

22 October 2012

DISPATCH OF AGM NOTICE OF MEETING AND ANNUAL REPORTS

Nomad Building Solutions Limited advises that the Notices of Meeting for its 2012 Annual General Meeting and the 2012 Annual Report have been dispatched to Nomad's shareholders.

A copy of the Notice of Meeting and Proxy Form is attached. The Annual Report will be lodged with ASX immediately after this notice.

Nomad confirms that its 2012 Annual General Meeting will be held on:

Date: Thursday, 22 November 2012
Time: 12:30pm (WST)
Venue: Ear Science Institute of Australia, Suite 1, Level 2, 1 Salvado Road,
Subiaco, WA

Contact:

Mr Andrew Sturcke
Chief Financial Officer & Company Secretary
Tel: 08 9204 8720

About Us:

McGrath Homes is a leading Western Australian based manufacturer of modular housing for the mining, commercial and residential sectors. It operates in WA.

Rapley is an in-situ builder focus on remote areas. Key clients span the mining, commercial and residential sectors. It operates in WA.

Nomad Modular (QLD) is involved in the manufacture and sale of modular buildings for the mining, commercial and residential sectors. It operates in QLD

Nomad Rental is involved in the rental of modular buildings for the mining and commercial sectors. It operates in QLD and WA.



ACN 117 371 418

Notice of Annual General Meeting and Explanatory Statement

**Annual General Meeting to be held at
the Ear Science Institute of Australia
Suite 1, Level 2, 1 Salvado Road
Subiaco, Western Australia
on Thursday, 22 November 2012
commencing at 12.30pm(WST)**

The Notice of Annual 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 adviser prior to voting.

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Key dates

Event	Date
Snapshot date for eligibility to vote	20 November 2012
Last day for receipt of Proxies*	20 November 2012
Annual General Meeting	22 November 2012

*Proxy Forms received after 12.30pm WST on this date will be disregarded.

Notice of Annual General Meeting

Notice is hereby given that the Annual General Meeting of Nomad Building Solutions Limited ACN 117 371 418 (**Company**) will be held at the Ear Science Institute of Australia, Suite 1, Level 2, 1 Salvado Road, Subiaco, Western Australia, on **Thursday, 22 November 2012** commencing at **12.30pm (WST)**.

The Explanatory Statement, which accompanies and forms part of this Notice, describes the various matters to be considered.

Terms used in this Notice will, unless the context otherwise requires, have the same meaning given to them in the Glossary of terms as set out in the Explanatory Statement.

Agenda

Financial Report

To receive and consider the Financial Report of the Company and the reports of the Directors and auditors for the year ended 30 June 2012.

Resolution 1 - Adoption of Remuneration Report

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

"That the Remuneration Report contained in the Directors' Report for the year ended 30 June 2012 be adopted by the Company."

In accordance with the Corporations Act, the vote on this Resolution is advisory only and does not bind the Directors or the Company.

The Directors will consider the outcome of the vote and comments made by Shareholders on the Remuneration Report at the Meeting when reviewing the Company's remuneration policies.

If 25% or more of votes that are cast are voted against the adoption of the Remuneration Report at two consecutive annual general meetings, Shareholders will be required to vote at the second of those annual general meetings on a resolution (a "spill resolution") that another meeting be held within 90 days at which all of the Company's directors (other than the Managing Director) must go up for re-election. For further information, please refer to the Explanatory Statement.

<p>Voting exclusion: The Company will disregard any votes cast on Resolution 1 by or on behalf of a member of Key Management Personnel whose remuneration is disclosed in the Remuneration Report and any closely related parties of those persons, or as a proxy by a member of Key Management Personnel or closely related party, unless the vote is cast as a proxy for a person who is entitled to vote on Resolution 1 in accordance with their instructions on the Proxy Form or by the Chairman of the Meeting pursuant to an express authorisation on the Proxy Form.</p>
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Resolution 2 - Re-election of Mr David Franklyn as a Director

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

"That for the purposes of Listing Rule 14.4 and clause 5.1 of the Constitution and for all other purposes, Mr David Franklyn, being a Director of the Company who retires by rotation, and being eligible offers himself for re-election, be re-elected as a Director of the Company."

Resolution 3 - Election of Mr Peter Constable as a Director

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

"That for the purposes of Listing Rule 14.4 and clause 8.2 of the Constitution and for all other purposes, Mr Peter Constable, having been appointed by the Board as an additional Director on 23 August 2012 and being eligible offers himself for election, be elected as a Director."

Resolution 4 – Approval of MDLTI Plan 2012

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

"That, for the purpose of Listing Rule 7.2 Exception 9(b) and for all other purposes, approval is given for the establishment by the Company of the Managing Director Long Term Incentive Plan 2012 (MDLTI Plan 2012) on the terms and conditions set out in the Explanatory Statement."

Voting exclusion: The Company will disregard any votes cast on Resolution 4 by Mr Hogan or his Associates or as a proxy by a member of Key Management Personnel or closely related party, unless the vote is cast as a proxy for a person who is entitled to vote on Resolution 4 in accordance with their instructions on the Proxy Form or by the Chairman of the Meeting pursuant to an express authorisation on the Proxy Form.

Resolution 5 – Grant of Options to Mr Peter Hogan, Managing Director

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

"That, for the purposes of Listing Rule 10.14 and for all other purposes, approval is given for the issue to Mr Peter Hogan, the Managing Director (or his nominee), of 5,000,000 Options under the Managing Director's Long Term Incentive Plan 2012 (and Shares on exercise of those Options) on the terms and conditions set out in the Explanatory Statement."

Voting exclusion: The Company will disregard any votes cast on Resolution 5 by Mr Hogan or his Associates or as a proxy by a member of Key Management Personnel or closely related party, unless the vote is cast as a proxy for a person who is entitled to vote on Resolution 5 in accordance with their instructions on the Proxy Form or by the Chairman of the Meeting pursuant to an express authorisation on the Proxy Form.

Resolution 6 – Approval of LTI Plan

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

"That, for the purpose of Listing Rule 7.2 Exception 9(b) and for all other purposes, approval is given for the adoption by the Company of the Long Term Incentive Plan on the terms and conditions set out in the Explanatory Statement."

Voting exclusion: The Company will disregard any votes cast on Resolution 6 by or on behalf of any executive Director, any Associate of an executive Director, and any other member of Key Management Personnel and any closely related parties of those persons, or as a proxy by a member of Key Management Personnel or closely related party, unless the vote is cast as a proxy for a person who is entitled to vote on Resolution 6 in accordance with their instructions on the Proxy Form or by the Chairman of the Meeting pursuant to an express authorisation on the Proxy Form.

By order of the Board



Andrew Sturcke
Company Secretary
15 October 2012

Proxy appointment, voting and Meeting instructions

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 with Security Transfer Registrars Pty Ltd

By hand: Alexandria 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

no later than 12.30pm WST on 20 November 2012. Any Proxy Form received after that time will not be valid for the scheduled Meeting.

Appointment of a Proxy

A member of the Company entitled to attend and vote at the General Meeting is entitled to appoint a proxy. The proxy may, but need not be, a Shareholder of the Company.

If you wish to appoint the Chairman of the Meeting as your proxy, mark the box in Section A on the Proxy Form. If you appoint the Chairman of the Meeting as your proxy, he or she can only cast your votes on Resolutions 1, 4 and 5 if you expressly authorise him or her to do so by marking the box in Section B on the Proxy form. If the person you wish to appoint as your proxy is someone other than the Chairman of the Meeting please write the name of that person. If you leave this section blank, or your named proxy does not attend the Meeting, the Chairman of the Meeting will be your proxy.

You are entitled to appoint up to two 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 telephoning the Company on +61 8 9204 8700 or you may photocopy the Proxy Form.

To appoint a second proxy you must on each Proxy Form state (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.

Votes on Resolutions

You may direct your proxy how to vote by placing a mark in one of the boxes opposite the Resolutions. 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 the Resolutions will be invalid.

Voting restrictions that may affect your proxy appointment

Due to the voting exclusions that may apply to certain items of business, the Key Management Personnel and their closely related parties will not be able to vote your proxy on:

- Resolution 1 (Remuneration Report);
- Resolution 4 (Approval of MDLTI Plan 2012);
- Resolution 5 (Grant of Options to Peter Hogan, Managing Director), and
- Resolution 6 (Approval of LTI Plan),

unless you have directed them how to vote or, in the case of the Chairman, if you expressly authorise him or her.

Chairman voting undirected proxies

The Chairman will vote undirected proxies on, and in favour of, all of the proposed Resolutions, except that in respect of Resolutions 1, 4, and 5, the Chairman will only do so where expressly authorised by the Shareholder having marked the Box in Section B on the Proxy form.

Voting Entitlement (Snapshot Date)

The Company's Directors have determined that all Shares of the Company that are quoted on ASX at 12.30pm on 20 November 2012 shall, for the purposes of determining voting entitlements at the Annual General Meeting, be taken to be held by the persons registered as holding the Shares at that time. Accordingly, transactions registered after that time will be disregarded in determining entitlements to attend and vote at the Meeting.

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.

Questions from Shareholders

At the Meeting the Chairman will allow a reasonable opportunity for Shareholders to ask questions or make comments on the management of the Company and the Remuneration Report.

Mr Chris Burton, a partner of BDO Audit (WA) Pty Ltd, as the auditor responsible for preparing the auditor's report for the year ended 30 June 2012 (or his representative) will attend the Meeting. The Chairman will also allow a reasonable opportunity for Shareholders to ask the auditor questions about:

- the conduct of the audit;
- the preparation and content of the auditor's report;
- the accounting policies adopted by the Company in relation to the preparation of financial statements; and
- the independence of the auditor in relation to the conduct of the audit.

To assist the Board and the auditor of the Company in responding to questions please submit any questions you may have in writing no later than 12.30pm WST on Thursday 15 November 2012:

By hand: Level 2, 76 Hasler Road, Osborne Park, WA, 6017

By mail: PO Box 894, Innaloo, WA, 6918

By fax: +61 8 9204 8701

By email: solutions@nomadbuilding.com.au

As required under section 250PA of the Corporations Act, at the Meeting, the Company will distribute a list setting out the questions directed to the auditor received in writing by 15 November 2012, being questions which the auditor considers relevant to the content of the auditor's report or the conduct of the audit of the financial report for the year ended 30 June 2012. The Chairman will allow reasonable opportunity to respond to the questions set out on this list.

Explanatory Statement

This Explanatory Statement has been prepared for the information of Shareholders in relation to the business to be conducted at the Company's Annual General Meeting.

The purpose of this Explanatory Statement is to provide Shareholders with all information known to the Company which is material to a decision on how to vote on the Resolutions in the accompanying Notice of Annual General Meeting.

This Explanatory Statement should be read in conjunction with the Notice of Annual General Meeting. Capitalised terms in this Explanatory Statement are defined in the Glossary.

1. Annual Financial Report

The Corporations Act requires the Directors' report, auditor's report and the financial statements of the Company for the year ended 30 June 2012 to be tabled at the Annual General Meeting.

Neither the Corporations Act nor the Constitution requires a vote of Shareholders on the reports or financial statements. However, Shareholders will be given reasonable opportunity to raise questions on the Reports and ask questions of the Company's auditor.

2. Resolution 1 - Adoption of Remuneration Report

The Remuneration Report is set out in the Directors' Report in the Company's 2012 Annual Report.

The Corporations Act requires the Company to put a resolution to Shareholders that the Remuneration Report be adopted. Under section 250R(3) of the Corporations Act, the vote on the Resolution is advisory only and does not bind the Directors or the Company.

In accordance with Division 9 of Part 2G.2 of the Corporations Act, if 25% or more of votes that are cast are voted against the adoption of the Remuneration Report at two consecutive Annual General Meetings, Shareholders will be required to vote at the second of those Annual General Meetings on a resolution (a "spill resolution") that another meeting be held within 90 days at which all of the Company's directors (other than the Managing Director) must go up for re-election.

It is noted that at the Company's 2011 annual general meeting the votes cast against the remuneration report was less than 25% of the total votes cast and accordingly, a spill resolution will not under any circumstances be required for the Annual General Meeting.

It is further noted that a voting exclusion applies to Resolution 1 in the terms set out in the Notice of Meeting. In particular, Key Management Personnel and their closely related parties may not vote on Resolution 1 and may not cast a vote as proxy, unless the proxy appointment gives a direction on how to vote or the proxy is given to the Chairman and expressly authorises the Chairman to exercise the proxy. The Chairman will use any such proxies to vote in favour of Resolution 1.

The Company encourages all Shareholders to cast their votes on Resolution 1 (Remuneration Report).

3. Resolution 2 - Re-election of Mr David Franklyn as a Director

In accordance with Listing Rule 14.4 and clause 5.1 of the Constitution, at every annual general meeting, one third of the Directors for the time being must retire from office by rotation and are eligible for re-election. The Directors to retire are those

who have been in office for 3 years since their appointment or last re-appointment or who have been longest in office since their appointment or last re-appointment or, if the Directors have been in office for an equal length of time, by agreement.

Mr David Franklyn retires by rotation at this Meeting and, being eligible, offers himself for re-election.

Mr Franklyn holds an Economics degree from the University of Western Australia and has completed the Graduate Diploma in Applied Finance and Investment from the Securities Institute of Australia, now FINSIA. Mr Franklyn has been involved in the financial services industry for over twenty years. He has extensive experience in the financial analysis of companies, funds management, corporate finance, business management and investor relations. His previous roles include being Head of Research for a national stockbroker and General Manager, Corporate Communications for an ASX 200 company.

Mr Franklyn is currently non-executive Chairman of Calzada Ltd and its 100% owned subsidiary PolyNovo Biomaterials Pty Ltd and has held that title since 16 April 2009.

Mr Franklyn is also currently Managing Director of Entrust Funds Management Ltd, a Western Australian based boutique funds management business.

Directors' recommendation

The Directors (other than Mr Franklyn) recommend that Shareholders vote in favour of the re-election of Mr Franklyn.

4. Resolution 3 – Election of Mr Peter Constable as a Director

Pursuant to clause 8.1 of the Constitution, the Directors may appoint any person to be a Director, either as an addition to the existing Directors or to fill a casual vacancy. However, under clause 8.2 of the Constitution and Listing Rule 14.4, any such appointment concludes at the next annual general meeting following the appointment. The Director is then eligible for election but shall not be taken into account in determining the Directors who are to retire by rotation (if any) at that meeting.

Resolution 3 is an ordinary resolution and provides for the confirmation of the appointment of Mr Peter Constable to the Board pursuant to the Constitution.

The Board appointed Mr Constable as a Director on 23 August 2012.

Mr. Constable has 20 years experience in investment markets and public company board experience having previously served on the board of a number of ASX listed companies.

Mr Constable is an executive director of Sydney-based investment manager Ryder Capital Pty Ltd which holds a relevant interest in 15.09% (41,969,800 shares) of the Company.

Prior to establishing Ryder Capital Pty Ltd in 2008, Mr Constable was an executive director of MMC Contrarian Limited, an ASX listed investment company.

Mr Constable holds a Bachelor of Economics degree from Macquarie University and began his working career in London working for United Bank of Kuwait while attending the London Business School.

Directors' recommendation

The Directors (other than Mr Constable) recommend that Shareholders vote in favour of the election of Mr Constable.

5. Resolution 4 – Approval of MDLTI Plan 2012

Under Mr Hogan's employment contract as Managing Director, which was entered into between Mr Hogan and the Company on 16 July 2012, the Company agreed to provide Mr Hogan with certain short term and long term incentives.

The Company has agreed that, subject to Shareholder approval, Mr Hogan (or his nominee) will be issued 5,000,000 Options pursuant to a long term incentive plan (being the MDLTI Plan 2012). The Company proposes to issue the Options to Mr Hogan (or his nominee) on the terms and conditions of the MDLTI Plan 2012 as set out in the summary of the MDLTI Plan 2012 accompanying the Notice at Annexure A.

The purpose of the MDLTI Plan 2012 and the grant of Options pursuant to the MDLTI Plan 2012 (and the issue of Shares on exercise of those Options), is to provide Mr Hogan with a strong incentive by aligning his executive remuneration with the Company's long term strategic growth plans and the growth in value to Shareholders.

The Board considers that the MDLTI Plan 2012 will achieve this goal and ultimately increase value for all Shareholders.

Regulatory requirements - Listing Rule 7.2 Exception 9(b)

Resolution 4 seeks Shareholder approval for the purposes of Listing Rule 7.2 Exception 9(b).

In general terms, Listing Rule 7.1 provides that a company may not issue or agree to issue equity securities if those equity securities will, in themselves or when aggregated with the equity securities issued by the company during the previous 12 months, exceed 15% of the number of equity securities on issue at the commencement of that 12 month period (as adjusted by some issues of Shares) unless the issue falls within one of the nominated exceptions or the approval of the shareholders of the company in general meeting is obtained.

The exceptions to Listing Rule 7.1 (which are contained in Listing Rule 7.2) include Listing Rule 7.2 Exception 9 which exempts an issue under an employee incentive scheme (such as the MDLTI Plan 2012) if within 3 years before the date of issue the holders of ordinary securities have approved the issue of securities under the scheme as an exception to Listing rule 7.1.

As required by Listing Rule 7.2 Exception 9, the Company provides the following information:

- a summary of the terms of the MDLTI Plan 2012 are attached to the Notice as Annexure A; and
- as at the date of this Notice, no securities have been issued under the MDLTI Plan 2012.

The effect of approving the MDLTI Plan 2012 will be that any securities issued under the MDLTI Plan 2012 in the next three years (being the securities contemplated to be issued pursuant to Resolution 5) will not be counted when assessing the ability of the Company to issue securities up to 15% of its shares in any 12 month period without Shareholder approval in accordance with Listing rule 7.1.

6. Resolution 5 – Grant of Options to Mr Peter Hogan

Resolution 5 seeks Shareholder approval for the grant of 5,000,000 Options to the Company's managing director Mr Peter Hogan pursuant to the terms of the MDLTI Plan 2012, subject to the MDLTI Plan 2012 being approved by Shareholders at the Meeting.

Mr Hogan was appointed as Managing Director with effect from 1 August 2012. Under the terms of his employment contract, the Company agreed, subject to Shareholder approval, to grant Mr Hogan 5,000,000 Options pursuant to the MDLTI Plan 2012.

Shareholder approval for the granting of these Options is now being sought.

The terms and conditions for granting, vesting and exercise of the Options are summarised in Annexure A.

The Directors are of the opinion that the grant of 5,000,000 Options should be made to Mr Hogan in order to:

- ensure the retention and ongoing motivation of the Managing Director;
- provide a strong incentive to achieve the enhancement in shareholder value which the EPS and market performance hurdles would equate to; and
- align his remuneration with the Company's long term strategic growth plans.

Listing Rule requirements

Listing Rule 10.14 provides that the approval of Shareholders by ordinary resolution is required before a director can acquire securities under an employee incentive scheme. Accordingly, in order for Mr Hogan to be granted the Options pursuant to the MDLTI Plan 2012, the Company must obtain Shareholder approval for the purposes of Listing Rule 10.14.

In accordance with the requirements of Listing Rule 10.15, the following additional information is provided to Shareholders in relation to Resolution 5:

- The maximum number of Options to be granted to Mr Hogan under the MDLTI Plan 2012 is 5,000,000 Options. Subject to the achievement of certain performance hurdles set out in the terms of the MDLTI Plan 2012, and the payment of the exercise price, upon exercise, each Option when exercised by Mr Hogan will convert into one Share.
- The Options will be issued to Mr Hogan for no consideration. The exercise price payable for each vested Option to be converted into one Share will be \$0.095.
- No loans will be provided to the Managing Director to assist him to acquire any Options (or any Shares on exercise of the Options) granted under the MDLTI Plan 2012.
- Subject to member approval being received, the Company anticipates issuing the Options to Mr Hogan by 30 November 2012, but in any event by no later than 3 months after the date of the Meeting.

Other information

The issue of Shares on exercise of the Options would dilute the holdings of existing Shareholders by 1.8%, based on the number of Shares on issue as at the date of this Notice.

The Options will be granted to Mr Hogan in addition to the other remuneration he is already receiving from the Company, being annual fixed remuneration of \$450,000 (including superannuation and other benefits) and a short term incentive payment of up to 50% of his annual fixed remuneration in any 12 month period where certain specific key performance criteria determined by the Board are met.

Mr Hogan currently does not hold any securities in the Company.

Over the last 12 months, the Company's share price has reached a high of \$0.14 and a low of \$0.075.

Chapter 2E of the Corporations Act

The Corporations Act requires that, where a public company proposes to give a financial benefit to a related party, the public company must:

- (a) obtain the approval of the company's members in accordance with section 208 of the Corporations Act 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.

The issue of Options to Mr Hogan constitutes the giving of a financial benefit to a related party pursuant to the Corporations Act.

Section 211 of the Corporations Act provides that Shareholder approval is not required for the purposes of section 208 of the Corporations Act in circumstances where the benefit constitutes remuneration which would be reasonable given the company's and the related party's circumstances.

Having considered the Company's circumstances and Mr Hogan's position as Managing Director, the Board (other than Mr Hogan) considers that the financial benefit conferred by the grant of the Options is reasonable and, therefore, the exception in section 211 of the Corporations Act applies. Accordingly, the Directors (other than Mr Hogan) have determined not to seek Shareholder approval under section 208 of the Corporations Act.

Resolution 5 will be withdrawn if Shareholders do not approve Resolution 4.

The Directors (with the exception of Mr Hogan) consider that the proposed grant of Options to Mr Hogan pursuant to the MDLTI Plan 2012 (and the issue of Shares on exercise of those Options pursuant to the MDLTI Plan 2012) constitutes reasonable and fair remuneration and accordingly, recommend to members that they approve Resolution 5.

7. Resolution 6 – Approval of LTI Plan

Shareholders approved the adoption of a long-term incentive plan for the full-time Company's employees in 2008 (**LTI Plan**). The purpose of Resolution 6 is to refresh the LTI Plan.

Purpose of the LTI Plan

The purpose of the LTI Plan is to:

- (a) recognise the ability and efforts of the senior employees of the Company who have contributed to the success of the Company;
- (b) provide an incentive to the senior employees to achieve the long term objectives of the Company and improve the performance of the Company; and
- (c) attract persons of experience and ability to employment with the Company and foster and promote loyalty between the Company and its senior employees.

Regulatory requirements - Listing Rule 7.2 Exception 9(b)

Resolution 6 seeks Shareholder approval for the purposes of Listing Rule 7.2 Exception 9(b).

In general terms, Listing Rule 7.1 provides that a company may not issue or agree to issue equity securities if those equity securities will, in themselves or when aggregated with the equity securities issued by the company during the previous 12 months, exceed 15% of the number of equity securities on issue at the commencement of that 12 month period (as adjusted by some issues of Shares) unless the issue falls within one of the nominated exceptions or the approval of the shareholders of the company in general meeting is obtained.

The exceptions to Listing Rule 7.1 (which are contained in Listing Rule 7.2) include Listing Rule 7.2 Exception 9, which exempts an issue under an employee incentive scheme (such as the LTI Plan) if within 3 years before the date of issue the holders of ordinary securities have approved the issue of securities under the scheme as an exception to Listing Rule 7.1.

As required by Listing Rule 7.2 Exception 9, the Company provides the following information:

- a summary of the terms of the LTI Plan is attached to the Notice as Annexure B; and
- as at the date of this Notice, 9,130,000 Options have been issued under the LTI Plan.

The effect of approving the LTI Plan will be that any securities issued under the LTI Plan in the next three years will not be counted when assessing the ability of the Company to issue securities up to 15% of its shares in any 12 month period without Shareholder approval in accordance with Listing Rule 7.1.

Glossary of terms

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

Annual General Meeting or Meeting	means the annual general meeting of Shareholders or any adjournment thereof, convened by the Notice.
Associate	has the meaning given to it by Division 2 of Part 1 of the Corporations Act.
ASIC	means Australian Securities & Investments Commission.
ASX	means ASX Limited, trading as the Australian Securities Exchange.
ASX Small Ords AI	means the S&P/ASX Small Ordinaries Accumulation Index
Board	means the board of Directors.
Chairman	means the chairman of the Meeting.
Company or Nomad	means Nomad Building Solutions Limited ACN 117 371 418.
Constitution	means the constitution of the Company.
Corporations Act	means the <i>Corporations Act 2001</i> (Cth).
Director	means a director of the Company.
Eligible Participant	means a full-time employee of the Company.
Earnings per Share or EPS	means the consolidated earnings per share (undiluted) of the Company and its subsidiaries in respect of a financial year of the Company, as set out in the audited financial statements of the Company in respect of that financial year
EPS Performance Hurdle	means a component of the Options Exercise Criteria.
Explanatory Statement	means the explanatory statement accompanying the Notice.
Group	means the Company and its subsidiaries.
Invitation	means an invitation to participate in the LTI Plan 2012 given to an Eligible Participant.
Issue Date	means, in relation to an Option, the date on which the Option is issued.
Key Management Personnel	means those persons having authority and responsibility for planning, directing and controlling the activities of the Company, directly or indirectly, including any Director (whether executive or otherwise) of the Company.
Listing Rules	means the listing rules of ASX.
LTI Plan	means the Long Term Incentive Plan.
Managing Director	means the managing director of the Company.
MDLTI Plan 2012	means the Managing Director Long Term Incentive Plan 2012.
Notice and Notice of Annual General Meeting	means the notice of Annual General Meeting which accompanies this Explanatory Statement.
Option	means an option to acquire a Share.

Option Exercise Criteria	means the criteria particularised in the MDLTI Plan 2012 and the LTI Plan and as amended by the Board in accordance with the Rules from time to time.
Participant	means: <ul style="list-style-type: none"> (a) in respect of the MDLTI Plan 2012, the Managing Director; and (b) in respect of the LTI Plan, a participant in the LTI Plan.
Proxy Form	means the proxy form accompanying the Notice.
Resolution	means a resolution set out in the Notice.
Rules	means: <ul style="list-style-type: none"> (a) the rules of the MDLTI Plan 2012; or (b) the rules of the LTI Plan, as the context requires.
Share	means a fully paid ordinary share in the capital of the Company.
Shareholder	means a registered holder of a Share.
Test Date	means the date of publication of the audited financial statements of the Company in respect of a financial year of the Company.
Testing Period	means: <ul style="list-style-type: none"> (a) for a Participant who was issued Options between 1 July and 30 September in a particular financial year, the period beginning on 1 July of that same financial year and ending three years later (for example if the Issue Date is 20 September 2012 then the Testing Period will begin on 1 July 2012 and end on 30 June 2015), or other Testing Period as determined by the Board; and (b) for a Participant who was issued Options between 1 October and 30 June in a particular financial year, the period beginning on 1 July of the next financial year and ending three years later (for example if the Issue Date is 20 December 2012 then the Testing Period will begin on 1 July 2013 and end on 30 June 2016), or other Testing Period as determined by the Board.
Total Shareholder Return	means the return on Shares calculated by the formulae prescribed in the MDLTI Plan 2012 and the LTI Plan.
Vested Option	means an Option that has vested in accordance with the Rules.
VWAP	means the volume weighted average price of shares.
WST	means Western Standard Time in Perth, Western Australia.

Annexure A

Summary of MDLTI Plan 2012

Unless defined below, capitalised words in this Annexure A have the meaning given to those terms in the Glossary on page 13 of the Notice. A summary of the MDLTI Plan 2012 is set out below:

Eligibility: Options granted under the MDLTI Plan 2012, will only be granted to the Managing Director.

Grant of Options: The Board will, subject to Shareholder approval, grant 5,000,000 Options to the Managing Director, on the terms of the MDLTI Plan 2012.

Vesting of Options: The Options granted under the MDLTI Plan 2012 will vest, subject to and to the extent of satisfaction of the conditions described below, in three tranches as follows:

Vesting Date	% Options to vest
30 June at the end of the first year of the Testing Period	33.3%
30 June at the end of the second year of the Testing Period	33.3%
30 June at the end of the third year of the Testing Period	33.4%

However, if there is a takeover bid or scheme of arrangement which is recommended by the Board and if successful would result in a person acquiring more than 50% of the Shares, the Board may in its discretion declare Options that have already been issued to vest on a date specified by the Board.

Conditions to exercising: The exercise of Vested Options depends on the achievement of Company performance hurdles (**Option Exercise Criteria**). These are based on two separate measures of Company performance being:

- (a) **Earnings per Share:** up to 50% of Vested Options may be exercised depending on the extent to which Earnings per Share increases from the Issue Date up to the end of the financial year immediately preceding the Test Date, as follows:

Test Date	EPS Performance Hurdle (cents per Share)	% of Vested Options that may be exercised
2013	Less than 1.21	Nil
	1.21 or higher	50%
2014	Less than 1.33	Nil
	In the range between 1.33 and 1.45	Linear increase from 25% to 50%
	1.46 or higher	50%
2015	Less than 1.46	Nil
	In the range between 1.46 and 1.73	Linear increase from 25% to 50%
	1.74 or higher	50%

- (b) **Total Shareholder Return ranking against companies in the S&P / ASX Small Ordinaries Accumulation index (ASX Small Ords AI):** up to 50% of Vested Options may be exercised depending on the extent to which the Total Shareholder Return on the Company's shares from the Issue Date up to the end of the financial year immediately preceding the Test Date ranks against the performance of companies as measured by the ASX Small Ords AI over the same period, as follows:

Ranking of Total Shareholder Return against companies in ASX Small Ords AI	% of Vested Options that may be exercised
Below the top 50% of companies	Nil
Equal to the mid-ranked company	25%
In the range between 50% and 75%	Linear increase from 25% to 50%
75% or higher	50%

If a performance hurdle in the form of an Option Exercise Criterion is not met in whole or part on a Test Date, Options which as a result may not be exercised at that time may be exercised if, at a later Test Date, the Option Exercise Criterion is satisfied on a cumulative basis.

Exercise price: The exercise price of Vested Options will be the VWAP of the Company's shares on ASX over the 5 trading days immediately preceding 7 September 2012, calculated to be \$0.095 per Share.

Managing Director ceasing to be employed by the Company: All Options held by the Managing Director will immediately and automatically lapse upon the Managing Director ceasing to be employed by the Company for any reason other than retirement, permanent disablement, redundancy or death.

Expiry / lapsing of Options: Options which have not been exercised within 5 years from the Issue Date will lapse.

Transferability: Options issued under the MDLTI Plan 2012 are not transferable.

Escrow period: All Shares issued upon the exercise of the Options are subject to escrow periods expiring as follows:

Proportion of Shares issued	End of the escrow period
One half	36 months after the Issue Date
One sixth	42 months after the Issue Date
One sixth	48 months after the Issue Date
One sixth	54 months after the Issue Date

Maximum number of Options: The maximum number of Options to be made available under the MDLTI Plan 2012 will be the difference between the number of Options issued under the Company's existing employee incentive plans and 5% of the Shares on issue at the time the MDLTI Plan 2012 is established.

Entitlement to participate in future issues: In the event of a reorganisation of capital before the expiry date of the Options, the Options will be reorganised. The MDLTI Plan 2012 rules also set out what will happen to the Managing Director's entitlements if the Company conducts a rights issue or bonus issue.

Annexure B Summary of LTI Plan

Unless defined below, capitalised words in this Annexure B have the meaning given to those terms in the Glossary on page 13 of the Notice. A summary of the LTI Plan is set out below:

Eligibility: Options granted under the LTI Plan may be granted to any full time employee of the Company, including executive directors (**Eligible Participant**).

Grant of Options: The Board will, in its discretion, grant Options to Eligible Participants, on the terms of the LTI Plan.

Vesting of Options: The Options granted under the LTI Plan will vest, subject to and to the extent of satisfaction of the conditions described below, in three tranches as follows:

Vesting Date	% Options to vest
30 June at the end of the first year of the Testing Period	33.3%
30 June at the end of the second year of the Testing Period	33.3%
30 June at the end of the third year of the Testing Period	33.4%

However, if there is a takeover bid or scheme of arrangement which is recommended by the Board and if successful would result in a person acquiring more than 50% of the Shares, the Board may in its discretion declare Options that have already been issued to vest on a date specified by the Board.

Conditions to exercising: The exercise of Vested Options depends on the achievement of Company performance hurdles (**Option Exercise Criteria**). These are based on two separate measures of Company performance being:

- (a) **Earnings per Share:** up to 50% of Vested Options may be exercised depending on the extent to which Earnings per Share increases from the Issue Date up to the end of the financial year immediately preceding the Test Date, as follows:

Test Date	EPS Performance Hurdle (cents per Share)	% of Vested Options that may be exercised
2013	Less than 1.21	Nil
	1.21 or higher	50%
2014	Less than 1.33	Nil
	In the range between 1.33 and 1.45	Linear increase from 25% to 50%
	1.46 or higher	50%
2015	Less than 1.46	Nil
	In the range between 1.46 and 1.73	Linear increase from 25% to 50%
	1.74 or higher	50%

- (b) **Total Shareholder Return ranking against companies in the ASX Small Ordinaries Accumulation index (ASX Small Ords AI):** up to 50% of Vested Options on a Test Date may be exercised depending on the extent to which the Total Shareholder Return on the Company's shares from the Issue Date up to the end of the financial year immediately preceding the Test Date ranks against the performance of companies as measured by the ASX Small Ords AI over the same period, as follows:

Ranking of Total Shareholder Return against companies in ASX Small Ords AI	% of Vested Options that may be exercised
Below the top 50% of companies	Nil
Equal to the mid-ranked company	25%
In the range between 50% and 75%	Linear increase from 25% to 50%

75% or higher	50%
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If a performance hurdle in the form of an Option Exercise Criterion is not met in whole or part on a Test Date, Options which as a result may not be exercised at that time may be exercised if, at a later Test Date, the Option Exercise Criterion is satisfied on a cumulative basis.

Exercise price: The exercise price of Vested Options will be the VWAP of the Company's shares on ASX over the 5 trading days immediately preceding the end of the half year (30 June or 31 December) immediately before an offer to participate in the LTI Plan is made, or as otherwise determined by the Board.

Eligible Participant ceasing to be employed by the Company: All Options held by Participant will immediately and automatically lapse upon the Participant ceasing to be employed by the Company for any reason other than retirement, permanent disablement, redundancy or death.

Expiry / lapsing of Options: Options which have not been exercised within 5 years from the Issue Date will lapse.

Transferability: Options issued under the LTI Plan are not transferable.

Escrow period: All Shares issued upon the exercise of the Options are subject to escrow periods expiring as follows:

Proportion of Shares issued	End of the escrow period
One half	36 months after the Issue Date of the Options
One sixth	42 months after the Issue Date of the Options
One sixth	48 months after the Issue Date of the Options
One sixth	54 months after the Issue Date of the Options

Maximum number of Options: The maximum number of Options to be made available under the LTI Plan will be the difference between the number of Options issued under the Company's existing employee incentive plans and 5% of the Shares on issue at the time the LTI Plan is established.

Entitlement to participate in future issues: In the event of a reorganisation of capital before the expiry date of the Options, the Options will be reorganised. The LTI Plan rules also set out what will happen to a Participant's entitlements if the Company conducts a rights issue or bonus issue.

