

28 October 2009

Company Announcements Office  
Australian Securities Exchange  
Level 3, 20 Bridge Street  
SYDNEY NSW 2000

By ASX Online

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**NOTICE OF ANNUAL GENERAL MEETING & PROXY FORM**

Attached is the Notice of Annual General Meeting and accompanying Proxy Form which are being mailed to Decmil Group Limited (ASX: DCG) shareholders today together with the 2009 Annual Report.

Yours faithfully



**Justine Campbell**  
Company Secretary

Level 2, 76 Hasler Road  
Osborne Park, Western Australia 6017

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ASX DCG  
ABN 35 111 210 390



Decmil Group Limited

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**DECMIL GROUP LIMITED**

**ACN 111 210 390**

**NOTICE OF ANNUAL GENERAL MEETING**

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**TIME:** 10.00 am (WST)

**DATE:** 30 November 2009

**PLACE:** Hyatt Regency Perth  
99 Adelaide Terrace  
PERTH WA 6000

*This Notice of Meeting should be read in its entirety. If Shareholders are in doubt as to how they should vote, they should seek advice from their professional advisers prior to voting.*

*Should you wish to discuss the matters in this Notice of Meeting please do not hesitate to contact the Company Secretary on (+61 8) 9368 8877.*

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**TIME AND PLACE OF MEETING AND HOW TO VOTE**

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**VENUE**

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The Annual General Meeting of the Shareholders to which this Notice of Meeting relates will be held at 10.00 am (WST) on 30 November 2009 at:

Hyatt Regency Perth  
99 Adelaide Terrace  
PERTH WA 6000

**YOUR VOTE IS IMPORTANT**

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

**VOTING IN PERSON**

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

**VOTING BY PROXY**

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To vote by proxy, please complete and sign the enclosed Proxy Form and return by:

(a) post to Decmil Group Limited, Level 2, 76 Hasler Road, OSBORNE PARK, WA 6017;  
or

(b) facsimile to the Company on facsimile number (+61 8) 9368 8878,

so that it is received not later than 10.00 am (WST) on 28 November 2009.

**Proxy Forms received later than this time will be invalid.**

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## NOTICE OF ANNUAL GENERAL MEETING

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Notice is given that the Annual General Meeting of Shareholders of Decmil Group Limited (the **Company**) will be held at 10.00 am (WST) on 30 November 2009 at Hyatt Regency Perth, 99 Adelaide Terrace, Perth, Western Australia.

The Explanatory Statement to this Notice of Meeting provides additional information on matters to be considered at the Annual General Meeting. The Explanatory Statement and the Proxy Form are part of this Notice of Meeting.

The Directors have determined pursuant to Regulation 7.11.37 of the Corporations Regulations 2001 (Cth) that the persons eligible to vote at the Annual General Meeting are those who are registered Shareholders of the Company at 10.00 am (WST) on 28 November 2009.

### AGENDA

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#### ORDINARY BUSINESS

##### Financial Statements and Reports

To receive and consider the annual financial report of the Company for the financial year ended 30 June 2009 together with the declaration of the Directors, the Directors' report, the remuneration report and the auditor's report.

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#### 1. RESOLUTION 1 – ADOPTION OF REMUNERATION REPORT

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

*“That, for the purpose of Section 250R(2) of the Corporations Act and for all other purposes, approval is given for the adoption of the remuneration report as contained in the Company's annual financial report for the financial year ended 30 June 2009.”*

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#### 2. RESOLUTION 2 – RE-ELECTION OF DIRECTOR – MR BILL HEALY

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

*“That, for the purpose of clause 13.4 of the Constitution and for all other purposes, Mr Bill Healy, a Director who was appointed on 23 April 2009, retires, and being eligible, is re-elected as a Director.”*

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#### 3. RESOLUTION 3 – RE-ELECTION OF DIRECTOR – MR GEOFF ALLEN

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

*“That, for the purpose of clause 13.4 of the Constitution and for all other purposes, Mr Geoff Allen, a Director who was appointed on 23 April 2009, retires, and being eligible, is re-elected as a Director.”*

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#### 4. RESOLUTION 4 – RE-ELECTION OF DIRECTOR – MR DENIS CRIDDLE

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

*"That, for the purpose of clause 13.2 of the Constitution and for all other purposes, Mr Denis Criddle, a Director who retires by rotation, and being eligible, is re-elected as a Director."*

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**5. RESOLUTION 5 – APPROVAL TO INCREASE DIRECTORS' REMUNERATION**

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

*"That, for the purposes of clause 13.7 of the Constitution, ASX Listing Rule 10.17 and for all other purposes, Shareholders approve the maximum total aggregate fixed sum per annum to be paid to Directors be set at \$500,000 to be paid in accordance with the terms and conditions set out in the Explanatory Statement."*

**Voting Exclusion:** The Company will disregard any votes cast on this Resolution by a Director and any of their associates. However, the Company need not disregard a vote if it is cast by a person as a proxy for a person who is entitled to vote in accordance with the directions on the Proxy Form or it is cast by the person chairing the meeting as proxy for a person who is entitled to vote, in accordance with a direction on the Proxy Form to vote as the proxy decides.

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**6. RESOLUTION 6 – ADOPTION OF PERFORMANCE RIGHTS PLAN**

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

*"That, for the purpose of ASX Listing Rule 7.2 (Exception 9) and for all other purposes, approval is given for the Company to adopt an employee incentive scheme titled Performance Rights Plan on the terms and conditions set out in the Explanatory Statement."*

**Voting Exclusion:** The Company will disregard any votes cast on this Resolution by any Director, other than any Directors who are ineligible to participate in any employee incentive scheme in relation to the Company, and any associates of those Directors. However, the Company need not disregard a vote if it is cast by a person as a proxy for a person who is entitled to vote in accordance with the directions on the Proxy Form or it is cast by the person chairing the meeting as proxy for a person who is entitled to vote, in accordance with a direction on the Proxy Form to vote as the proxy decides.

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**7. RESOLUTION 7 – ISSUE OF PERFORMANCE RIGHTS – MR SCOTT CRIDDLE**

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

*"That, subject to the passing of Resolution 6, for the purpose of ASX Listing Rule 10.14 and for all other purposes, approval is given for the Directors to allot and issue Performance Rights to Scott Criddle (or his nominee) on the terms and conditions set out in the Explanatory Statement."*

**Voting Exclusion:** The Company will disregard any votes cast on this Resolution by a Director and any of their associates. However, the Company need not disregard a vote if it is cast by a person as a proxy for a person who is entitled to vote in accordance with the directions on the Proxy Form or it is cast by the person chairing the meeting as proxy for a person who is entitled to vote, in accordance with a direction on the Proxy Form to vote as the proxy decides.

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DATED: 26 OCTOBER 2009

BY ORDER OF THE BOARD

A handwritten signature in cursive script, appearing to read "J. Campbell".

**MS JUSTINE CAMPBELL  
COMPANY SECRETARY  
DECMIL GROUP LIMITED**

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## **EXPLANATORY STATEMENT**

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This Explanatory Statement has been prepared for the information of the Shareholders in connection with the business to be conducted at the Annual General Meeting to be held at 10.00 am (WST) on 30 November 2009 at Hyatt Regency Perth, 99 Adelaide Terrace, Perth, Western Australia.

This purpose of this Explanatory Statement is to provide information which the Directors believe to be material to Shareholders in deciding whether or not to pass the Resolutions in the Notice of Meeting.

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### **1. FINANCIAL STATEMENTS AND REPORTS**

In accordance with the Constitution of the Company, the business of the Annual General Meeting will include receipt and consideration of the annual financial report of the Company for the financial year ended 30 June 2009 together with the declaration of the Directors, the Directors' report, the remuneration report and the auditor's report.

Shareholders may view the 2009 annual financial report of the Company on its website at [www.decmilgroup.com.au](http://www.decmilgroup.com.au).

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### **2. RESOLUTION 1 – ADOPTION OF REMUNERATION REPORT**

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

The remuneration report sets out the Company's remuneration arrangements for the Directors and senior management of the Company. The remuneration report is part of the Directors' report contained in the annual financial report of the Company for the financial year ending 30 June 2009.

A reasonable opportunity will be provided for discussion of the remuneration report at the Annual General Meeting.

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### **3. RESOLUTION 2 – RE-ELECTION OF DIRECTORS – MR BILL HEALY**

#### **3.1 General**

Clause 13.4 of the Constitution allows the Directors to appoint at any time a person to be a Director as an addition to the existing Directors, but only where the total number of Directors does not at any time exceed the maximum number specified by the Constitution. Any Director so appointed holds office only until the next following general meeting and is then eligible for re-election, but is not taken into account in determining the Directors who are to retire by rotation at that meeting.

Resolution 2 seeks Shareholder approval for the re-election of Mr Bill Healy, who retires in accordance with clause 13.4 of the Constitution and, being eligible, offers himself for re-election as a Director of the Company, with effect from the end of the meeting.

Mr Healy was a director and shareholder in Sealcorp Holdings from 1985 which then established and developed the diversified financial services group. He was a director of ASGARD Capital Management Ltd, Securitor financial Group Ltd, PACT

Investment Group Pty Ltd and ASSIRT Pty Ltd. Sealcorp was acquired by St George Bank in 1997 and Mr Healy remained on the Board until 1999.

Mr Healy was founding director and Chairman of BOOM Logistics Ltd and was involved in the development of the company's business model, early acquisitions and preparation for listing in 2003.

### **3.2 Board recommendation**

The Board, other than Mr Bill Healy, who has an interest in the outcome of Resolution 2, unanimously recommends that Shareholders vote in favour of Resolution 2.

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## **4. RESOLUTION 3 – RE-ELECTION OF DIRECTORS – MR GEOFF ALLEN**

### **4.1 General**

Resolution 3 seeks Shareholder approval for the re-election of Mr Geoff Allen, who retires in accordance with clause 13.4 of the Constitution and, being eligible, offers himself for re-election as a Director of the Company, with effect from the end of the meeting. A summary of clause 13.4 of the Constitution is set out in section 3.1 of this Explanatory Statement.

Mr Allen was a former director of Multiplex Constructions from 1969 to 2003 and has served in various roles during that period as managing director and deputy chairman from 1989 to 2003. Mr Allen was chairman of Nomad Building Solutions since the company's listing on the ASX until 2008. Over the past 30 years, he has also served in various capacities with the Australian Institute of Building and the Master Builders Association of WA.

### **4.2 Board recommendation**

The Board, other than Mr Geoff Allen, who has an interest in the outcome of Resolution 3, unanimously recommends that Shareholders vote in favour of Resolution 3.

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## **5. RESOLUTION 4 – RE-ELECTION OF DIRECTOR – MR DENIS CRIDDLE**

### **5.1 General**

Clause 13.2 of the Constitution requires that if the Company has three or more Directors, one third (or the number nearest one-third) of those Directors must retire at each annual general meeting, provided always that no Director (except a Managing Director) shall hold office for a period in excess of three years, or until the third annual general meeting following his or her appointment, whichever is the longer, without submitting himself or herself for re-election. A Director who retires by rotation under clause 13.2 of the Constitution is eligible for re-election.

The Company currently has four Directors, however, two Directors, Mr Healy and Mr Allen, will not be taken into account in determining the number of Directors to retire by rotation as they are subject to re-election pursuant to clause 13.4 of the Constitution (refer Resolutions 2 and 3). Accordingly, the Company has two qualifying Directors for the purpose of clause 13.2 of the Constitution and one must retire at the Annual General Meeting.

Mr Denis Criddle retires by rotation in accordance with clause 13.2 of the Constitution and seeks re-election at the Annual General Meeting.

Mr Criddle was the founder of Decmil Australia, Decmil Group Limited's major business division. A civil engineer, Mr Criddle has more than 30 years' experience in construction and maintenance services for the oil and gas resources sectors in central Queensland and north-west Western Australia. In addition, Mr Criddle has been involved in rural investments as a director of public unlisted companies in the wine and viticulture industry in Victoria and Western Australia.

## **5.2 Board recommendation**

The Board, other than Mr Denis Criddle, who has an interest in the outcome of Resolution 4, unanimously recommends that Shareholders vote in favour of Resolution 4.

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## **6. RESOLUTION 5 – APPROVAL TO INCREASE DIRECTORS' REMUNERATION**

Clause 13.7 of the Constitution requires that the total aggregate fixed sum per annum to be paid to the Directors from time to time will not exceed the sum determined by the Shareholders in general meeting and the total aggregate fixed sum will be divided between the Directors as the Directors shall determine and, in default of agreement between them, then in equal shares.

Resolution 5 seeks Shareholder approval to increase the total aggregate fixed sum per annum to be paid to the Directors from \$400,000 to \$500,000.

The total aggregate fixed sum per annum has been determined after reviewing similar companies listed on ASX and the Directors believe that this level of remuneration is in line with corporate remuneration of similar companies.

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## **7. RESOLUTION 6 – ADOPTION OF PERFORMANCE RIGHTS PLAN**

### **7.1 Background**

As part of its review of appropriate remuneration for Directors and senior executives, the Board considers it is appropriate to introduce the Performance Rights Plan (**Plan**).

The objective of the Plan is to provide the Company with a remuneration mechanism, through the issue of securities in the capital of the Company, to motivate and reward the performance of Directors and senior executives in achieving specified performance related vesting conditions within a defined period. The Board will ensure that the vesting conditions attached to the securities issued pursuant to the Plan are aligned with the successful growth of the Company's business activities.

A summary of the terms and conditions of the Plan is set out in Schedule 1.

### **7.2 Shareholder approval**

Resolution 6 seeks Shareholder approval under exception 9 of ASX Listing Rule 7.2 to permit the issue of securities under the Plan as an exception to 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 that amount which represents 15% of the number of fully paid ordinary securities on issue at the commencement of that 12 month period.

An exception to ASX Listing Rule 7.1 is set out in ASX Listing Rule 7.2 (exception 9) which provides that issues under an employee incentive scheme are exempt if

within three years before the date of issue shareholders have approved the issue of securities under the scheme as an exception to ASX Listing Rule 7.1.

If Resolution 6 is passed, the Company will be able to issue Performance Rights under the Plan without impacting on the Company's ability to issue up to 15% of its total ordinary securities without Shareholder approval in any 12 month period.

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## **8. RESOLUTION 7 – ISSUE OF PERFORMANCE RIGHTS – MR SCOTT CRIDDLE**

### **8.1 General**

The Company has agreed, subject to obtaining Shareholder approval, to allot and issue Performance Rights to Mr Scott Criddle, the Chief Executive Officer of the Company, pursuant to the Plan and on the terms and conditions set out below.

On 20 May 2009, the Board announced that Mr Criddle will be appointed to the position of Chief Executive Officer of the Company effective on 1 July 2009. The Board has determined that the remuneration package of Mr Criddle shall comprise, in each year, a long term incentive component in the form of either Options or Performance Rights, which would be granted for nil cash consideration.

The initial issue of Performance Rights will occur as soon as practicable following the Annual General Meeting. In future years, the issue of Performance Rights will occur on or about 1 July of each year.

The Board believes that the long term incentive offered to Mr Criddle forms a key part of his remuneration and assists to align his interests with the longer term interests of Shareholders.

### **8.2 Shareholder approval**

Resolution 7 is being put to Shareholders to seek approval for the grant of Performance Rights to Mr Criddle over the next three years. Shareholder approval is required pursuant to ASX Listing Rule 10.14. The Board has considered the application of Chapter 2E of the Corporations Act and has resolved that the reasonable remuneration exception provided by Section 211 of the Corporations Act is relevant in the circumstances and accordingly, the Company will not seek approval for the issue of Performance Rights pursuant to Section 208 of the Corporations Act.

ASX Listing Rule 10.14 requires shareholder approval to be obtained where an entity issues, or agrees to issue, securities under an employee incentive scheme to a director of the entity, an associate of the director, or a person whose relationship with the entity, director or associate of the director is, in ASX's opinion, such that approval should be obtained.

The issue of Performance Rights to Mr Criddle requires the Company to obtain Shareholder approval because the issue of Performance Rights constitutes the issue of securities and Mr Scott Criddle is considered to be an associate of a Director for the purposes of ASX Listing Rule 10.14.

### **8.3 Overview of grant of Performance Rights**

It is proposed that Mr Criddle be granted Performance Rights equivalent in value to up to 100% of his total fixed annual remuneration (**TFR**) for the financial year ended 30 June 2010.

The number of Performance Rights to be granted in the initial issue will be determined by dividing Mr Criddle's TFR for the financial year ended 30 June 2010 (being \$620,000) by the average closing price of Shares, as quoted on ASX, over the five trading days preceding the date of the Board resolution to grant Performance Rights to Mr Criddle (being \$1.41 on 19 October 2009) which results in the proposed initial grant of 439,717 Performance Rights for the first year of the three year approval.

In future years, the number of Performance Rights price will be calculated by dividing up to 100% (as determined by the Board) of Mr Criddle's TFR by the volume weighted average closing price of Shares, as quoted on ASX, over the 60 days prior to the relevant grant date.

Subject to satisfaction of the performance hurdle, the vesting period which must elapse before Shares may be issued or transferred to Mr Criddle is a minimum of three years from the grant date of the Performance Rights (**Vesting Period**).

The Performance Rights will vest (that is, Shares will be issued or become transferable to Mr Criddle upon satisfaction of the Performance Rights vesting condition) to the extent that the applicable performance hurdle outlined below is satisfied. Subject to achievement of the hurdle, the Performance Rights may be converted (on a one-for-one basis) to fully paid ordinary shares in the Company.

#### **Performance Hurdle**

The performance hurdle for the vesting of the Performance Rights (and allocation of Shares) will be measured by comparing the total shareholder return (**TSR**) of the Company relative to the TSRs of the companies in the S&P/ASX 300 Index at three test dates, namely the third, fifth and seventh anniversary of the commencement of the Vesting Period.

The percentage of Performance Rights that will vest is based on the Company's relative ranking over the measurement period (unless the Board otherwise determines), as follows:

<b>The Company's TSR rank in the S&amp;P/ASX 300 Index</b>	<b>The percentage of Performance Rights which will vest</b>
Below the 50 <sup>th</sup> percentile	Nil
At or above the 50 <sup>th</sup> percentile and below the 75 <sup>th</sup> percentile	50%, plus 2% for every one percentile increase above the 50 <sup>th</sup> percentile
At or above the 75 <sup>th</sup> percentile	100%

If Mr Criddle resigns his employment, any unvested Performance Rights will lapse, unless the Board determines otherwise.

#### **Directors' recommendation**

All Directors recommend that Shareholders vote in favour of the Resolution to approve the grant of Performance Rights to Mr Criddle.

## 8.4 Requirements for Shareholder approval

Pursuant to and in accordance with the requirements of ASX Listing Rule 10.15A, the following information is provided in relation to the proposed issue of Performance Rights to Mr Criddle:

- (a) the related party is Mr Scott Criddle, and he is a related party of the Company by virtue of being an associate of the Directors;
- (b) the proposed issue for the first year of the three year approval will be 439,717 Performance Rights which will be issued as soon as practicable after the Annual General Meeting;
- (c) the Company is required, pursuant to ASX Listing Rule 10.15A.2, to disclose the maximum number of Performance Rights to be issued to Mr Criddle over the course of the three years following the date of the Annual General Meeting. The Company is unable to provide this information with any certainty given the number of Performance Rights to be issued in the two years subsequent to the initial issue will be determined by the prevailing market price of Shares and Mr Criddle's TFR in accordance with the calculation outlined in section 8.3 above. However, for the purposes of ASX Listing Rule 10.15A.2, the Company advises that the number of Performance Rights to be issued to Mr Criddle over the course of three years shall not exceed 1,500,000, which represents the number to be issued immediately following the Annual General Meeting multiplied by three, plus a 13% contingency for the potential increase in the number of Performance Rights;
- (d) the Performance Rights will be issued for nil cash consideration and no consideration will be payable upon the vesting of the Performance Rights on the achievement of the specified performance hurdles. Accordingly, the Company will not provide any loan to Mr Criddle in relation to the acquisition;
- (e) the Company is seeking Shareholder approval for the adoption of the Plan at this Annual General Meeting. No Performance Rights have previously been issued under the Plan to a Director, an associate of the Director, or a person whose relationship with the Company, Director or associate of the Director is such that approval should be obtained;
- (f) any employee, director or consultant of the Company, or a subsidiary (if any), who is declared by the Board to be eligible, is entitled to participate in the Plan;
- (g) the Performance Rights will be issued to Mr Criddle on an annual basis over the course of three years following the date of the Annual General meeting, and in any event, no later than three years after the date of the Annual General Meeting;
- (h) details of any securities issued under the Plan and approved under ASX Listing Rule 10.14 will be published in each annual report of the Company relating to the period in which the securities have been issued. Any additional Director, associate of the Director, or a person whose relationship with the Company, Director or associate of the Director is such that approval should be obtained, who becomes entitled to participate in the Plan after Resolution 7 has been considered and who was not named in this Notice of Meeting will not be entitled to participate in the Plan until approval is obtained under ASX Listing Rule 10.14; and

- (i) the terms and conditions of the Performance Rights are set out in Schedule 1 to this Explanatory Statement.

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**9. ENQUIRIES**

Shareholders may contact the Company on (+ 61 8) 9368 8877 if they have any queries in respect of the matters set out in these documents.

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## GLOSSARY

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**\$** means Australian dollars.

**Annual General Meeting** means the meeting convened by the Notice of Meeting.

**ASIC** means the Australian Securities and Investments Commission.

**ASX** means ASX Limited.

**ASX Listing Rules** means the Listing Rules of ASX.

**Board** means the current board of directors of the Company.

**Business Day** means Monday to Friday inclusive, except New Year's Day, Good Friday, Easter Monday, Christmas Day, Boxing Day, and any other day that ASX declares is not a business day.

**Company** means Decmil Group Limited (ACN 111 210 390).

**Constitution** means the Company's constitution.

**Corporations Act** means the Corporations Act 2001 (Cth).

**Directors** means the current directors of the Company.

**Explanatory Statement** means the explanatory statement accompanying the Notice of Meeting.

**Notice of Meeting** or **Notice of Annual General Meeting** means this notice of annual general meeting including the Explanatory Statement.

**Performance Rights** means a performance right issued under the Plan.

**Plan** means the employee incentive scheme titled the Performance Rights Plan as adopted pursuant to Resolution 6 and with the key terms summarised in Schedule 1.

**Resolutions** means the resolutions set out in the Notice of Meeting, or any one of them, as the context requires.

**Share** means a fully paid ordinary share in the capital of the Company.

**Shareholder** means a holder of a Share.

**WST** means Western Standard Time as observed in Perth, Western Australia.

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## **SCHEDULE 1 – TERMS AND CONDITIONS OF PLAN**

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The following is a summary of the key terms and conditions of the Plan to be adopted by Shareholders pursuant to Resolution 6:

- (a) The Plan is open to any full time or part time employee, director or consultant of the Company (including its subsidiaries) who is declared by the Board to be eligible to receive grants of Performance Rights under the Plan.
- (b) A Performance Right is an entitlement to a Share subject to satisfaction of achievement criteria and the corresponding obligation of the Company to provide the Share.
- (c) A Performance Right granted under the Plan will not vest until the vesting conditions imposed by the Board are satisfied. If the vesting conditions are not satisfied, the Performance Rights will lapse and the holder will have no entitlement to any Shares.
- (d) The Board may, at its absolute discretion and only where a participant continues to satisfy any relevant conditions imposed by the Board, grant Performance Rights to participants with effect from the date determined by the Board, upon the terms set out in the Plan and upon such additional terms and vesting conditions as the Board determines.
- (e) Unless the Board determines otherwise, participants will not be liable to make payment for Performance Rights granted to them.
- (f) Performance Rights are transferable only with consent of the Board.
- (g) The exercise of any vested Performance Right will be effected in the form and manner determined by the Board, and, if an amount is payable on vesting of the Performance Right, will be accompanied by payment of that amount, unless the manner of payment of that amount is otherwise provided for by the Board.
- (h) Subject to paragraph (i), a Performance Right will lapse upon the earlier to occur of:
  - (i) failure to satisfy the applicable vesting conditions;
  - (ii) the date specified by the Board as the expiry date;
  - (iii) the holder purporting to transfer the Performance Right otherwise than with the consent of the Board or by force of law;
  - (iv) the employment of the holder ceasing, where such a condition was imposed on the grant of the Performance Rights;
  - (v) in the opinion of the Board, the holder commits any fraudulent or dishonest act or is in breach of his or her obligations to the Company or its subsidiary; or
  - (vi) the seven year anniversary of the date of grant of the Performance Rights.
- (i) The Board may, in its absolute discretion, determine that all or a specified number of a holder's unvested Performance Rights vest despite the occurrence of an event stipulated in paragraph (h) above.
- (j) The Company must issue to or procure the transfer to the participant the number of Shares in respect of which vested Performance Rights are exercised, within a reasonable time after a Performance Right is exercised.

- (k) All Shares allotted under the Plan rank equally with other Shares on issue at the time those Shares are provided and carry the same rights and entitlements as those conferred by other Shares.
- (l) Shares issued on exercise of Performance Rights may be subject to restrictions on transfer, unless the participant requests that the Company waives those restrictions and that request is approved by the Company.
- (m) The Board may, in its absolute discretion, determine that all or a specified number of a holder's Performance Rights automatically vest in the event of:
- (i) a takeover bid in respect of the Company under Chapter 6 of the Corporations Act is made;
  - (ii) a Court orders a meeting to be held in relation to a proposed compromise or arrangement for the purposes of or in connection with a scheme for the reconstruction of the Company or its amalgamation with any other company or companies;
  - (iii) any person becomes bound or entitled to acquire shares in the Company under section 414 or Chapter 6A of the Corporations Act;
  - (iv) the Company passes a resolution for voluntary winding up; or
  - (v) an order is made for the compulsory winding up of the Company, and
- such a determination shall be notified to the holder in writing. If no determination is made or if the Board determines that some or all of a holder's Performance Rights do not vest, those Performance Rights shall automatically lapse.
- (n) If Shares are issued pro-rata to Shareholders generally by way of bonus issue (other than an issue in lieu of dividends or by way of dividend reinvestment) involving capitalisation or reserves or distributable profits, the number of Performance Rights to which each holder is entitled, or any amount payable on vesting of the Performance Rights, or both as appropriate, will be adjusted in the manner determined by the Board to ensure that no advantage accrues to the holder as a result of the bonus issue and in any event in a manner consistent with the Corporations Act and the ASX Listing Rules at the time of the bonus issue.
- (o) In the event of any reorganisation (including consolidation, subdivision, reduction or return) of the issued capital of the Company, the number of Performance Rights to which each Participant is entitled, or any amount payable on vesting of the Performance Rights, or both as appropriate, will be adjusted in the manner determined by the Board to ensure that no advantage or disadvantage accrues to the holder as a result of such corporate actions and in any event in a manner consistent with the Corporations Act and the ASX Listing Rules at the time of the reorganisation.
- (p) Subject to paragraphs (n) and (o), there are no participating rights or entitlements inherent in the Performance Rights and holders will not be entitled to participate in new issues of capital offered to Shareholders during the currency of the Performance Rights unless the vesting conditions have been satisfied and the relevant Shares have been issued prior to the records date for determining entitlements. However, the Company will give notice to the holders of any new issues of capital prior to the records date for determining entitlements.
- (q) The Board may at any time by resolution amend all or any of the provisions of the Plan, or the terms or conditions of any Performance Right granted under the Plan.

- (r) Without the consent of the participant, no amendment may be made to the terms of any granted Performance Right which reduces the rights of the participant in respect of that Performance Right, other than an amendment:
  - (i) for the purpose of complying with or conforming to present or future State or Commonwealth legislation governing or regulating the maintenance or operation of the Plan or like plans;
  - (ii) to correct any manifest error or mistake; or
  - (iii) to take into consideration possible adverse tax implications in respect of the Plan arising from, amongst others, adverse rulings from the Commissioner of Taxation, changes to tax legislation (including an official announcement by the Commonwealth of Australia) and/or change in the interpretation of tax legislation by a court of competent jurisdiction.
- (s) The holder of Performance Rights does not have any entitlement to vote at a general meeting of Shareholders.

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## PROXY FORM

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**APPOINTMENT OF PROXY  
DECMIL GROUP LIMITED  
ACN 111 210 390**

### ANNUAL GENERAL MEETING

I/We

of

being a member of Decmil Group Limited entitled to attend and vote at the Annual General Meeting, hereby

Appoint

Name of proxy

OR  the Chair of the Annual General Meeting as your proxy

or failing the person so named or, if no person is named, the Chair of the Annual General Meeting, or the Chair's nominee, to vote in accordance with the following directions, or, if no directions have been given, as the proxy sees fit, at the Annual General Meeting to be held at 10.00 am (WST), on 30 November 2009 at Hyatt Regency Perth, 99 Adelaide Terrace, Perth Western Australia, and at any adjournment thereof.

If no directions are given, the Chair will vote in favour of all the Resolutions.

If the Chair of the Annual General Meeting is appointed as your proxy, or may be appointed by default, and you do **not** wish to direct your proxy how to vote as your proxy in respect of **Resolutions 5 to 7** please place a mark in this box.

By marking this box, you acknowledge that the Chair of the Annual General Meeting may exercise your proxy even if he has an interest in the outcome of Resolutions 5 to 7 and that votes cast by the Chair of the Annual General Meeting for Resolutions 5 to 7 other than as proxy holder will be disregarded because of that interest. If you do not mark this box, and you have not directed your proxy how to vote, the Chair will not cast your votes on Resolutions 5 to 7 and your votes will not be counted in calculating the required majority if a poll is called on Resolutions 5 to 7.

**OR**

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#### Voting on Business of the Annual General Meeting

	FOR	AGAINST	ABSTAIN
Resolution 1 – Adoption of remuneration report	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Resolution 2 – Re-election of Director – Mr Bill Healy	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Resolution 3 – Re-election of Director – Mr Geoff Allen	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Resolution 4 – Re-election of Director – Mr Denis Criddle	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Resolution 5 – Approval to increase Directors' remuneration	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Resolution 6 – Adoption of Performance Rights Plan	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Resolution 7 – Issue of Performance Rights – Mr Scott Criddle	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

**Please note:** If you mark the abstain box for a particular Resolution, you are directing your proxy not to vote on that Resolution on a show of hands or on a poll and your votes will not to be counted in computing the required majority on a poll.

**Signature of Member(s):** \_\_\_\_\_

**Date:** \_\_\_\_\_

**Individual or Member 1**

**Member 2**

**Member 3**

**Sole Director/Company Secretary**

**Director**

**Director/Company Secretary**

**Contact Name:** \_\_\_\_\_ **Contact Ph (daytime):** \_\_\_\_\_

**DECMIL GROUP LIMITED**  
**ACN 111 210 390**

**Instructions for Completing 'Appointment of Proxy' Form**

1. **(Appointing a Proxy):** A member entitled to attend and vote at an Annual General Meeting is entitled to appoint not more than two proxies to attend and vote on a poll on their behalf. The appointment of a second proxy must be done on a separate copy of the Proxy Form. Where more than one proxy is appointed, such proxy must be allocated a proportion of the member's voting rights. If a member appoints two proxies and the appointment does not specify this proportion, each proxy may exercise half the votes. A duly appointed proxy need not be a member of the Company.
2. **(Direction to Vote):** A member may direct a proxy how to vote by marking one of the boxes opposite each item of business. Where a box is not marked the proxy may vote as they choose. Where more than one box is marked on an item the vote will be invalid on that item.
3. **(Signing Instructions):**
  - **(Individual):** Where the holding is in one name, the member must sign.
  - **(Joint Holding):** Where the holding is in more than one name, all of the members should sign.
  - **(Power of Attorney):** If you have not already provided the Power of Attorney with the registry, please attach a certified photocopy of the Power of Attorney to this form when you return it.
  - **(Companies):** Where the company has a sole director who is also the sole company secretary, that person must sign. Where the company (pursuant to Section 204A of the Corporations Act) does not have a company secretary, a sole director can also sign alone. Otherwise, a director jointly with either another director or a company secretary must sign. Please sign in the appropriate place to indicate the office held.
4. **(Attending the Meeting):** Completion of a Proxy Form will not prevent individual members from attending the Annual General Meeting in person if they wish. Where a member completes and lodges a valid Proxy Form and attends the Annual General Meeting in person, then the proxy's authority to speak and vote for that member is suspended while the member is present at the Annual General Meeting.
5. **(Return of Proxy Form):** To vote by proxy, please complete and sign the enclosed Proxy Form and return by:
  - (a) post to Decmil Group Limited, Level 2, 76 Hasler Road, OSBORNE PARK, WA 6017; or
  - (b) facsimile to the Company on facsimile number +61 8 9368 8878,so that it is received not later than 10.00 am (WST) on 28 November 2009.

**Proxy forms received later than this time will be invalid.**





Decmil Group Limited

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