



ASX / JSE ANNOUNCEMENT

3 June 2022

TAKEOVERS PANEL DECLARATION AND ORDERS

DRA Global Limited (ASX / JSE: DRA) (“DRA” or “the Company”) refers to the Australian Takeovers Panel (“Panel”) Media Release dated 10 May 2022, which attaches the Panel’s Declaration of Unacceptable Circumstances (“Declaration”) and Panel’s Orders dated 16 May 2022 (“Orders”) in relation to the affairs of the Company.

DRA provides the following additional information to DRA shareholders in relation to the Panel’s Declaration and Orders, as required by the Orders.

Takeovers Panel decision

Explanation of the Panel’s Declaration of Unacceptable Circumstances and Orders

The Declaration relates to the conduct of Alistair Hodgkinson, Darren Naylor, James Smith (as DRA shareholders) and Brian Dowding (“Associates”) in the context of the section 249D notice received by DRA on 18 February 2022), which requested that DRA’s board of directors (“Board”) convene a general meeting of shareholders to vote on changes to the composition of the Board (in particular, the removal of Andrew Naude and Peter Mansell as DRA directors and the appointment of Alistair Hodgkinson, Darren Naylor, James Smith and Jean Nel as DRA directors) (“Requisition Notice”).

In connection with the Requisition Notice, Messrs Hodgkinson, Naylor and Smith (together with entities they control, the “Requisitioning Shareholders”) procured undertakings from other DRA shareholders (“Other Associated Shareholders”) to vote in favour of each of the resolutions contained in the Requisition Notice (“Voting Undertakings”), resulting in the Requisitioning Shareholders having a ‘relevant interest’ in the DRA shares held by the Other Associated Shareholders for the duration of the Voting Undertakings.

The Requisition Notice was formally withdrawn on 22 February 2022. No directors have been removed from the Board and no appointments to the Board are presently contemplated by the Board (noting that the Board has not made any decision on whether the new Chief Executive Officer, once identified, will be appointed as a director).

As the voting power of the Requisitioning Shareholders (when combined with the Voting Undertakings provided by the Other Associated Shareholders and their association with Mr Brian Dowding) was more than 20% at the time the Requisition Notice was lodged, by having the benefit of the Voting Undertakings, each of the Requisitioning Shareholders contravened section 606 of the Corporations Act at that point in time.

Section 606 of the Corporations Act relevantly provides that a shareholder in an Australian listed company cannot acquire a ‘relevant interest’ in that company’s shares (which includes the right to control votes attached to shares) where that shareholder’s voting power in that company exceeds 20%, unless a specific exception applies.

The Associates also failed to lodge substantial holding notices in relation to their voting power arising from the Requisition Notice and the Voting Undertakings, contravening section 671B of the Corporations Act.

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Under section 671B of the Corporations Act, a shareholder in an Australian listed company is required to lodge regulatory notifications with that company (and on the relevant stock exchange) upon: (i) the acquisition of voting power of more than 5% in the relevant company; (ii) any subsequent change (increase or decrease) of more than 1% since a previous notice; or (iii) ceasing to have voting power greater than 5% in the relevant company.

Following a trading halt which commenced on 3 March 2022, DRA made a market announcement on 11 March 2022, disclosing to shareholders that Mr Naude had informed the board that he would step down as Managing Director and CEO following a hand-over period and that the board had identified Mr Smith to take over as interim CEO, effective from the AGM.

On 13 April 2022, DRA released its AGM Notice of Meeting, which included references (in the chairman's letter) to receipt of the Requisition Notices, decisions to temporarily stand aside senior executives and the development of a plan to return DRA to stability and that was in the best interests of DRA, which in broad terms, had been endorsed and committed to by DRA's Board.

As noted in the Panel's Declaration of 9 May 2022, the Panel considered that:

- by no later than 17 February 2022, Messrs Hodgkinson, Naylor, Smith and Dowding had a 'relevant agreement' for the purpose of controlling or influencing the composition of DRA's board and conduct of DRA's affairs and were acting in concert in relation to DRA's affairs, for the purpose of controlling or influencing the composition of DRA's board (and were therefore 'associates' of each other under section 12(2)(b) and 12(2)(c) of the Corporations Act);
- Messrs Hodgkinson, Naylor and Smith and each Other Associated Shareholders had a relevant agreement for the purpose of controlling or influencing the composition of the board of DRA and were 'associates' of each other under section 12(2)(b) of the Corporations Act;
- Messrs Hodgkinson, Naylor and Smith acquired a relevant interest in the shares of each Other Associated Shareholder under the Voting Undertakings, whilst having voting power in DRA in excess of 20% (in breach of section 606 of the Corporations Act);
- the breaches of the Corporations Act by the Associates constituted Unacceptable Circumstances; and
- the market has not been adequately informed, or informed in a timely way, by DRA regarding the matters referred to in the Declaration.

On 16 May 2022, the Panel made the following orders to address the Unacceptable Circumstances identified in the Panel's Declaration, to the effect that:

- Messrs Hodgkinson, Naylor and Smith must (either separately or combined):
 - lodge an ASIC Form 603 "Notice of initial substantial holder" or (if applicable) ASIC Form 604 "Notice of change of interests of substantial holder", detailing their association with Brian Dowding and the Other Associated Shareholders, attaching any relevant documentation and otherwise complying with the relevant requirements under the Corporations Act;
 - if any or all of Messrs Hodgkinson, Naylor and Smith are of the view that they are no longer associated with each other, or Brian Dowding or with the Other Associates Shareholders, in relation to DRA, lodge an ASIC Form 605 "Notice of ceasing to be a substantial holder" (or an updated ASIC Form 604 "Notice of change of interests of substantial holder"), disclosing how and when the association ended, attaching

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any relevant documentation and otherwise complying with the relevant requirements under the Corporations Act; and

- provide an explanatory cover letter;
- Brian Dowding must lodge:
 - an ASIC Form 604 “Notice of change of interests of substantial holder” detailing his association with Messrs Hodgkinson, Naylor and Smith, attaching any relevant documentation, and otherwise complying with the relevant requirements under the Corporations Act;
 - if Brian Dowding is of the view that he is no longer associated with Messrs Hodgkinson, Naylor and Smith, in relation to DRA, lodge an ASIC Form 604 “Notice of change of interests of substantial holder” disclosing how and when the association ended, attaching any relevant documentation and otherwise complying with the relevant requirements under the Corporations Act; and
 - provide an explanatory cover letter;
- DRA must provide its shareholders with a market announcement explaining the effect of the Panel’s Declaration and Orders, DRA’s knowledge of the circumstances found to be unacceptable, DRA’s role in the Panel’s proceedings, and providing an update on the status of DRA’s progress on appointing a permanent Chief Executive Officer and its operating model review;
- for a 6 month period (commencing on 16 May 2022 and ending on 16 November 2022):
 - the Associates (and their ‘associates’) are prohibited from convening a shareholders meeting to vote on resolutions to change the composition of DRA’s board of directors;
 - DRA must not put before a general meeting of DRA any resolution to appoint as a director a person who has (prior to the date of the orders) been nominated for appointment as a director of DRA by an Associate (or his ‘associates’) or otherwise appoint any Associate or nominee of any Associate to the DRA Board; and
 - the Associates (and their ‘associates’) must not exercise, and DRA must disregard, any voting rights in respect of any resolution for the appointment or removal of a director of DRA.

The reference to ‘associates’ above refers to the associates (as defined in the Corporations Act) existing at any time after 16 May 2022.

The information that DRA is required to disclose (in accordance with the Panel’s Orders) is set out in this announcement. A copy of this announcement is being sent to DRA shareholders (in a manner consistent with DRA’s despatch of its AGM Notice of Meeting).

The substantial holding notices required to be lodged by Messers Hodgkinson, Naylor, Smith and Dowding were released to the market on 31 May 2022 and 1 June 2022 and disclosed that the relevant associations have ceased.

DRA's knowledge of the facts giving rise to the Unacceptable Circumstances

DRA first became aware of an associate relationship between the Associates on 17 February 2022 (being the date of the notice under section 203D of the Corporations Act, which preceded the Requisition Notice that was sent the following day).

On 21 February 2022, DRA wrote to representatives of the Requisitioning Shareholders (via DRA's solicitors) notifying them that no substantial holding notice had been received by DRA in relation to the association referred to above (in breach of section 671B of the Corporations Act) and that DRA was aware of communications between other DRA shareholders canvassing support for the resolutions contained in the Requisition Notices (which has the potential to result in the Requisitioning Shareholders contravening section 606 of the Corporations Act).

The Requisition Notice was withdrawn on 22 February 2022.

Following withdrawal of the Requisition Notice, DRA's board engaged with the Requisitioning Shareholders on certain proposals, including to effect Mr Naude's disengagement from DRA (which Mr Naude had advised he was prepared to do), appoint an interim CEO and to put resolutions for the appointment of new directors at DRA's upcoming AGM, as nominated by DRA shareholders (in accordance with the ASX Listing Rules and DRA's constitution).

DRA then became aware of the existence of the Voting Undertakings (and the related contraventions of sections 606 and 671B of the Corporations Act) on 25 February 2022. Upon becoming aware of the Voting Undertakings, DRA ceased engagement with the Requisitioning Shareholders and sought clarification from them as to the effect and legal status of the Voting Undertakings. In response to a letter sent to the representative of the Requisitioning Shareholders on 27 February 2022, DRA received a response on 1 March 2022 stating that the Voting Undertakings had no further force and effect and that each of each of Messrs Hodgkinson, Naylor and Smith had "*no commitment or understanding of any sort between them relating to the composition of the DRA board of directors or the conduct of DRA's affairs*".

Based on the responses received, and the terms of the Voting Undertakings themselves, DRA formed the view that Voting Undertakings were no longer of any force or effect. Further, DRA did not make any announcement regarding those historic contraventions of the Corporations Act (as evidenced by the Voting Undertakings).

DRA's participation in the Panel proceedings.

DRA participated in the Panel proceedings in order to respond to questions raised by the Panel and to provide information requested by the Panel.

DRA also brought to the attention of the Panel facts, matters and circumstances which it considered relevant to the Panel's consideration of the issues identified in the Panel's brief and to provide context where appropriate.



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Update on senior leadership changes and operating model review

DRA confirms that there have been no changes to DRA's senior leadership arrangements, other than:

- the appointment of Mr Smith as Interim CEO and Mr Naude's cessation as Managing Director and CEO (DRA ASX releases "Senior Leadership Update", 11 March 2022 and "Terms of Interim CEO Employment Agreement", 31 May 2022); and
- Mr Buckler ceasing to be employed as the Company's Chief Financial Officer and Mr Michael Sucher assuming the role of Acting Chief Financial Officer (DRA ASX release "Change of Chief Financial Officer", 12 May 2022).

DRA also confirms that:

- there have been no other changes to DRA's senior leadership team;
- the executive search to identify suitable candidates for the permanent CEO role is ongoing (and it has commenced a separate search for the permanent CFO role); and
- the review of DRA's operating model is ongoing, and DRA's current intention is that any final decisions regarding changes to DRA's operating model will not occur until Q3 2022.

DRA wishes to reaffirm that its principal concern has been, and continues to be, to act in the best interests of the Company and all shareholders. To this end, it has sought to re-establish a cohesive executive leadership team, with the intention of stabilising the Company's management in accordance with the Company's strategy and focus on its people, operations and commercial relationships.

- ENDS -

This announcement was approved for release by Peter Mansell, Chairman of the Board of Directors of DRA Global Limited.

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JSE Announcement Disclosures

DRA Global Limited

(Incorporated in Australia under the *Corporations Act 2001* (Cth))

ACN 622 581 935

ASX / JSE Share Code: DRA

ISIN: AU0000155814

("DRA" or "the Company")

JSE Sponsor: Pallidus Capital Proprietary Limited

About DRA Global Limited

DRA Global Limited (ASX: DRA | JSE: DRA) (DRA or the Company) is a multi-disciplinary consulting, engineering, project delivery and operations management group predominantly focused on the mining and minerals resources sector. DRA has an extensive global track record, spanning more than three decades and more than 7,500 studies and projects as well as operations, maintenance and optimisation solutions across a wide range of commodities.

DRA has expertise in mining, minerals and metals processing and related non-process infrastructure including sustainability, water and energy solutions for the mining industry. DRA delivers advisory, engineering and project delivery services throughout the capital project lifecycle from concept through to operational readiness and commissioning as well as ongoing operations, maintenance and shutdown services.

DRA, headquartered in Perth, Australia, services its global customer base through 19 offices across Asia-Pacific, North and South America, Europe, Middle East and Africa.

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