



ACN 117 371 418

# **Notice of Extraordinary General Meeting and Explanatory Statement**

**Extraordinary General Meeting to be held at  
22 Market Street, Brisbane Queensland  
on 9 April 2015  
commencing at 10:30am AEST**

The Notice of Extraordinary General Meeting, Explanatory Statement and Proxy Form should be read in their entirety. If you are in doubt as to how you should vote, you should seek advice from your accountant, solicitor or other professional advisor prior to voting.

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## Important dates

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<b>Snapshot date for eligibility to vote</b>	7 April 2015
<b>Last day for receipt of Proxy Forms*</b>	7 April 2015
<b>Extraordinary General Meeting</b>	9 April 2015

## Notice of Extraordinary General Meeting

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Notice is given that the Extraordinary General Meeting of Nomad Building Solutions Limited ACN 117 371 418 (**Company**) will be held at 22 Market Street, Brisbane, Queensland, on Wednesday, 9 April 2015, commencing at 10:30am AEST.

### AGENDA

#### **Resolution 1 – Approval of the Issue of Shares to Bloomer under the Share Sale Agreement**

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

*"That, for the purposes of ASX Listing Rule 10.11 and section 208 of the Corporations Act and for all other purposes, approval is given for the issue to Kurrewa Holdings Pty Ltd (as trustee for the Bloomer Family Trust) of up to 88,000,000 Shares (or such greater or lesser number of Shares as adjusted in accordance with the terms and conditions of the Share Sale Agreement) in accordance with the terms and conditions of the Share Sale Agreement, which is described in the Explanatory Statement that accompanies and forms part of this Notice of Meeting."*

#### Voting Exclusion Statement

The Company will disregard any votes cast in favour of Resolution 1 by:

- Kurrewa Holdings Pty Ltd and any of its Associates; and
- any person who might obtain a benefit if the Resolution is passed, except a benefit solely in the capacity of a holder of ordinary Shares, and any Associates of such person.

However, the Company need not disregard a vote if it is cast by a person as proxy for a person who is entitled to vote, in accordance with the directions on the proxy form; or if it is cast by the person chairing the meeting as proxy for a person who is entitled to vote, in accordance with the direction on the proxy form to vote as the proxy decides.

#### **Resolution 2 – Approval of the Issue of Shares to Ryder Capital under the Ryder Agreement**

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

*"That, for the purposes of ASX Listing Rule 10.11 and section 208 of the Corporations Act and for all other purposes, approval is given to issue to Ryder Capital Pty Ltd:*

1. *3,640,000 Shares in lieu of its management fees; and*
2. *up to 4,200,000 Shares in lieu of its fees as underwriter,*

*in accordance with the terms and conditions of the Ryder Agreement, which is described in the Explanatory Statement that accompanies and forms part of this Notice of Meeting."*

#### Voting Exclusion Statement

The Company will disregard any votes cast in favour of Resolution 2 by:

- Ryder Capital Pty Ltd and any of its Associates; and

- any person who might obtain a benefit if the Resolution is passed, except a benefit solely in the capacity of a holder of Ordinary shares, and any Associates of such person.

However, the Company need not disregard a vote if it is cast by a person as proxy for a person who is entitled to vote, in accordance with the directions on the proxy form; or if it is cast by the person chairing the meeting as proxy for a person who is entitled to vote, in accordance with the direction on the proxy form to vote as the proxy decides.

Please note, if you are giving a proxy to Peter Constable in his capacity as a Director, or David Bottomley in his capacity as an alternate Director, your votes under the proxy form in relation to this Resolution will not be able to be voted, unless you direct the proxy how to vote. The same restriction will apply if you give a proxy to any spouse or de factor partner of those directors, any of their children or parents or an entity controlled by any of those persons.

### **Resolution 3 – Approval of the Issue of Shares to Non-Associated Investors under the Share Placement**

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

*"That, for the purposes of ASX Listing Rule 7.1 and for all other purposes, approval is given for the issue to of up to 70,000,000 Shares to sophisticated and professional investors in accordance with the terms and conditions of the Share Placement, which is described in the Explanatory Statement that accompanies and forms part of this Notice of Meeting."*

#### **Voting Exclusion Statement**

The Company will disregard any votes cast in favour of Resolution 3 by:

- any person who participated in the issue of Shares under the Share Placement and any Associates of such person; and
- any person who might obtain a benefit if the Resolution is passed, except a benefit solely in the capacity of a holder of ordinary Shares, and any Associates of such person.

However, the Company need not disregard a vote if it is cast by a person as proxy for a person who is entitled to vote, in accordance with the directions on the proxy form; or if it is cast by the person chairing the meeting as proxy for a person who is entitled to vote, in accordance with the direction on the proxy form to vote as the proxy decides.

### **Resolution 4 – Approval of the Issue of Shares to Associated Investors under the Share Placement**

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

*"That, for the purposes of ASX Listing Rule 10.11 and sections 195(4) and 208 of the Corporations Act and for all other purposes, approval is given for the issue of:*

1. *up to 25,000,000 Shares to the directors of the Company and their associated entities as described in section 6.1 of the Explanatory Statement; and*
2. *up to 70,000,000 Shares to Ryder Capital Pty Ltd in its capacity as underwriter of the Share Placement under the Ryder Agreement,*

*in accordance with the terms and conditions of the Share Placement and Ryder Agreement which are described in the Explanatory Statement that accompanies and forms part of this Notice of Meeting."*

## Voting Exclusion Statement

The Company will disregard any votes cast in favour of Resolution 4 by:

- David Franklyn, Redan Street Pty Limited, Byrindy Pty Ltd, Daho Pty Ltd, Annapurna Investment Holdings Pty Ltd, Kathlac Pty Ltd, Ryder Capital Pty Ltd and any of their respective Associates;
- any person who participated in the issue of Shares under the Share Placement and any Associates of such person; and
- any person who might obtain a benefit if the Resolution is passed, except a benefit solely in the capacity of a holder of ordinary Shares, and any Associates of such person.

However, the Company need not disregard a vote if it is cast by a person as proxy for a person who is entitled to vote, in accordance with the directions on the proxy form; or if it is cast by the person chairing the meeting as proxy for a person who is entitled to vote, in accordance with the directions on the proxy form to vote as the proxy decides.

Please note, if you are giving a proxy to David Franklyn, Peter Constable, Heather Gardner or Lachlan McIntosh in their capacities as a Directors, or David Bottomley in his capacity as an alternate Director, your votes under the proxy form in relation to this Resolution will not be able to be voted, unless you direct the proxy how to vote. The same restriction will apply if you give a proxy to any spouse or de factor partner of those directors, any of their children or parents or an entity controlled by any of those persons.

## **Resolution 5 – Approval of the Issue of Shares and Options to Heather Gardner under the Gardner Contract**

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

*“That, for the purposes of ASX Listing Rule 10.11 and section 208 of the Corporations Act and for all other purposes, approval is given to issue to Heather Anne Gardner:*

*(a) 5,000,000 Shares, partly paid to \$0.01 per Share with \$0.04 per Share remaining unpaid upon issue; and*

*(b) 15,000,000 options to acquire Shares,*

*in accordance with the terms and conditions of the Gardner Contract (including the Option Terms), which is described in the Explanatory Statement that accompanies and forms part of this Notice of Meeting.”*

## Voting Exclusion Statement

The Company will disregard any votes cast in favour of Resolution 5 by:

- Heather Gardner and any of her Associates; and
- any person who might obtain a benefit if the Resolution is passed, except a benefit solely in the capacity of a holder of ordinary Shares, and any Associates of such person.

However, the Company need not disregard a vote if it is cast by a person as proxy for a person who is entitled to vote, in accordance with the directions on the proxy form; or if it is cast by the person chairing the meeting as proxy for a person who is entitled to vote, in accordance with the direction on the proxy form to vote as the proxy decides.

Please note, if you are giving a proxy to Heather Gardner in her capacity as a director of the Company, your votes under the proxy form in relation to this Resolution will not be able to be voted, unless you direct the proxy how to vote. The same restriction will apply if you give a proxy to any spouse or de factor partner of Heather Gardner, any of their children or parents or an entity controlled by any of those persons.

**By order of the Board**

A handwritten signature in black ink, appearing to read "O. Schweizer", with a long horizontal stroke extending to the right.

**Oliver Schweizer**  
**Company Secretary**  
4 March 2015

# Proxy appointment and voting instructions

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## Proxy Form

The Proxy Form (and any power of attorney or other authority, if any, under which it is signed) or a copy or facsimile which appears on its face to be an authentic copy of the proxy form (and the power of attorney or other authority) must be lodged no later than 10:30am AEST on 7 April 2015. Proxy Forms must be lodged with Security Transfer Registrars Pty Ltd:

**By hand:** Alexandra House, Suite 1, 770 Canning Highway, Applecross, WA, 6153

**By mail:** PO Box 535 Applecross WA, 6953

**By fax:** +61 8 9315 2233

**By email:** registrar@securitytransfer.com.au

Any Proxy Form received after that time will not be valid for the scheduled Meeting.

## Appointment of a proxy

Shareholders are advised that:

- Each Shareholder that is entitled to attend and vote at the Meeting is entitled to appoint a proxy.
- The proxy need not be a shareholder of the Company.
- A Shareholder who is 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.

Please write the name of the person you wish to appoint as your proxy in the Proxy Form. If you leave this section blank, or your named proxy does not attend the Meeting, the Chairman will be your proxy.

If you wish to appoint a second proxy, an additional Proxy Form may be obtained by telephoning the Company on +61 8 9303 3798 or you may photocopy the Proxy Form.

To appoint a second proxy you must state on each Proxy Form (in the appropriate box) the percentage of your voting rights which are the subject of the relevant proxy. If both Proxy Forms do not specify that percentage, each proxy may exercise half your votes. Fractions of votes will be disregarded.

## Corporate Shareholders

Corporate Shareholders should comply with the execution requirements set out on the Proxy Form or otherwise with the provisions of section 127 of the Corporations Act. Section 127 of the Corporations Act provides that a company may execute a document without using its common seal if the document is signed by:

- two directors of the company;
- a director and a company secretary of the company; or
- for a proprietary company that has a sole director who is also the sole company secretary – that director.

## Corporate Representatives

A corporation may elect to appoint an individual to act as its representative in accordance with section 250D of the Corporations Act, in which case the Company will require a certificate of appointment of the corporate representative executed in accordance with the Corporations Act. The certificate of appointment must be lodged with the Company and/or the Company's share registry, Security Transfer Registrars Pty Ltd, before the Meeting or at the registration desk on the day of the Meeting.

## Votes on Resolutions

You may direct your proxy how to vote by marking For, Against or Abstain for each Resolution. All your shareholding will be voted in accordance with such a direction unless you indicate only a portion of voting rights are to be voted on the Resolutions by inserting the percentage or number of Shares you wish to vote in the appropriate box or boxes. If you do not mark any of the boxes on the Resolutions, your proxy may vote as he or she chooses. If you mark more than one box on a Resolution your vote on will be invalid on that Resolution.

## Voting restrictions that may affect your proxy appointment – conflicted directors

- *Resolution 2*  
Peter Constable and David Bottomley and any of their respective spouses, de factor partners, children and parents and associates of any of them are not able to vote your proxy on Resolution 2 unless you have directed them how to vote. Please refer to section 4 of the Explanatory Statement for more information about the voting exclusions that apply to Resolution 2.

If you intend to appoint Peter Constable or David Bottomley or any of their respective spouses, de facto partners, children or parents or associates of any of them as your proxy, you are encouraged to direct them how to vote on Resolution 2.

- **Resolution 4**

David Franklyn, Peter Constable, David Bottomley, Heather Gardner and Lachlan McIntosh and any of their respective spouses, de facto partners, children and parents and associates of any of them are not able to vote your proxy on Resolution 4 unless you have directed them how to vote. Please refer to section 6 of the Explanatory Statement for more information about the voting exclusions that apply to Resolution 4.

If you intend to appoint David Franklyn, Peter Constable, David Bottomley, Heather Gardner or Lachlan McIntosh or any of their respective spouses, de facto partners, children or parents or associates of any of them as your proxy, you are encouraged to direct them how to vote on Resolution 4.

- **Resolution 5**

Heather Gardner and any spouse, de facto partner, children and parents and associates of any of them are not able to vote your proxy on Resolution 5 unless you have directed them how to vote. Please refer to section 7 of the Explanatory Statement for more information about the voting exclusions that apply to Resolution 5.

If you intend to appoint Heather Gardner or any spouse, de facto partner, children or parents or associates of any of them as your proxy, you are encouraged to direct them how to vote on Resolution 5.

### **How the Chairman will vote undirected proxies**

At the date of this Notice of Meeting, the Chairman intends to vote all undirected proxies FOR each of the Resolutions. In exceptional cases the Chairman's intentions may change subsequently and in this event, the Company will make an announcement to the market.

The Proxy Form expressly authorises the Chairman to exercise undirected proxies in his/her discretion in relation to all Resolutions even where such Resolutions are connected directly or indirectly with financial benefits to be given and shares to be issued to entities associated with certain directors of the Company.

### **Voting eligibility – snapshot date**

The Directors have determined that the persons eligible to attend and vote at the Extraordinary General Meeting are those persons who are registered Shareholders at 7:00pm Sydney time on 7 April 2015. Transactions registered after that time will be disregarded in determining entitlements to attend and vote at the Meeting.

### **Defined terms**

Capitalised terms used in the Notice and the Explanatory Statement are defined in the Glossary.

### **Questions from Shareholders**

At the Meeting the Chairman will allow a reasonable opportunity for Shareholders to ask questions or make comments about the Resolutions to be considered at the Meeting.

In addition to asking questions at the Meeting, written questions to the Board about the management of the Company or the Resolutions, may be submitted by no later than 10:30am on Monday, 7 April 2015:

**By hand:** 31 Challenge Boulevard, Wangara WA 6065

**By mail:** 31 Challenge Boulevard, Wangara WA, 6065

**By fax:** +61 8 9240 7268

**By email:** solutions@nomadbuilding.com.au

Copies of written questions will be available at the Meeting.



# Explanatory Statement

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## 1. Introduction

This Explanatory Statement has been prepared to provide information to Shareholders about the business to be conducted at the Meeting.

This Explanatory Statement should be read in conjunction with the Notice of Extraordinary General Meeting, the Notes and the Proxy Form.

Shareholders are encouraged to read this document in its entirety before making a decision on how to vote on the Resolutions being considered at the Meeting. This Explanatory Statement does not take into account the individual investment objectives, financial situation and needs of individual Shareholders or any other person. Accordingly, it should not be relied on solely in determining how to vote on the Resolutions.

If you have any doubt how to deal with this document, please consult your legal, financial or other professional advisor.

Capitalised terms in this Explanatory Statement are defined in the Glossary.

## 2. Acquisition of Bloomer – Background Information

### 2.1 General background

On 18 February 2015 the Company announced that it had executed the Share Sale Agreement under which the Company would:

- (a) acquire all of the ordinary shares in Bloomer Constructions (QLD) Pty Ltd (**Bloomer**) from Kurrewa Holdings Pty Ltd (as trustee for the Bloomer Family Trust) (**Kurrewa**); and
- (b) in consideration of the acquisition of Bloomer from Kurrewa, pay cash and issue Shares to Kurrewa, with:
  - (i) the cash and an initial tranche of Shares to be delivered on the Completion Date; and
  - (ii) further Shares to be issued to Kurrewa on or after 30 June 2017 (subject to certain conditions being satisfied) – these are referred to as the First Earn Out Consideration Shares and the Second Earn Out Consideration Shares below.

Kurrewa is a company controlled by Wayne Bloomer who is the founder and Managing Director of Bloomer. Kurrewa does not own any shares in the Company at the date of this Notice of Meeting.

Bloomer specialises in residential and commercial construction and civil works predominantly in Queensland and New South Wales, as well regional Western Australia and the Pacific Islands.

The proposed acquisition values Bloomer at \$10.4m and is structured as an upfront cash and share payment of \$5.9m with an earn-out component up to \$4.5m as follows:

- \$5.9m upfront payment– comprised of \$1.5m cash payable on completion plus 88.0m Shares (**Completion Shares**) issued at \$0.05 per share (value: \$4.4m); plus

- earn out payment of up to \$4.5m made up of:
  - \$1.5m attendance target payable in 30m Shares issued at \$0.05 per share (**First Earn Out Consideration Shares**); and
  - \$3.0m performance target payable in 46.2m Shares issued at \$0.065 per share, provided Bloomer has generated aggregate EBIT of at least \$8m in the two financial years of FY2016 and FY2017 (**Second Earn Out Consideration Shares**).
- Bloomer is expected to have a minimum \$5m of net tangible assets at Completion, with the Completion Shares subject to a \$1 for \$1 net asset adjustment mechanism for any amounts greater than or less than \$5m.

As at 16 February 2015, Bloomer had approximately \$158,000,000 of work in hand along with approximately \$68,000,000 of work won but not yet commenced and in FY2014 had revenue of approximately \$109,000,000.

## 2.2 Bloomer acquisition valuation considerations

The proposed acquisition purchase price of \$10.4m for the Bloomer business implies an acquisition EBIT multiple of approximately 2.6x on the basis of the full earn out consideration being paid to Kurrewa (calculated as an Enterprise Value of \$10.4m divided by 2-year average EBIT of \$4.0m).

The Board has reviewed publicly traded company financial information as the most reliable source of relative valuation data given these companies must closely adhere to Australian Accounting standards and ASX reporting obligations.

To enable a comparison of the Bloomer acquisition implied valuation, set out below is a selection of comparable listed Australian residential construction companies.

### Australian Residential Construction Comparable Companies

Company	Ticker	Price <sup>(1)</sup>	Market Cap	Net Debt (Cash)	EV	EV/EBIT FY2015 (2)	EV/EBIT FY2016 (2)
Peet	PPC	\$ 1.11	538.2	284	822.2	10.1x	9.8x
Cedar Woods	CWP	\$ 5.77	452.0	66	518.0	9.0x	8.2x
Sunland	SDG	\$ 1.72	312.5	70	382.5	10.5x	7.0x
Villa World	VLW	\$ 2.10	226.2	57	283.2	7.5x	6.0x
AV Jennings	AVJ	\$ 0.65	249.9	88	337.9	8.4x	7.2x
Devine	DVN	\$ 0.92	146.0	40	186.0	9.3x	8.9x
Tamawood <sup>(3)</sup>	TWD	\$ 3.57	91.2	-6	85.2	6.9x	4.8x
<b>Average</b>						8.8x	7.4x
<b>Median</b>						9.0x	7.2x

(1) At market close on 10 February 2015

(2) Bloomberg consensus forecast EBIT (at market close on 2 Mar. 2015)

(3) CCV Broker research (forecast EBIT)

The average FY2015 enterprise value (EV) EV/EBIT multiple for these selected listed Australian residential construction companies with an EV <\$350m is 8.7x (once Devine is excluded given advisors have been appointed to handle takeover offers for the company).

The Board is of the opinion that there are no directly comparable listed Australian residential/commercial construction companies with the Bloomer business. Furthermore the Board is of the opinion that the above schedule of selected listed Australian residential

construction companies is the best approximation of peer group comparables for the purposes of evaluating this transaction.

A recent example of a private home builder valuation by the public market was the ASX listing of Simonds (ASX:SIO) a Victorian home builder that also operated a vocational training business. Analyst research of Simonds concluded an appropriate valuation range for the home building division of that business was between 8.3x–10.7x FY2015 EBIT.

The Board has concluded that on valuation metrics, after applying a significant discount to the above average EV/EBIT multiples for selected listed Australian residential construction companies due to scale of business, business mix, landbank holdings and Bloomer's private company status, the Bloomer acquisition valuation is attractive.

## 2.3 Post Bloomer acquisition share capital table

Set out below is a table showing the share capital details of the Company after the Bloomer acquisition.

Nomad Issued Capital	Shares O/S	%	Value \$m	Share Price
Current	283,287,385			
<b>Bloomer Acquisition</b>				
Upfront Share Consideration	88,000,000		\$4,400,000	\$0.05
<b>Placement</b>				
Bloomer Acquisition Upfront Cash Consideration	30,000,000		\$1,500,000	\$0.05
Working Capital	40,000,000		\$2,000,000	\$0.05
FTI Advisory Fees <sup>(2)</sup>	3,640,000		\$182,000	\$0.05
Ryder Advisory Fees <sup>(1)</sup>	3,640,000		\$182,000	\$0.05
Ryder Placement Management Fees <sup>(1)</sup>	4,200,000		\$210,000	\$0.05
Total New Nomad Shares Issued	169,480,000			
<b>Total Nomad Shares O/S Post Completion</b>	<b>452,767,385</b>			
Vendor (Wayne Bloomer) shareholding	88,000,000	19.44%	Post Completion	
<b>2 Year Earnout Target</b>				
Attendance Target	30,000,000		\$1,500,000	\$0.05
Performance Target	46,153,846		\$3,000,000	\$0.065
Total	76,153,846			
<b>Total Nomad Shares Post Earnout</b>	<b>528,921,231</b>			
Vendor (Wayne Bloomer) shareholding	164,153,846	31.04%	\$10,400,000	

(1) All Advisory and Placement Management Fees are to be paid in Nomad Shares subject to shareholder approval

(2) Shares to FTI will be issued under the Company's 15% cap

The effect of the proposed transaction on non-associated shareholders is set out in the table below (in resolutions 3 and 4). Notwithstanding the dilutionary effect of the transaction on non-associated shareholders, it is the opinion of the Board that the prospects for the Company are materially enhanced by the proposed acquisition of Bloomer and as a consequence non-associated shareholders. Furthermore, it is the opinion of the Board that

non-associated shareholders will be at an advantage overall controlling a smaller percentage of the merged entity in contrast to retaining a larger percentage of the existing Company given its limited prospects operating on a stand-alone basis.

## **2.4 Benefits and risks of the Bloomer acquisition and disadvantages if the Bloomer acquisition does not proceed**

The directors of the Company consider that the acquisition of Bloomer will be of benefit to the Company for the following key reasons:

- (a) Bloomer has been in operation since 1983 and is a well known and well regarded business;
- (b) the operations of Bloomer are complementary to the existing Company operating business;
- (c) the founder of Bloomer (Wayne Bloomer) will continue to operate the business and will enter into a 5 year employment agreement with Bloomer which either Wayne Bloomer or Bloomer (the company) can terminate with six months' notice following July 2017;
- (d) the Bloomer business has a robust pipeline of residential and commercial construction projects;
- (e) the acquisition is expected to preserve the Company's valuable tax assets and bolsters it's balance sheet; and
- (f) the acquisition should enable the Company to consider the resumption of dividend payments and utilise it's franking credit balance.

Key risks to be considered in relation to the Bloomer acquisition include:

- (a) **Deterioration in consumer confidence.** Higher unemployment, higher interest rates, wage deflation may impact consumer confidence, which may in turn impact demand for residential housing.
- (b) **Deterioration in Business Confidence.** Higher interest rates and a decline in business operating conditions may impact demand for Bloomers commercial product offering.
- (c) **Key man risk.** The Bloomer business is heavily reliant on it's founder and any loss of Wayne Bloomer may detrimentally impact the ability of the business to win work and retain loyal staff
- (d) **Lower Population Growth.** Changes to immigration policies may impact population growth, which may impact demand for housing.
- (e) **Changes to Government Housing Incentives.** Changes to first home owner grants/incentives may impact demand for affordable housing. Changes to negative gearing legislation may impact investor demand for housing in general.
- (f) **Persistent Wet Weather.** Weather conditions may impact site starts and construction activity which could affect the timely completion and sale of construction projects.
- (g) **Increased Competition.** Increased competition amongst players in the home building and commercial construction sector may impact Bloomer's sales growth and/or margins.

Should the Bloomer acquisition not proceed due to failure to obtain Shareholder approval for the transaction, Shareholders may be disadvantaged for the following reasons:

- (a) the operating environment for the Company's two main operating divisions of McGrath Homes and Nomad Rental Properties remains very challenging. Notwithstanding recent measures taken to significantly reduce costs, introduce efficiency measures and set new staff and management objectives, this business must continue to win work at a competitive price in order to successfully compete in its home market;
- (b) the Company is heavily exposed to the downturn in the Western Australian mining and resources sector, in particular demand for remote and regional housing and accommodation;
- (c) the Company may be required to raise equity capital to fund its operations should operating conditions not improve should the acquisition not proceed;
- (d) the Company has a limited number of merger or acquisition partners and therefore limited growth opportunities given its market capitalisation;
- (e) the Company is a subscale investment opportunity relative to its sector peers and will remain so until either earnings improve or the Company increases the scale of its operation by way of merger or acquisition;
- (f) the Company last paid a dividend to shareholders in October 2009 and in the absence of an acquisition is unlikely to resume the payment of dividends in the near term; and
- (g) the Company has valuable tax assets and franking credits which are currently unable to be utilised given the poor trading performance of the incumbent operating businesses.

## 2.5 Key terms of the Share Sale Agreement

The key terms of the Share Sale Agreement are as follows:

- (a) The Company will acquire Bloomer along with all its current projects, other than three properties located in Newfarm, Queensland and Whyalla, South Australia and any other assets not included in Bloomer's completion accounts (the **Excluded Assets**), which must be disposed of by Bloomer prior to Completion of the Share Sale Agreement;
- (b) Completion of the acquisition of all of the shares in Bloomer by the Company will be conditional upon the following being satisfied or waived by 30 April 2015 (or such other date as the parties agree):
  - (i) the Company obtaining any shareholder, board and regulatory or other approvals required for the transactions contemplated by the Share Sale Agreement;
  - (ii) all necessary third party consents being obtained, on terms satisfactory to the Company;
  - (iii) the Company obtaining from a financier or financiers of its election, an unconditional term sheet on terms acceptable to the Company, Kurewa and Wayne Bloomer, refinancing Bloomer's bank overdraft facilities and bank guarantee facilities;

- (iv) no material adverse change occurring to either the Company or Bloomer, or their respective businesses and assets;
  - (v) Kurrewa or another person having assumed all liabilities associated with the Excluded Assets and indemnified Bloomer in relation to such liabilities on terms satisfactory to the Company;
  - (vi) Bloomer having disposed of the Excluded Assets;
  - (vii) Bloomer having entered into registered leases for certain business premises of Bloomer located Capalaba and Newstead;
  - (viii) the Company having completed the Share Placement; and
  - (ix) Bloomer providing to the Company a detailed forecast of its profit and loss for the period from 1 March 2015 to 30 June 2015;
- (c) Wayne Bloomer will enter into a contract of employment with Bloomer under which he will be appointed Chief Executive Officer of Bloomer for a period of up to 5 years, which may be terminated from 1 July 2017 by:
- (i) either party giving 6 months' notice; or
  - (ii) immediately by Bloomer (subject to payment to Wayne Bloomer of 6 months' remuneration);

It is also anticipated that Wayne Bloomer will be appointed as a director of the Company at Completion.

- (d) the net asset value of Bloomer at Completion is anticipated to be \$5,000,000 and the number of Shares to be issued to Kurrewa at Completion will be:
- (i) reduced if the net asset value at Completion is determined to be less than \$5,000,000; or
  - (ii) increased if the net asset value at Completion is determined to be greater than \$5,000,000;
- (e) the number of Shares to be issued to Kurrewa at Completion will also be reduced if the voting power of Kurrewa and its Associates or any other person in the Company would exceed 19.9% as a result of the issue of the Shares at Completion – if this happens the Cash Consideration will be increased on a dollar for dollar basis and paid to Kurrewa within 6 months from the Completion Date but not before 1 July 2015;
- (f) the issue of the First Earn Out Consideration Shares to Kurrewa is conditional upon Wayne Bloomer continuing to be employed as Chief Executive Officer of Bloomer on 30 June 2017 (and not having given notice of termination of employment before that date) and the Company obtaining any required approvals;
- (g) the issue of the Second Earn Out Consideration Shares to Kurrewa is conditional upon Bloomer having achieved an aggregate EBIT between Completion and 30 June 2017 of at least \$5,000,000 and the Company obtaining any required approvals. The number of Second Earn Out Consideration Shares (at an issue price of \$0.65 per Share) will be adjusted as follows:

- (i) if Bloomer achieves an actual EBIT of \$8,000,000 or more, the number of Second Earn Out Consideration Shares issued to Kurrewa will be equal to an amount of \$3,000,000;
  - (ii) if Bloomer achieves an actual EBIT of between \$5,000,000 and \$8,000,000, the number of Second Earn Out Consideration Shares issued to Kurrewa will be equal to an amount of \$3,000,000 minus \$1 for each \$1 (or part thereof) by which the actual EBIT is less than \$8,000,000;
- (h) if the First Earn Out Consideration Shares or Second Earn Out Consideration Shares are not issued to Kurrewa within 30 days of the Company obtaining the required approvals or by 15 January 2018, then Kurrewa may (subject to the above applicable conditions for the issue of such Shares being satisfied) elect to accept cash in replacement of such Shares on a dollar for dollar basis;
- (i) Kurrewa will give extensive warranties, undertakings and indemnities in relation to Bloomer and its business and Wayne Bloomer will guarantee any claims against Kurrewa under the Share Sale Agreement;
- (j) Kurrewa will undertake to not, and ensure that its related bodies corporate do not, for a maximum period of 3 years after Completion:
  - (i) engage in a business or operation similar to, or competitive with, the Bloomer business;
  - (ii) solicit or approach any person who was a customer of Bloomer in the 12 months prior to Completion;
  - (iii) induce or encourage any person who was an employee of Bloomer in the 12 months prior to Completion to leave the employment of Bloomer or the Company;
  - (iv) interfere with any relationship between Bloomer and any of its customers, employees or suppliers; or
  - (v) use a trade mark, logo or business name which may be misleadingly or deceptively similar to, or likely to be confused with, a trade mark, logo or business name of Bloomer;
- (k) if prior to Completion:
  - (i) any of the warranties given by Kurrewa or the Company are breached in a way that materially and adversely affects the value of the shares of Kurrewa or the Company (as applicable);
  - (ii) either Kurrewa or the Company materially breach its Completion obligations; or
  - (iii) Kurrewa or the Company become insolvent, and the breach or insolvency cannot or has not been remedied and the defaulting party does not agree to pay reasonable compensation to the non-defaulting party, then the non-defaulting party may choose to proceed for specific performance or terminate the Share Sale Agreement; and
- (l) if the Company is subject to a change in control or ceases to become listed on ASX, then Bloomer is immediately entitled to the First Earn Out Consideration Shares and Second Earn Out Consideration Shares, or if the relevant approvals for the issue of



such Shares are not obtained prior to the change of control or de-listing, Bloomer may elect to accept cash in replacement of such Shares.

### **3. Resolution 1 – Approval of the Issue of Shares to Kurrewa under the Share Sale Agreement**

#### **3.1 Issue of Shares to Kurrewa**

Under the Share Sale Agreement the Company will (subject to certain conditions and approvals being obtained):

- (a) acquire all of the ordinary shares in Bloomer from Kurrewa; and
- (b) provide the following consideration to Kurrewa on the Completion Date under the Share Sale Agreement:
  - (i) \$1,500,000 to be paid by transfer in cleared funds to the bank account nominated by Kurrewa in writing (**Cash Consideration**); and
  - (ii) up to 88,000,000 Shares to be issued to Kurrewa (or such greater amount determined in accordance with the Share Sale Agreement) at a notional issue price of \$0.05 per Share (**Completion Shares**); and
- (c) issue the following additional Shares to Kurrewa after 30 June 2017, subject to certain conditions being satisfied:
  - (i) up to 30,000,000 Shares at a notional issue price of \$0.05 per Share (**First Earn Out Consideration Shares**); and
  - (ii) up to 46,153,846 Shares (or such lesser or greater amount determined in accordance with the Share Sale Agreement) at a notional issue price of \$0.065 per Share (**Second Earn Out Consideration Shares**).

The Company is now seeking Shareholder approval under the ASX Listing Rules and the Corporations Act for the issue of the Completion Shares to Kurrewa.

This approval covers the maximum number of Completion Shares which could be issued to Kurrewa upon completion of the Share Sale Agreement (which may be greater than 88,000,000 Shares if the net asset value of Bloomer at Completion is greater than \$5,000,000).

Under the Share Sale Agreement, the number of Shares to be issued to Kurrewa at Completion will be reduced if the voting power of Kurrewa and its Associates or any other person in the Company would exceed 19.9% as a result of the issue of the Completion Shares – if this happens the number of Completion Shares will be reduced and the Cash Consideration will be increased by a proportionate amount.

#### **3.2 Approval under ASX Listing Rule 10.11 and Chapter 2E of the Corporations Act**

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

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



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

Although Wayne Bloomer is not presently a director of the Company, it is anticipated that, in addition to his role as Chief Executive Officer of Bloomer, he will become a director of the Company at Completion.

The Company issuing up to 88,000,000 Shares to Kurrewa (or such greater amount determined in accordance with the Share Sale Agreement) constitutes giving a financial benefit and Kurrewa is a related party of the Company because it is controlled by Wayne Bloomer, and it is anticipated that Wayne Bloomer will become a director of the Company at Completion.

ASX Listing Rule 10.11 also requires shareholder approval to be obtained where an entity issues, or agrees to issue, securities to a related party, or a person whose relationship with the entity or a related party is, in ASX's opinion, such that approval should be obtained unless an exception in ASX Listing Rule 10.12 applies.

The Directors consider that Shareholder approval pursuant to Chapter 2E of the Corporations Act is not required in respect of the issue of the Completion Shares under the Share Sale Agreement as the Share Sale Agreement was negotiated on an arm's length basis. Nonetheless, the Directors have decided to seek approval from Shareholders for the purpose of Chapter 2E of the Corporations Act.

The ASX Listing Rules provide that, in relation to a body corporate, "related party" has the meaning set out in Section 228 of the Corporations Act. Section 228(4) of the Corporations Act provides that an entity controlled by a related party (which includes a director of a public company) is a related party.

Because it is anticipated that Wayne Bloomer will become a director of the Company at Completion, and Wayne Bloomer controls Kurrewa, Kurrewa is a related party of the Company.

All material information required for Shareholders to consider Resolution 1 is outlined in sections 1, 2 and 3 of this Explanatory Statement.

### **3.3 Approval is for Completion Shares only**

Shareholders should note that approval under Resolution 1 is being sought only for the issue of the Completion Shares to Kurrewa. Approval is not being sought for either:

- (a) the issue of the First Earn Out Consideration Shares to Kurrewa; or
- (b) the issue of the Second Earn Out Consideration Shares to Kurrewa.

This is because these Shares are not being issued until after 30 June 2017 and, in any event, the issue of the Shares and the number of Shares to be issued under these additional tranches of consideration is conditional on certain things occurring and certain financial targets being satisfied under the Share Sale Agreement.

Pursuant to section 606(1) of the Corporations Act, a person must not acquire a relevant interest in issued voting shares in a listed company if the person acquiring the interest does so through a transaction in relation to securities entered into by or on behalf of the person and because of the transaction, that person's or someone else's voting power in the company increases:

- (a) from 20% or below to more than 20%; or

- (b) from a starting point that is above 20% and below 90%.

Notwithstanding this prohibition, the acquisition of voting shares is permitted if shareholder approval is obtained under Item 7 of section 611 of the Corporations Act.

Because the voting power of Kurrewa and its associates will be no more than 19.9% following the issue of the Completion Shares, no approval for the issue of the Completion Shares is required under Item 7 of section 611 of the Corporations Act.

It is possible that the later issue of the First Earn Out Consideration Shares or the Second Earn Out Consideration Shares to Kurrewa could require further shareholder approval under any or all of Listing Rule 7.1, Listing Rule 10.11 and Item 7 of section 611 of the Corporations Act and the issue of these further shares is conditional on such further shareholder approvals being obtained at the relevant time.

### **3.4 Information required under ASX Listing Rule 10.11 and Chapter 2E of the Corporations Act**

Pursuant to and in accordance with the requirements of section 219 of the Corporations Act and ASX Listing Rule 10.13, the following information is provided in relation to the issue of Completion Shares to Kurrewa under the Share Sale Agreement:

- (a) the related party to whom the Completion Shares will be issued is Kurrewa Holdings Pty Ltd (as trustee for the Bloomer Family Trust) who is a related party because it is an entity controlled by Wayne Bloomer, and it is anticipated that Wayne Bloomer will become a director of the Company at Completion;
- (b) the Completion Shares will be issued to Kurrewa no later than 1 month after the date of the Meeting (or such later date to the extent permitted by any ASX waiver or modification of the ASX Listing Rules);
- (c) the maximum number of Completion Shares (being the nature of the financial benefit being provided) to be issued is 88,000,000 if the net asset value of Bloomer at Completion is \$5,000,000 (or such greater number of Shares as adjusted in accordance with the terms and conditions of the Share Sale Agreement if the net asset value of Bloomer at Completion is greater than \$5,000,000);
- (d) the notional issue price of the Completion Shares is \$0.05 per Share;
- (e) the Completion Shares to be issued will be fully paid ordinary shares in the capital of the Company, issued on the same terms and conditions as the Company's existing ordinary shares (other than the Escrow Conditions – see section 3.6 below);
- (f) because the Completion Shares are being issued to Kurrewa as partial consideration for the acquisition of Bloomer under the Share Sale Agreement, no additional funds are being raised by the issue of the Completion Shares;
- (g) the benefits to the Company of issuing the Completion Shares to Kurrewa as considered by the Directors are as set out in section 0 of this Explanatory Memorandum; and
- (h) whilst the issue of the Completion Shares to Kurrewa will dilute the capital of the Company, the Directors believe that the notional price for the Shares under the Share Sale Agreement is an appropriate price having regard to the current market price for the Shares and the anticipated growth of the Company following the acquisition of Bloomer, and also because it is the price at which Shares are being issued to investors under the Share Placement.

### **3.5 No approval required under ASX Listing Rule 7.1**

ASX Listing Rule 7.1 provides that a company must not, subject to specified exceptions, issue or agree to issue more equity securities during any 12 month period than the number of equity securities which would represent 15% of the number of fully paid ordinary securities in the company on issue at the beginning of that 12 month period.

Although the Completion Shares could represent approximately up to 19.9% of the ordinary Shares of the Company, an exception to ASX Listing Rule 7.1 applies under ASX Listing Rule 7.2 where Shareholder approval under ASX Listing Rule 10.11 is obtained. Therefore the Company is not required to obtain Shareholder approval under Listing Rule 7.1 for the issue of the Completion Shares to Kurrewa.

### **3.6 Escrow Conditions**

Under the terms of the Share Sale Agreement, the Completion Shares are issued to Kurrewa as Restricted Securities for an initial escrow period of 36 months, to be released as follows:

- (a) one third of the Restricted Securities 12 months from Completion;
- (b) a further one third of the Restricted Securities 24 months from Completion; and
- (c) the remaining Restricted Securities 36 months from Completion,

subject to any longer or more restrictive escrow period for the Restricted Securities required by ASX.

The First Earn Out Consideration Shares and Second Earn Out Consideration Shares will be issued as Restricted Securities only if required by ASX, and on the terms and for an escrow period required by ASX.

During the escrow period for Restricted Securities:

- (a) Kurrewa must not do any of the following:
  - (i) dispose of, or agree or offer to dispose of, the Restricted Securities;
  - (ii) create, or agree or offer to create, any security interest in the Restricted Securities;
  - (iii) do or omit to do, any act if the act or omission would have the effect of transferring effective ownership or control of the Restricted Securities; or
  - (iv) take part in the return of capital made by the Company; and
- (b) Wayne Bloomer must not do any of the following, and Kurrewa must ensure that any other controller of the Restricted Securities not do any of the following:
  - (i) dispose of, or agree or offer to dispose of, its controlling interests;
  - (ii) create, or agree or offer to create, any security interest in its controlling interests; or
  - (iii) do or omit to do, any act if the act or omission would have the effect of transferring effective ownership or control of its controlling interests.

Kurrewa must also do all things necessary to allow the Company to comply with the ASX Listing Rules in respect of the Restricted Securities, and take any steps necessary to prevent any breach of the Share Sale Agreement, or enforce the Share Sale Agreement, in relation to the Restricted Securities.

### **3.7 About Kurrewa**

Kurrewa is a company incorporated in Queensland, Australia. Its sole business is holding the shares in Bloomer. Kurrewa's business premises are located at 6 Kurrewa Court, Victoria Point, Queensland 4165. Kurrewa's shareholders are Wayne Bloomer and Pauline Bloomer, both Australian citizens, and Kurrewa's sole director and secretary is Wayne Bloomer.

### **3.8 Directors recommendation**

All of the Directors recommend you vote in favour of this Resolution 1 for the reasons set out in paragraphs (g) and (h) of section 3.4 above.

## **4. Resolution 2 – Approval of the Issue of Shares to Ryder Capital under the Ryder Agreement**

### **4.1 General**

Resolution 2 seeks Shareholder approval for the issue to Ryder Capital of:

1. 3,640,000 Shares in lieu of its management fees; and
2. up to 4,200,000 Shares in lieu of its fees as underwriter,

under the Ryder Agreement.

### **4.2 Approval under ASX Listing Rule 10.11 and Chapter 2E of the Corporations Act**

Chapter 2E requires Shareholder approval for financial benefits given to related parties and ASX Listing Rule 10.11 also requires Shareholder approval for the issue of securities to a related party. A summary of ASX Listing Rule 10.11 and the relevant sections of Chapter 2E are set out in section 3.2 of this Explanatory Memorandum.

The Company issuing a total of up to 7,840,000 Shares in lieu of fees in accordance with the Ryder Agreement constitutes giving a financial benefit and Ryder Capital is a related party of the Company because it is controlled by Peter Constable, a Director, and David Bottomley, an alternate Director.

The Directors, other than Peter Constable and David Bottomley (who control Ryder Capital and therefore have a material personal interest in the Resolution), consider that Shareholder approval pursuant to Chapter 2E of the Corporations Act is not required in respect of the issue of the Shares under the Ryder Agreement as the Ryder Agreement was negotiated on an arm's length basis. Nonetheless, the Directors have decided to seek approval from Shareholders for the purpose of Chapter 2E of the Corporations Act.

The ASX Listing Rules provide that, in relation to a body corporate, "related party" has the meaning set out in section 228 of the Corporations Act. Section 228(4) of the Corporations Act provides that an entity controlled by a related party (which includes a director of a public company) is a related party.

Given that Peter Constable is a Director and David Bottomley is an alternate Director, and Peter Constable and David Bottomley also control Ryder Capital, Ryder Capital is a related party of the Company.

All material information required for Shareholders to consider Resolution 2 is outlined in sections 1, 2 and 4 of this Explanatory Statement.

#### 4.3 Information required under ASX Listing Rule 10.11 and Chapter 2E of the Corporations Act

Pursuant to and in accordance with the requirements of section 219 of the Corporations Act and ASX Listing Rule 10.13, the following information is provided in relation to the proposed issue of Shares to Ryder Capital:

- (a) the related party is Ryder Capital Pty Ltd who is a related party because it is an entity controlled by Peter Constable, a Director, and David Bottomley, an alternate Director;
- (b) the Shares will be issued to Ryder Capital no later than 1 month after the date of the Meeting (or such later date to the extent permitted by any ASX waiver or modification of the ASX Listing Rules);
- (c) the maximum number of Shares (being the nature of the financial benefit being provided) to be issued to Ryder Capital in lieu of its fees under the Ryder Agreement is 7,840,000 Shares;
- (d) the Shares in lieu of fees will be issued at a deemed issue price of \$0.05 per Share in lieu of a total amount of fees of up to \$392,000 (plus GST, the amount of which the Company will separately pay to Ryder Capital in cash), which would otherwise be payable by the Company and, accordingly no funds will be raised by the issue of the Shares to Ryder Capital.
- (e) the Shares to be issued to Ryder Capital will be fully paid ordinary shares in the capital of the Company issued on the same terms and conditions as the Company's existing Shares;
- (f) the Directors (other than Peter Constable and David Bottomley) consider that the benefit to the Company of issuing the Shares to Ryder Capital in lieu of payment of fees is to preserve the working capital available to the Company which would otherwise be paid in fees; and
- (g) whilst the issue of the Shares to Ryder Capital will further dilute the capital of the Company, the Directors (other than Peter Constable and David Bottomley) believe that the price for the Shares under the Ryder Agreement is an appropriate price, being the price at which Shares are being issued to Kurrewa under the Share Sale Agreement and investors under the Share Placement. The following table shows the shareholding of Ryder Capital and related entities in the Company before and after the shares proposed to be issued in this resolution 2 and other resolutions of this meeting.

	# of shares held by Ryder Capital and related entities	# of shares / potential shares to be issued	# of shares / potential shares to be issued to Ryder Capital and related entities	Total number of shares outstanding	Ryder Capital and related entities % ownership
NOD fully-paid ordinary shares prior to EGM	13,125,000			283,287,417	4.63%
Resolution 1	13,125,000	88,000,000	-	371,287,417	3.53%

	# of shares held by Ryder Capital and related entities	# of shares / potential shares to be issued	# of shares / potential shares to be issued to Ryder Capital and related entities	Total number of shares outstanding	Ryder Capital and related entities % ownership
Resolution 2	13,125,000	7,840,000	7,840,000	379,127,417	5.53%
Resolution 3	20,965,000	45,000,000*	-*	424,127,417	4.94%
Resolution 4	20,965,000	25,000,000**	13,000,000**	449,127,417	7.56%
Resolution 5	33,965,000	20,000,000	-	469,127,417	7.24%

\* on the basis that all non-associated investors in the Share Placement acquire their allocated shares and Ryder Capital is not required to take up any shortfall under its underwriting agreement

\*\* on the basis that all associated investors in the Share Placement acquire their allocated shares and Ryder Capital is not required to take up any shortfall under its underwriting agreement

#### 4.4 Approval under ASX Listing Rule 7.1 not required

Approval pursuant to ASX Listing Rule 7.1 is not required for the issue of the Shares as approval is being obtained under ASX Listing Rule 10.11. Accordingly, the issue of Shares to Ryder Capital in lieu of fees under the Ryder Agreement will not be included in the use of the Company's 15% annual placement limit under Listing Rule 7.1. (A summary of ASX Listing Rule 7.1 is set out in section 3.5 of this Explanatory Memorandum.)

#### 4.5 Directors recommendation

David Franklyn, Heather Gardner and Lachlan McIntosh recommend that Shareholders vote in favour of Resolution 2 for the reasons set out in paragraphs (f) and (g) of section 4.3 above.

Peter Constable and David Bottomley have an interest in the outcome of Resolution 2 and therefore do not make any recommendation in relation to this Resolution.

### 5. Resolution 3 – Approval of the Issue of Shares to Non-Associated Investors under the Share Placement

#### 5.1 General

Under the terms of the Share Sale Agreement, it is a condition of Completion that the Company issue Shares to one or more institutional shareholders by way of a private placement in order to raise up to \$3.5 million (**Share Placement**) (see section 2.5(b)(viii) of this Explanatory Memorandum). The purpose of the Share Placement is to raise funds for the acquisition of Bloomer and for working capital and general corporate purposes.

The Company is now seeking Shareholder approval under the ASX Listing Rules and the Corporations Act for the issue of Shares under the Share Placement. The Shares under the Share Placement will be issued at an issue price of \$0.05 per Share. Although the Share Placement is primarily directed at non-associated sophisticated and professional investors, it is intended that Directors and their associated entities will also participate in the Share Placement. Because the timing of the Share Placement and the allocations of Shares between Directors/related parties and non-associated investors is presently uncertain, the Notice of Meeting includes approvals which cover 2 possible outcomes in relation to the Share Placement, as follows:

- (a) up to 70,000,000 Shares may be issued to non-associated investors after the date of the Meeting; and
- (b) up to 25,000,000 Shares may be issued to associated investors after the date of the Meeting.

In total, the Company intends to issue up to 70,000,000 Shares under the Share Placement.

Resolution 3 seeks Shareholder approval pursuant to ASX Listing Rule 7.1 for the issue of up to 70,000,000 Shares to non-associated investors under the Share Placement.

As explained above, this Resolution is intended to cover the balance of the Share Placement (being up to 70,000,000 Shares) but excluding any Shares which are issued to Directors and related parties (being covered by Resolution 4). It potentially covers the full amount of the Share Placement. This Resolution will only operate in respect of the balance of the Share Placement not covered by Resolution 4, for example if 25,000,000 Shares are issued to Directors and related parties, this Resolution will only operate in respect of the balance remaining (being 45,000,000 Shares). The following table sets out the shareholdings of the associated and non-associated shareholders before and after the issue of shares in all resolutions of this meeting.

	# of shares / potential shares to be issued	# of shares held by non-associated shareholders	# of shares held by associated shareholders and their related entities					
			Kurrewa	Peter Constable	David Bottomley	Heather Gardner	Lachlan McIntosh	David Franklyn
NOD fully-paid ordinary shares prior to EGM	283,287,417	269,162,417	-	7,125,000	6,000,000	500,000	500,000	-
Beginning %	100.00%	95.01%	0.00%	2.52%	2.12%	0.18%	0.18%	0.00%
Resolution 1	88,000,000		88,000,000					
Resolution 2	7,840,000			3,920,000*	3,920,000*			
Resolution 3	45,000,000	45,000,000						
Resolution 4	25,000,000			8,000,000	5,000,000	7,000,000	4,000,000	1,000,000
Resolution 5	20,000,000					20,000,000		
Total shares	469,127,417	314,162,417	88,000,000	19,045,000	14,920,000	27,500,000	4,500,000	1,000,000
Ending %	100.00%	66.97%	18.76%	4.06%	3.18%	5.86%	0.96%	0.21%

\* assuming that the shares issued to Ryder Capital under resolution 2 are distributed evenly between Peter Constable and David Bottomley.

## 5.2 Approval under ASX Listing Rule 7.1

ASX Listing Rule 7.1 provides that a company must not, subject to specified exceptions, issue or agree to issue more equity securities during any 12 month period than the number of equity securities which would represent 15% of the number of fully paid ordinary securities in the company on issue at the beginning of that 12 month period.

Because the Shares issued under the Share Placement could represent greater than 15% of the number of fully paid ordinary shares of the Company and no exception applies under Listing Rule 7.2, the Company is required to obtain shareholder approval under Listing Rule 7.1 for the issue of up to 70,000,000 Shares to sophisticated and professional investors under the Share Placement.



All material information required for Shareholders to consider Resolution 3 is outlined in sections 1, 5 and 6 of this Explanatory Statement.

### 5.3 Information required by Listing Rule 7.3

Pursuant to and in accordance with the requirements of ASX Listing Rule 7.3, the following information is provided in relation to the issue of Shares to non-associated investors under the Share Placement:

- (a) the maximum number of Shares which could be issued is 70,000,000 Shares;
- (b) the Company will issue the Shares no later than 3 months after the date of the Meeting;
- (c) the issue price of the Shares is \$0.05 per Share;
- (d) the Shares will be issued to sophisticated and professional investors who are not related parties of the Company;
- (e) the Shares will be new fully paid ordinary shares in the capital of the Company issued on the same terms and conditions as the Company's existing Shares;
- (f) the Shares will be issued for the purpose of raising funds for the acquisition of Bloomer and for working capital and general corporate purposes; and
- (g) the issue of Shares to sophisticated and professional investors under the Share Placement will occur progressively.

### 5.4 Directors recommendation

All of the Directors recommend you vote in favour of this Resolution 3.

## 6. Resolution 4 – Approval of the Issue of Shares to Associated Investors under the Share Placement

### 6.1 General

Background information about the Share Placement is set out in section 5.1 of this Explanatory Memorandum.

The following Directors and their related entities have expressed an interest in participating in the Share Placement, up to the maximum number of Shares listed beside them in the last column below:

Director	Director-related entity	Number
Peter Constable	<ul style="list-style-type: none"> <li>Redan Street Pty Limited as trustee for &lt;The TJW A/C&gt;</li> </ul>	8,000,000
David Bottomley	<ul style="list-style-type: none"> <li>Byrindy Pty Ltd; and/or</li> <li>Daho Pty Ltd as trustee for the DHB Super Fund</li> </ul>	5,000,000
Heather Gardner	<ul style="list-style-type: none"> <li>Annapurna Investment Holdings Pty Ltd as trustee for the Annapurna Investment Holdings Trust</li> </ul>	7,000,000
Lachlan McIntosh	<ul style="list-style-type: none"> <li>Kathlac Pty Ltd as trustee for McIntosh Family Trust</li> </ul>	4,000,000



Director	Director-related entity	Number
David Franklyn	<ul style="list-style-type: none"> <li>David Franklyn As Trustee For The Franklyn Trust</li> </ul>	1,000,000

Whether or not the above Directors subscribe for Shares under the Share Placement will be determined by having regard to the commitments under the Share Placement made by non-associated investors (see section 5 above). Each Director may take the maximum number of Shares they wish to subscribe for as listed above, a smaller number of those Shares or no Shares at all.

Also, Ryder Capital was appointed as underwriter of the Share Placement pursuant to the Ryder Agreement. Under the terms of the Ryder Agreement, Ryder Capital has agreed to subscribe for Shares in its capacity as underwriter where a proposed investor under the Share Placement does not complete. As underwriter, Ryder Capital will be issued with any Shares under the Share Placement that are not taken up by other investors who have committed to do so.

Resolution 4 seeks Shareholder approval for the issue of:

1. up to 25,000,000 Shares to the directors of the Company and their associated entities; and
2. up to 70,000,000 Shares to Ryder Capital in its capacity as underwriter of the Share Placement under the Ryder Agreement,

in accordance with the terms and conditions of the Share Placement.

## 6.2 Approval under ASX Listing Rule 10.11 and Chapter 2E of the Corporations Act

Chapter 2E requires Shareholder approval for financial benefits given to related parties and ASX Listing Rule 10.11 also requires Shareholder approval for the issue of securities to a related party. A summary of ASX Listing Rule 10.11 and the relevant sections of Chapter 2E are set out in section 4.2 of this Explanatory Memorandum.

The Company issuing:

1. up to 25,000,000 Shares to the directors of the Company and their associated entities; and
2. up to 70,000,000 Shares to associated investors (including Ryder Capital Pty Ltd in its capacity as underwriter of the Share Placement)

in accordance with the terms of the Share Placement constitutes giving a financial benefit. In addition, each investor who will be issued with the Shares is a related party of the Company for the following reasons:

- (a) each of the entities listed in the table in section 6.1 above is a related party of the Company because it is controlled by a Director; and
- (b) Ryder Capital is a related party of the Company because it is controlled by Peter Constable, a Director, and David Bottomley, an alternate Director

(together, the **Associated Investors**).

The ASX Listing Rules provide that, in relation to a body corporate, “related party” has the meaning set out in section 228 of the Corporations Act. Section 228(4) of the Corporations

Act provides that an entity controlled by a related party (which includes a director of a public company) is a related party.

As detailed above, each of the Associated Investors who will be issued with Shares under the Share Placement is a related party of the Company.

Because all Directors are potentially participating in the Share Placement, this approval constitutes an approval under section 195(4) of the Corporations Act, which allows for a matter to be approved by Shareholders where the number of Directors approving the matter is less than a quorum for a Directors' meeting, because of the personal interest which the Directors have in the outcome of the Resolution.

All material information required for Shareholders to consider Resolution 4 is outlined in sections 1 2, 5 and 6 of this Explanatory Statement.

### **6.3 Information required under ASX Listing Rule 10.11 and Chapter 2E of the Corporations Act**

Pursuant to and in accordance with the requirements of section 219 of the Corporations Act and ASX Listing Rule 10.13, the following information is provided in relation to the proposed issue of Shares to Associated Investors:

- (a) the related parties are:
  - (i) Redan Street Pty Limited, which is a related party because it is an entity controlled by Peter Constable, a Director;
  - (ii) Daho Pty Ltd, which is a related party because it is an entity controlled by David Bottomley, an alternate Director;
  - (iii) Byrindy Pty Ltd, which is a related party because it is an entity controlled by David Bottomley, an alternate Director;
  - (iv) Kathlac Pty Ltd, which is a related party because it is an entity controlled by Lachlan McIntosh, a Director;
  - (v) Annapurna Investment Holdings Pty Ltd, which is a related party because it is an entity controlled by Heather Gardner, a Director;
  - (vi) David Franklyn as trustee of The Franklyn Trust, which is a related party because it is controlled by David Franklyn, a Director; and
  - (vii) Ryder Capital, which is a related party because it is an entity controlled by Peter Constable, a Director, and David Bottomley, an alternate Director;
- (b) the maximum number of Shares (being the nature of the financial benefit being provided) to be issued to the Associated Investors is:
  - (i) up to 25,000,000 Shares to the directors of the Company and their associated entities; and
  - (ii) up to 70,000,000 Shares to Ryder Capital in its capacity as underwriter of the Share Placement under the Ryder Agreement;
- (c) the Shares will be issued to the Associated Investors no later than 1 month after the date of the Meeting (or such later date to the extent permitted by any ASX waiver or modification of the ASX Listing Rules);

- (d) the Shares will be issued at a price of \$0.05 per Share and the funds raised will be applied to fund the acquisition of Bloomer and for working capital and other general corporate purposes;
- (e) the Shares will be fully paid ordinary shares in the capital of the Company issued on the same terms and conditions as the Company's existing Shares;
- (f) the benefit to the Company of issuing the Shares to the Associated Investors and to Ryder Capital as underwriter is to fund the acquisition of Bloomer and increase the amount of working capital available to the Company; and
- (g) whilst the issue of the Shares to the Associated Investors and to Ryder Capital as underwriter will further dilute the capital of the Company, the price for the Shares to be issued to the Associated Investors and to Ryder Capital as underwriter is the same price at which Shares are being issued to Kurrewa under the Share Sale Agreement and to other non-associated investors under the Share Placement. The following table sets out the shareholdings of the associated and non-associated shareholders before and after the issue of all shares in this notice of meeting.

	# of shares / potential shares to be issued	# of shares held by non-associated shareholders	# of shares held by associated shareholders and their related entities					
			Kurrewa	Peter Constable	David Bottomley	Heather Gardner	Lachlan McIntosh	David Franklyn
NOD fully-paid ordinary shares prior to EGM	283,287,417	269,162,417	-	7,125,000	6,000,000	500,000	500,000	-
Beginning %	100.00%	95.01%	0.00%	2.52%	2.12%	0.18%	0.18%	0.00%
Resolution 1	88,000,000		88,000,000					
Resolution 2	7,840,000			3,920,000*	3,920,000*			
Resolution 3	45,000,000	45,000,000						
Resolution 4	25,000,000			8,000,000	5,000,000	7,000,000	4,000,000	1,000,000
Resolution 5	20,000,000					20,000,000		
Total shares	469,127,417	314,162,417	88,000,000	19,045,000	14,920,000	27,500,000	4,500,000	1,000,000
Ending %	100.00%	66.97%	18.76%	4.06%	3.18%	5.86%	0.96%	0.21%

\* assuming that the shares issued to Ryder Capital under resolution 2 are distributed evenly between Peter Constable and David Bottomley.

#### 6.4 Approval under ASX Listing Rule 7.1 not required

Approval pursuant to ASX Listing Rule 7.1 is not required for the issue of the Shares as approval is being obtained under ASX Listing Rule 10.11. Accordingly, the issue of Shares to the Associated Investors under the Share Placement will not be included in the use of the Company's 15% annual placement limit under Listing Rule 7.1. (A summary of ASX Listing Rule 7.1 is set out in section 3.5 of this Explanatory Memorandum.)

#### 6.5 Directors recommendation

All Directors have an interest in the outcome of Resolution 4 and therefore they do not make any recommendation in relation to this Resolution.

## **7. Resolution 5 – Approval of the Issue of Shares and Options to Heather Gardner under the Gardner Contract**

### **7.1 General**

Resolution 5 seeks Shareholder approval for the issue to Heather Gardner of:

- (a) 5,000,000 Shares, partly paid to \$0.01 per Share with \$0.04 per Share remaining unpaid upon issue (**Partly Paid Shares**); and
  - (b) 15,000,000 options to acquire Shares (**Options**),
- under the Gardner Contract.

On 26 February 2015, Heather Gardner and the Company entered into an employment contract pursuant to which Heather Gardner was appointed as Chief Executive Officer of the Company (the **Gardner Contract**). As part of Heather Gardner's remuneration package under the Gardner Contract, Heather Gardner will be issued with:

- (a) 5,000,000 Partly Paid Shares, with the amount remaining unpaid on each Partly Paid Share callable by the Company at any time; and
- (b) 15,000,000 Options, to be issued in three separate tranches as described in section 7.3(d)(ii) below.

A summary of the terms of the Options is set out in Annexure A to this Explanatory Statement. In addition to the Partly Paid Shares and Options, Heather Gardner's remuneration package includes salary of \$275,000 (inclusive of superannuation) and a short-term incentive capped at 100% of salary, payable at the discretion of the Company's Board.

### **7.2 Approval under ASX Listing Rule 10.11 and Chapter 2E of the Corporations Act**

Chapter 2E requires Shareholder approval for financial benefits given to related parties and ASX Listing Rule 10.11 also requires Shareholder approval for the issue of securities to a related party. A summary of ASX Listing Rule 10.11 and the relevant sections of Chapter 2E are set out in section 3.2 of this Explanatory Memorandum.

The Company issuing the Partly Paid Shares and Options in accordance with the Gardner Contract constitutes giving a financial benefit to a related party because Heather Gardner is a Director.

All material information required for Shareholders to consider Resolution 5 is outlined in sections 1 and 7 of this Explanatory Statement.

### **7.3 Information required under ASX Listing Rule 10.11 and Chapter 2E of the Corporations Act**

Pursuant to and in accordance with the requirements of section 219 of the Corporations Act and ASX Listing Rule 10.13, the following information is provided in relation to the proposed issue of Shares to Heather Gardner:

- (a) Heather Gardner is a related party because she is a Director;
- (b) the Partly Paid Shares and Options will be issued to Heather Gardner no later than 1 month after the date of the Meeting (or such later date to the extent permitted by any ASX waiver or modification of the ASX Listing Rules);

- (c) the maximum number of Partly Paid Shares and Options (being the nature of the financial benefit being provided) to be issued to Heather Gardner is:
  - (i) 5,000,000 Partly Paid Shares; and
  - (ii) 15,000,000 Options
- (d) the:
  - (i) Partly Paid Shares will be issued at a price of \$0.05 per Share, with \$0.01 per Share being paid up by the Company upon issue and the balance of the issue price being callable by the Company at any time; and
  - (ii) Options will be issued in three separate tranches, as follows:
    - A. Series 1: on 26 February 2016, 5,000,000 Options will vest with an exercise price of \$0.08 per Share;
    - B. Series 2: on 26 February 2017, 5,000,000 Options will vest with an exercise price of \$0.10 per Share;
    - C. Series 3: on 26 February 2018, 5,000,000 Options will vest with an exercise price of \$0.12 per Share;

Each Option will expire 12 months after the Vesting Date for the relevant Option.
- (e) the Directors (other than Heather Gardner) consider that the benefit to the Company of issuing the Partly Paid Shares and Options to Heather Gardner is to secure her appointment and retention as Chief Executive Officer of the Company; and
- (f) whilst the issue of the Partly Paid Shares and Options to Heather Gardner will further dilute the capital of the Company, the Directors (other than Heather Gardner) consider that:
  - (i) the issue price for the Partly Paid Shares (after allowing for the \$0.01 per Share paid up by the Company upon issue) is appropriate having regard to the current ASX trading price of the Company's shares and the price at which Shares were issued under the Share Placement;
  - (ii) the issue of the Options for no additional consideration is appropriate as it forms part of the total remuneration package negotiated with Heather Gardner and the Options will not vest unless Heather Gardner remains employed as Chief Executive Officer on the vesting date of each series of Options; and
  - (iii) the issue price of Shares upon exercise of the Options is appropriate having regard to the current Share price and the anticipated growth of the Company following the Bloomer acquisition.
  - (iv) The table contained in resolutions 3 and 4 sets out Heather Gardner and her related entities shareholding in the Company before and after the resolutions of this meeting.
- (g) Following is an estimation of value of the Partly Paid Shares and Options along with a summary of the key assumptions used:

- (i) the value of the Partly Paid Shares at grant date is estimated to be \$50,000 being equal to \$0.01 of 5,000,000 shares that is paid up by the Company.
- (ii) the value of the Options at grant date is estimated using the Black-Scholes Option Pricing Model, the values of which and key assumptions used is set out in the following table:

	Value per option (est) (\$)	Value of options (\$)	Underlying NOD share price at grant date (\$)	Exercise price (\$)	Time to maturity (yrs)	Volatility (%)	Risk free rate (%)	Dividend Yield (%)
Series 1	0.014	67,732	0.054	0.08	2	66.02	1.80	0
Series 2	0.015	77,078	0.054	0.10	3	66.87	1.80	0
Series 3	0.016	80,339	0.054	0.12	4	64.37	1.87	0

#### **7.4 Approval under ASX Listing Rule 7.1 not required**

Approval pursuant to ASX Listing Rule 7.1 is not required for the issue of the Partly Paid Shares and Options as approval is being obtained under ASX Listing Rule 10.11. Accordingly, the issue of the Partly Paid Shares and Options under the Gardner Contract will not be included in the use of the Company's 15% annual placement limit under Listing Rule 7.1. (A summary of ASX Listing Rule 7.1 is set out in section 3.5 of this Explanatory Memorandum.)

#### **7.5 Directors recommendation**

David Franklyn, Peter Constable and Lachlan McIntosh recommend that Shareholders vote in favour of Resolution 5 for the reasons set out in paragraphs (e) and (f) of section 7.3 above.

Heather Gardner has an interest in the outcome of Resolution 5 and therefore does not make any recommendation in relation to this Resolution.

## Glossary of terms

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In the Notice and Explanatory Statement, the following terms have the following meaning unless the context otherwise requires:

<b>AEST</b>	Australian Eastern Standard Time, being the time in Brisbane, Queensland.
<b>Associate</b>	Has the meaning given to that term by sections 12 and 16 of the Corporations Act.
<b>Associated Investors</b>	Has the meaning given to that term in section 6.2 of the Explanatory Statement.
<b>ASX</b>	ASX Limited ACN 008 624 691.
<b>ASX Listing Rules</b>	The listing rules of ASX, as amended from time to time.
<b>Bloomer</b>	Bloomer Constructions (QLD) Pty Ltd ABN 97 071 344 100.
<b>Board</b>	Board of Directors of the Company.
<b>Business Day</b>	A day that is not a Saturday, Sunday or any other day which is a public holiday or a bank holiday in Western Australia.
<b>Cash Consideration</b>	Has the meaning given to that term in section 3.1 of the Explanatory Statement.
<b>Chairman</b>	The chairman of the Meeting.
<b>Company</b>	Nomad Building Solutions Limited ACN 117 371 418.
<b>Completion</b>	Completion of the sale and purchase of the Shares on the terms contemplated by the Share Sale Agreement.
<b>Completion Date</b>	A date that is 5 Business Days following the day on which the conditions to Completion under the Share Sale Agreement have been satisfied or waived, or such other date as the Company and Bloomer agree in writing.
<b>Completion Shares</b>	Has the meaning given to that term in sections 2.1 and 3.1 of the Explanatory Statement.
<b>Corporations Act</b>	<i>Corporations Act 2001</i> (Cth).
<b>Director</b>	A director of the Company.

<b>EBIT</b>	Earnings before interest and taxes.
<b>EBITDA</b>	Earnings before interest, taxes, depreciation, and amortization.
<b>Excluded Assets</b>	Has the meaning given to that term in section 2 of the Explanatory Statement.
<b>Explanatory Statement</b>	This explanatory statement which accompanies and forms part of the Notice of Extraordinary General Meeting.
<b>Extraordinary General Meeting or Meeting</b>	The Extraordinary General Meeting of Shareholders of the Company or any adjournment thereof, convened by the Notice.
<b>First Earn Out Consideration Shares</b>	Has the meaning given to that term in sections 2.1 and 3.1 of the Explanatory Statement.
<b>Gardner Contract</b>	Has the meaning given to that term in section 7.1 of the Explanatory Statement.
<b>Kurrewa</b>	Kurrewa Holdings Pty Ltd ACN 085 569 786 (as trustee for the Bloomer Family Trust).
<b>Notice or Notice of Extraordinary General Meeting</b>	The notice of Extraordinary General Meeting which accompanies the Explanatory Statement.
<b>Options</b>	Has the meaning given to that term in section 7.1 of the Explanatory Statement.
<b>Partly Paid Shares</b>	Has the meaning given to that term in section 7.1 of the Explanatory Statement.
<b>Proxy Form</b>	The proxy form accompanying the Notice.
<b>Resolution</b>	A resolution set out in the Notice.
<b>Restricted Securities</b>	Securities of the Company that are subject to voluntary escrow restrictions in accordance with the Share Sale Agreement.
<b>Ryder Agreement</b>	The letter agreement between Ryder Capital and the Company dated 5 February 2015.
<b>Ryder Capital</b>	Ryder Capital Pty Ltd ACN 131 333 394.
<b>Second Earn Out Consideration Shares</b>	Has the meaning given to that term in sections 2.1 and 3.1 of the Explanatory Statement.



<b>Share</b>	A fully paid ordinary share in the Company.
<b>Share Placement</b>	Has the meaning given to that term in section 5.1 of the Explanatory Statement.
<b>Share Sale Agreement</b>	The share sale agreement between Bloomer, the Company, Kurrewa and Wayne Bloomer dated 18 February 2015.
<b>Shareholder</b>	A registered holder of a Share.

## Annexure A Terms of Heather Gardner Options

Key Term	Proposed Provision
<b>Vesting Conditions</b>	Heather Gardner must have been continuously employed by the Company since the grant of the Options and remain employed on the exercise date of the Options.
<b>Vesting Date</b>	Means the Vesting Date for an Option as set out in any executive employment contract or offer letter relating to the Options.
<b>Exercise Conditions</b>	<p>Nil</p> <p>Where an Exercise Condition is stated, the Board determines the nature of any conditions and has discretion to waive conditions.</p>
<b>Expiry Date</b>	The date which is 12 months after Vesting Date of an Option.
<b>Exercise of Options or Rights</b>	<p>Heather Gardner may only exercise an Option:</p> <ul style="list-style-type: none"> <li>(a) on or after the Vesting Date;</li> <li>(b) on or before its Expiry Date; and</li> <li>(c) provided: <ul style="list-style-type: none"> <li>(i) the Vesting Conditions have been satisfied on the relevant Vesting Date for the Option</li> <li>(ii) the Option has not lapsed; and</li> <li>(iii) all Exercise Conditions (if any) have been satisfied or waived by the Board.</li> </ul> </li> </ul> <p>The Board may extend the expiry date for an Option.</p>
<b>Lapsing of Options on the Vesting Date</b>	If the Vesting Conditions are not satisfied on the Vesting Date an Option lapses.
<b>Lapsing of Options after the Vesting Date</b>	<p>An Option which has not been exercised after the Vesting Date lapses after the earlier of:</p> <ul style="list-style-type: none"> <li>(a) its Expiry Date; or</li> <li>(b) the date a Termination Event occurs (unless, pursuant to a waiver by the Board, the Option is permitted to continue after a Termination Event).</li> </ul>
<b>Acceleration Events</b>	<p>If an Acceleration Event occurs, the Board may determine that any Exercise Conditions for an Option cease to apply and the Option may be exercised within one month after the Acceleration Event (or within such extended period authorised by the Board).</p> <p><b>Acceleration Event</b> means the following events:</p>

	<ul style="list-style-type: none"> <li>(a) the Board resolves to sell, transfer or dispose of all or substantially all of the Company's assets;</li> <li>(b) a change of control event occurs in relation to the Company (other than as a result of listing on the ASX); or</li> <li>(c) an insolvency event occurs in relation to the Company.</li> </ul>
<b>Variations of capital</b>	<ul style="list-style-type: none"> <li>• <b>Bonus issues</b> If the Company makes a bonus issue of Shares to ordinary shareholders, each unexercised Option will, upon vesting or exercise (as applicable), entitle Heather Gardner to receive the number of bonus Shares that would have been issued to Heather Gardner had the Plan Share become vested or Option become exercised as at the record date for the bonus issue.</li> <li>• <b>Rights issues</b> If the Company makes a pro-rata rights issue of Shares for cash to its ordinary shareholders, the Exercise Price of an unexercised Option may be adjusted to reflect the diluting effect of the issue in accordance with ASX Listing Rule 6.22.2.</li> <li>• <b>Capital Reorganisations</b> If there is any reorganisation of the capital of the Company, the number of Plan Shares will be adjusted in accordance with the ASX Listing Rules.</li> <li>• <b>New issues</b> Heather Gardner cannot participate in new issues of securities of the Company without exercising the Options.</li> </ul>
<b>Termination Event</b>	<p>If a Termination Event occurs:</p> <ul style="list-style-type: none"> <li>(a) prior to the Vesting Date of an Option, then the Option will immediately lapse</li> <li>(b) after the Vesting Date where Heather Gardner ceases to be employed by the Company by reason of <ul style="list-style-type: none"> <li>• resignation where Heather Gardner is not in breach of any material employment obligations; or</li> <li>• death or mental incapacity</li> </ul> <p>(<b>Good Leaver</b>) and none of the events in paragraph (c) of the definition of "Termination Event" below has occurred before the date of cessation of employment, then any exercise conditions for an Option may cease to apply and the Option may be exercised within one month after the date Heather Gardner ceased to be employed (or within such extended period authorised by the Board); or</p> </li> <li>(c) in circumstances other than where Heather Gardner is a Good Leaver, the Directors may</li> </ul>

	<p>resolve in their absolute discretion that any Options are immediately cancelled.</p> <p><b>Termination Event</b> means the following events:</p> <ul style="list-style-type: none"> <li>(d) Heather Gardner ceases to be employed by the Company; or</li> <li>(e) Heather Gardner deals with an Option in breach of the Plan Rules or any offer document;</li> <li>(f) Heather Gardner: <ul style="list-style-type: none"> <li>(i) acts fraudulently or dishonestly in relation to the Company or in a way which brings the Group Company into disrepute;</li> <li>(ii) is convicted of a criminal offence; or</li> <li>(iii) breaches any duty owed to the Company.</li> </ul> </li> </ul>
<b>Restriction on dealing</b>	No Option may transferred, disposed of or otherwise dealt with by Heather Gardner except with consent of the Board.

+  
«EFT\_REFERENCE\_NUMBER»

**NOMAD BUILDING SOLUTIONS LIMITED**  
**ACN: 117 371 418**

**REGISTERED OFFICE:**  
31 CHALLENGER BOULEVARD  
WANGARA WA 6056

**SHARE REGISTRY:**  
Security Transfer Registrars Pty Ltd  
**All Correspondence to:**  
PO BOX 535, APPLECROSS WA 6953  
AUSTRALIA  
770 Canning Highway, APPLECROSS WA 6153  
AUSTRALIA  
T: +61 8 9315 2333 F: +61 8 9315 2233  
E: registrar@securitytransfer.com.au  
W: www.securitytransfer.com.au

«HOLDER\_NAME»  
«ADDRESS\_LINE\_1»  
«ADDRESS\_LINE\_2»  
«ADDRESS\_LINE\_3»  
«ADDRESS\_LINE\_4»  
«ADDRESS\_LINE\_5»

Code: **NOD**

Holder Number: **«HOLDER\_NUM**

**PROXY FORM**

THIS DOCUMENT IS IMPORTANT. IF YOU ARE IN DOUBT AS TO HOW TO DEAL WITH IT, PLEASE CONTACT YOUR STOCK BROKER OR LICENSED PROFESSIONAL ADVISOR.

**VOTE  
ONLINE**

Lodge your proxy vote securely at [www.securitytransfer.com.au](http://www.securitytransfer.com.au)  
1. Log into the Investor Centre using your holding details.  
2. Click on "Proxy Voting" and provide your Online Proxy ID to access the voting area.

**«ONLINE**

**SECTION A: Appointment of Proxy**

I/We, the above named, being registered holders of the Company and entitled to attend and vote hereby appoint:

☐ The meeting chairperson

OR

or failing the person named, or if no person is named, the Chairperson 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, as the Proxy sees fit) at the General Meeting of the Company to be held at 10:30am (Brisbane time) on Thursday 9 April 2015 at 22 Market Street Brisbane, Brisbane Queensland and at any adjournment of that meeting.

**SECTION B: Voting Directions**

Please mark "X" in the box to indicate your voting directions to your Proxy. The Chairperson of the Meeting intends to vote undirected proxies in FAVOUR of all the resolutions. In exceptional circumstances, the Chairperson of the Meeting may change his/her voting intention on any resolution, in which case an ASX announcement will be made.

RESOLUTION	For	Against	Abstain
1. Approval of the Issue of Shares to Bloomer under the Share Sale Agreement	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
2. Approval of the Issue of Shares to Ryder Capital under the Ryder Agreement	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
3. Approval to issue shares to Non-Associated Investors under the Share Placement	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
4. Approval of the Issue of Shares to Associated Investors under the Share Placement	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
5. Approval to issue Shares and Options to Heather Gardner under the Gardner Contract	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

If no directions are given my proxy may vote as the proxy thinks fit or may abstain. \* If you mark the Abstain box for a particular item, you are directing your Proxy not to vote on your behalf on a show of hands or on a poll and your votes will not be counted in computing the required majority on a poll.

**SECTION C: Signature of Security Holder(s)**

This section must be signed in accordance with the instructions overleaf to enable your directions to be implemented.

Individual or Security Holder

Sole Director & Sole Company

Security Holder 2

Director

Security Holder 3

Director/Company Secretary

Proxies must be received by Security Transfer Registrars Pty Ltd no later than 10:30am (Brisbane time) on Tuesday 7 April 2015.

Name:

$$\left( \begin{array}{|c|} \hline \\ \hline \end{array} \right) \begin{array}{|c|c|c|c|c|c|c|c|} \hline & & & & & & & \\ \hline\end{array}$$

This is the name and address on the Share Register of the Company. If this information is incorrect, please make corrections on this form. Shareholders sponsored by a broker should advise their broker of any changes. Please note that you cannot change ownership of your shares using this form.

If the person you wish to appoint as your Proxy is someone other than the Chairperson of the Meeting please write the name of that person in Section A. If you leave this section blank, or your named Proxy does not attend the meeting, the Chairperson of the Meeting will be your Proxy. A Proxy need not be a shareholder of the Company.

To direct the Proxy how to vote place an "X" in the appropriate box against each item in Section B. Where more than one Proxy is to be appointed and the proxies are to vote differently, then two separate forms must be used to indicate voting intentions.

You are entitled to appoint up to two (2) persons as proxies to attend the meeting and vote on a poll. If you wish to appoint a second Proxy, an additional Proxy form may be obtained by contacting the Company's share registry or you may photocopy this form.

- a) On each of the Proxy forms, state the percentage of your voting rights or number of securities applicable to that form. If the appointments do not specify the percentage or number of votes that each Proxy may exercise, each Proxy may exercise half of your votes; and
- b) Return both forms in the same envelope.

If a representative of the corporation is to attend the meeting the appropriate "Certificate of Appointment of Corporate Representative" should be lodged with the Company before the meeting or at the registration desk on the day of the meeting. A form of the certificate may be obtained from the Company's share registry.

Proxy forms (and any Power of Attorney under which it is signed) must be received by Security Transfer Registrars Pty Ltd no later than the date and time stated on the form overleaf. Any Proxy form received after that time will not be valid for the scheduled meeting.

**Email** registrar@securitytransfer.com.au

Personal information is collected on this form by Security Transfer Registrars Pty Ltd as the registrar for securities issuers for the purpose of maintaining registers of security holders, facilitating distribution payments and other corporate actions and communications. Your personal details may be disclosed to related bodies corporate, to external service providers such as mail and print providers, or as otherwise required or permitted by law. If you would like details of your personal information held by Security Transfer Registrars Pty Ltd or you would like to correct information that is inaccurate please contact them on the address on this form.