resolution if you are entitled to vote and have specified your voting intention in the Proxy Form for that Resolution.

Submitting questions

Shareholders are encouraged to submit any questions that they may wish to put to the Company during the Meeting in writing by email to the Company Secretary at ian.hobson@decml.com.au, by no later than 10:00am (AWST) on 9 November 2022, the day prior to the Meeting. Shareholders will also be able to ask questions during the Meeting using the web-based meeting portal, and Shareholders will be required to give their names when asking a question.

Enquiries

Shareholders are requested to contact the Company Secretary on +61 8 9388 8290 if they have any queries in respect of the matters set out in this Notice of General Meeting or the Explanatory Statement.

EXPLANATORY STATEMENT

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.

1. □ FINANCIAL STATEMENTS AND REPORTS

In accordance with the Corporations Act, the business of the Meeting will include receipt and consideration of the annual financial report of the Company for the financial year ended 30 June 2022 together with the declaration of the Directors, the Directors' report, the Remuneration Report and the auditor's report.

The Company will not provide a hard copy of the Company's annual financial report to Shareholders unless specifically requested to do so. The Company's annual financial report is available on its website at www.decmil.com.

2. □ RESOLUTION 1 – ADOPTION OF REMUNERATION REPORT

2.1 □ General

The Corporations Act requires that at a listed company's annual general meeting, a resolution that the remuneration report be adopted must be put to the shareholders. However, such a resolution is advisory only and does not bind the company or the directors of the company.

The remuneration report sets out the company's remuneration arrangements for the directors and senior management of the company. The remuneration report is part of the directors' report contained in the annual financial report of the company for a financial year.

The chair of the meeting must allow a reasonable opportunity for its shareholders to ask questions about or make comments on the remuneration report at the annual general meeting.

2.2 □ Voting consequences

A company is required to put to its shareholders a resolution proposing the calling of another meeting of shareholders to consider the appointment of directors of the company (**Spill Resolution**) if, at consecutive annual general meetings, at least 25% of the votes cast on a remuneration report resolution are voted against adoption of the remuneration report and at the first of those annual general meetings a Spill Resolution was not put to vote. If required, the Spill Resolution must be put to vote at the second of those annual general meetings.

If more than 50% of votes cast are in favour of the Spill Resolution, the company must convene a shareholder meeting (**Spill Meeting**) within 90 days of the second annual general meeting.

All of the directors of the company who were in office when the directors' report (as included in the company's annual financial report for the most recent financial year) was approved, other than the managing director of the company, will cease to hold office immediately before the end of the Spill Meeting but may stand for re-election at the Spill Meeting.

Following the Spill Meeting those persons whose election or re-election as directors of the company is approved will be the directors of the company.

2.3 Previous voting results

At the Company's previous annual general meeting the votes cast against the remuneration report considered at that annual general meeting were less than 25%. Accordingly, the Spill Resolution is not relevant for this Meeting.

3. RESOLUTION 2 – RE-ELECTION OF DIRECTOR – ANDREW BARCLAY

3.1 General

The Constitution sets out the requirements for determining which Directors are to retire by rotation at an annual general meeting.

Andrew Barclay, who has served as a Director since 28 July 2020 and was last elected on 4 November 2020, retires by rotation and seeks re-election.

3.2 Qualifications and other material directorships

Mr Barclay is an experienced legal practitioner and operates his own legal practice. Andrew is a former partner of the Perth office of Mallesons Stephen Jacques (now King and Wood Mallesons) with over 30 years' experience in major projects, mining, banking and finance and insolvency matters. In private practice Andrew was involved in significant Western Australian infrastructure and mining projects, and major Western Australian corporate insolvencies. More recently Andrew has acted as in-house counsel during successful construction phases (through to operation) of the mine, rail and port infrastructure projects of Fortescue Metals Group Ltd and Roy Hill Holdings Ltd.

3.3 Independence

Andrew Barclay has no interests, position or relationship that might influence, or reasonably be perceived to influence, in a material respect his capacity to bring an independent judgement to bear on issues before the Board and to act in the best interest of the Company as a whole rather than in the interests of an individual security holder or other party.

If re-elected the Board considers Andrew Barclay will be an independent Director.

3.4 Board recommendation

The Board has reviewed Andrew Barclay's performance since his appointment to the Board and considers that his skills and experience will continue to enhance the Board's ability to perform its role. Accordingly, the Board supports the re-election of Andrew Barclay and recommends that Shareholders vote in favour of Resolution 2.

4. □ RESOLUTIONS 3 AND 4 – RATIFICATION OF PRIOR ISSUE OF WARRANTS

4.1 □ Background to Resolution 3 and Resolution 4

On 26 July 2021, the Company announced that it had entered into a subordinated debt facility agreement with Pure Asset Management Pty Ltd (ACN 616 178 771) (**Pure Asset Management**) and Horley Pty Ltd (ACN 633 246 858) (controlled by the Franco Group) (**Horley**) (together, the **Lenders**) to borrow up to an aggregate of \$20 million, to support a suite of awarded contracts and potential contract awards (**Facility Agreement**).

In conjunction with entry into the Facility Agreement, the Company entered into a warrant deed with each of the Lenders to issue one warrant to each of the Lenders, exercisable into an aggregate of 30,769,231 Shares (**Warrant Deeds**).

On 29 June 2022, the Company announced that it had revised the terms of the Facility Agreement and the Warrant Deeds in order to support continued long-term growth and the efficient completion of its current projects (**Revised Facility Agreement**).

Under the Revised Facility Agreement, the Lenders agreed to extend the loan maturity by six months to July 2025 and under the Warrant Deeds the Company agreed to issue:

- (a) one Warrant which is exercisable into 15,000,000 Shares to Pure Asset Management; and
- (b) one Warrant which is exercisable into 5,000,000 Shares to Horley.

4.2 □ General

On 30 June 2022, the Company issued the Warrants to Pure Asset Management and Horley in consideration for debt financing services provided by the Lenders.

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 securities it had on issue at the start of that 12 month period.

The issue of the Warrants 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 Warrants.

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 Warrants.

Resolution 3 and Resolution 4 seek Shareholder ratification pursuant to Listing Rule 7.4 for the issue of the Warrants.

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

If either or both Resolution 3 and Resolution 4 are passed, the Warrants 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 Warrants.

If either or both Resolution 3 and Resolution 4 are not passed, the Warrants 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 Warrants.

Resolution 3 and Resolution 4 seek ratification of individual issues and are therefore not dependent on one another.

4.4 **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 3 and Resolution 4:

- (a) the Warrants were issued to the Lenders;
- (b) in accordance with paragraph 7.4 of ASX Guidance Note 21, the Company confirms that none of the recipients were:
 - (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;
- (c) two Warrants were issued and the Warrants were issued on the terms and conditions set out in Schedule 1;
- (d) the Warrants were issued on 30 June 2022;
- (e) the Warrants were issued at a nil issue price, in consideration for debt financing services provided by the Lenders. The Company has not and will not receive any other consideration for the issue of the Warrants;
- (f) the purpose of the issue of the Warrants was to satisfy the Company's obligations under the Revised Facility Agreement and the Warrant Deeds; and
- (g) the Warrants were issued to the Lenders under the Warrant Deeds which have been entered into with Pure Asset Management and Horley, a summary of the terms and conditions of which is set out in section 4.1.

5. **RESOLUTION 5 – ADOPTION OF EMPLOYEE SECURITIES INCENTIVE PLAN**

5.1 **General**

Resolution 5 seeks Shareholder approval for the adoption of the employee incentive scheme titled "Employee Securities Incentive Plan" (**Plan**) and for the issue of up to a maximum of 20,000,000 securities, excluding issues approved by

Shareholders under Listing Rule 10.14 or Listing Rule 10.11, under the Incentive Plan in accordance with Listing Rule 7.2 (Exception 13(b)).

The objective of the Plan is to attract, motivate and retain key employees and the Company considers that the adoption of the Plan and the future issue of securities under the Plan will provide selected employees with the opportunity to participate in the future growth of the Company.

5.2 □ Listing Rule 7.1 and Listing Rule 7.2 Exception 13(b)

As summarised in Section 4.1 above, and subject to a number of exceptions set out in Listing Rule 7.2, 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.

Listing Rule 7.2 (Exception 13(b)) provides that Listing Rule 7.1 does not apply to an issue of securities under an employee incentive scheme if, within three years before the date of issue of the securities, the holders of the entity's ordinary securities have approved the issue of equity securities under the scheme as exception to Listing Rule 7.1.

Exception 13(b) is only available if and to the extent that the number of equity securities issued under the scheme does not exceed the maximum number set out in the entity's notice of meeting dispatched to shareholders in respect of the meeting at which shareholder approval was obtained pursuant to Listing Rule 7.2 (Exception 13(b)). Exception 13(b) also ceases to be available if there is a material change to the terms of the scheme from those set out in the notice of meeting.

If Resolution 5 is passed, the Company will be able to issue securities under the Plan to eligible participants over a period of 3 years from the date of the Meeting. The issue of any securities to eligible participants under the Plan (up to the maximum number of securities stated in Section 5.3(b) below) 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.

For the avoidance of doubt, the Company must seek Shareholder approval under Listing Rule 10.14 in respect of any future issues of securities under the Plan to a related party or a person whose relationship with the Company or the related party is, in ASX's opinion, such that approval should be obtained.

If Resolution 5 is not passed, the Company will be able to proceed with the issue of securities under the Plan to eligible participants, but any issues of securities will reduce, to that extent, the Company's capacity to issue equity securities without Shareholder approval under Listing Rule 7.1 for the 12 month period following the issue of those securities.

5.3 □ Technical information required by Listing Rule 7.2 (Exception 13)

Pursuant to and in accordance with Listing Rule 7.2 (Exception 13), the following information is provided in relation to Resolution 5:

- (a) a summary of the key terms and conditions of the Plan is set out in Schedule 2;
- (b) the Company has not issued any securities under the Plan as this is the first time that Shareholder approval is being sought for the adoption of the Incentive Plan; and

- (c) the maximum number of securities proposed to be issued under the Plan in reliance on Listing Rule 7.2 (Exception 13(b)), that is, excluding issues approved by Shareholders under Listing Rule 10.14 or Listing Rule 10.11, is 20,000,000 securities. It is not envisaged that the maximum number of securities for which approval is sought will be issued immediately.

6. □ RESOLUTION 6 AND RESOLUTION 7– ISSUE OF PERFORMANCE RIGHTS TO RELATED PARTIES

6.1 □ General

The Company has agreed, subject to obtaining Shareholder approval, to issue an aggregate of 13,727,273 Performance Rights (**Performance Rights**) to Rod Heale and Peter Thomas (or their nominee/s) (**Related Parties**) pursuant to the Company's Employee Securities Incentive Plan on the terms and conditions set out below.

Resolution 6 and Resolution 7 seek Shareholder approval for the issue of the Performance Rights to the Related Parties.

6.2 □ 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 issue of Performance Rights to the Related Parties constitutes giving a financial benefit.

Rod Heale is a related party of the Company by virtue of being a proposed Director, at a date yet to be agreed, given current management changes outlined in the Company's ASX announcement dated 4 October 2022.

Peter Thomas is a related party of the Company by virtue of being a Director.

The Directors consider that Shareholder approval pursuant to Chapter 2E of the Corporations Act is not required in respect of the grant of Performance Rights because the agreement to issue the Performance Rights, reached as part of the remuneration package for the Related Parties, is considered reasonable remuneration in the circumstances and was negotiated on an arm's length basis.

6.3 □ Listing Rule 10.14

Listing Rule 10.14 provides that an entity must not permit any of the following persons to acquire equity securities under an employee incentive scheme without the approval of the holders of its ordinary securities:

- 10.14.1 a director of the entity;
- 10.14.2 an associate of a director of the entity; or
- 10.14.3 a person whose relationship with the entity or a person referred to in Listing Rules 10.14.1 to 10.14.2 is such that, in ASX's opinion, the acquisition should be approved by security holders.

The issue of Performance Rights to the Related Parties falls within Listing Rule 10.14.1 and therefore requires the approval of Shareholders under Listing Rule 10.14.

Resolution 6 and Resolution 7 seek the required Shareholder approval for the issue of Performance Rights under and for the purposes of Listing Rule 10.14.

6.4 **Listing Rule 10.11**

Listing Rule 10.11 provides that a listed company must not issue or agree to issue equity securities to, among other persons, a "related party" of the Company, without prior shareholder approval. As a Director and proposed director of the Company, respectively, Messrs Thomas and Heale are "related parties" of the Company pursuant to the ASX Listing Rules definitions. ASX Listing Rule 10.12 (exception 8) provides that a company does not need to obtain prior shareholder approval for an issue or proposed issue of equity securities to a related party if shareholder approval is obtained for the issue or proposed issue under ASX Listing Rule 10.14. Accordingly, the Company is not seeking shareholder approval under ASX Listing Rule 10.11 for the proposed grant of Performance Rights to the Related Parties.

6.5 **Technical information required by Listing Rule 14.1A**

If either or both Resolution 6 and Resolution 7 are passed, the Company will be able to proceed with the issue of the Performance Rights to the Related Parties under the Plan within three years after the date of the Meeting (or such later date as permitted by any ASX waiver or modification of the Listing Rules). As approval pursuant to Listing Rule 7.1 is not required for the issue of the Performance Rights (because approval is being obtained under Listing Rule 10.14), the issue of the Performance Rights will not use up any of the Company's 15% annual placement capacity.

If either or both Resolution 6 and Resolution 7 are not passed, the Company will not be able to proceed with the issue of the Performance Rights to the Related Parties under the Plan and an alternative form of remuneration may need to be negotiated.

Resolution 6 and Resolution 7 seek approval of individual issues and are therefore not dependent on one another.

6.6 **Technical Information required by Listing Rule 10.15**

Pursuant to and in accordance with Listing Rule 10.15, the following information is provided in relation to Resolution 6 and Resolution 7:

- (a) the Performance Rights will be issued to the following persons:
 - (i) Rod Heale (or his nominee/s) pursuant to Resolution 6; and
 - (ii) Peter Thomas (or his nominee/s) pursuant to Resolution 7,

each of whom falls within the category set out in Listing Rule 10.14.1 by virtue of being proposed Director and a Director, respectively;

- (b) the maximum number of Performance Rights to be issued to the Related Parties is 13,727,273 comprising:
 - (i) 7,727,273 Performance Rights to Rod Heale (or his nominee/s) pursuant to Resolution 6; and
 - (ii) 6,000,000 Performance Rights to Peter Thomas (or his nominee/s) pursuant to Resolution 7;
- (c) the terms and conditions of the Performance Rights are set out in Schedule 3;
- (d) the Performance Rights are unquoted. The Company has chosen to grant the Performance Rights to the Related Parties for the following reasons:
 - (i) the Performance Rights are unlisted equity securities convertible into Shares, therefore the grant of the Performance Rights has no immediate dilutionary impact on Shareholders;
 - (ii) the issue of Performance Rights to the Related Parties will align the interests of the Related Parties with those of Shareholders;
 - (iii) the issue of the Performance Rights is a reasonable and appropriate method to provide cost effective remuneration as the non-cash form of this benefit will allow the Company to spend a greater proportion of its cash reserves on its operations than it would if alternative cash forms of remuneration were given to the Related Parties; and
 - (iv) it is not considered that there are any significant opportunity costs to the Company or benefits foregone by the Company in granting the Performance Rights on the terms proposed;
- (e) the Performance Rights will be issued no later than three (3) years 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 Performance Rights will occur on the same date;
- (f) the issue price of the Performance Rights will be nil. The Company will not receive any other consideration in respect of the issue of the Performance Rights;
- (g) the current total remuneration package for Rod Heale is \$850,000 comprising directors' fees/salary. If the Performance Rights are issued, the total remuneration package of Rod Heale will increase by \$850,000 to \$1,700,000, being the value of the Performance Rights (based on the face value methodology);
- (h) the current total remuneration package for Peter Thomas is \$348,855 comprising directors' fees/salary. If the Performance Rights are issued, the total remuneration package of Peter Thomas will increase by \$659,000 to \$1,007,855, being the value of the Performance Rights (based on the face value methodology);

- (i) no Performance Rights have previously been issued to the Related Parties under the Plan;
- (j) the Performance Rights are being issued to the Related Parties under the Plan. A summary of the material terms of the Plan is set out in Schedule 2;
- (k) a valuation of the Performance Rights for accounting purposes is set out in Schedule 4;
- (l) no loan is being made to the Related Parties in connection with the acquisition of the Performance Rights;
- (m) details of any Performance Rights issued under the Plan will be published in the annual report of the Company relating to the period in which they were issued, along with a statement that approval for the issue was obtained under Listing Rule 10.14;
- (n) any additional persons covered by Listing Rule 10.14 who become entitled to participate in an issue of Performance Rights under the Plan and who were not named in this Notice will not participate until approval is obtained under Listing Rule 10.14; and
- (o) a voting exclusion statement is included in Resolution 6 and Resolution 7 of the Notice.

7. □ **RESOLUTION 8 – REPLACEMENT OF CONSTITUTION**

7.1 □ **General**

A company may modify or repeal its constitution or a provision of its constitution by special resolution of shareholders.

Resolution 8 is a special resolution which will enable the Company to repeal its existing Constitution and adopt a new constitution (**Proposed Constitution**) which is of the type required for a listed public company limited by shares updated to ensure it reflects the current provisions of the Corporations Act and Listing Rules.

This will incorporate amendments to the Corporations Act and Listing Rules since the current Constitution was adopted in 2020.

The Directors believe that it is preferable in the circumstances to replace the existing Constitution with the Proposed Constitution rather than to amend a multitude of specific provisions.

The Proposed Constitution is broadly consistent with the provisions of the existing Constitution

The Directors believe these amendments are not material nor will they have any significant impact on Shareholders. It is not practicable to list all of the changes to the Constitution in detail in this Explanatory Statement, however, a summary of the proposed material changes is set out below.

A copy of the Proposed Constitution is available for review by Shareholders at the Company's website www.decmil.com and at the office of the Company. A copy of the Proposed Constitution can also be sent to Shareholders upon request to the Company Secretary (+61 8 407 421 185). Shareholders are invited to contact the Company if they have any queries or concerns.

7.2 □ **Summary of material proposed changes**

Minimum Security Holding (clause 3)

This Proposed Constitution now extends the minimum holding provisions to all securities as provided for under the Listing Rules. The clause previously only referred to shares.

Joint Holders (clause 9.8)

CHESS is currently being replaced by ASX with a projected go-live date of April 2023. As part of the CHESS replacement, the registration system will be modernised to record holder registration details in a structured format that will allow up to four joint holders of a security. Clause 9.8 of the Proposed Constitution provides that the number of registered joint holders of securities shall be as permitted under the Listing Rules and the ASX Settlement Operating Rules.

Capital Reductions (clause 10.2)

The Proposed Constitution now permits sales of unmarketable parcels to a sale nominee as part of a capital reduction.

Use of technology (clause 14)

The Proposed Constitution includes a new provision to permit the use of technology at general meetings (including wholly virtual meetings) to the extent permitted under the Corporations Act, Listing Rules and applicable law.

Closing date for Director nominations (clause 15.3)

On 19 December 2019, ASX amended Listing Rule 3.13.1 to provide that companies must release an announcement setting out the date of its meeting and the closing date for nominations at least 5 business days before the closing date for the receipt of such nominations. The closing date period under clause 15.3 of the Proposed Constitution has been amended to at least 30 business days (previously it was 30 calendar days) to allow the Company time to issue the required notification for director nominations prior to circulating the notice of meeting.

Partial (proportional) takeover provisions (new clause 37)

A proportional takeover bid is a takeover bid where the offer made to each shareholder is only for a proportion of that shareholder's shares.

Pursuant to section 648G of the Corporations Act, the Company has included in the Proposed Constitution a provision whereby a proportional takeover bid for Shares may only proceed after the bid has been approved by a meeting of Shareholders held in accordance with the terms set out in the Corporations Act.

This clause of the Proposed Constitution will cease to have effect on the third anniversary of the date of the adoption of last renewal of the clause.

Information required by section 648G of the Corporations Act

Effect of proposed proportional takeover provisions

Where offers have been made under a proportional off-market bid in respect of a class of securities in a company, the registration of a transfer giving effect to a contract resulting from the acceptance of an offer made under such a proportional off-market bid is prohibited unless and until a Resolution to approve the proportional off-market bid is passed.

Reasons for proportional takeover provisions

A proportional takeover bid may result in control of the Company changing without Shareholders having the opportunity to dispose of all their Shares. By making a partial bid, a bidder can obtain practical control of the Company by acquiring less than a majority interest. Shareholders are exposed to the risk of being left as a minority in the Company and the risk of the bidder being able to acquire control of the Company without payment of an adequate control premium. These amended provisions allow Shareholders to decide whether a proportional takeover bid is acceptable in principle, and assist in ensuring that any partial bid is appropriately priced.

Knowledge of any acquisition proposals

As at the date of this Notice, no Director is aware of any proposal by any person to acquire, or to increase the extent of, a substantial interest in the Company.

Potential advantages and disadvantages of proportional takeover provisions

The Directors consider that the proportional takeover provisions have no potential advantages or disadvantages for them and that they remain free to make a recommendation on whether an offer under a proportional takeover bid should be accepted.

The potential advantages of the proportional takeover provisions for Shareholders include:

- (a) the right to decide by majority vote whether an offer under a proportional takeover bid should proceed;
- (b) assisting in preventing Shareholders from being locked in as a minority;
- (c) increasing the bargaining power of Shareholders which may assist in ensuring that any proportional takeover bid is adequately priced; and
- (d) each individual Shareholder may better assess the likely outcome of the proportional takeover bid by knowing the view of the majority of Shareholders which may assist in deciding whether to accept or reject an offer under the takeover bid.

The potential disadvantages of the proportional takeover provisions for Shareholders include:

- (a) proportional takeover bids may be discouraged;
- (b) lost opportunity to sell a portion of their Shares at a premium; and

- (c) the likelihood of a proportional takeover bid succeeding may be reduced.

Recommendation of the Board

The Directors do not believe the potential disadvantages outweigh the potential advantages of adopting the proportional takeover provisions and as a result consider that the proportional takeover provision in the Proposed Constitution is in the interest of Shareholders and unanimously recommend that Shareholders vote in favour of Resolution 8.

GLOSSARY

\$ 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.

Closely Related Party of a member of the Key Management Personnel means:

- (a) a spouse or child of the member;
- (e) a child of the member's spouse;
- (f) a dependent of the member or the member's spouse;
- (g) anyone else who is one of the member's family and may be expected to influence the member, or be influenced by the member, in the member's dealing with the entity;
- (h) a company the member controls; or
- (i) a person prescribed by the Corporations Regulations 2001 (Cth) for the purposes of the definition of 'closely related party' in the Corporations Act.

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.

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.

Meeting means the meeting convened by the Notice.

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

Proxy Form means the proxy form accompanying the Notice.

Remuneration Report means the remuneration report set out in the Director's report section of the Company's annual financial report for the year ended 30 June 2022.

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.

SCHEDULE 1 - TERMS AND CONDITIONS OF WARRANTS

ITEM 1 – GENERAL TERMS

Exercise Price	Exercise Price means \$0.23 per Warrant Share.
Entitlement	<p>Subject to Item 2 below:</p> <p>(a) Pure Asset Management is entitled to subscribe for 15,000,000 Shares upon exercise of the Warrant; and</p> <p>(b) Horley is entitled to subscribe for 5,000,000 Shares upon exercise of the Warrant.</p> <p>For the purposes of this Schedule, the Shares issued on exercise of a Warrant will be referred to as the Warrant Shares.</p>
Expiry Date	<p>The Warrants will expire at 5:00pm (WST) on 30 August 2026 (Expiry Date).</p> <p>If the Warrants are not exercised on or before the Expiry Date (Exercise Period), then the Warrants and all rights of holder in connection with the Warrants lapse and cease to be of any force or effect from the end of the Exercise Period.</p>
Exercise of Warrant	<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> <p>(a) all of the Warrant Shares (or the number of Warrant Shares which have not already been the subject of exercise); or</p> <p>(b) any number of Warrant Shares greater than or equal to \$500,000 divided by the Exercise Price (defined below),</p> <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>
Completion	<p>If the holder delivers an Exercise Notice to the Company, completion of exercise of the Warrants (Completion) will take place on:</p> <p>(a) if on the date of delivery of the Exercise Notice (Exercise Date) the Company is not in possession of excluded information (as defined in section 708A(7) of the Corporations Act) (Excluded Information), the date that is five Business Days after the Exercise Date; or</p> <p>(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),</p> <p>or such other date as the Company and the holder agree in writing, acting reasonably.</p> <p>On the date of Completion 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).</p>
Post-Completion Obligations	<p>Immediately and in any event within five Business Days after Completion, the Company must:</p> <p>(a) give ASX a notice that complies with section 708A(5)(e) of the Corporations Act; or</p> <p>(b) lodge a prospectus in accordance with section 708A(11) of the Corporations Act,</p> <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>
Dividends	The Warrants do 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.

	In a winding up or liquidation of the Company, the Warrants rank equally with all other Shares.
Quotation	The Warrants shall not be listed for quotation on ASX or any other securities exchange.

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

Participation in new issues of Shares	<p>(a) The holder cannot participate in a new issue of capital offered to Shareholders during the Exercise Period without first exercising the Warrants.</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 Warrants and receive the Warrant Shares prior to the date of determination of entitlements to participate in the new issue.</p>
Bonus Issues	If the Company makes (whether before or during the Exercise Period) a bonus issue to Shareholders, then the number of Shares over which the Warrants are exercisable is increased by the number of Shares which the holder would have received under the bonus issue if the holder had exercised the Warrants prior to the record date for the bonus issue and no change will be made to the Exercise Price.
Pro Rata Issues	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 Warrants 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).
Reorganisation of capital	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.
Non-Ordinary Shares	<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) (Non-Ordinary Shares) (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 Warrants is not adversely affected by the issue described in clause (a).</p>

SCHEDULE 2 – TERMS AND CONDITIONS OF THE COMPANY’S EMPLOYEE SECURITIES INCENTIVE PLAN

A summary of the terms of the Company's Employee Securities Incentive Plan (**Plan**) is set out below.

Eligible Participant	Eligible Participant means a person that is a 'primary participant' (as that term is defined in Division 1A of Part 7.12 of the Corporations Act) in relation to the Company or an Associated Body Corporate (as defined in the Corporations Act) and has been determined by the Board to be eligible to participate in the Plan from time to time.
Purpose	<p>The purpose of the Plan is to:</p> <ul style="list-style-type: none"> (a) assist in the reward, retention and motivation of Eligible Participants; (b) link the reward of Eligible Participants to Shareholder value creation; and (c) align the interests of Eligible Participants with shareholders of the Group (being the Company and each of its Associated Bodies Corporate), by providing an opportunity to Eligible Participants to receive an equity interest in the Company in the form of Performance Rights (Securities).
Plan administration	The Plan will be administered by the Board. The Board may exercise any power or discretion conferred on it by the Plan rules in its sole and absolute discretion (except to the extent that it prevents the Participant relying on the deferred tax concessions under Subdivision 83A-C of the <i>Income Tax Assessment Act 1997</i> (Cth)). The Board may delegate its powers and discretion.
Eligibility, invitation and application	<p>The Board may from time to time determine that an Eligible Participant may participate in the Plan and make an invitation to that Eligible Participant to apply for Securities on such terms and conditions as the Board decides.</p> <p>On receipt of an invitation, an Eligible Participant may apply for any (or any combination of) the Securities provided for under the Plan the subject of the invitation by sending a completed application form to the Company. The Board may accept an application from an Eligible Participant in whole or in part.</p> <p>If an Eligible Participant is permitted in the invitation, the Eligible Participant may, by notice in writing to the Board, nominate a party in whose favour the Eligible Participant wishes to renounce the invitation.</p>
Grant of Securities	The Company will, to the extent that it has accepted a duly completed application, grant the Participant the relevant number and type of Securities, subject to the terms and conditions set out in the invitation, the Plan rules and any ancillary documentation required.
Rights attaching to Convertible Securities	<p>A Convertible Security represents a right to acquire one or more Plan Shares in accordance with the Plan (for example, an Option or a Performance Right).</p> <p>Prior to a Convertible Security being exercised, the holder:</p> <ul style="list-style-type: none"> (a) does not have any interest (legal, equitable or otherwise) in any Share the subject of the Convertible Security other than as expressly set out in the Plan; (b) is not entitled to receive notice of, vote at or attend a meeting of the shareholders of the Company;

	<p>(c) is not entitled to receive any dividends declared by the Company; and</p> <p>(d) is not entitled to participate in any new issue of Shares (see Adjustment of Convertible Securities section below).</p>
Vesting of Convertible Securities	<p>Any vesting conditions which must be satisfied before Convertible Securities can be exercised and converted to Shares will be described in the invitation. If all the vesting conditions are satisfied and/or otherwise waived by the Board, a vesting notice will be sent to the Participant by the Company informing them that the relevant Convertible Securities have vested. Unless and until the vesting notice is issued by the Company, the Convertible Securities will not be considered to have vested. For the avoidance of doubt, if the vesting conditions relevant to a Convertible Security are not satisfied and/or otherwise waived by the Board, that Convertible Security will lapse.</p>
Exercise of Convertible Securities and cashless exercise	<p>To exercise a Convertible Security, the Participant must deliver a signed notice of exercise and, subject to a cashless exercise of Convertible Securities (see next paragraph below), pay the exercise price (if any) to or as directed by the Company, at any time following vesting of the Convertible Security (if subject to vesting conditions) and prior to the expiry date as set out in the invitation or vesting notice.</p> <p>An invitation may specify that at the time of exercise of the Convertible Securities, the Participant may elect not to be required to provide payment of the exercise price for the number of Convertible Securities specified in a notice of exercise, but that on exercise of those Convertible Securities the Company will transfer or issue to the Participant that number of Shares equal in value to the positive difference between the Market Value of the Shares at the time of exercise and the exercise price that would otherwise be payable to exercise those Convertible Securities.</p> <p>Market Value means, at any given date, the volume weighted average price per Share traded on the ASX over the 5 trading days immediately preceding that given date, unless otherwise specified in an invitation.</p> <p>A Convertible Security may not be exercised unless and until that Convertible Security has vested in accordance with the Plan rules, or such earlier date as set out in the Plan rules.</p>
Timing of issue of Shares and quotation of Shares on exercise	<p>As soon as practicable after the valid exercise of a Convertible Security by a Participant, the Company will issue or cause to be transferred to that Participant the number of Shares to which the Participant is entitled under the Plan rules and issue a substitute certificate for any remaining unexercised Convertible Securities held by that Participant.</p>
Restrictions on dealing with Convertible Securities	<p>A holder may not sell, assign, transfer, grant a security interest over or otherwise deal with a Convertible Security that has been granted to them unless otherwise determined by the Board. A holder must not enter into any arrangement for the purpose of hedging their economic exposure to a Convertible Security that has been granted to them.</p> <p>However, in Special Circumstances as defined under the Plan (including in the case of death or total or permanent disability of the Participant) a Participant may deal with Convertible Securities granted to them under the Plan with the consent of the Board.</p>
Listing of Convertible Securities	<p>A Convertible Security granted under the Plan will not be quoted on the ASX or any other recognised exchange. The Board reserves the right in its absolute discretion to apply for quotation of an Option granted under the Plan on the ASX or any other recognised exchange.</p>
Forfeiture of Convertible Securities	<p>Convertible Securities will be forfeited in the following circumstances:</p> <p>(a) where a Participant who holds Convertible Securities ceases to be an Eligible Participant (e.g. is no longer employed or their office or</p>

	<p>engagement is discontinued with the Group), all unvested Convertible Securities will automatically be forfeited by the Participant;</p> <p>(b) where a Participant acts fraudulently or dishonestly, negligently, in contravention of any Group policy or wilfully breaches their duties to the Group;</p> <p>(c) where there is a failure to satisfy the vesting conditions in accordance with the Plan;</p> <p>(d) on the date the Participant becomes insolvent; or</p> <p>(e) on the Expiry Date.</p>
Change of control	<p>If a change of control event occurs, or the Board determines that such an event is likely to occur, the Board may in its discretion determine the manner in which any or all of the holder's Convertible Securities will be dealt with, including, without limitation, in a manner that allows the holder to participate in and/or benefit from any transaction arising from or in connection with the change of control event.</p>
Adjustment of Convertible Securities	<p>If there is a reorganisation of the issued share capital of the Company (including any subdivision, consolidation, reduction, return or cancellation of such issued capital of the Company), the rights of each Participant holding Convertible Securities will be changed to the extent necessary to comply with the Listing Rules applicable to a reorganisation of capital at the time of the reorganisation.</p> <p>If Shares are issued by the Company by way of bonus issue (other than an issue in lieu of dividends or by way of dividend reinvestment), the holder of Convertible Securities is entitled, upon exercise of the Convertible Securities, to receive an issue of as many additional Shares as would have been issued to the holder if the holder held Shares equal in number to the Shares in respect of which the Convertible Securities are exercised.</p> <p>Unless otherwise determined by the Board, a holder of Convertible Securities does not have the right to participate in a pro rata issue of Shares made by the Company or sell renounceable rights.</p>
Plan Shares	<p>The Board may, from time to time, make an invitation to an Eligible Participant to acquire Plan Shares under the Plan. The Board will determine in its sole absolute discretion the acquisition price (if any) for each Plan Share which may be nil. The Plan Shares may be subject to performance hurdles and/or vesting conditions as determined by the Board.</p> <p>Where Plan Shares granted to a Participant are subject to performance hurdles and/or vesting conditions, the Participant's Plan Shares will be subject to certain restrictions until the applicable performance hurdles and/or vesting conditions (if any) have been satisfied, waived by the Board or are deemed to have been satisfied under the Rules.</p>
Rights attaching to Plan Shares	<p>All Shares issued or transferred under the Plan or issued or transferred to a Participant upon the valid exercise of a Convertible Security, (Plan Shares) will rank equally in all respects with the Shares of the same class for the time being on issue except for any rights attaching to the Shares by reference to a record date prior to the date of the allotment or transfer of the Plan Shares. A Participant will be entitled to any dividends declared and distributed by the Company on the Plan Shares and may participate in any dividend reinvestment plan operated by the Company in respect of Plan Shares. A Participant may exercise any voting rights attaching to Plan Shares.</p>
Disposal restrictions on Plan Shares	<p>If the invitation provides that any Plan Shares are subject to any restrictions as to the disposal or other dealing by a Participant for a period, the Board may implement any procedure it deems appropriate to ensure the compliance by the Participant with this restriction.</p>

	<p>For so long as a Plan Share is subject to any disposal restrictions under the Plan, the Participant will not:</p> <p>(a) transfer, encumber or otherwise dispose of, or have a security interest granted over that Plan Share; or</p> <p>take any action or permit another person to take any action to remove or circumvent the disposal restrictions without the express written consent of the Company.</p>
<p>General Restrictions on Transfer of Plan Shares</p>	<p>If the Company is required but is unable to give ASX a notice that complies with section 708A(5)(e) of the Corporations Act, Plan Shares issued under the Plan (including on exercise of Convertible Securities) may not be traded until 12 months after their issue unless the Company, at its sole discretion, elects to issue a prospectus pursuant to section 708A(11) of the Act.</p> <p>Restrictions are imposed by Applicable Law on dealing in Shares by persons who possess material information likely to affect the value of the Shares and which is not generally available. These laws may restrict the acquisition or disposal of Shares by you during the time the holder has such information.</p> <p>Any Plan Shares issued to a holder under the Plan (including upon exercise of Convertible Securities) shall be subject to the terms of the Company's Securities Trading Policy.</p>
<p>Buy-Back</p>	<p>Subject to applicable law, the Company may at any time buy-back Securities in accordance with the terms of the Plan.</p>
<p>Employee Share Trust</p>	<p>The Board may in its sole and absolute discretion use an employee share trust or other mechanism for the purposes of holding Convertible Securities for holders under the Plan and delivering Shares on behalf of holders upon exercise of Convertible Securities.</p>
<p>Maximum number of Securities</p>	<p>The Company will not make an invitation under the Plan which involves monetary consideration if the number of Plan Shares that may be issued, or acquired upon exercise of Convertible Securities offered under an invitation, when aggregated with the number of Shares issued or that may be issued as a result of all invitations under the Plan during the 3 year period ending on the day of the invitation, will exceed 5% of the total number of issued Shares at the date of the invitation (unless the Constitution specifies a different percentage and subject to any limits approved by Shareholders under Listing Rule 7.2 Exception 13(b)).</p>
<p>Amendment of Plan</p>	<p>Subject to the following paragraph, the Board may at any time amend any provisions of the Plan rules, including (without limitation) the terms and conditions upon which any Securities have been granted under the Plan and determine that any amendments to the Plan rules be given retrospective effect, immediate effect or future effect.</p> <p>No amendment to any provision of the Plan rules may be made if the amendment materially reduces the rights of any Participant as they existed before the date of the amendment, other than an amendment introduced primarily for the purpose of complying with legislation or to correct manifest error or mistake, amongst other things, or is agreed to in writing by all Participants.</p>
<p>Plan duration</p>	<p>The Plan continues in operation until the Board decides to end it. The Board may from time to time suspend the operation of the Plan for a fixed period or indefinitely and may end any suspension. If the Plan is terminated or suspended for any reason, that termination or suspension must not prejudice the accrued rights of the Participants.</p>

	<p>If a Participant and the Company (acting by the Board) agree in writing that some or all of the Securities granted to that Participant are to be cancelled on a specified date or on the occurrence of a particular event, then those Securities may be cancelled in the manner agreed between the Company and the Participant.</p>
Income Tax Assessment Act	<p>The Plan is a plan to which Subdivision 83A-C of the <i>Income Tax Assessment Act 1997</i> (Cth) applies (subject to the conditions in that Act) except to the extent an invitation provides otherwise.</p>

SCHEDULE 3 - TERMS AND CONDITIONS OF PERFORMANCE RIGHTS

(a) **Milestones**

The Performance Rights shall be subject to the following **Vesting Conditions** and shall have the following **Expiry Dates**:

Class of Performance Rights	Number of Performance Rights	Vesting Conditions	Expiry Date
Class A	1,372,727	The Net Promotor Score, including employees, clients and subcontractors, increasing by 5% from 1 July 2024 to 30 June 2025 provided the 30 June 2025 score is positive.	30 September 2025
Class B	2,745,454	The holder completing three (3) years continuous service to the Company from 1 July of the financial year in which the Performance Rights are granted (Effective Date).	31 July 2025
Class C	4,804,546	Shareholders receiving a dividend at any time during the three (3) financial years from the Effective Date.	Five (5) years from date of issue.
Class D	2,402,273	The Company achieving a share price average (based on closing prices) of at least \$0.25 according to the 20 day volume-weighted average price (VWAP) concluding at the close of trading on 30 June 2024.	31 July 2024
Class E	2,402,273	The Company achieving a share price average (based on closing prices) of at least \$0.45 according to the 20 day VWAP concluding at the close of trading on 30 June 2025.	31 July 2025

(b) **Notification to holder**

The Company shall notify the holder in writing when the Milestone has been satisfied.

(c) **Conversion**

Subject to the terms of the Plan, upon vesting, each Performance Right will, at the election of the holder, convert into one Share.

(d) **Share ranking**

All Shares issued upon the vesting of Performance Rights will upon issue rank pari passu in all respects with other Shares.

(e) **Application to ASX**

The Performance Rights will not be quoted on ASX. The Company must apply for the official quotation of a Share issued on conversion of a Performance Right on ASX within the time period required by the ASX Listing Rules.

(f) **Transfer of Performance Rights**

The Performance Rights are not transferable.

(g) **Lapse of a Performance Right**

If the Milestone attached to the relevant Performance Right has not been satisfied within the time period set out in paragraph (a), the relevant Performance Rights will automatically lapse.

(h) **Participation in new issues**

A Performance Right does not entitle a holder (in their capacity as a holder of a Performance Right) to participate in new issues of capital offered to holders of Shares such as bonus issues and entitlement issues.

(i) **Reorganisation of capital**

If at any time the issued capital of the Company is reconstructed, all rights of a holder will be changed in a manner consistent with the applicable ASX Listing Rules and the Corporations Act at the time of reorganisation.

(j) **Adjustment for bonus issue**

If the Company makes a bonus issue of Shares or other securities to existing Shareholders (other than an issue in lieu or in satisfaction of dividends or by way of dividend reinvestment) the number of Shares or other securities which must be issued on the conversion of a Performance Right will be increased by the number of Shares or other securities which the holder would have received if the holder had converted the Performance Right before the record date for the bonus issue.

(k) **Dividend and Voting Rights**

The Performance Rights do not confer on the holder an entitlement to vote (except as otherwise required by law) or receive dividends.

(l) **No rights to return of capital**

A Performance Right does not entitle the holder to a return of capital, whether in a winding up, upon a reduction of capital or otherwise.

(m) **Rights on winding up**

A Performance Right does not entitle the holder to participate in the surplus profits or assets of the Company upon winding up.

(n) **No other rights**

A Performance Right gives the holder no rights other than those expressly provided by these terms and those provided at law where such rights at law cannot be excluded by these terms.

(o) **(ASX approval)** The terms of these Performance Rights are subject to ASX approval. In the event that ASX does not approve the terms of these Performance Rights, the Vesting Criteria will be varied to the extent required to obtain the necessary ASX approval.

SCHEDULE 4 – VALUATION OF PERFORMANCE RIGHTS

The Incentive Performance Rights to be issued to the Related Parties pursuant to Resolution 6 and Resolution 7 have been valued by internal management using the face value methodology.

Based on the assumptions set out below, the Performance Rights were ascribed the following value:

Assumptions:	
Class A Performance Rights	
Valuation date	1 July 2022
Market price of Shares at date of grant	\$0.11
Exercise price	\$0.00
Expiry date	30 September 2025
Indicative value per Performance Right	\$0.11
Class B Performance Rights	
Valuation date	1 July 2022
Market price of Shares at date of grant	\$0.11
Exercise price	\$0.00
Expiry date	31 July 2025
Indicative value per Performance Right	\$0.11
Class C Performance Rights	
Valuation date	1 July 2022
Market price of Shares at date of grant	\$0.11
Exercise price	\$0.00
Expiry date	Five (5) years from date of issue.
Indicative value per Performance Right	\$0.11
Class D Performance Rights	
Valuation date	1 July 2022
Market price of Shares at date of grant	\$0.11
Exercise price	\$0.00
Expiry date	31 July 2024
Indicative value per Performance Right	\$0.11

Class E Performance Rights	
Valuation date	1 July 2022
Market price of Shares at date of grant	\$0.11
Exercise price	\$0.00
Expiry date (length of time from issue)	31 July 2025
Indicative value per Performance Right	\$0.11
Rod Heale – Performance Rights	
Total Value of Performance Rights	\$850,000
Class A Performance Rights	\$85,000
Class B Performance Rights	\$170,000
Class C Performance Rights	\$297,500
Class D Performance Rights	\$148,750
Class E Performance Rights	\$148,750
Peter Thomas – Performance Rights	
Total Value of Performance Rights	\$659,000
Class A Performance Rights	\$66,000
Class B Performance Rights	\$132,000
Class C Performance Rights	\$231,000
Class D Performance Rights	\$115,500
Class E Performance Rights	\$115,500

Note: The valuation noted above is not necessarily the market price that the Performance Rights could be traded at and is not automatically the market price for taxation purposes.



Decmil Group Limited
ABN 35 111 210 390

Need assistance?



Phone:
1300 850 505 (within Australia)
+61 3 9415 4000 (outside Australia)



Online:
www.investorcentre.com/contact



YOUR VOTE IS IMPORTANT

For your proxy appointment to be effective it must be received by **10:00am (AWST) on Tuesday, 8 November 2022.**

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/au and select "Printable Forms".

Lodge your Proxy Form:

Online:

Lodge your vote online at 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: 181269

For Intermediary Online subscribers (custodians) go to 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.

You may elect to receive meeting-related documents, or request a particular one, in electronic or physical form and may elect not to receive annual reports. To do so, contact Computershare.

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.

Proxy Form

Please mark to indicate your directions

Step 1 Appoint a Proxy to Vote on Your Behalf

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 Annual General Meeting of Decmil Group Limited to be held at Suite 9, 110 Hay Street, Subiaco, WA 6008 and as a virtual meeting on Thursday, 10 November 2022 at 10:00am (AWST) and at any adjournment or postponement of that meeting.

Chairman authorised to exercise undirected proxies on remuneration related resolutions: Where I/we have appointed the Chairman of the Meeting as my/our proxy (or the Chairman becomes my/our proxy by default), I/we expressly authorise the Chairman to exercise my/our proxy on Resolutions 1, 5, 6 and 7 (except where I/we have indicated a different voting intention in step 2) even though Resolutions 1, 5, 6 and 7 are connected directly or indirectly with the remuneration of a member of key management personnel, which includes the Chairman.

Important Note: If the Chairman of the Meeting is (or becomes) your proxy you can direct the Chairman to vote for or against or abstain from voting on Resolutions 1, 5, 6 and 7 by marking the appropriate box in step 2.

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
Resolution 1 Adoption of Remuneration Report	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Resolution 2 Re-election of Director – Andrew Barclay	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Resolution 3 Ratification of prior issue of Warrant to Pure Asset Management	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Resolution 4 Ratification of prior issue of Warrant to Horley	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Resolution 5 Adoption of Employee Securities Incentive Plan	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Resolution 6 Issue of Performance Rights to Related Party - Rod Heale	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Resolution 7 Issue of Performance Rights to Related Party - Peter Thomas	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Resolution 8 Replacement of Constitution	<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

