

21 October 2011

DISPATCH OF AGM NOTICE OF MEETING AND ANNUAL REPORTS

Nomad Building Solutions Limited advises that the Notices of Meeting for its 2011 Annual General Meeting and the 2011 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 2011 Annual General Meeting will be held on:

Date: Thursday, 24 November 2011
Time: 3:00pm (WST)
Venue: Ear Science Institute of Australia, Suite 1, Level 2, 1 Salvado Road,
Subiaco, WA

For further information, please contact:

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



ABN 52 117 371 418

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, 24 November 2011
commencing at 3:00pm (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	22 November 2011
Last day for receipt of Proxies*	22 November 2011
Annual General Meeting	24 November 2011

*Proxy Forms received after 3.00pm 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 ABN 52 117 371 418 (Company) will be held at the Ear Science Institute of Australia, Suite 1, Level 2, 1 Salvado Road, Subiaco, Western Australia, on Thursday, 24 November 2011 commencing at 3.00pm (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 2011.

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 2011 be adopted by the Company."

Voting exclusion: A vote on this Resolution must not be cast (in any capacity) by or on behalf of either a member of the Key Management Personnel whose remuneration details are included in the Remuneration Report or their closely related parties (which includes their spouse, child, dependent, other family members and any controlled company).

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

Recent amendments to the Corporations Act mean that 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 ("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.

Resolution 2 - Re-election of Mr Peter Abery 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 Peter Abery, 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 David Craig 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 David Craig, having been appointed by the Board as an additional Director on 29 November 2010 and being eligible offers himself for election, be elected as a Director."

Resolution 4 - 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 8.2 of the Constitution and for all other purposes, Mr David Franklyn, having been appointed by the Board as an additional Director on 10 January 2011 and being eligible offers himself for election, be elected as a Director."

Resolution 5 - Election of Mr David Cochrane 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 David Cochrane, having been appointed by the Board as an additional Director on 27 September 2011 and being eligible offers himself for election, be elected as a Director."

Resolution 6 – Grant of Options to Mr Michael Bourke, 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 Michael Bourke, the Managing Director (or his nominee), of 2,000,000 Options under the Managing Director's Long Term Incentive Plan 2010 (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 6 by any Director (except a Director who is ineligible to participate in any employee incentive scheme in relation to the Company) and by any Associate of those Directors. 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 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.

By order of the Board of Directors



**Andrew Sturcke
Company Secretary**

21 October 2011

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 3.00pm WST on 22 November 2011. 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. 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 Resolution

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.

Any undirected proxies held by the Chairman of the Meeting will not be voted on Resolution 1 (Remuneration Report).

Voting Entitlement (Snapshot Date)

The Company's Directors have determined that all Shares of the Company that are quoted on ASX at 3.00pm on 22 November 2011 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 2011 (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 3.00pm WST on Thursday 17 November 2011:

By hand: 33 Walters Drive, 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 17 November 2011, 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 2011. 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 2011 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 2011 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.

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

A vote of on Resolution 1 must not be cast (in any capacity) by or on behalf of either a member of the Key Management Personnel details of whose remuneration are included in the Remuneration Report or their closely related parties.

Any undirected proxies held by the Chairperson of the Annual General Meeting, other directors or other Key Management Personnel or any of their closely related parties will not be voted on Resolution 1. Accordingly, if you appoint the Chairman of the Meeting as your proxy, you should direct him how to vote on Resolution 1 if you want your Shares to be voted on that item of business.

3. Resolution 2 - Re-election of Mr Peter Abery 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 Peter Abery retires by rotation at this Meeting and, being eligible, offers himself for re-election.

Mr Abery has a Bachelor and a Masters degree in Engineering (Electrical Engineering) and a Masters of Business Administration. He is a Fellow of the Australian Institute of Company Directors, a member of the Institute of Engineering and Technology, and a graduate of the Harvard Business School's International Senior Managers Program. Mr Abery has extensive experience as a non executive director and executive, locally and internationally, in construction, telecommunications, media, industrial service and infrastructure businesses covering wholesale and trade import and distribution; infrastructure and asset management; product development, manufacturing; maintenance services and related activities. His experience covers project and contract management; product development, industrial manufacturing, telecommunications; and electrical and general engineering.

He has held senior management roles including CEO and Managing Director of such companies as HPM Industries, Crown Castle UK, Crown Castle Australia, Vodafone Network and QPSX Communications. He also held senior management/director positions in Telstra.

Mr Abery was appointed Chairman of the Board on 29 November 2010. Mr Abery is also the non executive Chairman of the unlisted companies Vesco Foods Pty Ltd and Salter Australia Holdings Pty Ltd, and a non-executive director of Australian Convenience Foods Pty Ltd and the Ear Science Institute of Australia.

Directors' recommendation

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

4. Resolution 3 – Election of Mr David Craig 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 Craig to the Board pursuant to the Constitution.

The Board appointed Mr David Craig as a Director on 29 November 2010.

Mr Craig is an experienced director, businessman and lawyer, who has held and holds executive and board positions in the fields of law, mining, construction, mining services, financial services and the oil and gas industry as well as with professional bodies and not-for-profit organisations.

As a partner of a major Perth law firm he specialised in resources and commercial legal advice, which included work on resources joint ventures, the acquisition and disposal of interests in companies and projects, and capital raisings by companies. This was followed by ten years in the financial services industry as a stockbroker and an executive director in a national stockbroking and investment banking company. Mr Craig then spent five years working with Woodside Petroleum Ltd in an executive position in the field of public and government affairs.

Currently he is non-executive Chairman of Southern Hemisphere Mining Limited and Gunson Resources Limited, non-executive Deputy Chairman of Moly Mines Limited and a non-executive Director of Forge Limited.

Directors' recommendation

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

5. Resolution 4 – Election of Mr David Franklyn as a Director

The Board appointed Mr David Franklyn as a Director on 10 January 2011 and accordingly, as with Resolution 3, Resolution 4 seeks Shareholder approval in accordance with clause 8.2 of the Constitution and Listing Rule 14.4 for confirmation of the appointment of Mr David Franklyn to the Board.

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 election of Mr Franklyn.

6. Resolution 5 – Election of Mr David Cochrane as a Director

The Board appointed Mr David Cochrane as a Director on 27 September 2011 and accordingly, as with Resolutions 3 and 4, Resolution 5 seeks Shareholder approval in accordance with clause 8.2 of the Constitution and Listing Rule 14.4 for confirmation of the appointment of Mr David Cochrane to the Board.

Mr. Cochrane has over 30 years of involvement in the engineering and construction business with a focus in the resources sector. He has extensive experience in strategic planning, contract risk analysis, tendering strategies, estimating and project management.

He previously held a number of senior management positions with the global engineering and construction company, Chicago Bridge & Iron, the most recent being Group Vice President of the Asia Pacific Australia region.

In addition to his work in Australia he has international experience which includes working in the USA, Canada, the UK, South East Asia and China.

He is currently a consultant in the engineering and construction industry.

Mr. Cochrane holds a Bachelor of Engineering (Mechanical) Degree from McMaster University in Hamilton, Ontario, Canada, is a graduate Member of the AICD, and resides in Perth, Western Australia.

Directors' recommendation

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

7. Resolution 6 – Grant of Options to Mr Michael Bourke, Managing Director

Resolution 6 seeks Shareholder approval for the grant of 2,000,000 Options (**New Options**) to the Company's Managing Director pursuant to the terms of the Managing Director's Long Term Incentive Plan 2010 (**MDLTI Plan 2010**) previously approved by Shareholders at the general meeting of the Company held on 19 October 2010.

Mr Bourke was appointed as Managing Director of Nomad on 18 July 2010. Under the terms of his employment contract, the Company agreed, subject to Shareholder approval, to grant Mr Bourke 4,000,000 Options pursuant to the MDLTI Plan 2010. The granting of these Options was subsequently approved by Shareholders at the general meeting held by the Company on 19 October 2010. Half of the Options granted to Mr Bourke, namely 2,000,000 Options, only vested when certain specific net profit after tax (**NPAT**) results were achieved as set out below:

- for the year ended 30 June 2011: NPAT = \$7,877,000 (EPS of 5.7 cents);
- for the year ended 30 June 2012: NPAT = \$11,117,000 (EPS of 8.0 cents); and
- for the year ended 30 June 2013: NPAT = \$15,004,000 (EPS of 10.9 cents).

The earnings per share (**EPS**) information stated above has been calculated based on the total Shares on issue at the time of grant of those Options and excludes the additional Shares issued as a result of the capital raisings conducted by the Company in November and December 2010, being a share placement and entitlement issue.

These NPAT projections were the Directors' view of Nomad's future prospects in June 2010 when the Company was in negotiations with Mr Bourke in relation to an employment contract with Nomad to be appointed as Managing Director. However, it has subsequently become clear that the Nomad group of companies has required much more significant re-engineering and a fundamental turnaround in its leadership, processes and systems. The NPAT result for the year ended 30 June 2011 is covered in the annual report to Shareholders and was a loss of \$20.1 million after tax. The second and third NPAT performance hurdles above are, in the view of the Directors, not expected to be achieved and therefore half of the incentive provided for by the MDLTI Plan 2010 is expected to yield no incentive value for Mr Bourke.

The Directors are of the opinion that an additional grant of 2,000,000 New Options should be made to Mr Bourke 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 new NPAT hurdles for the New Options would equate to; and
- align his remuneration with the Company's long term strategic growth plans.

Listing Rule 10.14 provides, in general terms 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 Bourke to be granted the New Options pursuant to the MDLTI Plan 2010, 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 6:

- The maximum number of New Options to be granted to Mr Bourke under the MDLTI Plan 2010 is 2,000,000 Options. Subject to the achievement of certain performance hurdles set out in the terms of the MDLTI Plan 2010 and attached to the Notice as Annexure A and the payment of the exercise price, upon exercise, each New Option will convert into one Share.
- The New Options will be issued to Mr Bourke for no consideration. The exercise price payable for each vested New Option to be converted into one Share will be the volume weighted average price of Shares traded on the ASX over the 20 trading days immediately preceding the date of the Annual General Meeting.
- 4,000,000 Options have previously been issued to Mr Bourke under the MDLTI Plan 2010 pursuant to a resolution passed at the general meeting of the Company held on 19 October 2010.
- 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 2010.
- Subject to member approval being received, the Company anticipates issuing the New Options to Mr Bourke by 4 December 2011, 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 New Options would dilute the holdings of existing Shareholders by 0.7%, based on the number of Shares and Options on issue as at the date of this Notice.
- The New Options will be granted to Mr Bourke in addition to the other remuneration he is already receiving from the Company, being an annualised salary of \$512,500 (including superannuation and other benefits) and a short term incentive payment of up to 40% of his annualised salary in any 12 month period where certain specific key performance criteria determined by the Board are met.
- Mr Bourke currently holds 270,000 Shares and 4,000,000 Options in the Company.
- Over the last 12 months, the Company's share price has reached a high of \$0.190 and a low of \$0.085.
- The grant of the New Options pursuant to Resolution 6 will confer a financial benefit on Mr Bourke. Shareholder approval is not being sought for the purposes of the related party benefit provisions of the Corporations Act (particularly section 208 of the Corporations Act) on the basis that the benefit is considered to constitute reasonable remuneration and, therefore, the exception in section 211 of the Corporations Act applies. 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 Bourke's position as Managing Director, the Board (other than Mr Bourke) considers that the financial benefit conferred by the grant of the New Options is reasonable and, therefore, the exception in section 211 of the Corporations Act applies. Accordingly, the Directors (other than Mr Bourke) have determined not to seek Shareholder approval under section 208 of the Corporations Act.

8. Glossary of terms

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

Annual General Meeting or Meeting	Annual General Meeting of Shareholders of the Company or any or Meeting adjournment thereof, convened by the Notice.
Associate	Has the meaning given to it by Division 2 of Part 1 of the Corporations Act.
ASIC	Australian Securities & Investments Commission.
ASX	ASX Limited, trading as the Australian Securities Exchange.
Board	Board of Directors of the Company.
Business Day	A day (other than a Saturday or a Sunday) on which trading banks in Perth are open for ordinary business.
Chairman	The chairman of the Board.
Company or Nomad	Nomad Building Solutions Limited ABN 52 117 371 418.
Constitution	The Company's constitution.
Corporations Act	Corporations Act 2001 (Cth).
Director	A Director of the Company.
Group	The Company and its subsidiaries.
Issue Date	In relation to an Option, the date on which the Option is issued.
Key Management Personnel	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	The ASX Listing Rules published by ASX.
MDLTI Plan 2010	The Managing Director Long Term Incentive Plan 2010.
New Options	The 2,000,000 Options proposed to be granted to the Managing Director of the Company pursuant to Resolution 6.
NPAT	Net profit after tax which, for the purposes of determination of the NPAT hurdle in Annexure A, shall not include profits from the sale of capital assets unless otherwise approved by the Board.
NPAT Performance Hurdle	A component of the Options Exercise Criteria as specified in the MDLTI Plan 2010 and as amended by the Board in accordance with the Rules from time to time.
Notice and Notice of Annual General Meeting	The notice of Annual General Meeting which accompanies this Explanatory Statement.
Option	An option to acquire a Share.
Option Exercise Criteria	The criteria particularised in the MDLTI Plan 2010 and as amended by the Board in accordance with the Rules from time to time.

Resolution	A resolution set out in the Notice.
Rules	The rules of the MDLTI Plan 2010.
Share	Fully paid ordinary share in the capital of the Company.
Shareholder	A registered holder of a Share.
Test Date	The date of publication of the audited financial statements of the Company in respect of a financial year of the Company.
WST	Western Standard Time in Perth, Western Australia.

Annexure A – Summary of MDLTI Plan 2010 and the New Options

Unless defined below, capitalised words in this Annexure A have the meaning given to those terms in the Glossary on page 12 of the Notice. A summary of the MDLTI Plan 2010 and the New Options is set out below:

Eligibility: Options granted under the MDLTI Plan 2010, will only be granted to the Managing Director.

Grant of New Options: The Board will, subject to Shareholder approval, grant 2,000,000 Options to the Managing Director, on the terms of the MDLTI Plan 2010.

Vesting of Options: The New Options granted under the MDLTI Plan 2010 will vest, subject to and to the extent of satisfaction of the conditions described below, in three tranches as follows:

Test Date	Percentage of Options to vest	NPAT Cents Per Share Performance Hurdle
On the publication of the Company's audited financial statements for FY2012	33.3	2.5 cents
On the publication of the Company's audited financial statements for FY2013	33.3	3.2 cents
On the publication of the Company's audited financial statements for FY2014	33.4	4.0 cents

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 New Options that have already been issued to vest on a date specified by the Board.

- **Conditions to exercising:** The exercise of vested New Options depends on the achievement of Company performance hurdles (the **Option Exercise Criteria**) as specified in the NPAT Cents Per Share Performance Hurdle column above. If a performance hurdle in the form of an Option Exercise Criterion is not met in whole or part on a Test Date, New Options which as a result may not be exercised at that time may be exercised if, at a later Test Date, the Option Exercise Criteria are satisfied on a cumulative basis.
- **Exercise price:** The exercise price of vested New Options will be the volume weighted average price of Shares on ASX over the 20 trading days immediately preceding the date of the Annual General Meeting.
- **Managing Director ceasing to be employed by the Company:** All New 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 New Options:** New Options which have not been exercised within 5 years from the issue date of the New Options will lapse.
- **Transferability:** New Options issued under the MDLTI Plan 2010 are not transferable.
- **Escrow period:** All Shares issued upon the exercise of the New Options are subject to escrow period's expiring as follows:

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

- **Maximum number of Options:** The maximum number of Options to be made available under the MDLTI Plan 2010 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 2010 is established.

- **Entitlement to participate in future issues:** In the event of a reorganisation of capital before the expiry date of the New Options, the New Options will be reorganised. The MDLTI Plan 2010 rules also set out what will happen to the Managing Director's entitlements if the Company conducts a rights issue or bonus issue.

