



GR ENGINEERING SERVICES LIMITED

ABN 12 121 542 738

NOTICE OF ANNUAL GENERAL MEETING AND EXPLANATORY MEMORANDUM TO SHAREHOLDERS

Date of Meeting

Wednesday, 23 November 2022

Time of Meeting

11:00am (AWST)

Place of Meeting

Empire Bar
220 Great Eastern Hwy
Lathlain, Western Australia

A Proxy Form is enclosed

Please read this Notice and Explanatory Memorandum carefully.

If you are unable to attend the Meeting please complete and return the enclosed proxy form in accordance with the specified directions.

GR Engineering Services Limited

ABN 12 121 542 738

NOTICE OF ANNUAL GENERAL MEETING

Notice is given that the Annual General Meeting of Shareholders of GR Engineering Services Limited ABN 12 121 542 738 ("Company") will be held at 11:00am (AWST) on Wednesday, 23 November 2022, for the purpose of transacting the business referred to in this Notice of Annual General Meeting.

AGENDA

ITEMS OF BUSINESS

Financial Reports

To receive and consider the financial statements of the Company for the year ended 30 June 2022, together with the Directors' report and the auditor's report as set out in the Annual Report.

1. Resolution 1 – Non-Binding Resolution to Adopt Remuneration Report

To consider and, if thought fit, pass the following as a **non-binding resolution**:

"That the remuneration report as set out in the Annual Report be adopted."

Note: The vote on this resolution is advisory only and does not bind the Directors or the Company. Shareholders are encouraged to read the Explanatory Memorandum for further details on the consequences of voting on this Resolution.

Voting Exclusion: The Company will disregard any votes cast on Resolution 1 by or on behalf of a member of the Key Management Personnel whose remuneration details are included in the remuneration report, or their Closely Related Parties. However, the Company need not disregard a vote if:

- (a) it is cast by a person as a proxy appointed by writing that specifies how the proxy is to vote on the proposed Resolution or the proxy is the Chair of the Meeting and the appointment of the Chair as proxy does not specify the way the proxy is to vote on the resolution and expressly authorises the Chair to exercise the proxy even if the resolution is connected directly or indirectly with the remuneration of a member of the Key Management Personnel; and
- (b) it is not cast on behalf of a member of the Key Management Personnel whose remuneration details are included in the remuneration report, or their Closely Related Parties.

Further, a Restricted Voter who is appointed as a proxy will not vote on Resolution 1 unless:

- (c) the appointment specifies the way the proxy is to vote on Resolution 1; or
- (d) the proxy is the Chair of the Meeting and the appointment expressly authorises the Chair to exercise the proxy even though the Resolution is connected directly or indirectly with the remuneration of a member of the Key Management Personnel. Shareholders should note that the Chair intends to vote any undirected proxies in favour of Resolution 1.

Shareholders may also choose to direct the Chair to vote against Resolution 1 or to abstain from voting.

If you purport to cast a vote other than as permitted above, that vote will be disregarded by the Company (as indicated above) and you may be liable for breaching the voting restrictions that apply to you under the Corporations Act.

2. Resolution 2 – Re-election of Phillip Lockyer as a Director

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

"That, Phillip Lockyer, who retires in accordance with clause 13.2 of the Constitution and, being eligible for re-election, be re-elected in accordance with clause 13.3 of the Constitution as a Director."

3. Resolution 3 – Re-election of Tony Marco Patrizi as a Director

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

"That, Tony Patrizi, who retires in accordance with clause 13.2 of the Constitution and, being eligible for re-election, be re-elected in accordance with clause 13.3 of the Constitution as a Director."

4. Resolution 4 – Re-election of Giuseppe Totaro as a Director

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

"That, Giuseppe Totaro, who retires in accordance with clause 13.2 of the Constitution and, being eligible for re-election, be re-elected in accordance with clause 13.3 of the Constitution as a Director."

5. Resolution 5 – Approval of Equity Incentive Plan

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

"That for the purposes of Listing Rule 7.2 Exception 13 and for all other purposes, the GR Engineering Services Limited 2022 Equity Incentive Plan, and the issue of the Awards under the Plan, be approved on the terms set out in the Explanatory Statement."

Voting Exclusion: The Company will disregard any votes cast in favour of this Resolution by or on behalf of any person who is eligible to participate in the GR Engineering Services Limited 2022 Equity Employee Incentive

Plan or an associate of those persons. However, this does not apply to a vote cast in favour of this Resolution by:

- (a) a person as a proxy or attorney for a person who is entitled to vote on the Resolution in accordance with directions given to the proxy or attorney to vote on the resolution in that way; or
- (b) the chair of the meeting as proxy or attorney for a person who is entitled to vote on the resolution, in accordance with the direction given to the chair to vote on the resolution as the chair decides; or
- (c) a holder acting solely as 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 the directions given by the beneficiary to the holder to vote in that way.

Voting Prohibition Statement: A person appointed as a proxy must not vote, on the basis of that appointment, on this Resolution if:

- (a) the proxy is either:
 - (i) a member of key management personnel; or
 - (ii) a closely related party of such a member; and
- (b) the appointment does not specify the way that proxy is to vote on this Resolution.

However, the above prohibition does not apply if the proxy is the chair of the meeting and the appointment expressly authorises the Chairperson to exercise the proxy even if the Resolution is connected directly or indirectly with the remuneration of the member of key management personnel for the Company.

6. Resolution 6 – Approval of amendments to 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 modify its existing Constitution as per the amendments described in the Explanatory Statement.”

OTHER BUSINESS

To deal with any other business which may be brought forward in accordance with the Constitution and the Corporations Act.

Certain abbreviations and other defined terms are used throughout this Notice. Defined terms are generally identifiable by the use of an upper case first letter. Details of the definitions and abbreviations are set out in the Glossary to the Explanatory Memorandum.

By order of the Board



Geoff Jones
Managing Director

Dated: 21 October 2022

How to vote

Shareholders can vote by either:

- attending the Meeting and voting in person or by attorney or, in the case of corporate Shareholders, by appointing a corporate representative to attend and vote; or
- appointing a proxy to attend and vote on their behalf using the proxy form accompanying this Notice of Meeting or by submitting their proxy appointment and voting instructions by person, post, courier or facsimile.

Voting in person (or by attorney)

Shareholders, or their attorneys, who plan to attend the Meeting are asked to arrive at the venue 15 minutes prior to the time designated for the meeting, if possible, so that their holding may be checked against the Company's Share register and attendances recorded. A properly executed original (or certified copy) of an appropriate power of attorney under which an attorney has been authorised to attend and vote at the Meeting must be received by the Company's Share registry by 11.00am (AWST) on 21 November 2022 (48 hours before the commencement of the Meeting) in the same manner as outlined for proxy forms below to be effective.

Voting by a Corporation

A Shareholder that is a corporation may appoint an individual to act as its representative and vote in person at the meeting. The appointment must comply with the requirements of section 250D of the Corporations Act. The representative should bring to the Meeting evidence of their appointment, including any authority under which it is signed unless previously given to the Company's Share registry.

Voting by proxy

- A Shareholder entitled to attend and vote is entitled to appoint not more than two proxies. Each proxy will have the right to vote on a poll and also to speak at the Meeting.
- The appointment of the proxy may specify the proportion or the number of votes that the proxy may exercise. Where more than one proxy is appointed and the appointment does not specify the proportion or number of the Shareholder's votes each proxy may exercise, the votes will be divided equally among the proxies (i.e. where there are two proxies, each proxy may exercise half of the votes).
- A proxy need not be a Shareholder.
- The proxy can be either an individual or a body corporate.
- If a proxy is not directed how to vote on an item of business, the proxy may vote, or abstain from voting, as they think fit.
- Should any resolution, other than those specified in this Notice, be proposed at the meeting, a proxy may vote on that resolution as they think fit.
- If a proxy is instructed to abstain from voting on an item of business, they are directed not to vote on the Shareholder's behalf on the poll and the Shares that are the subject of the proxy appointment will not be counted in calculating the required majority.

- Shareholders who return their proxy forms with a direction how to vote but do not nominate the identity of their proxy will be taken to have appointed the Chairman of the meeting as their proxy to vote on their behalf. If a proxy form is returned but the nominated proxy does not attend the Meeting, the Chairman of the Meeting will act in place of the nominated proxy and vote in accordance with any instructions. Proxy appointments in favour of the Chairman of the Meeting, the secretary or any Director that do not contain a direction how to vote will be used where possible to support each of the resolutions proposed in this Notice.
- To be effective, proxies must be received by 11:00am (AWST) on 21 November 2022. Proxies received after this time will be invalid.
- Proxies may be lodged using any of the following methods:

Online: www.investorvote.com.au

By mail: Share registry – Computershare Investor Services Pty Limited, GPO Box 242, Melbourne Victoria 3001, Australia

By fax: 1800 783 447 (within Australia)
+61 3 9473 2555 (outside Australia)

By mobile: Scan the QR Code on your proxy form and follow the prompts

Custodian: For Intermediary Online subscribers only (custodians) please visit www.intermediaryonline.com to submit your voting intentions

The proxy form must be signed by the Shareholder or the Shareholder's attorney. Proxies given by corporations must be executed in accordance with the Corporations Act. Where the appointment of a proxy is signed by the appointer's attorney, a certified copy of the power of attorney, or the power itself, must be received by the Company at the above address, or by facsimile, and by 11:00am (AWST) on 21 November 2022. If facsimile transmission is used, the power of attorney must be certified.

Shareholders who are entitled to vote

In accordance with Regulations 7.11.37 and 7.11.38 of the *Corporations Regulations 2001* (Cth), the Board has determined that a person's entitlement to vote at the Meeting will be the entitlement of that person set out in the register of Shareholders as at 4.00pm (AWST) on 21 November 2022.

GR Engineering Services Ltd

ABN 12 121 542 738

EXPLANATORY MEMORANDUM

This Explanatory Memorandum is intended to provide Shareholders with sufficient information to assess the merits of the Resolutions contained in the accompanying Notice of Annual General Meeting of GR Engineering Services Limited ("GR Engineering" or the "Company").

FINANCIAL REPORTS

The first item of the Notice deals with the presentation of the consolidated annual financial report of the Company for the financial year ended 30 June 2022 together with the Directors' declaration and report in relation to that financial year and the auditor's report on those financial statements. Shareholders should consider these documents and raise any matters of interest with the Directors when this item is being considered.

No resolution is required to be moved in respect of this item.

Shareholders will be given a reasonable opportunity at the Meeting to ask questions and make comments on the accounts and on the business, operations and management of the Company.

The Chairman will also provide Shareholders a reasonable opportunity to ask the auditor questions relevant to:

- the conduct of the audit;
- the preparation and content of the independent audit report;
- the accounting policies adopted by the Company in relation to the preparation of accounts; and
- the independence of the auditor in relation to the conduct of the audit.

The Chair will also allow a reasonable opportunity for the auditor or their representative to answer any written questions submitted to the auditor under section 250PA of the Corporations Act.

RESOLUTION 1 - NON-BINDING RESOLUTION TO ADOPT REMUNERATION REPORT

Section 250R(2) of the Corporations Act requires the Company to put to its Shareholders a resolution that the remuneration report as disclosed in the Company's 2022 Annual Report be adopted.

The remuneration report is set out in the Company's 2022 Annual Report and is also available on the Company's website (www.gres.com.au).

The vote on Resolution 1 is advisory only and does not bind the Directors or the Company.

However, if at least 25% of the votes cast are against adoption of the remuneration report at two consecutive annual general

meetings, the Company will be required to put a resolution to the second annual general meeting (**Spill Resolution**), to approve calling a general meeting (**Spill Meeting**). If more than 50% of Shareholders vote in favour of the Spill Resolution, the Company must then convene a Spill Meeting within 90 days of the second annual general meeting. All of the Directors who were in office when the applicable Directors' Report was approved, other than the Managing Director, will need to stand for re-election at the Spill Meeting if they wish to continue as Directors.

The remuneration report for the financial year ended 30 June 2021 did not receive a vote of more than 25% against its adoption at the Company's last general meeting held on 24 November 2021. Accordingly, if at least 25% of the votes cast on Resolution 1 are against adoption of the remuneration report it will not result in the Company putting a Spill Resolution to Shareholders. However, a Spill Resolution will be required if the remuneration report at the 2023 annual general meeting receives a vote of more than 25% against its adoption.

The remuneration report explains the Board policies in relation to the nature and level of remuneration paid to Directors, sets out remuneration details for each Director and any service agreements and sets out the details of any equity based compensation.

The Chair will give Shareholders a reasonable opportunity to ask questions about, or make comments on, the remuneration report.

Voting

Note that a voting exclusion applies to Resolution 1 in the terms set out in the Notice. In particular, the directors and other Restricted Voters may not vote on this Resolution and may not cast a vote as proxy, unless the appointment gives a direction on how to vote or the proxy is given to the Chair and expressly authorises the Chair to exercise your proxy even if the Resolution is connected directly or indirectly with the remuneration of a member of the Key Management Personnel. The Chair will use any such proxies to vote in favour of the Resolution.

RESOLUTIONS 2, 3 AND 4 - RE-ELECTION OF DIRECTORS

Background

Resolutions 2, 3 and 4 seek the re-election of Mr Phillip Lockyer, Mr Tony Patrizi and Mr Giuseppe Totaro as Directors.

Clause 13.2 of the Constitution provides that at every annual general meeting of the Company, one-third of the Directors (excluding any alternate Directors and the Managing Director), or, if their number is not a multiple of 3, then such number as is appropriate to ensure no Director holds office for more than 3 years, shall retire from office. A retiring Director is eligible for re-election.

Each of Messrs Lockyer, Patrizi and Totaro retire from office by rotation and, being eligible, seek re-election as a Directors.

The Board considers that each of Messrs Lockyer and Totaro, if re-elected, will continue to qualify as independent Directors. The Board does not consider Mr Patrizi to be an independent director by virtue of his executive management role within the Company.

The Directors support the re-election of Messrs Locker, Patrizi and Totaro and recommend Shareholders vote in favour of Resolutions 2, 3 and 4.

Resolution 2 – Re-Election of Phillip Lockyer as a Director

Resolution 2 seeks the re-election of Mr Phillip Locker as a Director.

Mr Lockyer joined the Board in 2016. He is a Mining Engineer and Metallurgist who has over 50 years' experience in the mineral industry, with a focus on gold and nickel in both underground and open pit operations. He was employed by WMC Resources Limited for 20 years and as General Manager for Western Australia was responsible for WMC's nickel division and gold operations. Mr Lockyer also held the position of Director Operations for Dominion Mining Limited and Resolute Limited. He holds a Diploma of Metallurgy from the Ballarat School of Mines, an Associateship of Mining Engineering from the Western Australian School of Mines and a Masters of Mineral Economics from Curtin University.

Resolution 3 – Re-Election of Tony Marco Patrizi as a Director

Resolution 3 seeks the re-election of Mr Tony Patrizi as a Director.

Mr Patrizi joined the Board in 2006 as a co-founder of the Company. He is a mechanical engineer with over 30 years experience in the mining and mineral processing industry as a company director, operations manager, project manager and maintenance engineer. Mr Patrizi was previously the operations manager of JR Engineering which had over 300 personnel and provided workshop, maintenance, engineering and construction services to mining and mineral processing project in Western Australian and interstate.

Resolution 4 – Re-Election of Giuseppe Totaro as a Director

Resolution 4 seeks the re-election of Mr Joe Totaro as a Director.

Mr Totaro joined the Board in 2019. He is a Certified Practicing Accountant (CPA) with over 30 years' experience in commercial and public practice specialising in mining and mining services. He is a co-founder of GR Engineering and was formerly the Chief Financial Officer and Company Secretary of GR Engineering.

RESOLUTION 5 - APPROVAL OF EQUITY INCENTIVE PLAN

Background

Resolution 5 seeks Shareholder approval, pursuant to Listing Rule 7.2, Exception 13, to adopt the GR Engineering Services Limited 2022 Equity Incentive Plan (**Plan**) and to enable the issuance of Incentive Securities, including in the form of Performance Rights, Share Appreciation Rights and Shares issued upon their conversion (**Incentive Securities**) to eligible employees, directors and contractors of the Company (or its associated bodies corporate) under the Plan (**Eligible Participants**), to be excluded from the calculation of the Company's placement capacity under Listing Rule 7.1 for a period of 3 years from the date on which Resolution 5 is passed.

The Plan is a continuation of the equity incentive plan adopted by the Company in 2019, which replaced the preceding plan adopted in 2015. The Incentive Securities that may be issued under the Plan are consistent in all material respects with the equity incentive plan approved in 2019.

The Plan is designed to align the interests of Eligible Participants with the interests of Shareholders by providing an opportunity for them to acquire and retain an equity interest in the Company and therefore directly participate in the future success of the Company over the medium to long term.

The Directors still consider that the issue of Incentive Securities to Eligible Participants is a cost effective and efficient means for the Company to incentivise Eligible Participants compared to alternative forms of incentives such as cash bonuses or increased remuneration. To enable the Company to secure and retain personnel who can assist the Company in achieving its objectives, it is necessary to provide remuneration and incentives to such personnel. The Plan is designed to achieve this objective, by encouraging continued improvement in performance over time and by encouraging personnel to acquire and retain shareholdings in the Company.

The following Incentive Securities may be offered to Eligible Participants under the Plan:

- Performance Rights, with each Performance Right being a right to acquire a Share subject to the satisfaction of specified performance conditions; and

- Share Appreciation Rights, being rights to receive a future payment in Shares, equal to the amount of increase in market value of one Share in the Company in a specified period between the grant of the Share Appreciation Right and exercise of that Share Appreciation Right.

The Chairman intends to exercise all available proxies in favour of Resolution 5.

Summary of the GR Engineering Services 2022 Equity Incentive Plan

The key terms of the Plan are set out below:

- (a) **Eligibility:** The Board may from time to time, invite Eligible Participants to be eligible to receive Incentive Securities under the Plan.
- (b) **Offers:** The Board may, from time to time, at its absolute discretion, determine the number and value of any Incentive Securities to be granted under the Plan. Without limiting its discretion, the Board may also determine the vesting conditions, the performance hurdles, the exercise conditions and any other terms applicable to a particular grant of Incentive Securities in an offer made to an Eligible Participant.
- (c) **Rights of Incentive Security holders:** Incentive Securities do not entitle the holder to notice of, or to vote or attend at, a meeting of Shareholders, or, receive any dividends declared by the Company.
- (d) **Transferability:** Incentive Securities may not be assigned, transferred, encumbered, or otherwise disposed of unless that assignment or transfer occurs by force of law upon the death of the holder to the holder's legal representative.
- (e) **Incentive Securities:** Awards of both "Performance Rights" and/or "Share Appreciation Rights" may be made to Eligible Participants under the Plan.
- (f) **Performance Right:** A Performance Right is an entitlement to be issued or transferred (as determined by the Board) one Share on exercise of the Performance Right, subject to the satisfaction of any vesting conditions, performance hurdles and/or exercise conditions.
- (g) **Share Appreciation Right:** A Share Appreciation Right is a right to be issued or transferred (as determined by the Board) that number of Shares on exercise of the Share Appreciation Right (rounded down to the nearest whole Share) calculated as follows:

Quantity of Shares to be issued/transferred on exercise =

*Quantity of exercised Share Appreciation Rights x
(Subsequent Market Value – Initial Market Value)*

Subsequent Market Value

Where:

Initial Market Value means the Market Value of Share as at the grant date of a Share Appreciation Right (or another date determined by the Board and specified in the offer (plus a premium if applicable and specified in the offer));

Subsequent Market Value means the Market Value of a Share as at the date of exercise of a Share Appreciation Right; and

Market Value means the volume weighted average price of the Shares over a 5 day period, or otherwise as determined by the Board.

- (h) **Vesting Conditions / Performance Hurdles / Exercise Conditions:** The Incentive Securities will be subject to the vesting conditions, performance hurdles and exercise conditions as determined by the Board at the time of grant. In certain circumstances, the Board may in its discretion determine that any unvested Incentive Securities will become vested and may be exercised in any period, whether or not any or all of the applicable vesting conditions and exercise conditions have been satisfied, including if an Eligible Participant becomes a good leaver (for example, ceases to be an executive director or employee due to death or incapacity) or there is a change of control of the Company.
- (i) **Exercise and issue / transfer of Shares:** An Incentive Security may only be exercised by a holder following vesting of that Incentive Security. An offer must specify whether an Incentive Security will either be deemed to automatically have been exercised by the holder on vesting or whether the holder must manually exercise the Incentive Security by delivering a notice of exercise to the Company within a period specified in the offer.
- (j) **Shares:** Any Shares allotted and issued, or transferred, to an Eligible Participant following the exercise of an Incentive Security will rank equally with all existing Shares on and from the date of issue or transfer, subject to any disposal restrictions notified at the time of the offer of the Incentive Security. Shares, or any beneficial or legal interest in Shares issued under the Plan, may not be transferred, encumbered or otherwise disposed of unless all restrictions on the transfer, encumbrance or disposal of the Shares have been met, the Board has waived any such restrictions, or prior consent of the Board is obtained which consent may impose such terms and conditions on such transfer, encumbrance or disposal as the Board sees fit.
- (k) **Forfeiture:** Unless otherwise determined by the Board, an Eligible Participant's Incentive Securities will generally be forfeited in the circumstances set out in the

Plan Rules, and include where:

- (i) an Eligible Participant's employment or office or engagement with the Company (or an associated body corporate of the Company) ceases, unless the Board has determined that the leaver may retain their Incentive Securities. For example, where the leaver has ceased employment or office with the Company due to becoming a good leaver (e.g. due to death or incapacity), the Board may determine that Eligible Participant may retain their Incentive Securities;
 - (ii) the relevant vesting conditions, performance hurdles or exercise conditions are not satisfied or cannot be satisfied by the relevant expiry date of the Incentive Securities;
 - (iii) an Eligible Participant acts fraudulently or dishonestly or in breach of his or her obligations to the Company; or
 - (iv) an Eligible Participant becomes insolvent.
- (l) **Trust:** The Board may elect to use, on such terms and conditions as determined by the Board in its absolute discretion, an employee share trust for the purpose of holding Shares before or after the exercise of an Eligible Participant's Incentive Securities or delivering any Shares to that Eligible Participant upon the vesting and exercise of an Incentive Security.
- (m) **Change of control:** If a change of control event occurs, which is defined in the Plan Rules, the Board may in its absolute discretion determine the manner in which all vested and unvested Incentive Securities are dealt with (including without limitation in a manner that allows the Eligible Participant to benefit from the change of control event).
- (n) **Amendment:** The Board has the ability to amend the Plan Rules at any time, including with retrospective effect, except that any amendments which affect an Eligible Participant's existing entitlements or obligations require an Eligible Participant's consent unless the amendment is primarily necessitated to ensure compliance with the Constitution or laws or to correct manifest errors or for other limited reasons set out in the Plan Rules.

Technical information required by Listing Rule 7.2 (Exception 13(b))

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

- (a) a summary of the key terms of the Plan is set out in the explanatory statement to Resolution 5 above;
- (b) the Plan was most recently approved by Shareholders at the Company's 2019 annual general meeting as noted above. Since the last approval by Shareholders, the Company has issued 5,560,000 Performance Rights

and 1,474,447 Share Appreciation Rights to Eligible Participants under the Plan;

- (c) the maximum number of Incentive Securities which can be issued under the Plan within the 3 year period from the date this Resolution 5 is passed is 8,078,362. The maximum number is not intended to be a prediction of the actual number of securities to be issued under the Plan, simply a ceiling for the purposes of Listing Rule 7.2 (Exception 13(b)). It is not envisaged that the maximum number of securities for which approval is sought will be issued immediately; and
- (d) a voting exclusion statement is included in Resolution 5 of the Notice.

Technical information required by Listing Rule 14.14A

If Resolution 5 is passed, Incentive Securities issued under the Plan in the three years from the date on which Resolution 5 is passed will be excluded when calculating the Company's 15% placement capacity under Listing Rule 7.1, effectively increasing the number of securities the Company can issue without Shareholder approval over the 12 month period following the issue date.

If Resolution 5 is not passed, the Incentive Securities issued under the Plan will be included in calculating the Company's 15% placement capacity under Listing Rule 7.1, effectively decreasing the number of Incentive Securities it can issue without Shareholder approval over the 12 month period following the issue date.

Recommendation

The Directors are excluded from voting on this Resolution 5 as they are eligible to participate in the Plan. Accordingly, the Directors decline to make a recommendation to Shareholders on this Resolution 5.

RESOLUTION 6 - APPROVAL OF AMENDMENTS TO CONSTITUTION

Background

Resolution 6 is a special resolution proposing to modify the Company's Constitution by deleting the current clause 2.12 and inserting a new clause 2.12 in its place. Clause 2.12 concerns restricted securities.

Section 136 of the Corporations Act allows a company to adopt a new constitution by a special resolution passed at a general meeting of the company. A special resolution must be passed by at least 75% of the votes cast by Shareholders who are entitled to vote on the Resolution.

The existing constitution was adopted by the Company in 2011. Since this time, there have been amendments to the Listing Rules which impact the Company and for which provision has not been adequately made in the existing Constitution. Therefore, the Company intends to seek to amend the Constitution.

Restricted securities

The ASX introduced changes to the escrow regime by amendments to Listing Rules 9 and 15.12 in 2019. The changes introduced a two-tier escrow regime which required significant holders of restricted securities to execute a formal escrow agreement in accordance with the Listing Rules, whereas entities can now rely on the provisions of their constitution in respect of the escrow restrictions for less significant holders and to give notice to the holder of restricted securities in the form of Appendix 9C advising on those restrictions.

ASX Listing Rule 15.12 sets out provisions that a listed entity's constitution must include while the entity has restricted securities on issue.

Clause 2.12 of the Company's Constitution contains the provisions required by ASX Listing Rule 15.12 as in force before 1 December 2019 and, as such, the Company may not currently be able to issue any new restricted securities. Any restricted securities already on issue must continue to comply with the provisions of the Listing Rule 15.2 in force immediately prior to 1 December 2019.

Resolution 6 seeks Shareholder approval to replace clause 2.12 with a new clause 2.12 that is consistent with ASX Listing Rule 15.12 as currently in force.

If Resolution 6 is approved, the Company will be able to issue new restricted securities as it will comply with the current requirements of ASX Listing Rule 15.12.

If Resolution 6 is not approved, the Company's Constitution may not comply with ASX Listing Rule 15.12 and the Company may not be able to issue new restricted securities.

Amendment

The proposed new clause 2.12 of the Constitution is as follows:

“(a) While the Company is on the official list of ASX, the Company must recognise and comply with the Listing Rules with respect to Restricted Securities.

(b) Notwithstanding the generality of clause 2.12(a):

- (i) a holder of Restricted Securities must not dispose of, or agree or offer to dispose of, the securities during the escrow period applicable to those securities except as permitted by the Listing Rules or ASX;
- (ii) if the Restricted Securities are in the same class as quoted securities, the holder will be taken to have agreed in writing that the Restricted Securities are to be kept on the Company's issuer sponsored sub-register and are to have a holding lock applied for the duration of the escrow period applicable to those securities;
- (iii) the Company will refuse to acknowledge any disposal (including, without limitation, to

register any transfer) of Restricted Securities during the escrow period applicable to those securities except as permitted by the Listing Rules or ASX;

- (iv) a holder of Restricted Securities will not be entitled to participate in any return of capital on those securities during the escrow period applicable to those securities except as permitted by the Listing Rules or ASX; and
- (v) if a holder of Restricted Securities breaches a restriction deed or a provision of the Constitution restricting a disposal of the Restricted Securities, the holder will not be entitled to any dividend or distribution, or to exercise any voting rights, in respect of those securities for so long as the breach continues.”

A copy of the Constitution with the amendment proposed will be made available for review by Shareholders at the office of the Company. A copy will be available at the Meeting.

The Directors recommend that Shareholders vote to modify the Constitution to insert the new clause 2.12 to ensure compliance with the Listing Rule changes.

The Chairman intends to exercise all undirected proxies in favour of Resolution 6.

GLOSSARY

"**Accounting Standards**" has the meaning given to that term in the Corporations Act;

"**Annual Report**" means the annual report of the Company for the year ended 30 June 2022;

"**ASX**" means ASX Ltd ABN 98 008 624 691 and, where the context requires, the Australian Securities Exchange operated by ASX Ltd.

"**AWST**" means Australian Western Standard Time;

"**Board**" means the board of Directors of the Company;

"**Chair**" means the Chairman;

"**Chairman**" means the chairman of the Meeting;

"**Closely Related Party**" has the meaning given in the Corporations Act;

"**Company**" means GR Engineering Services Limited ABN 12 121 542 738;

"**Constitution**" means the constitution of the Company, as amended from time to time;

"**Corporations Act**" means the *Corporations Act 2001* (Cth);

"**Director**" means a director of the Company;

"**Eligible Participants**" has the meaning given to that term in the explanatory memorandum to Resolution 5;

"**Incentive Securities**" has the meaning given to that term in the explanatory memorandum to Resolution 5;

"**Key Management Personnel**" has the meaning given to it in the Accounting Standards;

"**Listing Rules**" means the listing rules of the Australian Securities Exchange (ASX);

"**Meeting**" means the 2022 annual general meeting the subject of the Notice;

"**Notice**" means the notice of annual general meeting

"**Plan**" has the meaning given to that term in the explanatory memorandum to Resolution 5;

"**Resolution**" means a resolution proposed pursuant to the Notice of Annual General Meeting;

"**Restricted Voter**" means Key Management Personnel and their Closely Related Parties;

"**Share**" means a fully paid ordinary share in the Company; and

"**Shareholder**" means a holder of Shares.



GR ENGINEERING SERVICES LIMITED
ABN 12 121 542 738

GNGRM

MR RETURN SAMPLE
123 SAMPLE STREET
SAMPLE SUBURB
SAMPLETOWN VIC 3030



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 **11:00am (AWST) on Monday, 21 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:

XX

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: 999999

PIN: 99999

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.



IND

Proxy Form

Please mark ☒ to indicate your directions

Step 1 Appoint a Proxy to Vote on Your Behalf

XX

I/We being a member/s of GR Engineering Services 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 GR Engineering Services Limited to be held at the Empire Bar, 220 Great Eastern Hwy, Lathlain, WA 6100 on Wednesday, 23 November 2022 at 11:00am (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 and 5 (except where I/we have indicated a different voting intention in step 2) even though Resolutions 1 and 5 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 and 5 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	Non-Binding Resolution to Adopt Remuneration Report	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Resolution 2	Re-election of Phillip Lockyer as a Director	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Resolution 3	Re-election of Tony Marco Patrizi as a Director	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Resolution 4	Re-election of Giuseppe Totaro as a Director	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Resolution 5	Approval of Equity Incentive Plan	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Resolution 6	Approval of amendments to 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

Sole Director & Sole Company Secretary

Securityholder 2

Director

Securityholder 3

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

