



# NOTICE OF ANNUAL GENERAL MEETING, EXPLANATORY STATEMENT AND PROXY FORM

GLOBAL CONSTRUCTION SERVICES LIMITED  
ABN 81 104 662 259

**For the Annual General Meeting to be held at Studios, Level 2,  
Crown Perth Convention Centre, Great Eastern Highway, Burswood  
WA 6100 on 24 November 2016 commencing at 9:00am (WST time).**

THIS IS AN IMPORTANT DOCUMENT. PLEASE READ IT CAREFULLY.

IF YOU ARE UNABLE TO ATTEND THE ANNUAL GENERAL MEETING, PLEASE COMPLETE THE PROXY FORM  
ENCLOSED AND RETURN IT IN ACCORDANCE WITH THE INSTRUCTIONS SET OUT ON THAT FORM.



# » NOTICE OF ANNUAL GENERAL MEETING



## **Dear Fellow Shareholders**

The 2016 Annual General Meeting (**AGM**) of Global Construction Services Limited (**GCS**) will take place at Studios, Level 2, Crown Perth Convention Centre, Great Eastern Highway, Burswood WA 6100 on 24 November 2016 at 9:00am (WST time). A copy of the Notice of Meeting is enclosed.

On the agenda for this year's AGM are the following items:

- receipt of the company's financial and statutory reports for FY2016
- the re-election of George Chiari as an executive director
- adoption of the company's remuneration report
- the approval of a 10% placement facility under the ASX Listing Rules,
- the approval of a grant of performance rights to the managing director, Mr Enzo Gullotti; and
- the approval of an increase in the maximum aggregate sum that may be paid to non-executive directors of GCS from \$300,000 to \$450,000.

These resolutions are explained in more detail in the enclosed Notice of Meeting and the Explanatory Statement.

I look forward to welcoming you at the AGM and updating you on GCS's business and operations.

I would encourage you to cast your vote on these important agenda items. However, if you are unable to attend in person, you are able to vote by either; appointing a proxy to attend and vote on your behalf; or by lodging your vote on-line at [www.computershare.com.au](http://www.computershare.com.au).

We also encourage you to submit any questions you have in advance of the meeting.

Yours sincerely

**Peter Wade**  
**Chairman**

Notice is hereby given that the 2016 Annual General Meeting of the Shareholders of Global Construction Services Limited (ACN 104 662 259) ("GCS" or the "Company") will be held at Studios, Level 2, Crown Perth Convention Centre, Great Eastern Highway, Burswood WA 6100 on 24 November 2016 commencing at 9:00am (WST time) for the purpose of transacting the following business.

## ORDINARY BUSINESS

### FINANCIAL STATEMENTS AND REPORTS FOR THE YEAR ENDED 30 JUNE 2016

To receive and consider the Annual Financial Statements of the Company for the year ended 30 June 2016 including the Directors' Report and the Auditor's Report as set out in the Company's Annual Report.

### RESOLUTION 1: NON-BINDING RESOLUTION TO ADOPT REMUNERATION REPORT

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

*"That the Remuneration Report as set out in the Annual Report for the year ended 30 June 2016 be adopted."*

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

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### VOTING EXCLUSION

The Company will disregard any votes cast on Resolution 1 (in any capacity) by or on behalf of a Restricted Voter.<sup>1</sup> However, the Company need not disregard a vote if it is cast:

- a. by a person as proxy for a person who is entitled to vote, in accordance with the directions on the proxy form; or
- b. by the Chairman of the Meeting as proxy for a person who is entitled to vote and the appointment expressly authorizes the Chairman to exercise the proxy, and it is not cast on behalf of a Restricted Voter.

<sup>1</sup> "Restricted Voter" means a member of Key Management Personnel, details of whose remuneration are included in the Remuneration Report, and their Closely Related Parties (such as close family members and any controlled companies).

### RESOLUTION 2: RE-ELECTION OF MR GEORGE CHIARI

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

*"That Mr George Chiari, being a director of the Company who, accordance with article 6.3 of the Company's Constitution, retires by rotation and, being eligible, offers himself for re-election, be re-elected as a director of the Company."*

### RESOLUTION 3: APPROVAL OF 10% PLACEMENT FACILITY

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

*"That, pursuant to and in accordance with Listing Rule 7.1A and for all other purposes, Shareholders approve the issue of Equity Securities up to 10% of the issued capital of the Company (at the time of the issue) calculated in accordance with the formula prescribed in Listing Rule 7.1A.2 and on the terms and conditions set out in the Explanatory Statement."*

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### VOTING EXCLUSION

The Company will disregard any votes cast on Resolution 3 by a person (and any associates of such a person) who may participate in the 10% placement facility contemplated by Resolution 3 and a person who might obtain a benefit, except a benefit solely in the capacity of a holder of Shares, if Resolution 3 is passed.

However, the Company need not disregard a vote if it is cast:

- a. by a person as proxy for a person who is entitled to vote, in accordance with the directions on the proxy form; or
- b. by the Chairman as proxy for a person who is entitled to vote, in accordance with a direction on the proxy form to vote as the proxy decides.

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### RESOLUTION 4: GRANT OF RIGHTS TO THE MANAGING DIRECTOR

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

*"That, for the purposes of ASX Listing Rule 10.14 and for all other purposes, approval be given for the grant of 2,000,000 performance rights to the Managing Director, Mr Enzo Gullotti, under the Company's Performance Rights Plan, on the terms summarised in the Explanatory Memorandum."*

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### VOTING EXCLUSION

The Company will disregard any votes cast on Resolution 4:

- a. by a Director (except one who is ineligible to participate in the Performance Rights Plan) and any associates of the Director; or
- b. as a proxy by a member of the Key Management Personnel or a Closely Related Party of the Key Management Personnel.

However, the Company need not disregard a vote on Resolution 4 if the vote is cast as proxy for a person who is entitled to vote on Resolution 4 and:

- a. the vote is cast in accordance with the directions on the proxy form; or
- b. the proxy is the Chairman of the Meeting and the appointment expressly authorises the Chairman to exercise the proxy even though the Resolution is connected, directly or indirectly, with the remuneration of the Key Management Personnel.

#### **RESOLUTION 5: APPROVAL OF NON-EXECUTIVE DIRECTORS' REMUNERATION POOL INCREASE**

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

*"That, for the purposes of Article 6.5 of the Company's Constitution, ASX Listing Rule 10.17 and for all other purposes, the maximum aggregate sum that may be paid to non-executive Directors by way of remuneration for their services as directors of the Company be increased by \$150,000 from \$300,000 to \$450,000 per annum, to be paid in accordance with the terms and conditions set out in the Explanatory Statement."*

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#### **VOTING EXCLUSION**

The Company will disregard any votes cast on Resolution 5:

- a. by a Director and any of their associates; and
- b. as proxy by a member of the Key Management Personnel or their Closely Related Parties.

However, the Company need not disregard a vote on Resolution 5 if the vote is cast as proxy for a person who is entitled to vote on Resolution 5 and:

- a. the vote is cast in accordance with the directions on the proxy form; or
- b. the proxy is the Chairman of the Meeting and the appointment expressly authorises the Chairman to exercise the proxy even though the Resolution is connected, directly or indirectly, with the remuneration of the Key Management Personnel.

## **OTHER BUSINESS**

To deal with any other business which may be brought forward in accordance with the Company's Constitution or the Corporations Act.

Dated this 17 October 2016

By Order of the Board

**Gabriel Chiappini**  
Company Secretary  
Global Construction Services Limited

## » NOTICE OF ANNUAL GENERAL MEETING

### VOTING

Shareholders can vote in the following ways:

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

### PROXIES

- a. A Shareholder 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.
- c. A Shareholder may appoint a body corporate or an individual as its proxy.
- d. A body corporate appointed as a Shareholder's proxy may appoint an individual as its representative to exercise any of the powers that the body may exercise as the Shareholder's proxy.
- e. Shareholders 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.
- f. Proxy forms must be returned by no later than 48 hours before the Meeting (i.e. 9:00am (WST time) on 22 November 2016) to:

Online            At [www.investorvote.com.au](http://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  
voting            [www.intermediaryonline.com](http://www.intermediaryonline.com) to submit your voting intentions

If a Shareholder appoints a body corporate as its proxy and the body corporate wishes to appoint an individual as its representative, the body corporate should provide that person with a certificate or letter executed in accordance with the Corporations Act authorising him or her to act as that body corporate representative. The authority may be sent to the Company or its share registry in advance of the Meeting or handed in at the Meeting when registering as a corporate representative.

Members of the Key Management Personnel (which includes each of the Directors) and their Closely Related Parties will not be able to vote as proxy on Resolutions 1, 4 or 5 unless the appointing Shareholder tells them how to vote, or in the case of the Chairman of the Meeting, unless the Shareholder expressly authorises him to do so.

If a Shareholder intends to appoint a member of the Key Management Personnel (other than the Chairman) or a Closely Related Party of a member of the Key Management Personnel as their proxy, the Shareholder should ensure that they direct proxy how to vote on Resolutions 1, 4 or 5.

If a Shareholder intends to appoint the Chairman of the Meeting as their proxy for Resolutions 1, 4 or 5, Shareholders can direct the Chairman how to vote by marking one of the boxes for Resolutions 1, 4 or 5 (for example, if the Shareholder wishes to vote 'for' or 'against', or to 'abstain' from voting). If a Shareholder appoints the Chairman of the Meeting as their proxy and the Shareholder does not direct the Chairman how to vote on Resolutions 1, 4 or 5, then, by completing and returning the proxy form, the Shareholder will be expressly authorizing the Chairman of the Meeting to exercise their undirected proxy on Resolutions 1, 4 or 5 (as applicable), even though that Resolution is connected with the remuneration of the Key Management Personnel.

**The Chairman of the Meeting intends to vote all undirected and available proxies in favour of each Resolution.**

The proxy form accompanying this Notice of Annual General Meeting provides further details on appointing proxies and lodging proxy forms.

### VOTING ENTITLEMENTS

In accordance with Regulation 7.11.37 of the Corporations Regulations, the Board has determined that a person's entitlement to vote at the Annual General Meeting will be the entitlement of that person set out in the register of Shareholders as at 4:00pm (WST time) on 22 November 2016. Transactions registered after that time will be disregarded in determining a person's entitlement to attend and vote at the Annual General Meeting.



# » NOTICE OF ANNUAL GENERAL MEETING

## EXPLANATORY STATEMENT

This Explanatory Statement is prepared to provide Shareholders with material information known to the Company to enable them to make an informed decision on how to vote on the business to be conducted at the Annual General Meeting of GCS.

The Directors recommend Shareholders read this Explanatory Statement in full before making any decision in respect to the Resolutions.

Certain terms and abbreviations used in this Explanatory Statement have defined meanings which are explained in the glossary at the end of this Explanatory Statement.

## FINANCIAL STATEMENTS AND REPORTS

The first item of the Notice of Annual General Meeting deals with the consolidated Annual Financial Report of the Company for the financial year ended 30 June 2016 together with the Directors' Declaration and Report in relation to that financial year and the Auditor's Report on the 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 provided a reasonable opportunity to ask questions or make comments in relation to these reports and on the business and management of the Company.

The Chairman will also provide Shareholders a reasonable opportunity to ask the Auditor questions in respect of:

- 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.

## RESOLUTION 1: NON-BINDING RESOLUTION TO ADOPT REMUNERATION REPORT

The Directors' Report for the year ended 30 June 2016 contains a Remuneration Report which sets out the policies, remuneration details and service agreements for the remuneration of Directors and Executives of the Company. In accordance with Section 250R(2) of the Corporations Act, a resolution for adoption of the remuneration report is required to be considered and voted on by Shareholders.

The Remuneration Report is set out in the Company's 2016 Annual Report which is also available on the Company's website ([www.gcs-group.com.au](http://www.gcs-group.com.au)).

Shareholders will be provided a reasonable opportunity to ask questions or make comments on the Remuneration Report.

The vote on the adoption of the Remuneration Report is advisory only and does not bind the Directors or the Company. However, the Board will take the outcome of the vote into consideration when reviewing the Company's remuneration practices and policies.

## RESOLUTION 2: RE-ELECTION OF GEORGE CHIARI

In accordance with article 6.3 of the Company's Constitution, Mr George Chiari will retire by rotation at the Annual General Meeting and, being eligible, offers himself for re-election at the Annual General Meeting.

Mr George Chiari is a recognised industry leader in the field of commercial formwork and concrete with over forty years of experience at CASC Constructions. His skills and knowledge are invaluable as GCS builds on the success of recent times and seeks to capitalise on the significant opportunities in Western Australia.

Mr Chiari has held no other public directorships in the last three years

The Board of Directors unanimously, other than Mr Chiari because of his interest in Resolution 2, recommends Shareholders vote in favour of the Resolution.



### RESOLUTION 3: APPROVAL OF 10% PLACEMENT FACILITY

Listing Rule 7.1A permits eligible entities to seek shareholder approval by special resolution at an annual general meeting to issue Equity Securities equivalent to an additional 10% of the number of ordinary shares on issue by way of placements over the 12-month period following the annual general meeting (**10% Placement Facility**). This 10% Placement Facility is in addition to the 15% placement capacity permitted by Listing Rule 7.1.

An eligible entity for the purposes of Listing Rule 7.1A is an entity that, as at the date of the relevant annual general meeting:

- a. has a market capitalisation of A\$300 million or less; and
- b. is not included in the S&P/ASX300 Index.

As at the date of this Explanatory Statement, the Company satisfies both the above criteria. The Company anticipates that it will satisfy both these criteria at the date of the Annual General Meeting.

Resolution 3 seeks the approval of Shareholders by special resolution of the 10% Placement Facility on the terms set out in this Explanatory Statement. As a special resolution, Resolution 3 requires approval by 75% of the votes cast by Shareholders entitled to vote at the Annual General Meeting (in person or by proxy or attorney or, in the case of a corporate Shareholder, by corporate representative).

The Board of Directors believes that Resolution 3 is in the best interests of the Company and its Shareholders, and unanimously recommends that Shareholders vote in favour of Resolution 3.

#### Listing Rules 7.1 and 7.1A

As noted above, the 10% Placement Facility permitted under Listing Rule 7.1A (subject to approval by special resolution of Shareholders) is in addition to the 15% placement capacity permitted by Listing Rule 7.1.

As at the date of this Explanatory Statement, the Company has 200,284,332 Shares on issue and has capacity to issue:

30,042,649 Equity Securities under Listing Rule 7.1; and

subject to Shareholder approval of Resolution 3 at the Annual General Meeting, 20,028,433 Equity Securities under Listing Rule 7.1A (see further below).

#### Number of Equity Securities that may be issued under the 10% Placement Facility

The exact number of Equity Securities which may be issued, or the Company may agree to issue, under the 10% Placement Facility will be calculated in accordance with the formula set out in Listing Rule 7.1A.2, being:

$$(A \times D) - E$$

Where:

A = The number of fully paid ordinary shares on issue 12 months before the issue date or date of agreement to issue:

- plus the number of fully paid ordinary shares issued in the 12 months under an exception in Listing Rule 7.2;
- plus the number of partly paid ordinary shares that became fully paid in the 12 months;
- plus the number of fully paid ordinary shares issued in the 12 months with approval of holders of ordinary shares under Listing Rule 7.1 and 7.4; and
- less the number of fully paid ordinary shares cancelled in the 12 months.

*Note that A has the same meaning in Listing Rule 7.1 when calculating an entity's 15% placement capacity.*

D = 10%

E = The number of Equity Securities issued or agreed to be issued under Listing Rule 7.1A.2 in the 12 months before the issue date or date of agreement to issue that are *not* issued with the approval of holders of ordinary shares under Listing Rule 7.1 or 7.4.

Any Equity Securities issued under the 10% Placement Facility must be in the same class as an existing quoted class of Equity Securities of the Company. As at the date of this Explanatory Statement, the Company has only one class of quoted Equity Securities on issue – its ordinary shares.

#### Information required by Listing Rule 7.3A

For the purposes of Listing Rule 7.3A, the following information is provided in respect of the 10% Placement Facility:

- a. Minimum price

The minimum price at which the Equity Securities may be issued will be no less than 75% of the volume weighted average price of the Equity Securities calculated over the 15 trading days on which trades were recorded immediately before:

- the date on which the price at which the Equity Securities are to be issued is agreed; or
- if the Equity Securities are not issued within 5 trading dates of the date in the bullet point above, the date on which the Equity Securities are issued.

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### b. Risk of economic and voting dilution

If Resolution 3 is passed by Shareholders at the Annual General Meeting and the Company issues Equity Securities under the 10% Placement Facility, the existing Shareholders face the risk of economic and voting dilution as a result of the issue of Equity Securities under the 10% Placement Facility, including the following:

- the market price for the Equity Securities may be significantly lower on the issue date than on the date on which this approval is sought; and
- the Equity Securities may be issued at a price that is at a discount to the market price for the Equity Securities on the issue date or the Equity Securities are issued as part of the consideration for the acquisition of a new asset,

which may have an effect on the amount of funds raised by the issue of the Equity Securities.

The table below shows the dilution of existing Shareholders calculated in accordance with the formula outlined in Listing Rule 7.1A.2, on the basis of the current market price of Shares and the current number of Shares on issue as at the date of this Notice.

The table shows the voting dilution impact where the number of Shares on issue (Variable A in the formula) changes and the economic dilution where there are changes in the issue price of Shares issued under the 10% Placement Facility. Specifically, the table shows two examples where Variable A has increased, by 50% and 100%. The number of Shares on issue may increase as a result of issues of Shares that do not require Shareholder approval. The table also shows two examples of where the issue price of Shares has decreased by 50% and increased by 100% as against the current market price.

Number of shares on issue (Variable 'A' under Listing Rule 7.1A.2)		Dilution		
		AU\$0.22 (50% decrease in current issue price)	AU\$0.45 (Current issue price)	AU\$0.90 (100% increase in issue price)
200,284,332 (current)	Shares issued	20,028,433	20,028,433	20,028,433
	Funds raised	\$4,406,255	\$9,012,794	\$18,025,589
300,426,498 (50% increase)	Shares issued	30,042,649	30,042,649	30,042,649
	Funds raised	\$6,609,382	\$13,519,192	\$27,038,384
400,568,664 (100% increase)	Shares issued	40,056,866	40,056,866	40,056,866
	Funds raised	\$8,812,510	\$18,025,589	\$36,051,179

The table above has been prepared on the following assumptions:

- The Company issues the maximum number of Equity Securities available under the 10% Placement Facility.
- The current Shares on issue are the Shares on issue as at 13 October 2016.
- The current issue price set out above is the closing price of the Shares on the ASX on 13 October 2016.
- The table shows only the effect of the issue of Equity Securities under Listing rule 7.1A, not under the 15% capacity under Listing Rule 7.1.
- In the 12 months prior to the Annual General Meeting, the Company has not issued any Shares that were not either under an exception in Listing Rule 7.2 or with approval under Listing Rule 7.1.
- The calculations above do not show the dilution to which any one particular Shareholder will be subject. All Shareholders should consider the dilution caused to their own shareholding depending on their specific circumstances.
- All numbers shown have been rounded down to the nearest whole number.

### c. Date of issue

Equity Securities may only be issued under the 10% Placement Facility during the period commencing on the date of the Annual General Meeting, if the facility is approved by Shareholders, and expiring on the first to occur of the following:

- 12 months after the date of the Annual General Meeting; and
- the date of approval by Shareholders of any transaction under Listing Rule 11.1.2 (a significant change to the nature or scale of the Company's activities) or 11.2 (disposal of the Company's main undertaking),

or such longer period if allowed by ASX.

### d. Purpose of issue under 10% Placement Facility

The Company may issue Equity Securities under the 10% Placement Facility for cash consideration for the purpose of funds for working capital for the Company or for non-cash consideration for the acquisition of new businesses or assets (in which case the Company will provide a valuation of the non-cash consideration as required by Listing Rule 7.1A.3).

e. Allocation policy under the 10% Placement Facility

The allottees of the Equity Securities to be issued under the 10% Placement Facility have not yet been determined. However, the allottees may include current Shareholders or new investors (or both), who are not related parties or associated of related parties of the Company.

The Company will determine the allottees at the time of any issue under the 10% Placement Facility, having regard to the following factors:

- the purpose of the issue;
- alternative methods for raising funds available to the Company at that time, including, but not limited to, an entitlement issue or other offer where existing Shareholders may participate;
- the effect of the issue of the Equity Securities on the control of the Company;
- the circumstances of the Company, including, but not limited to, the financial position and solvency of the Company;
- prevailing market conditions; and
- advice from corporate, financial and broking advisers (if applicable).

Also, if the Company uses the 10% Placement Facility in the acquisition of new businesses or assets, then it is likely that the allottees will be the vendors of the businesses or assets.

f. Previous approval under ASX Listing Rule 7.1A

The Company previously obtained Shareholder approval under Listing Rule 7.1A on 24 November 2015 (**Previous Approval**).

In the period following the Previous Approval, the Company has not issued and equity securities pursuant to this Previous Approval.

g. Voting Exclusion

A voting exclusion statement in relation to Resolution 3 is included in the Notice of Meeting. As at the date of the Notice, the Company has not approached any existing Shareholder or security holder, or any identifiable class of existing security holders, to participate in an issue of Equity Securities under Listing Rule 7.1A. Therefore, no existing Shareholders will be excluded from voting on Resolution 3.

#### RESOLUTION 4: GRANT OF RIGHTS TO THE MANAGING DIRECTOR

ASX Listing Rule 10.14 requires Shareholder approval in order for a Director to be issued equity securities in the Company under an employee incentive scheme.

The Company has agreed, subject to receiving Shareholder approval, to grant performance rights (**Rights**) to the Managing Director, Mr Enzo Gullotti, under the Performance Rights Plan (**Plan**) on the terms and conditions outlined below. Mr Gullotti will be granted **2,000,000** Rights under the Plan.

As Rights will form part of Mr Gullotti's remuneration, they will be granted at no cost and there will be no amount payable on vesting. Each Right entitles Mr Gullotti to one ordinary share in the Company on vesting. Prior to vesting, the Rights do not entitle Mr Gullotti to any dividends or voting rights.

The Plan was approved by Shareholders at the Company's 2014 Annual General Meeting. The Plan is an incentive plan designed to increase the motivation of staff and create a stronger link between increasing shareholder value and employee reward. More detailed information on the Plan is set out in the Company's 2014 Notice of Annual General Meeting which is available on the Company's website.

Shareholders are therefore being asked to approve the grant of 2,000,000 Rights to Mr Enzo Gullotti under the Plan, on the terms and conditions set out below.

Approval of this resolution will also result in the Rights granted to Mr Enzo Gullotti being an exception to ASX Listing Rule 7.1.

Further details of Mr Gullotti's total remuneration package can be found on page 36 of the Company's Annual Report for the year ended 30 June 2016.

#### Key terms of the grant to Mr Enzo Gullotti

A brief overview of the key terms of the proposed Rights grant to Mr Enzo Gullotti is set out below.

Vesting Conditions	<p>The Company has been actively exploring and assessing east coast expansion and consolidation opportunities, as previously disclosed to ASX, and also continues to assess expansion and consolidation opportunities in Western Australia (<b>Expansion Strategy</b>). The Board is looking to undertake transactions that will deliver value to shareholders by expanding its presence on the east coast and in its local market.</p> <p>Of the 2,000,000 Rights proposed to be granted to Mr Gullotti, the Rights will vest in tranches of 500,000 each in connection with transactions undertaken by the Company in pursuit of its Expansion Strategy as set out below. That is, if the Company undertakes a transaction between 1 July 2016 and 30 June 2019 (the <b>Vesting Period</b>), then up to 500,000 of Mr Gullotti's Rights may vest in connection with that transaction.</p> <p>The total number of 2,000,000 Rights provides for up to four transactions to be undertaken by the Company during the Vesting Period.</p>
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	<p><b>Vesting Condition – execution of formal agreements for a Transaction</b></p> <p>If the Company acquires another company or a business, merges with another company or otherwise acquires a strategic interest in another company or business (a <b>Transaction</b>) during the Vesting Period, and:</p> <ul style="list-style-type: none"> <li>the Transaction is expected to materially increase the Company's earnings (having regard to the concept of materiality under the accounting standards applicable to the Company); and</li> <li>the Transaction forms part of the Company's Expansion Strategy,</li> </ul> <p>then 250,000 Rights will vest on the execution and delivery of the formal agreements to implement the Transaction (the <b>Execution Condition</b>).</p> <p><b>Vesting Condition – effect of the Transaction on the Company's earnings</b></p> <p>To allow the Board to assess the success of the Transaction, if, 12 months after the signing of the formal agreements for the Transaction, the effect of the Transaction on the Company's earnings has been materially in line with the expected effects at the time of signing (having regard to the accounting standards regarding materiality), then the remaining 250,000 Rights associated with that Transaction will vest (the <b>Earnings Condition</b>).</p> <p><b>Testing of the Vesting Conditions</b></p> <p>The determination of whether the vesting conditions in respect of a Transaction have been satisfied will be made by the Board in its absolute discretion.</p> <p>As previously announced, the Company completed the acquisition of a 51% stake in Podium Glazing Australia on 10 October 2016 (<b>Podium Glazing Transaction</b>) as part of its Expansion Strategy. If Resolution 4 is approved by Shareholders, the Board intends to convene a meeting to determine whether the Podium Glazing Transaction satisfies the Execution Condition.</p> <p>If the Board (in its absolute discretion) resolves that the Podium Glazing Transaction satisfies the Execution Condition, then 250,000 of Mr Gullotti's Rights will immediately vest. The Board will then test (in October 2017) whether the Earnings Condition has been satisfied with respect to the Podium Glazing Transaction, and if this condition is satisfied, a further 250,000 Rights will vest.</p> <p>As at the date of this Explanatory Statement no decision has been made as to whether the Board will exercise its discretion to determine whether 250,000 of the Rights granted to Mr Gullotti will vest in relation to the Podium Glazing Transaction (ie whether the Execution Condition has been satisfied).</p> <p>The Rights will lapse to the extent Transactions have not been entered into by 30 June 2019.</p> <p><b>Other key terms of the Rights</b></p> <p><b>Cessation of employment</b></p> <p>The Plan contains provisions concerning the treatment of vested and unvested Rights in the event that a participant ceases employment. Unless the Board determines otherwise, if Mr Gullotti ceases employment by reason of resignation, termination for poor performance or termination for cause, all Rights held by the Mr Gullotti will lapse.</p> <p>Unless the Board determines otherwise, if Mr Gullotti ceases employment for any other reason, including by reason of death, total and permanent disablement, redundancy or retirement, all Rights will continue to be held by Mr Gullotti subject to the rules of the Plan and the vesting conditions.</p> <p><b>Change of control</b></p> <p>The Board has the discretion under the Plan to accelerate the vesting of Rights in the event of a change of control, having regard to all relevant circumstances (including the extent to which any applicable vesting conditions have been met). Any other unvested Rights will lapse or be forfeited (as applicable) unless the Board determines otherwise.</p> <p><b>Clawback</b></p> <p>The Board has broad "clawback" powers under the Plan to determine that the Rights lapse, any shares allocated on vesting are forfeited, or that amounts are to be repaid in certain circumstances (for example, in the case of serious misconduct).</p> <p><b>Restrictions on dealing</b></p> <p>All dealings in respect of Rights issued under the Plan are prohibited unless the Board determines otherwise or the dealing is required by law and Mr Gullotti has provided satisfactory evidence to the Company. Mr Gullotti will be free to deal with the shares allocated on vesting of the Rights, subject to the requirements of the Company's Securities Trading Policy.</p> <p><b>Allocation of shares upon vesting and exercise</b></p> <p>Shares allocated to Mr Gullotti on vesting of the Rights may be issued by the Company, procured by transferring Shares to Mr Gullotti or procured by setting aside Shares for Mr Gullotti.</p>
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Shareholders should note that the Chairman intends to vote all undirected and available proxies in favour of Resolution 4.

#### Information provided under ASX Listing Rule 10.15

The following information is provided in accordance with Listing Rule ASX 10.15:

- The maximum number of Rights (and so ordinary shares) that Mr Gullotti will acquire if Resolution 4 is approved by Shareholders is 2,000,000.
- No consideration is payable by Mr Gullotti on the grant of the Rights or on the allocation of ordinary shares on vesting of the Rights.
- No person has received securities under the Plan since the last approval.
- No Director of the Company, other than the Managing Director, is eligible to participate in the grant of rights the subject of Resolution 4.
- No loans will be made by the Company in connection with the acquisition of the Rights or the ordinary shares the vesting of Rights by Mr Gullotti.
- If Shareholder approval is obtained, the Rights will be granted to Mr Gullotti as soon as practicable after the AGM, but in any event, within 12 months of the AGM.

#### RESOLUTION 5: APPROVAL OF NON-EXECUTIVE DIRECTORS' REMUNERATION POOL INCREASE

In accordance with ASX Listing Rule 10.17 and article 6.5 of the Company's Constitution, Resolution 5 seeks shareholder approval to increase the maximum aggregate sum per annum available to be paid to Directors (other than executive Directors) (**Non-Executive Directors**) by \$150,000 from \$300,000 to \$450,000. The current cap of \$300,000 was set by the Company in a general meeting held prior to the listing of the Company on the ASX in August 2007. The cap does not apply to the salaries of executive Directors but includes superannuation contributions for the benefit of Non-Executive Directors.

The total remuneration paid to the Company's Non-Executive Directors in the 2015 and 2016 financial years (including superannuation contributions) was \$144,483 per annum. Further detail is contained on page 36 of the Company's 2016 Annual Report.

The Directors believe that the proposed increase in the maximum aggregate amount per annum available to be paid to Non-Executive Directors is in line with corporate remuneration of similar companies and will allow the Company to accommodate potential increases in the number of Non-Executive Directors on the Board.

Shareholders should note that the Directors do not intend to distribute all of the \$450,000 (if approved) in the current year. Rather, it will assist in providing flexibility to allow the payment of an appropriate level of fees to attract suitably qualified Non-Executive Directors and accommodating any further increase in the number of Directors over time (including in connection with the Expansion Strategy).

Shareholders should note that the proposed increase in the amount available for Non-Executive Directors remuneration does not relate to salaries paid to executive Directors in their capacity as executives of the Company. Executive Directors do not receive remuneration in the form of the Directors' fees in addition to their salaries.

For the purposes of ASX Listing Rule 10.17, the Company advises that it has not issued any securities to Non-Executive Directors over the past 3 years under ASX Listing Rule 10.11 or 10.14 as part of their remuneration.

Shareholders should note that the Chairman intends to vote all undirected and available proxies in favour of Resolution 5.

# » NOTICE OF ANNUAL GENERAL MEETING

## ENQUIRIES

Shareholders are invited to contact the Company Secretary, Mr Gabriel Chiappini on +61 8 9479 7990 if they have any queries in respect of the matters set out in these documents.

## GLOSSARY

In addition to the terms defined in the body of this Explanatory Statement, the following terms have the following meanings in the Notice of Meeting and Explanatory Statement:

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

“**Annual General Meeting**” means the annual general meeting, the subject of the Notice;

“**Annual Report**” means the annual report of the Company for the year ended 30 June 2016;

“**ASX**” means ASX Limited ABN 98 008 624 691 and, where the context permits, the Australian Securities Exchange operated by ASX Limited;

“**Board**” means the board of Directors;

“**Closely Related Party**” has the meaning given to the term in the Corporations Act;

“**Company**” means Global Construction Services Limited ABN 81 104 662 259;

“**Constitution**” means the Constitution of the Company;

“**Corporations Act**” means the Corporations Act 2001 (Cth);

“**Director**” means a director of the Company;

“**Equity Securities**” has the meaning given in the Listing Rules;

“**Explanatory Statement**” means the Explanatory Statement accompanying the Notice;

“**GCS Group**” means the Company and each of its subsidiaries;

“**Key Management Personnel**” has the meaning given to that term in Accounting Standards;

“**Listing Rules**” means the Listing Rules of the ASX;

“**Meeting**” means the annual general meeting, the subject of the Notice;

“**Notice**” or “**Notice of Meeting**” means the notice of annual general meeting accompanying the Explanatory Statement;

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

“**Resolution**” means a resolution subject of the Notice;

“**Share**” means an ordinary fully paid share in the capital of the Company;

“**Shareholder**” means a holder of Shares; and

“**WST**” means Australian Western Standard Time.





**Ph: 139 GCS (139 427)**  
**[www.gcs-group.com.au](http://www.gcs-group.com.au)**





Global Construction Services Limited  
ABN 81 104 662 259

GCS

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

## Lodge your vote:



**Online:**

[www.investorvote.com.au](http://www.investorvote.com.au)



**By Mail:**

Computershare Investor Services Pty Limited  
GPO Box 242 Melbourne  
Victoria 3001 Australia

Alternatively you can fax your form to  
(within Australia) 1800 783 447  
(outside Australia) +61 3 9473 2555

For Intermediary Online subscribers only  
(custodians) [www.intermediaryonline.com](http://www.intermediaryonline.com)

## For all enquiries call:

(within Australia) 1300 764 094  
(outside Australia) +61 (3) 9415 4266

## Proxy Form

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### Vote and view the annual report online

- Go to [www.investorvote.com.au](http://www.investorvote.com.au) or scan the QR Code with your mobile device.
- Follow the instructions on the secure website to vote.

### Your access information that you will need to vote:

**Control Number: 999999**

**SRN/HIN: I999999999**

**PIN: 99999**

PLEASE NOTE: For security reasons it is important that you keep your SRN/HIN confidential.



**For your vote to be effective it must be received by 9:00am (WST) Tuesday, 22 November 2016**

## 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.

## Attending the Meeting

Bring this form to assist registration. If a representative of a corporate securityholder or proxy is to attend the meeting you will need to provide the appropriate "Certificate of Appointment of Corporate Representative" prior to admission. A form of the certificate may be obtained from Computershare or online at [www.investorcentre.com](http://www.investorcentre.com) under the help tab, "Printable Forms".

**Comments & Questions:** If you have any comments or questions for the company, please write them on a separate sheet of paper and return with this form.

**GO ONLINE TO VOTE,  
or turn over to complete the form →**

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



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



I 9999999999

IND

## Proxy Form

Please mark ☒ to indicate your directions

### STEP 1

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

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I/We being a member/s of Global Construction 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 Global Construction Services Limited to be held at Studios, Level 2, Crown Perth Convention Centre, Great Eastern Highway, Burswood, Western Australia on Thursday, 24 November 2016 at 9:00am (WST) 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, 4 and 5 (except where I/we have indicated a different voting intention below) even though Resolutions 1, 4 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, 4 and 5 by marking the appropriate box in step 2 below.

### 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 Mr George Chiari	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Resolution 3	Approval of 10% Placement Facility	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Resolution 4	Grant of Rights to the Managing Director	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Resolution 5	Approval of Non-Executive Directors' Remuneration Pool Increase	<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.

### SIGN

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

Individual or Securityholder 1

Sole Director and Sole Company Secretary

Securityholder 2

Director

Securityholder 3

Director/Company Secretary

Contact  
Name

\_\_\_\_\_

Contact  
Daytime  
Telephone

\_\_\_\_\_

Date / /